

HOUSE OF REPRESENTATIVES

Wednesday, November 09, 2016

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, Faris Al-Rawi, MP, Member for San Fernando West, has requested leave of absence from the sittings of the House during the period November 09 to 11, 2016. The leave which the Member seeks is granted.

**STANDING FINANCE COMMITTEE
(WRITTEN RESPONSES TO QUESTIONS)**

Madam Speaker: Hon. Members, during the Standing Finance Committee meeting, 25 Ministries and Departments through the relevant Minister undertook to provide responses in writing to questions raised during the meeting. I am to advise that 21 of those responses have been received. Those responses shall be circulated to Members and are also available electronically on the Rotunda application. Receipt of the outstanding responses is anticipated by Monday, November 14, 2016. Thereafter, I shall provide the House with an update.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2004. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2005. [*Hon. C. Imbert*]

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3. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2006. [*Hon. C. Imbert*]
4. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2007. [*Hon. C. Imbert*]
5. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Venture Capital Incentive Programme for the year ended September 30, 2011. [*Hon. C. Imbert*]
6. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Venture Capital Incentive Programme for the year ended September 30, 2012. [*Hon. C. Imbert*]
7. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Venture Capital Incentive Programme for the year ended September 30, 2013. [*Hon. C. Imbert*]
8. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Venture Capital Incentive Programme for the year ended September 30, 2014. [*Hon. C. Imbert*]
9. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Venture Capital Incentive Programme for the period October 01, 2014 to August 16, 2015. [*Hon. C. Imbert*]
10. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Regulated Industries Commission for the year ended December 31, 2013. [*Hon. C. Imbert*]

11. 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 Industries for the year ended December 31, 2015. [*Hon. C. Imbert*]
 12. Report of the Central Bank of Trinidad and Tobago with respect to the Progress of the Proposals to Restructure CLICO, BAT and CIB for the quarter ended September 30, 2016. [*Hon. C. Imbert*]
- Papers 1 to 12 to be referred to the Public Accounts Committee.*
13. Report of the Operations of the National Insurance Board of Trinidad and Tobago for the financial year ended June 30, 2015. [*Hon. C. Imbert*]
 14. Provisional Collection of Taxes Order, 2016. [*Hon. C. Imbert*]
 15. Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016. [*Hon. C. Imbert*]
 16. Excise Duty (Alcoholic Beverages) Order, 2016. [*Hon. C. Imbert*]
 17. Excise Duty (Tobacco Products) Order, 2016. [*Hon. C. Imbert*]
 18. Annual Administrative Report of the Telecommunications Authority of Trinidad and Tobago for the period October 2013 to September 2014. [*The Minister of Planning and Development (Hon. Camille Robinson-Regis)*]
 19. Annual Administrative Report of the National Information and Communication Technology Company Limited for the period October 2013 to September 2014. [*Hon. C. Robinson-Regis*]
 20. Administrative Report of the San Fernando City Corporation for the period 2013 to 2014. [*Hon. C. Robinson-Regis*]
 21. Annual Administrative Report for Palo Seco Agricultural Enterprises Limited for the period 2013 to 2014. [*Hon. C. Robinson-Regis*]
 22. Ministerial Response to the Report of the Joint Select Committee on Human Rights, Equality and Diversity on the Challenges faced by Persons with

- Disabilities with Specific Focus on Access to Services and Employment. [*Hon. C. Robinson-Regis*]
23. Annual Administrative Report of the Ministry of Community Development for the period 2009 to 2010. [*The Minister of Community Development, Culture and the Arts (Hon. Dr. Nyan Gadsby-Dolly)*]
 24. Annual Administrative Report of the Ministry of the Arts and Multiculturalism for the period 2013 to 2014. [*Hon. Dr. N. Gadsby-Dolly*]
 25. Annual Administrative Report of the Ministry of Energy and Energy Affairs for the fiscal year 2010. [*Hon. C. Robinson-Regis*]
 26. Annual Administrative Report of the Ministry of Energy and Energy Affairs for the fiscal year 2011. [*Hon. C. Robinson-Regis*]
 27. Annual Administrative Report of the Boiler Examiners Board for the period October 01, 2014 to September 30, 2015. [*Hon. C. Robinson-Regis*]
 28. Annual Administrative Report of the Industrial Relations Advisory Committee for the period February 16, 2014 to February 15, 2015. [*Hon. C. Robinson-Regis*]
 29. Administrative Report of the Occupational Safety and Health Authority and Agency for the period October 2014 to September 2015. [*Hon. C. Robinson-Regis*]
 30. Annual Report of the Statutory Authorities Service Commission for the period October 2014 to September 2015. [*The Deputy Speaker (Mr. Esmond Forde)*]
 31. One Hundred and Fifth Report of the Salaries Review Commission. [*Mr. E. Forde*]
 32. Sessional Review 2015 – 2016, First Session, Eleventh Parliament. [*Mr. E. Forde*]

33. First Report of the Committee established to review the Levels of Health Care Delivery by the Regional Health Authorities and to Rationalize the System of Public Sector Doctors in Private Practice. [*The Minister of Health (Hon. Terrence Deyalsingh)*]
34. Second Ministerial Response to the Second Report of the Joint Select Committee on Human Rights, Equality and Diversity on the Challenges Faced by Persons with Disabilities with Specific Focus on Access to Services and Employment. [*The Minister of Social Development and Family Services (Hon. Cherry-Ann Crichlow-Cockburn)*]

**JOINT SELECT COMMITTEE REPORTS
(Presentation)**

**Local Authorities, Statutory Authorities and
Service Commissions (including the THA)**

Miss Ramona Ramdial (*Couva North*): The First Report of the Joint Select Committee on Local Authorities, Statutory Authorities and Service Commissions (including the THA), on an Inquiry into the Land Settlement Agency in relation to Squatter Regularisation—Second Session of the Eleventh Parliament (2016/2017).

Finance and Legal Affairs

The Minister of Public Administration (Hon. Randall Mitchell): Madam Speaker, I present the following report:

The First Report of the Joint Select Committee on Finance and Legal Affairs on an Inquiry into Criminal Case Flow Management in the Judicial System.

National Security

The Minister of Public Utilities (Hon. Fitzgerald Hinds): Thank you, Madam Speaker. Madam Speaker, I wish to present the following report:

The Report of the Joint Select Committee on National Security on Inquiries Conducted during the First Session (2015/2016), Eleventh Parliament.

Public Administration and Appropriations Committee

Dr. Lackram Bodoie (Fyzabad): Thank you, Madam Speaker. Madam Speaker, I wish to present the following report:

The First Report of the Public Administration and Appropriations Committee, First Session of the Eleventh Parliament on Examination into the Current Expenditure of Ministries and Departments under three (3) Sub-Heads: Current Transfers and Subsidies, Development Programme – Consolidated Fund and Infrastructure Development Fund.

State Enterprises

Mr. Fazal Karim (Chaguanas East): Thank you, Madam Speaker. I wish to present the following reports:

Petrotrin

First Report of the Joint Select Committee on State Enterprises, First Session (2015/2016) of the Eleventh Parliament on an Inquiry into the Administration and Operations of the Petroleum Company of Trinidad and Tobago (PETROTRIN).

Urban Development Corporation of Trinidad and Tobago

Second Report of the Joint Select Committee on State Enterprises, First Session (2015/2016) of the Eleventh Parliament, on an Inquiry into the Administration and Operations of the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT).

National Gas Company of Trinidad and Tobago

Third Report of the Joint Select Committee on State Enterprises, First Session (2015/2016) of the Eleventh Parliament, on an Inquiry into the Administration and Operations of the National Gas Company of Trinidad and Tobago Limited (NGC).

ORAL ANSWERS TO QUESTIONS**Community Centres
(Built or Refurbished)**

2. **Mr. Barry Padarath** (*Princes Town*) asked the hon. Minister of Community Development, Culture and the Arts:

Could the Minister state the number of community centres built or refurbished during the period October 01, 2015 to September 30, 2016?

The Minister of Community Development, Culture and the Arts (Hon. Dr. Nyan Gadsby-Dolly): Thank you, Madam Speaker. Under the construction and refurbishment of community centres programme of the Ministry of Community Development, Culture and the Arts, eight centres were completed and one centre was refurbished during the period October 01, 2015 to September 30, 2016.

Madam Speaker: Member for Princes Town.

Mr. Padarath: Thank you, Madam Speaker. Hon. Minister, would you be in a position to advise us where these community centres are located; in which constituencies and which areas?

Hon. Dr. N. Gadsby-Dolly: Madam Speaker, the community centres completed were in Gasparillo, Santa Cruz, North Manzanilla, Beetham Gardens Community Centre, Barataria Community Centre, Palo Seco Community Centre, L'anse Noire Community Centre, Upper El Dorado Community Centre, Samaroo Village Community Centre and Bamboo Settlement No. 3.

Madam Speaker: Member for Princes Town.

Mr. Padarath: Madam Speaker, thank you. Hon. Minister, I notice in the Public Sector Investment Programme that \$35 million has been allocated for the construction of community centres. However, it does not address the issue of locations. Could you say whether or not the Ministry has identified the locations, and if so, could you provide us with the information?

Madam Speaker: I will not allow that as a supplemental question.

**Sports Company of Trinidad and Tobago
(Details of Vacation Camps)**

3. **Mr. Barry Padarath** (*Princes Town*) asked the hon. Minister of Sport and Youth Affairs:

Could the Minister state:

- (a) whether the Sports Company of Trinidad and Tobago hosted any July/August vacation camps; and
- (b) if the answer to (a) is in the affirmative, provide the cost for these camps?

The Minister of Sport and Youth Affairs (Hon. Darryl Smith): Thank you, Madam Speaker. The Sports Company of Trinidad and Tobago Limited, as the Ministry's implementation agency has advised that youth sport camps were hosted during the period August 15th to the 26th. With respect to part (b) of the question, the Sports Company of Trinidad and Tobago Limited has indicated that the cost associated with hosting the camps was \$2,917,868.

Madam Speaker: Member for Princes Town.

Mr. Padarath: Thank you, Madam Speaker. Hon. Minister, could you give us an idea of where these camps were located during the period the July/August vacation?

Hon. D. Smith: It is an extensive list, Madam Speaker. I do not have it in front of me, but it was throughout Trinidad and Tobago. I could provide that for the Member. It was a whole press ad that took up an entire page in the newspaper listing those. It will take us a very long time to go through that now.

Mr. Padarath: Hon. Minister, with respect to the hosting of these camps, you have identified a specific cost, can you indicate to us with respect to the suppliers, whether or not these suppliers went through a tendering process, or whether or not this was sole select in terms of choosing these suppliers? Because I understand that these camps really occurred in a very hurriedly fashion.

Madam Speaker: Members, is it a question you are asking?

Mr. Padarath: Yes.

Madam Speaker: And I would not allow that as a supplemental question.

WRITTEN ANSWER TO QUESTION

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, if I may, I would like to indicate that the question for written answer, which is question number 4, is available and will be distributed. Thank you.

Community Development Fund (Details of Bus Procurement)

4. Dr. Surujrattan Rambachan (Tabaquite) asked the hon. Minister of Community, Development, Culture and the Arts:

With respect to the bus procured through the Community Development Fund for the Operation Smile Home for Children, could the Minister state:

- a) the vehicle purchase date;
- b) the vehicle registration date;
- c) the reason the bus is being utilized by the Ministry;
- d) the reason the bus has not been delivered to the Operation Smile Children's Home; and
- e) the expected delivery date to the Operation Smile Home for Children?

Vide end of sitting for written answer.

FINANCE (NO. 3) BILL, 2016

Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters [*The Minister of Finance*]; read the first time.

Motion made: That the next stage be taken at a later stage of the proceedings. [*Hon. C. Imbert*]

Question put and agreed to.

RELATED MOTIONS

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, I beg to move Motion No. 1 standing in my name. Madam Speaker, in moving this Motion, I seek the leave of the House, by agreement, in accordance with Standing Order 50(1) and (2) to debate, along with this matter, Motions No. 2 to 4 on the Order Paper, which relate to the subject, as well as the Finance (No. 3) Bill, 2016.

Assent indicated.

Madam Speaker: You may proceed, Minister of Finance. [*Desk thumping*]

PROVISIONAL COLLECTION OF TAXES ORDER, 2016

The Minister of Finance (Hon. Colm Imbert): Madam Speaker:

Whereas it is provided by section 3(1) of the Provisional Collection of Taxes Act, Chap. 74:01 (hereinafter called “the Act”) that where proposals for general or supplementary appropriation of public funds are made to the House of Representatives and are embodied in an Appropriation or a Supplementary Appropriation Bill, the President may, for the purpose of raising revenue to meet the expenditure specified in any such Bill, by Order, provide for the imposition of a tax or the variation of an existing tax and from the date of the publication of the Order in the *Trinidad and Tobago Gazette*, the tax as imposed or varied shall be payable;

And whereas it is provided by section 3(5) of the Act that an Order varying an existing tax shall cease to have effect if the Order is not confirmed with or without modifications, by a resolution agreed to by the House within the next twenty-one days after the commencement of the Order;

And whereas the Provisional Collection of Taxes Order, 2016, (hereinafter referred to as “the Order”) made under section 3 of the Act, provided for the variation of taxes in the written laws mentioned in the Order to the extent and in the manner set out therein, for the purpose of raising revenue to meet the expenditure specified in the Bill entitled “An Act to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2017”;

And whereas the Order was published in the *Trinidad and Tobago Gazette* as Legal Notice No. 163 of 2016 on the 19th day of October, 2016 and commenced on the 20th day of October, 2016;

And whereas it is expedient to confirm the Order:

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Be it resolved that the Provisional Collection of Taxes Order, 2016 be confirmed.

Madam Speaker, we are here today to deal with a number of procedural matters that are required by law in order to confirm a number of taxes that were referred to in the Budget Statement of 2017, and, in summary, the taxes and duties involve taxes on alcohol and tobacco, taxes on chargeable income and chargeable profits in excess of \$1 million and taxes on online purchases, which I will explain in some detail in a little while. And, in addition, in the Finance (No. 3) Bill of 2016, we also are making arrangements to allow for the introduction of Government Bonds, increasing the amount of bonds that can be in circulation at any given time and also giving the Minister the ability to adjust the rate of interest, the type of bonds. It is in the first part of the Bill, Madam Speaker.

In clause 3 of the Bill, on the second page of the Bill, we are asking that the Minister be empowered to make regulations for carrying out the purposes of the Act with respect to these Government Savings Bonds, including the denomination of the bonds, the rates of interests, the methods of encashment, the forms, the issue and recording of such bonds, the method of holding bonds and so on. We are also increasing the quantum of bonds that can be in circulation at any given time, from the current limit of \$300 million to a limit of \$2 billion.

So that is it in summary, Madam Speaker. I will now get into some detail as to the nature of the measures before the House today. As I indicated, we are dealing with alcoholic beverages and tobacco products, online taxes, taxes on chargeable income over \$1 million, commonly known as the millionaire tax, and the Government Bonds. And on the table you would have the Finance (No. 3) Bill, the Customs (Import Duty) (Caribbean Common Market) Resolution, the Excise

Duty (Alcoholic Beverages) Resolution, the Excise Duty (Tobacco Products) Resolution and the Provisional Collection of Taxes Resolution.

All of these matters have a common theme, and they are all part of the adjustment that we, as a country, need to face in view of the economic situation facing the country. In fact, Madam Speaker, I was up until four o'clock this morning watching that very unexpected development in the United States, and when you take the implications of Brexit with what occurred in America this morning, the world economy—the outlook for the world economy—is uncertain and therefore we in Trinidad and Tobago—because, for example, as I came here, I looked at the Dow Index. The Dow Index has dropped 750 points just today alone. So the whole situation is uncertain. As we go forward we will see what happens. But the fact of the matter is that we have to be very, very careful as a small open economy going forward, facing serious challenges, facing depressed commodity prices, facing declining production of oil and gas.

So that these measures are part of the budget exercise and they were dealt with in the budget statement. It is an intention—when you look at the various Motions and the Bill, the intention is to try and spread the burden of adjustment across the society. We, on this side, and we as a people, cannot allow the burden to just fall on one group alone, so it is now an opportune time to widen and deepen the tax net throughout Trinidad and Tobago. And it is for that specific purpose that the tax on chargeable income exceeding \$1 million or on chargeable profits exceeding \$1 million has been imposed—the additional 5 per cent rate of tax.

Perhaps, Madam Speaker, before I go any further, this might be an opportune time. There was a conference in Trinidad and Tobago last week dealing with the challenges facing—[*Crosstalk*]

Madam Speaker: Members, please, let us observe the Standing Orders. Let us start on that premise. Continue, please, Minister of Finance.

Hon. C. Imbert: Thank you very much, Madam Speaker. There was a conference in Trinidad and Tobago last week designed to deal with the challenges facing Trinidad and Tobago and the economies of the Caribbean, and during that conference I made certain statements and, on reflection and having reviewed and looked at the—*[Laughter and interruption]*

Madam Speaker?

Madam Speaker: Members, just to advise that the Standing Orders are going to be strictly enforced. We are here over a year now, so everyone is taken to understand the Standing Orders. Please continue, Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. Having looked at the tape of the comments that I made and the manner in which I made them, I realize that this would have upset a lot of people, and therefore I take this opportunity to unreservedly apologize to all affected. *[Desk thumping and crosstalk]*

Madam Speaker: Members—*[Crosstalk]* Member for Barataria/San Juan, I am on my legs. I just want to also advise Members, while desk thumping is allowed, if it is excessively long or excessively noisy, I can consider it disorderly. Please be guided accordingly. Continue, please, Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. Now, let us look carefully at what we are doing because I saw some commentary in the public domain recently and it tells me there is a misunderstanding of a number of pieces of legislation that have been used for years in this Parliament during the Appropriation Bill, and I think it is necessary to remind Members of the provisions of the Provisional Collection of Taxes Act. The Provisional Collection of Taxes Act was designed to allow a government to vary taxes or impose new taxes, and I will read the long title:

“An Act respecting the imposition or variation of taxation by statutory instruments for the purpose of the provisional collection of taxes.”

And this Act, which, as I said, has been in force since 1963, allows a government during an appropriation debate, a debate on the budget, to vary taxes and impose new taxes.

And the Order that flows from the budget debate is covered by section 3 of this Act, and it is necessary to read section 3 of this Act based on comments I saw in particular from the Leader of the Opposition that the collection of the online tax was unlawful. [*Interruption*] Online!

2.00 p.m.

“Subject to the provisions of this Act, where proposals for general or supplementary appropriation of public funds are made to the House of Representatives and are embodied in an appropriation or supplementary appropriation Bill, as the case may be, the President may, for the purpose of raising revenue to meet the expenditure specified in any such Bill, by Order, provide for the imposition of any tax or the variation of any...tax from the date of the publication of the Order in the *Gazette*...

(2) In the case of the imposition of any tax under subsection (1) the Order shall, subject to the provisions of this Act, have effect for a period expiring at the end of four months after the commencement of the Order.

But most importantly, section 3(5) states:

“An Order varying an existing tax shall cease to have effect if the Order is not confirmed, with or without modifications, by a resolution agreed to by the House within the next twenty-one days after the commencement of the Order, and where any provision of the Order is deleted by the resolution that

provision shall cease to have effect.”

And so, Madam Speaker, on 19th October, during the debate on the Appropriation Bill, I caused to be published the Provisional Collection of Taxes Order, and in this Order was imposed an online purchase tax. It is Legal Supplement Part B—Vol. 55, No. 118—19th October, 2016, and it came into effect on 20th October, 2016 because you can publish the Order on one day and it can take effect on another day, but it must take effect during the budget debate.

So this Provisional Collection of Taxes Order, 2016, created the online purchase tax which reads as follows:

“70 (1) A tax called the online purchase tax shall be charged on the value of a good which is—

- (a) purchased by means of an electronic transaction;
- (b) imported into Trinidad and Tobago by air transportation;
- (c) consigned to a consumer; and
- (d) entered from a transit shed.

(2) The rate of the online tax is 7 per cent of the value of a good and is payable by the importer.

“(3) ‘consumer’ has the meaning assigned to it in section 2 of the Electronic Transactions Act;

‘electronic transaction’ has the meaning assigned to it in section 2 of the Electronic Transactions Act;

‘entered’ has the meaning assigned to it in section 2 of the Customs Act;

‘importer’ has the meaning assigned to it of the Customs Act;

‘value of a good’ means the value determined in accordance with the Sixth Schedule of the Customs Act; and

‘transit shed’ has the meaning assigned to it in section 2 of Customs Act.

71 (1) The Tax Authority”—will be—“the Comptroller of Customs and Excise;”—and

“(2) The Comptroller may exercise powers for the collection, enforcement and management of duty under the Customs Act...in respect of the online purchase tax”—with respect to any other written law.

In addition, in this Provisional Collection Taxes Order, there was also imposed on tobacco products, cigars, cheroots, cigarillos, cigarettes, et cetera, et cetera, new taxes: cigars, the rate of tax was increased to \$30.16 per kilogram; cigarettes, \$4.38 per pack of 20; other types of tobacco, \$4.38 per pack of 20; water pipe tobacco, \$57.25 per kilogram; and any other type of tobacco, \$57.25 per kilogram.

So that having published this on 19th October, we had 21 days to confirm this Order and that is what we are about. So the online tax became effective immediately, based on the provisions of the Provisional Collection of Taxes Order, and in order for it to continue we must confirm the Order by way of one of the Motions before the House. That is in fact Resolution No. 1.

In addition, Madam Speaker, a number of other Orders were published and I can go through them. The Excise Duty (Tobacco Products) Order, 2016, the Excise Duty (Alcoholic Beverages) Order, 2016, the Customs (Common External Tariff) (Amendment) Order, 2016 dealing with alcoholic beverages, and the Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016, again dealing with alcoholic beverages. So in addition to the Provisional Collection of Taxes Order, which dealt with the online purchase tax and one of the

taxes on tobacco, we had these other Orders which dealt with the other taxes on tobacco—and let me explain.

Excise is a duty that is charged on goods that are locally manufactured. So that cigarettes that are locally manufactured would attract excise duty; alcoholic beverages like beer and rum that are locally manufactured would attract excise duty; cigarettes that are manufactured abroad that are imported will attract import duty; and alcoholic beverages that are manufactured abroad and imported will attract import duty. So you have the two types of duties—one is excise and one is customs import—on alcoholic beverages and tobacco products, and the effective increases are more or less in the range of approximately 20 per cent in terms of these taxes and duties.

There is one exception and I have received representation from the Chamber of Commerce on this, and that is what is commonly referred to as box wine. There was a—I would not want to call it a loophole, but there was a provision in the law that allowed wine in containers of two litres or more to be charged a minimal duty of just \$1.50 per litre. So if you had a three-litre container of wine, which is sold in places like PriceSmart and so on, the duty on that might have been just about \$5, whereas your typical bottle of wine, which is a 75-centilitre bottle, a 750-millilitre bottle, would attract a duty of about \$48 to \$50. So that you had this anomaly where the duty per litre on the box wine, same wine, was \$1.50 per litre, and the duty on the bottle wine, the typical bottle that you would buy was almost \$50 a litre. So you had again an anomaly where a typical bottle of wine would retail in a supermarket like Hilo for \$100 and you could also get a three-litre box of wine for \$100 because of the almost non-existent duty on it. So we thought it was necessary to plug this loophole.

We have had representation from the chamber and I do anticipate we may

get representation from people in the hospitality industry. So I am seriously considering—and, of course, the people in the Ministry of Finance will have to advise me—they have asked us to waive the increase in tax on the box wine for the Christmas period and the period up to New Year's because there is a lot of stock that would have been on its way already in the country at the time the Orders were imposed and I am giving serious consideration to it. Of course, that will be a Cabinet decision. So I have received representation from the chamber on that.

Now let us move on, Madam Speaker. I can go through with the specific terms, I can go through the specific Acts. Let us deal specifically with the Excise Act, and section 13 of the Excise Act states:

“(2) 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 of the Order the duties specified in the Order shall be payable in lieu of the duties payable prior thereto provided that every Order issued under this subsection shall after four days and within twenty-one days from the date of its first publication be submitted to Parliament and Parliament may by resolution confirm, amend or revoke the Order...”

So that is the provision in the Excise Act that tells you that when you published these types of Orders during an appropriation debate, you have 21 days to come to the House to confirm or amend or revoke the Orders.

Customs has virtually identical provision. Section 7 of the Customs Act indicates that:

“...the President may by Order—

- (a) increase or reduce any import or export duty...;
- (b) impose new import or export duties...and from the date of publication

of the Order in the *Gazette* and until the expiry of the Order, the duties specified in the Order shall be payable in lieu of any duties payable prior thereto;”

And then as we go over, it indicates in section 7(2):

“An Order issued by the President under section 7 shall after four days and within twenty-one days from the date of its first publication be submitted to Parliament, and Parliament may by resolution, confirm, amend or revoke such Order...and if the Order is not submitted within the...period...it shall ipso facto expire.”

So, the Orders were published on the 20th, the Provisional Collection of Taxes Order was the 19th but to take effect on the 20th, and the other Orders were published on the 20th, and therefore, this House has until the 11th or the 12th of this month, November, to confirm these Orders; otherwise the Orders lapse.

Now let us look at exactly what we are trying to do. Let me go through the online tax in some detail because there has been a lot of misunderstanding with respect to the application of that tax. If you go to the Provisional Collection of Taxes Order you will see that the tax is imposed on goods purchased by means of an electronic transaction, and if you go to the Electronic Transactions Act what you will see is that an electronic transaction is a transaction that is done over an electronic system or by means of an electronic communication. So simply put, this would be a transaction that takes place over the Internet—imported into Trinidad and Tobago by air transportation, we felt we would limit it to air at this time because this is a new tax, it is embryonic, we are not sure exactly what will occur, but we are monitoring it.

o we decided not to widen it to include goods brought in by sea because there are a lot of people in the diaspora who send items, clothing, household effects

and so on to their families in Trinidad and Tobago in a barrel—the typical barrel shipment—it comes by sea. We felt that that would be basically people at the lower end of the income spectrum, so we felt that we would not impose this tax on goods imported by sea at this time. The goods also have to be consigned to a consumer. A consumer is essentially an individual who is the end user of the product.

So if you are a small business, for example—and this is one of the misunderstandings outside there—and you are importing raw materials, or you are importing finished products, you are bringing in finished products for distribution and sale to others, you are not subject to this tax. This tax is imposed on consumers. So it is the individual who imports the good for his or her own personal use and that is defined in the Electronic Transactions Act, and then it is entered from a transit shed. So this would be through by way of a courier company, where they would have a shed that is a bonded warehouse where the goods are brought in and kept until they fulfil all the customs requirements in terms of documentation and payment of taxes and then they are released.

So if I can recap. This tax is for goods brought in by air, it is for goods purchased over the Internet, it is for goods intended to be used by the importer, the person bringing them in or the end user of the product—that is a better way to say it—and goods that will be entered from a transit shed and we have put the rate of 7 per cent on this tax. I do not have detailed figures, Madam Speaker. I do know that in the first 10 days about a million dollars was collected, but that was the beginning of the tax, that would put it at about \$3 million or \$4 million for the first month. The estimate we had given was closer to \$5 million or \$6 million for the month on an average going through the year to yield \$70 million, but as it goes along and people get a better understanding of how this tax is to be imposed, and

on what, and for what purpose, and by whom, then we should see the revenue settle down.

I may say that if anybody has imported something from Amazon or anyone of these online retailers, when they get the box they would see on it a slip that indicates freight, insurance, handling, value added tax, import duty, and now you will see online tax, and as I said this is embryonic. The Customs will have to use their discretion. It is very similar to the suitcase trade. People's suitcases may be inspected at the airport when they come, Customs opens it up, or they put it through the scanner and they see 20 pairs of pants—[*Interruption*]

Dr. Rambachan: Before VAT or after VAT?

Hon. C. Imbert: It is on the value of the good. So it is on the value of the good landed. Okay? And the other charges obviously would be imposed after that.

Dr. Tewarie: CIF?

Hon. C. Imbert: The CIF value. Let us put it that way. So, Madam Speaker, as we go along we will see how this tax works.

Let me now come to the taxes on higher income. It is agreed that over the years we have seen an increase in income inequality in both developed and developing countries. In fact, what happened in America last night may have a lot to do with income inequality. In an attempt to address this, the US President, Obama, the current one, introduced an income surcharge on high income in 2013 and in the following year he refused to introduce tax relief on high income earners that were enacted by former President Bush.

Even in that American election, Madam Speaker, you saw the differing positions taken by the differing candidates and one candidate talking about tax relief for high income earners, another one talking about imposing taxes on high income earners, but the fact is—[*Interruption*] well that was for a different

reason—that during a boom period the rich normally benefit the most via capital gains through investment in the stock markets and so on, and corporation profits have a lot to do with infrastructure provided by the Government, provided by taxpayers.

The majority of tax breaks go to the rich. And low wage earners except persons in Trinidad and Tobago—we have enacted a situation where if you are earning \$6,000 or less you pay no tax at all, but persons between \$6,000 and what you would consider to be very high income pay a much higher percentage of their income in taxes. So that we felt in the totality of the circumstances, when we are asking everybody in the country to adjust, that we felt it is time that we introduce this incremental marginal rate of tax on persons who earn in excess of \$1 million chargeable income per year, and the calculations show, believe it or not, that we may earn up to \$80 million from this tax alone. It just goes to show how many people in this country are earning chargeable incomes of a million dollars or more.

With respect to corporations, the calculations show we could get in excess of \$500 million. In fact, the number I have is \$560 million from corporations that earn profits in excess of \$1 million per year, and while I am on that we have to try innovative things, Madam Speaker. For example, we introduced a tax amnesty in 2016, and yesterday I spoke to the Board of Inland Revenue and I asked them what was the yield from the tax amnesty. You would be surprised, \$750 million is what we earned from the tax amnesty in 2016. It goes to show quite a few people outside there are not paying their taxes, and it goes to show that if we did not do that we would have been in bigger trouble in 2016 in terms of balancing our budget. So that measure worked exceedingly well as far as we are concerned on this side.

With respect to the effect of the new taxes on alcohol and tobacco, what

struck me—I am not a smoker—was the price of cigarettes in Trinidad and Tobago and in the Caribbean. In Trinidad and Tobago a pack of 20 Du Maurier with the tax is \$25; in Jamaica, Craven A which I am told is an equivalent, \$52. I am converting all of this to Trinidad and Tobago dollars. So in Trinidad and Tobago a pack of Du Maurier is \$25 and equivalent in Jamaica in TT dollars, \$52; in Barbados a pack of 20 Marlboro converted to TT dollars, \$50; and in Grenada a pack of Pall Mall converted to TT dollars, \$25. So we are now the same as Grenada and half of the cost of cigarettes in Jamaica and in Barbados.

Alcohol is different. In terms of beer, we are now slightly above Jamaica, Barbados and Grenada, just a dollar or two per bottle. But in terms of rum, I found this interesting. The cost of the Old Oak 750 millilitres \$90 a bottle, whereas Appleton Rum of similar variety in Jamaica is \$130; in Grenada Clarke's Court Old Grog, \$105; and in Barbados Mount Gay is approximately \$80. So the rum, we are sort at the bottom end—some of the other countries are a bit higher—the beer we are a little bit above. The whisky surprised me. Johnnie Walker Black Label Whisky in Trinidad and Tobago with the new prices, \$220 for a bottle—
[*Interruption*]

Dr. Rambachan: Black Label?

Hon. C. Imbert: Black Label—Johnnie Walker Black Label Whisky. Barbados, Johnnie Black Label Whisky is \$385 converted to TT for the same thing; and in Grenada, Johnnie Walker Black Label is \$412 converted for the same thing. What we were seeking to do so harmonize our prices in line with the rest of the region and we have got there in some form or fashion and, of course, it is an effort to increase revenue.

So, Madam Speaker, I have addressed the millionaire tax, which is to allow the spreading of the burden. The increased taxes on tobacco and alcohol are to try

and earn as much revenue as possible by not pricing Trinidad and Tobago out of the market and this is something we will keep a close eye on.

In fact, I have received complaints from manufacturers of local beer that they are being subjected to unfair competition by importers of foreign beer and it is something I am looking into at this point in time that people may very well be dumping beer here in Trinidad and Tobago. I do not know. I am told that there are beer wars in other countries in the Caribbean. I am told it happened in Barbados, it happened in St. Lucia. I have heard that there are beer wars so that large beer producers bring in their product at a very low price, they dump it to drive the local manufacturers out of the business. I have received representation from the largest manufacturer of beer in the country—this would be Carib—and I am looking at it very, very closely to see whether there is merit in the complaint and what we in the Government can do about this complaint.

So I think, Madam Speaker, I have addressed virtually everything that is in the Motions and in the Bill, and with those few words, I beg to move. [*Desk thumping*]

Question proposed.

Madam Speaker: I wish to remind Members that leave has been granted for Motions Nos. 1, 2, 3 and 4, and for the Bill to be debated together.

Dr. Bhoendradatt Tewarie (*Caroni Central*): Thank you very much, Madam Speaker. I listened to the presentation of the Minister of Finance and basically he understated the Bill in terms of presenting what it was meant to be about, what it was meant to be about and not addressing at all how these measures were likely to impact on citizens and on this society.

Before I go on, I want to take the opportunity to congratulate the new President of the United States of America on his election by democratic process to

the seat of President of that important country. I hope that his term of office would be constructive and fruitful, and impact positively on the world system and on the United States of America itself. [*Desk thumping*]

Today, however, we are here to debate Finance (No. 3) Bill, 2016 as one part of a two-part set of Bills and Motions that we are debating today. The Finance (No. 3) Bill calls for amendments to the Government Savings Bonds Act, Chap. 71:41; the Income Tax Act, Chap. 75:01; the Corporation Tax Act, Chap. 75:02; and the Miscellaneous Taxes Act, Chap. 77:01. These four amendments, that is to say, the amendments to each of these Bills, give life to the measures that were outlined by the Minister of Finance in the 2017 budget and that now require, therefore, legislation.

We are also dealing, as the Minister pointed out, with four Motions and by consensus we have agreed to debate all of these together, and those four Motions are to confirm the Provisional Collection of Taxes Order, 2016 so that the Minister of Finance can collect his taxes imposed in the budget of 2017; we are also here to confirm the Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016 so that the 7 per cent online tax can be legitimized; we are also here to confirm the Excise Duty (Alcoholic Beverages) Order, 2016 in order to impose a tax on alcohol; and we are here to confirm the Excise Duty (Tobacco Products) Order, 2016 which imposes a tax on tobacco.

These amendments to the various laws to effect 2017 policy decisions of the Government and the Motions before the House, taken together, focus on tax impositions on citizens and on businesses to generate revenue. There is also, of course, a bond to promote savings but which as well means that the Government will be borrowing from citizens with a promise to pay with interest by a certain date. So these matters that we are discussing here today, therefore, are really tax

measures which reveal in my view no particular philosophy or policy orientation of the Government.

In other words, they are tax measures for revenue and they are borrowing measures of a certain kind, and they represent no philosophy or policy position of the Government that I can discern.

And I say this not as a criticism but as a fact. There is a strategy though, in the presentation of these Motions and this Bill, and that is to increase revenue for the Government of Trinidad and Tobago and the savings bonds, as I mentioned earlier, is also a borrowing measure to make money available to Government to spend on goods and services and projects, Madam Speaker. This is consistent with the tax and borrow strategy of the Government. In word and deed, they said they would do this and they are actually doing it over the last year and two months in Trinidad and Tobago. So there is a strategy for revenue. It is to tax, it is to borrow.

2.30 p.m.

Taxing and borrowing has been the approach of this Government over the last 14 months and taxes and debt accumulation both ultimately impact the taxpayer and the citizen. We have this notion that there is a state in this country and we have this notion that there is the Government, but the Government, as stewards of the State, get their money from the citizens of Trinidad and Tobago. And when a Government borrows money or raises revenue or spends money, it is the citizen's money that they are dealing with in the public place.

Taxes mean that you have to pay more for what you buy or pay more directly to the Government. Both have the effect of reducing any discretionary income which remains. Now you may say that some of the measures here include the application of choice about discretionary income: tobacco, alcohol, online purchases. But still, imposing a tax on these does take from the pool of funds that

a wage earner brings home after paying other taxes as well and therefore, it does impact on what choices that individual citizen has before him or her as they engage the other necessities of life including food and shelter. [*Desk thumping*]

In the case of debt accumulation by the State, it is ultimately the citizens who have to repay the debt. I want to emphasize that. However you borrow, it is ultimately the citizens who have to repay the debt because the debts have to be repaid. So citizens of Trinidad and Tobago need to pay very careful attention to what their Government is doing in terms of taxation, in terms of debt accumulation and in terms the time frame for debt accumulation and what that implies for when payback time comes. Because what the Government is doing today affects their pockets directly in terms of taxes and affects their pockets later in terms of payback. Some of these taxes also affect businesses and the 5 per cent taxes on profits beyond \$1 million calls into question Government's philosophical position towards entrepreneurship, business creation and business growth and development. [*Desk thumping*]

The online tax, too, compounds the question that one can ask about Government's approach and attitude to business. Bear in mind that we now have a 12 and a half per cent across the board tax on citizens as well as businesses with the re-imposition of VAT. We must not forget that that was one of the early decisions of this Government which imposed a 12 and a half per cent tax on businesses as well as individuals on all purchases in the system. Bear in mind that we also have as well an increase in the Green Levy Fund which affects most businesses in Trinidad and Tobago. Bear in mind that we also have an increase in NIS contribution. There are benefits, of course, that go with it but there is an increase. Bear in mind that gas prices are higher at the pump than they were 14 months ago. Bear in mind as well that property tax is coming. So it is in this

context that we must view all of these tax measures being imposed on citizens and businesses within the space of 14 months. [*Desk thumping*]

This is an important fact to note, the time frame and especially so and especially poignant when citizens remember that 14 months ago, they had almost all of their food items rated as zero [*Desk thumping*] and that was so over much of the last five years. It was not for all of the five years but much of it. Bear in mind also that citizens experienced five years of effective, productive Government under the Kamla Persad-Bissessar Government without a single tax being raised in Trinidad and Tobago [*Desk thumping*] between 2010 and 2015. So this Government is after revenue generation by one means or the other. It wants money to spend.

The Government came into office and were very vex when there was no loose cash flowing around when they came into office in September 2015. There were foreign reserves for a year of import cover; there was the HSF which had grown and which was very much intact, but there was no loose cash. Cash flow had to be managed. Yes, what was required in these 14 months was careful and methodical management. That was the major challenge. [*Desk thumping*] Even Prime Minister Rowley, in one of his speeches, said so. He acknowledged that the big challenge that the Government faced in a context in which the price of energy products had been substantially reduced and in which production had also been reduced, that the big challenge was the issue of cash flow management.

But with strong foreign reserves, a buffer in the form of the HSF, good geological prospects for increased oil and gas flow, that is to say production, in 2017 and 2018, fiscal space could have been created in those 14 months that this Government has been in office. Cash flow could have been better and more effectively managed over the last year. We could be in a situation, if those things

were done, in which we would have greater optimism in the country, if we had had more and better targeted decisions, especially in energy but also in other parts of the economy and we would have had some projects going by now, 14 months later. We would have been building confidence in the business community and in the consumer community at large, the citizens. We would have been attracting investment; we would have been creating jobs instead of losing them, and we would have been building business and consumer confidence that would have led to some buoyancy in the economy of Trinidad and Tobago, now in deep recession.

But no, what we had instead was malice, spite, [*Desk thumping*] invective, propaganda, untruths, spin. That was the option the Government chose over the last 14 months. Hot and sweaty from September on and simmering down now, it seems, that reality has hit everybody in Trinidad and Tobago. And so, here we are with nothing happening in the economy and taxes on citizens and on businesses defining what is essentially a clueless strategy going forward. [*Desk thumping*] Here is a Government that would rather please the IMF than serve its citizens and pay them the respect that they deserve. [*Desk thumping*]

But the taxes, let us get back to the taxes. Let me begin with the 7 per cent tax on online sales. This is what it says in the Bill itself. That it will:

“...introduce a new tax called the ‘online purchase tax’ as a measure to manage foreign exchange outflows. The online purchase tax would be charged at the rate of 7 per cent on the value of the good (including cost, insurance and freight).”

—what they call CIF. But let us look at the insertion to make the tax real. Is that not, I think, a slogan at the present time of the Government and ruling party? To make it real. But let us look at the insertion that they put into the Bill. [*Interruption*] That is your slogan, make it real. What are you doing to make this

tax real so people could really feel it in their pockets? Let us look at the amendment. When you look at the amendment, what you see is anything:

“purchased by means of an electronic transaction;”

Okay. Then anything:

“imported into Trinidad and Tobago by air transportation;”

Then it says:

“consigned to a consumer;”

And the Minister emphasized that it was a consumer tax.

“and

entered from the transit shed.”

—which he explained as being temporarily in the customs unit, so to speak, for transfer to the customer.

Now, when you look at that, is this not really an airfreight tax? [*Desk thumping*] Is this not an airfreight tax pure and simple? What are the implications for airfreight in energy, in equipment, in drugs? Now the Minister said that businesses are exempt from this but I do not understand how you are going to make those distinctions in the customs about how and who is taxed on this matter. What are the implications for small as opposed to large businesses? What about young and new entrepreneurs who perhaps have not incorporated a company and they are importing things that have to do with their business enterprises? What will happen to their situation? And there are many of those in Trinidad and Tobago.

The younger group of people coming out of the university, many of them are not in jobs that you could consider formal, permanent jobs. They like to move around; they like to be entrepreneurial; they like to do things. They like to fiddle around with ICT and they are global in their perspective and these people make a

significant contribution to the economy, not only by not competing for jobs but, in fact, being entrepreneurial, creating businesses and, in fact, providing jobs themselves.

Now, what about the local airfreight and logistics industry also? Is that not an industry? When you take policy measures, you have to consider all the facts. For instance, if you are looking at education and you are looking at the cost of education, you cannot only look at education as a local good or service, you also have to look at it—what are the possibilities for creating an export trade out of education if you have good quality education in this country. And so too, in this situation, if you have an airfreight industry that is beginning to emerge, that is beginning to grow, if you have a logistics industry that is beginning to grow, if you have a strategy as indeed this Government has, supported by the IDB, for the expansion of services, exports from Trinidad and Tobago, then these things need to be taken into account holistically because you cannot do things that would impact on other strategies that have been set in motion. And I want to say, I do not see how there was any serious thinking-through of the implication of this 7 per cent tax on the consumer and possibly depending on how it emerges on business as well.

Now, Madam Speaker, through you, I want to ask—[*Interruption*]

Madam Speaker: Member, with that device, please go outside and stop disturbing the proceedings, please. Thank you.

Dr. B. Tewarie: “Yeah, becau’ yuh tone deaf.” [*Laughter*] Madam Speaker.

Madam Speaker: Member, I know you may have been a bit perturbed by being disturbed but please, continue and do not be discourteous.

Dr. B. Tewarie: No, Ma’am, he—[*Interruption*]

Madam Speaker: One bad act does not deserve another, please continue, please.

Dr. B. Tewarie: Through you, Madam Speaker, I want to ask the hon. Minister:

do you really think that this tax will save foreign exchange and save the local industry, retail industry? Because that was one of the rationales given for this particular tax. When you add 7 per cent on the value of the product, on the insurance and the freight cost, is that not a severe penalty on the consumer? Was not all of this globalization and open economies, and the use of credit card to do online purchasing meant to open up choice and to bring the consumer in Trinidad and Tobago into the global economic system? [*Desk thumping*] In terms of the small entrepreneur or small business for equipment or goods input into his or her business, is it not an unnecessary imposition and a problem?

But let us take this question of a credit card. What is a credit card for if you cannot do international transactions without a penalty? Why do people have credit cards? And if you are a businessman and cannot get foreign exchange because of Government mismanagement of the foreign exchange situation and you then pay by credit card and you need things quickly, is not that then a greater cost and more stress for you? Now, I know, Minister, that you have said that businesses are not affected by this but I hope that in your reply, if that is so, you would make it loud and clear. So if a gentleman in my constituency, for instance, has a hardware or a manufacturing enterprise and they want to make purchases using their credit card and it comes and it is now an input either into their retail establishment or into their manufacturing establishment, I want you to say loud and clear so that the whole world knows that this person will not have to pay their 7 per cent tax on goods that are imported.

Because you see in one shot, Government's mismanagement is making it difficult for an individual to get foreign exchange on the one hand, Government is imposing a tax of 7 per cent on the gross arrival cost of the product, Government is affecting your cost structure if you are a retailer or a manufacturer or service

provider and making you less competitive and causing the consumer to pay more, all at once, one shot. What is this, if this is true? And if it is not true, I would be happy to take back what I said and let all business people know that they can use their credit card, purchase their stuff without the imposition of a single percentage of tax. [*Desk thumping*]

And why is there no tax if you sea freight your product? If you are having a tax meant to bring in revenue and you are imposing a tax on a poor, little consumer and possibly small businesses, why are you not imposing a tax on sea freight? Could it possibly be that you are protecting big business [*Desk thumping*] by killing out small businesses? I need clarity on that. Would this be fair? Can this be justified? And the information is clear, the information available is clear, big importers are using up all the foreign exchange in the first place, so they get all the foreign exchange they want and they pay no taxes on their sea freight bringing goods to Trinidad and Tobago.

But if the ordinary citizen uses their credit card because they cannot get foreign exchange, and if the individual citizen uses the credit card because they cannot get foreign exchange because it is a convenience, then that imposition is on the individual consumer. So I think this needs to be cleared up because the Minister talked about equity in talking about the million-dollar tax, the tax of 5 per cent on those earning above a \$1 million and he talked about the issue of equity, and if we are really interested in equity, then we must explain why there is no sea freight tax as there is an airfreight tax and what is the implication of that for equity in the country.

Now, we have a situation in which the Government is stimulating no investment in this country. The Government has created an environment in which confidence is at all-time low and when people are willing to—[*Interruption*]

Madam Speaker: Hon. Member for Caroni Central, your original 30 minutes are up, you are entitled to 15 more minutes extension.

Dr. B. Tewarie: I would be grateful to have it.

Madam Speaker: Much obliged. You may continue.

Dr. B. Tewarie: You are creating an environment in which confidence is an all-time low and when people are taking a risk to be entrepreneurial, to create a business, provide a service, they are now possibly being discouraged. I hope that your entrepreneurship policy is not to kill start-ups; that your small business policy is not to stifle them, small businesses, and to make them die, and that your medium-size business policy is not to stunt them and make them uncompetitive by increasing cost. I know from what is happening today that your national policy is to shrink the pie, mash up business, create unemployment, keep workers poor, dismantle the middle class, take away from the poor and the vulnerable and make people cry from the stress. [*Desk thumping*]

There are instances reported in the daily press where people have taken their lives because they are unable to cope, or fall into despair because they are unable to see hope. And I am not trying to be sensational here and I do not mean to be sensational, but I am making the point that when you make policy and when you have a strategy of Government which impacts on people, and you say you are interested in equity, then that must manifest itself by the way it impacts on ordinary people and the lives that they live.

This is a Government not just of taxes and inaction, not just a Government that is interested in amassing debt, over 60 per cent now at the present time, it is also a Government of hopelessness, despair and death. [*Desk thumping*] We have an uncontrollable situation with murders, we have escalating despair in this society. The Government taking what little people have and giving nothing in

return and then to add insult to injury, they are insulting you, the citizen of this country, frontally, giving contract to their friends, making payments to their wives, deals with party financiers. [*Desk thumping*]

Madam Speaker: Member, I think you would want to say that in a different way. I think you are running very close to imputing improper motives. [*Interruption*] I can say so and I would not like to be brought into the debate. Just, please.

Dr. B. Tewarie: Giving contracts to their friends, making payments to those who are close to them, it is reported, [*Desk thumping*] making deals with party financiers and taxing the citizen and creating a situation in which, for the citizen, it comes down to zero, zero, zero. [*Desk thumping*]

3.00 p.m.

I want to go on to the three other things in the Bill, which are the corporate tax, the increase in personal income tax, that is to say the tax on income beyond a million dollars, and raising the bond and increasing the limit.

On the corporate income tax I want to say this, I do not know how much it takes to make a million dollars in profit, but it would seem to me that you would have to have a significant investment of some kind, you would have to work very hard, you would have to organize yourself to make that million dollars in profit. And the additional 5 per cent on the money beyond a million dollars that you make in profit, I think is a real disincentive to business. [*Desk thumping*] You do not impose taxes willy-nilly like that, especially when profitable businesses that increase their profits and do well create more jobs, create more impact on the economy [*Desk thumping*] and make a big difference in the lives of people. So, I do not understand the thinking of the 5 per cent imposition on taxes beyond a million dollars.

The people who own gas stations in this country, the Petroleum Dealers

Association, I think they call themselves, I am sure they have sent what I have in my hand to the Minister of Finance and they are complaining about their margins. They already have all the taxes that I mentioned, including green levy, unemployment tax, et cetera, all the things that people pay, and they are complaining about the margins and they are in a situation which some say they are likely to collapse. I would urge the Minister to please make some time to read this if you have not done it already, because I know the Minister is diligent. I know he does his work. If you have not read it already, I wish you would read it, meet with the people and try and deal with this, because I do not know if you can make a million dollars a year in the gas station but I would hate to think that after squeezing them on the margins that if they do well, or you change the margin and they begin to do well, you are now going to impose a tax on them on the money that they make beyond \$1 million.

The final thing I want to deal with, and I am sure—how much time do I have, Madam Speaker?

Madam Speaker: Nine minutes.

Dr. B. Tewarie: Okay, I will close on this one. I would simply say that I have no problem with the 5 per cent tax on the income over a million dollars. I think people who—[*Interruption*]

Hon. Member: But you just said so.

Dr. B. Tewarie: No, income, personal income. "Ah tell yuh, yuh tone deaf." So I have no problem with that, because if you earn a million dollars it is reasonable to ask you to pay a little more taxes. I do not have a problem with that. And it is only on the differential from the million. But I think in both the corporation taxes and the individual income tax, it is possible to manipulate the income so it does not quite reach the million. And I raise that with the Minister because it is going to

become a reality, because you do not want to have policy decisions and tax measures which move people towards tax evasion and using the laws and loopholes in order to not pay their fair share of taxes.

And then, the issue of raising the bond, the only issue I want to raise with that is that savings bond is a good idea and I do not have a problem with savings bond. It encourages people to save. They get a little more money in the bond than they would get in the bank. But this is a borrowing measure. It is not just that you are urging people to save and facilitating them. You are also moving the limit from \$300 million to \$2 billion, which is a sizable amount. And you already had, through the measures that you brought in this House, increased the loan ceiling under the External Loans Act, increase the debt limit under the Guarantee of Loans Act, and if I am not mistaken, you also increased the borrowings available to state enterprises, the total amount being about \$50 billion.

You have already raised loans on the international market, a billion with a German bank, I know, was done, approximately a billion dollars here in Trinidad and Tobago in local currency. And here you are again using this thing in order to raise debt financing, essentially. The issue I am raising is not just that you are having a savings bond it is that you are moving it from \$300 million to \$2 billion. So that you are creating a window of opportunity for more and more borrowings.

If you look carefully at the debt with all the charges that have been made against the Kamla Persad-Bissessar Government, during their time in office, you will see that in 14 months the percentage of debt increase is higher than the debt increase during the entire five years of the last Government. [*Desk thumping*] Those are the facts and you can check them out and it is the absolute truth.

And you are talking about what the revenue measures will yield. You talk about \$70 million in one case, \$80 million in another case. I congratulate you on

the \$750 million you raised under the amnesty. But I do not think [*Interruption by continuous sound of electronic device*] that your figures might turn out to be correct. I hope they are, so that you get the revenue. But I do not know if that in fact will be true. [*Interruption by continuous sound of electronic device*]

Madam Speaker: Would the Member with the electronic device please leave the Chamber? [*Interruption by continuous sound of electronic device*]

Dr. B. Tewarie: But I would urge the hon. Minister, through you, Madam Speaker, to focus on what is happening in the energy industry. There are many issues to be resolved there that have serious implications for the future of this country and if they are not resolved, and these things are time-bound, you are going to have a very, very difficult time as a Minister and we in this country are going to have a very, very difficult time, in terms of investments foregone.

I want to urge the Minister to focus on the services industry, which is being funded by the IDB, which is focused on exports and has a very good chance of bringing foreign exchange to this country in rather quick time, using young people who have the skills and the disposition to do this. I would urge the Minister to focus on serious diversification in areas where they are possible. Services is one of them, tourism is another, et cetera.

I would urge the Minister to deal with the BIR, the Board of Inland Revenue, which has just been closed down because of health and safety issues. When that happened to the CSO, your then Opposition party was in glee. We are in no glee. We know that revenue is an important thing and we want the BIR to be able to work and collect their money. But I would focus on that.

I would also focus, as I said before, on the petroleum dealers to bring some peace in that sector. Look how many problems we have in the energy sector; we have in the petroleum dealers; we have in the downstream industry related to that. We

have National Gas as an entity, and then we have the producers' issues, which involve a number of complex issues to be resolved. This is our mainstay in the economy. If you want revenue, deal with that industry and deal with the services industry for diversification and deal with the investment, so that strong businesses can pay strong taxes to the coffers of the State in Trinidad and Tobago. Thank you very much, Madam Speaker. [*Desk thumping*]

The Minister in the Office of the Attorney General and Legal Affairs and Minister in the Office of the Prime Minister (Hon. Stuart Young):

Thank you very much, Madam Speaker. Madam Speaker, I think it is appropriate at this stage, after hearing the contribution from my colleague from Caroni Central, to remind the citizens of Trinidad and Tobago that one of the roles of a government is in fact to raise revenue and to balance that revenue as against the expenditure. And having said that, we are here today to deal with some revenue-raising, revenue-enhancement initiatives on the part of the Minister of Finance and this Government.

But to put it in a contextual framework, Madam Speaker, if you would permit me, I would like to remind our citizens and those in this Chamber about the serious matters that face us as a country, not as a Government, but as a people of Trinidad and Tobago, with respect to our revenue. Our revenue, over the past couple of years, has decreased. So our revenue from oil and gas, and we the citizens of Trinidad and Tobago know that there are really two areas that we raise revenue for the citizens of Trinidad and Tobago, oil and gas, and then through taxation.

No one in this Chamber, in fact no one in the country can say with any semblance of credibility that oil and gas prices have not dropped significantly from 2014, to date. And what that means for our oil and gas revenue, in Trinidad and Tobago is

between 2014 and 2016, annual revenues from petroleum dropped by \$17.6 billion or 92 per cent. Any business person, Madam Speaker, who faces a drop in their revenue of 92 per cent, would know the seriousness of the circumstances. So, move aside oil and gas, because Trinidad and Tobago is not in a position, Madam Speaker, to influence or to increase the prices of oil and gas.

We also know as a country, that there is declining production in our oil sector. So our oil is at an all-time low from a production point of view. We are now down to about 66,000 barrels a day, when it used to be a high of over 100,000 barrels. And what this Government has done for the first time, Madam Speaker, is confront a gas curtailment in the country. Because what we have had for a period of time before, we were being told—and I challenge anyone to say differently, but between 2010 and 2015, we the country were being told—Madam Speaker, that there was no gas problem in Trinidad and Tobago, there was no curtailment issue in Trinidad and Tobago.

I remember being told frontally by the former Minister of Energy in the corridors that it was maintenance. It was either scheduled maintenance or unscheduled maintenance. What we were faced with, immediately upon coming into office since September 2015, is a gas industry that was facing curtailment of up to 20 per cent. So not only are we facing a reduction in prices, we face a reduction in oil production and a reduction in the amount of gas we had for sale.

Quite recently, this week, we have heard yet another major downstream player Atlantic LNG, which is the LNG side of our industry, telling us there is an issue. I find it quite ironic, disheartening and a little upsetting, Madam Speaker, to sit here and listen to us being told that things were being done, because we have come in and we are facing a gas industry and an oil industry where the players have told us frontally nothing was being done. Contracts had expired. They

should have been renegotiated. Nothing was done. There was no real attempt to find and locate—yes, throughout the names of Juniper, et cetera. But those were already in the proverbial pipeline and coming on stream. Juniper can come on stream. All of these other projects. Truck will come on stream, Angelin will come on stream, et cetera. It is not going to provide the final solution for everything.

So, what is the first thing that this Government did in order to, first of all, increase our production and increase and stabilize the gas platform in Trinidad and Tobago? For the first time ever, in the history of Trinidad and Tobago, Madam Speaker, a Government went for cross-border gas and what this Government has been engaged in is not talking about Loran Manatee that has existed forever, which is actually cross-border, no we have gone across the border and we are actually now dealing with the bringing of gas from Dragon to Trinidad and Tobago and those talks are very, very far advanced. We will be announcing within, hopefully, a very short time frame, that the deal has been signed with respect to and that gas is going to come to Trinidad and Tobago.

Madam Speaker, again on our revenue side, so we have dealt with the oil and gas situation on revenue, which is at 92 per cent reduction. On the other side, we face an overall decrease of 35 per cent. What have we done as a Government, Madam Speaker, listening to those on the other side and those outside this Chamber who are looking to the Government for leadership? This Government, after the same 14 months of being in office and actually within 12 months of being in office and bringing the second budget, reported to the people of Trinidad and Tobago, and it is an achievement, that we managed to reduce the expenditure by \$11 billion, and that is no mean feat. [*Desk thumping*]

So what we have is a drop in revenue, but we have also reduced expenditure. And without the massive job cuts, we have provided a stable platform. I have

heard it being asked by those on the other side, outside of this Chamber: what was the money spent on? That must be a facetious question, Madam Speaker, because Trinidad and Tobago, after a difficult period in 2016, remains on very, very stable float.

The gas curtailment situation, we also heard from Methanex and others crying and pleading with the Government to find ways and means to fix this gas curtailment situation and that is what is being worked on. As I said a short while ago, it is a little bit ironic hearing from the other side that this is something that needs to be focused on, because all international industry experts, and my friend from Caroni Central would attest to this, would have said, to begin the negotiation of these contracts you do it way in advance and not wait for a crisis situation, which is what we walked into. There were expired contracts in the downstream industry. You do not continue with a downstream industry, having gas curtailment issues and negotiating contracts. These are things that should have been done in advance. There was no planning. There was nothing done to fix these issues.

So, having spoken about the decrease, Madam Speaker, on our oil and gas revenue, we turn now to face the reality of the situation, which is one of declining revenue, and you must look at other means and alternatives to increase revenue as a government.

One of the areas we focused on in increasing revenue is the area of tobacco and alcohol. Internationally we all understand that when a government targets increases in taxes in alcohol and tobacco they are known as sin taxes. Sin taxes are accepted across the world, all over, as an area that one should increase its taxes in a situation such as this and what we must understand and the population does understand, because the population has accepted these increases in taxes, is that there is a wellness factor. So actually things like alcohol, tobacco, fast foods, soft

drinks and these other food products, et cetera, consumables, when you tax them you are actually trying to reduce the usage of it because ultimately we in this Chamber as taxpayers, the citizens who are listening on, Madam Speaker, are the ones who pick up the bill.

We pick up the Bill through the Ministry of Health, the hospitals, the treatments of all of the ills associated with tobacco smoking and alcohol abuse. So, Madam Speaker, that is an area that was utilized by this Government to increase our revenue. Because if you want to do those things, then you will pay to do it you and you will pay for the expenses that we the taxpayers must foot of providing the health care services later on down the road.

Madam Speaker, to just touch on the two-tiered income tax system, again within recent times and in particular in the budget debate we heard, or we were accused on this side, of favouring the rich and we favour those who are rich and those who are wealthy. I sat quietly and thought it, yet again, quite ironic, Madam Speaker. Because the area within which we increased the taxes is actually a tax area, a tiered system, that is aimed at those, as my colleague from Caroni Central said, who are earning chargeable incomes, via salaries, emoluments, et cetera, of over a million dollars and then the other side is income tax on profits over a million dollars.

Madam Speaker, I did a quick bit of research to look at other comparative jurisdictions to see the sort of tax brackets that they have and to try and find comparatives. Barbados, the income tax for companies, corporation tax, is 25 per cent and the highest tier of tax in Barbados for citizens is 30 per cent. Canada has income tax of up to 58.75 per cent. Guyana, our close neighbour, has a corporation tax of 30 per cent and an income tax of 33 and a third per cent as its highest bracket. Jamaica, for the corporation tax actually has a two-tiered system of 33

and a third for large corporations, 25 per cent for small and a 25 per cent income tax. The USA has 35 per cent corporation tax as a start, and depending on what state you are in, it goes from either 0 or 12 per cent added on to that 35 per cent for corporation tax. And interestingly, their income tax bracket goes up to 52.9 per cent income tax.

Again, Madam Speaker, I believe that the citizens of Trinidad and Tobago, the right-thinking citizens of Trinidad and Tobago, and the vast majority of Trinidad and Tobago, accept that due to the current circumstances, especially on the international commodities market of oil and gas, the Government of Trinidad and Tobago had to increase the income tax. And it did not increase it for all. So it is not that we favour the rich. It is quite the contrary, Madam Speaker. This Government has imposed an increase in taxation on the wealthy of Trinidad and Tobago. Because we believe at a time like this everyone must share the burden.

And in fact in the conversations we have been having with private sector, with ICATT, with the various chambers, et cetera, it has been a very positive conversation, Madam Speaker, contrary to what we might be hearing from the other side; a very positive conversation with things such as investment, the whole move towards PPP projects in a time like this where the Government can no longer be or no longer should it be the main driver of a thriving economy. All those who have, over the years accumulated great amounts of wealth, come forward now. Private sector come forward now and invest in Trinidad and Tobago for the future generations.

The chargeable income, of course, is 30 per cent, either on a salary and emoluments that are over a million dollars or your profit. I have heard it said, and we have heard it said, on a number of occasions by those on the other side, that people will find ways to evade. Evasion of tax is a crime. Anybody in Trinidad

and Tobago who does not know evasion of tax is a crime, it is crime. Avoidance of tax, however, is a different concept. Every single jurisdiction in the world that has corporation tax and income tax faces the argument of evasion and avoidance. When I studied many moons ago, Madam Speaker, Tax Law at the University of Nottingham, that was one of the first lessons, the difference between avoidance and evasion. It is accepted.

So what do we do as a Government? Is it that we say we are not going to try to collect tax? Is it that we say are not going to increase tax? We are not going to have a tiered tax system because there is going to be a level of evasion? No, and that is why one of the conversations we will take to the citizens of Trinidad and Tobago shortly is that of a revenue authority. Because I think every right-thinking citizen of Trinidad and Tobago would accept, Madam Speaker, it is long overdue to have a properly functioning revenue authority that is going to do a service for each one of us here in the room and our children and the citizens outside, in a proper collection of taxes.

Madam Speaker, this may be an appropriate point, if I may be permitted, to just let the country know that this morning in the High Courts of London we succeeded, once again. The Government of Trinidad and Tobago, through Nidco, succeeded in the commercial High Courts of London against Banco Santander and we recovered \$256 million for the citizens of Trinidad and Tobago. [*Desk thumping*] So it means now in total—and I see my friend from Tabaquite, as he did on the last occasion, laughing, how they put in place standing orders, et cetera. Let me tell the citizens of Trinidad and Tobago this, Madam Speaker, yes there were standing orders in place but a number of these international financial institutions, when the standing orders were demanded, did not pay as they were supposed to pay. They refused.

And maybe another government who signed contract addendum number two on the eve of an election, waiving our rights to terminate a contract on the basis of bankruptcy and gave that away, would have said: well, I am not doing it. What we did is we went to the High Courts of London. We had a very good legal team and we fought them. They fought us hard and indeed, this morning they tried to appeal the decision. They asked for a stay and the commercial courts of London said no appeal, no stay. So in total, we recovered just short of a billion dollars for the citizens of Trinidad and Tobago. [*Desk thumping*] Madam Speaker, that would not have taken place unless there was a proper management and proper performance by the Government. [*Desk thumping*]

Speaking about revenue authority, as we have said on the past occasion and the hon. Attorney General and myself, we are looking at follow the money and we are looking, at explain your wealth legislation which, again, would help the citizens of Trinidad and Tobago. Because when we follow the money and when we ask people to explain wealth that they cannot explain and we get that money back and we get the assets back, it is not for us. It is not for a PNM Government. It is for the citizens of Trinidad and Tobago, and that is the commitment, Madam Speaker, of this Government. We will pursue the following of the money and the recovery of assets that rightly belong to the citizens of Trinidad and Tobago. [*Desk thumping*]

Madam Speaker, if I may, one of the features that is being introduced by the legislation before us here today is Government Savings Bonds. Government Savings Bonds are going to provide to our citizenry a new form of income, a new form of savings, a new form of investment. I have been passed by the hon. Minister of Finance, some statistics here. Madam Speaker, Trinidad and Tobago's investing public, has faced in recent years a consistent annual decline in the

ordinary Trinidad and Tobago dollar savings deposits rate, and I know my colleague from Tabaquite has been an advocate for what is going on in the local banking system, and this is one of the areas.

Over time, on an annual basis the amount that an average citizen of Trinidad and Tobago is getting for his or her money in the credit union as well as the traditional banks and financial institutions has been declining. So the Government sees this as an opportunity to provide our citizens with an increased saving and investment plan. The bonds, as we have heard in the budget, and as the Ministry of Finance will soon rollout together, I believe, with the Central Bank, are going to offer 3 per cent, 3 and a half per cent and 3.75 per cent interest rates on the bonds. There are very few instruments in Trinidad and Tobago right now that provide such levels of return on investment and this Government has given that to the people.

So take the hard-earned money, invest it in the Government Savings Bonds, and I would expect our friends on the other side to support such a venture. Because what we doing via the legislation is we are providing the mechanism for different denomination bonds, the rates of interest, the methods of encashment, forms, issues, recordings of such bonds and the method of holding such bonds and I personally endorse this and I think all of those on this side endorse the improvement and the reestablishment of a government savings bond. Of course, what it also does is it absorbs some of the liquidity in the system because what we have had, due to the low rates of interest being offered on deposits, is persons have been looking outside for investment opportunities. Bring the money back to Trinidad and invest it in Trinidad for Trinidad, Madam Speaker.

Another area that was talked about, my colleague from Caroni Central said that this Government is only raising revenue through an increase in taxation and an

increase in debt and I smiled. In the current climate we are willing to listen if you think there is any other modality to raising revenue. Of course, what I found, again, ironic, Madam Speaker, is they say it is the citizens who will have to repay the debt.

Madam Speaker, I stand here today and I tell the citizens of Trinidad and Tobago that when the general election was called in June 2015, the period between June 2015 and September 2015, there was a massive increase in short-term borrowing that the country has not been told about. As one example, EMBD, Estate Management Business Development, was forced by the Cabinet then to borrow \$400 million in the month of August 2015, on the eve of an election, and told who to give that money to in the form of 10 contractors.

3.30 p.m.

So the money was shared amongst 10 contractors in the month of the September and disbursed over \$400 million, and this was not a unique situation, Madam Speaker. So to sit here and listen to an increase in debt, when those on the other side, not only increased debt, but they increased debt in an erratic, short-term manner. No one that is so irresponsible, you do not borrow short term. You do not borrow \$400 million with a six-month tenure. When you have a six-month tenure, how are you going to repay that \$400 million, when you are investing it in something that is not generating revenue? So when you generate revenue, that is different, it will repay the loan. When you take \$400 million in a six-month loan to build box drains, and to pave roads where you are supposed to have two inches, but you only pave half an inch. Have the citizens of Trinidad and Tobago gotten value for money? The answer is no. That was only one example.

We came in and we found WASA, how much is it, \$1.6 billion?

Mr. Imbert: T&TEC.

Hon. S. Young: T&TEC, they borrowed \$1.6 billion, right, in six-month paper, \$1.6 billion in short-term, six-month paper. How were you going to pay that back? How is T&TEC going to repay \$1.6 billion? Tell the citizens of Trinidad and Tobago what that money was used for. It was used to pay dividends to TGU, so they could get the money from TGU, but what they did not factor is when the six-month maturity came up, Madam Speaker—debt? They want talk about debt? Six months for T&TEC to repay \$1.6 billion; impossible. WASA's overdraft, they had two instruments, again, short-term financing, over \$1 billion.

So, Madam Speaker, with the greatest of respect and in particular respect for the citizens of Trinidad and Tobago, and those who are willing to listen, the right thinking citizens, this Government will not engage in that type of behaviour. Those are just three examples, totalling over \$3 billion in debt which cannot be repaid by the entities that took out the loans that they used to facilitate the taking out of these loans. So when they tell the citizens of Trinidad and Tobago as well, from 2010—2015, they did not increase tax, again, if you did not increase tax, where did you get the revenue from?

Madam Speaker, \$10 billion taken from the coffers of NGC, \$10 billion, and they want to talk about a gas plan, and what we are doing to revitalize and regenerate the gas and oil industry? That \$10 billion should have been invested in the cross border and a cross-border pipeline to bring the gas to Trinidad and Tobago, not the Couva/Preysal structure that they built as you come over the flyover. You are seeing that they built these structures for CNG, and telling the citizens that persons would be able to sell foodstuff and food items there at overpriced amounts. There are a number of grounds that they used all over the country, spending hundreds of millions of dollars, and not getting value for money. And what else?

The Beetham Wastewater Treatment Plant, the Beetham Wastewater Treatment Plant, we are going to be coming to tell the country very shortly, what is the true story with the Beetham Wastewater Treatment Plant, right?—the Beetham Wastewater Treatment Plant. So do not tell this country with forked tongue, that you did not raise any tax, because you used companies such as NGC, who had cash that should have been reinvested into Trinidad and Tobago, to take out and dispense \$10 billion.

I heard them talk again—my friends on the other side—about the HSF fund. Tell the people of Trinidad and Tobago about the HSF fund. You borrowed money to insert money in the HSF fund. [*Interruption*] That is what happened, Madam Speaker, right. So when they say that they put money in, tell the citizens of Trinidad and Tobago you borrowed. So the same conversation you want to have about this Government borrowing now, where oil and gas prices are at an all-time low, production at a low, you all were borrowing to put in the HSF fund to fool the population and say, “Look, we put money in”, again, increasing the borrowing limits.

I heard it said about what we have done in the fiscal space in 14 months, and the cash flow could have been better managed. I again, Madam Speaker, would like them to tell the population when they came into office in June 2010, the citizens—because it is the bank account of the citizens. This is not the bank account of a Government. It is not UNC’s bank account. It is not PNM’s bank account. It is our children’s bank account. It is our families’ bank account. It is those who we do not know. It is the citizens of Trinidad and Tobago’s money. It is not PNM money and UNC money.

When they came in to office in June 2010, we were \$6 billion in credit. We had over \$6 billion in the current account. We were not in overdraft. When they

left in September 2015, adding to the \$3 billion in debt I just told you about in short term, Madam Speaker, they left the country in a \$9 billion hole of overdrafts. So I just heard about the increase in borrowing limit, and the increase in overdraft limit. We had too, because when we came in, in 2015, there was nothing left and the citizens of Trinidad and Tobago must ask these questions. They want to ask, where \$63 billion went last year? First of all, \$63 billion was not spent in the last budget. The Minister came and said he reduced it to \$52 billion. So stop trying to mislead the population. It was \$52 billion spent, [*Desk thumping*] trying to manage what you had built up of an expenditure from 2014. When you all came into office in 2014, total expenditure had risen—you all had risen the total expenditure from \$45 billion to \$63 billion between 2010—2015; from \$45 billion to \$63 billion. We have managed now to reduce it down to \$52 billion. So do not tell us about how to manage the cash flow. We are certainly, I tell Trinidad and Tobago, doing the best that is possible at this time.

I heard talk about investments, Madam Speaker, and how the climate that we have created is one that is not facilitative of investments, and the climate that we have created, persons do not want to invest; again, an untruth. Up to yesterday I had a meeting with a Japanese international corporation that is part of project here, a US billion-dollar project and what is the conversation here—Mitsubishi, and I am proud to say that because of what—and we are coming with the statement in the next occasion.

Madam Speaker: Member. Member for Naparima, would you like to make an interruption in accordance with Standing Order 47?

Mr. Charles: Not at this time.

Madam Speaker: So, therefore, please conduct yourself in a manner that this House desires. Continue please, Member.

Hon. S. Young: Madam Speaker, because of the relationship built with this corporation over the last 14 months, they spoke to me yesterday about they now want to invest in the agricultural sector of Trinidad and Tobago. So that is something we again, as citizens of Trinidad and Tobago must foster and encourage, right. What they want to do is, they want to invest in the agricultural industry of Trinidad and Tobago, and they are not the only ones. There have been a number of conversations that we have been having with big businesses in Trinidad and Tobago, who have heard the cry. They have heard the foreign exchange cry.

Madam Speaker: Member for Port of Spain North/St. Ann's West, your 30 minutes have expired. You are entitled to an extension of 15 minutes.

Hon. S. Young: Thank you very much, Madam Speaker.

Madam Speaker: You may proceed.

Hon. S. Young: I may avail myself. There are a number of private citizens and corporations in Trinidad and Tobago, who have heard the clarion cry of this Government to come forward and invest, and they are now having discussions about engaging in big agricultural investment. Of course, when that gets going, it will thankfully reduce the foreign exchange and the importation bill. So these are the things that are going on. In the oil and gas industry we have a new player, and this player—because as everyone will know, we are what you call a mature—we have mature fields. So we are a mature industry in oil and gas. We are a mature country—[*Interruption*]

Hon. Member: Province.

Hon. S. Young:—jurisdiction/province, that is the right word, thank you. What that has led to now, is companies such as the French company Perenco coming into Trinidad and Tobago. Why would they come into Trinidad and Tobago?—because they believe the climate is a right one. They believe that it is a stable climate.

They believe it is somewhere they want to invest in, and they told us as much. They told the hon. Prime Minister that, this is the first step in. And what are they known for? They are known for being able to look at mature fields and maximize mature fields. In fact, what they showed us, what they have done, the work they have done all over the world with mature fields, they have actually on some occasions increased the uptake now, from what it was before, even though it is a mature field. So these are the persons that we are attracting to Trinidad and Tobago. It is going beyond the conversation.

We have heard about the Sandals conversation that is a continuing conversation. My learned friend from Caroni Central talked about diversification, two areas of diversification. One, I believe may have been under him, when he talked about services before. IFC, they are pursuing the IFC. Another area he talked about is tourism. This Government has gone out and begun the conversation on tourism. You would have seen a number of RFPs out there for various sites for persons to come and—EUIs, come and express your interest in what you could do with those sites from a hotel point of view.

Madam Speaker, the online tax. There was again a lot of misinformation about the online tax. I heard my colleague from Caroni Central talking about, why not sea freight and talking about discrimination and disparity. How many more times must the Minister of Finance say it is because we are protecting as we know the diaspora out there, who send stuff in barrels via shipping and via sea. So we are starting—he said it is in an embryonic stage. We are starting with an online consumer tax. Consumer is defined under the Electronic Transactions Act and does not include businesses. So why go down the road of trying to suggest? Why is it always an attempt to misinform the population and mislead the population? That has to stop, Madam Speaker, because it is Trinidad and Tobago we are talking

about.

So, let me just go briefly about the online tax. The sharp increase in the volume of online purchases has been a matter of concern, for emerging markets and developing countries alike. This is not unique to Trinidad and Tobago. The recent trend has been that increasing foreign exchange demand, thus weakening the balance of payments, and also undermining efforts to develop the domestic manufacturing sector, requires something like an online tax.

In Argentina, Madam Speaker, they took steps to restrict online shopping to protect their balance of payments. Their new measures require all packages to be collected at the customs and excise office. That means packages cannot be delivered to your home, to your office. Every, single imported package in Argentina, you have to go to customs and excise to collect it, and individuals can buy items from abroad for up to US \$25 per year tax free. So every purchase for the cumulative period of a year, once you cross \$25, you have to pay 50 per cent online tax in Argentina; not 7 per cent, 50 per cent.

In Brazil, you have to pay 6.38 per cent on all foreign exchange operations. Foreign exchange operations include online purchases, effected by way of debit card or credit card or through travellers cheques. Again, we have not stipulated anything additional to credit cards. In New Zealand, there are on—they tax their online transactions and customers pay both import duty and GST.

So again, Madam Speaker, that is just a quick comparative analysis that there is nothing unique about this, and other countries in the world who are facing similar situations such as ours, go to online tax. If it dampens the purchases by consumers, so be it. Go and purchase from locals. [*Desk thumping*] If you want the luxury, pay your tax. We must rebuild the local market. So quite contrary to what is being suggested, we are encouraging the local entrepreneurs. On the point

of local entrepreneurship, because I think it has gone missed.

The young people in Trinidad and Tobago are resilient, Madam Speaker, and they are to be applauded for it. [*Desk thumping*] There has been a programme called Planting Seeds, and the young people have gone forward without the foreign exchange, and they found and encouraged all the young entrepreneurs who are willing to come forward be it in agriculture, be it things as simple as making cards, whatever it is they do, to come forward and promote it. So quite contrary to what is being suggested as usual by the other side, our young entrepreneurs are very much resilient, picking up themselves and going forward. In my constituency of Port of Spain North/St. Ann's West, which is in the middle of the city, young people are finding empty lots and building tilapia tanks, and they are growing and breeding tilapia in the city and heart of Port of Spain; that is the entrepreneurial spirit.

I have had young people come to me and tell me they were recently laid off, and they have not taken the attitude of lying on their backs and screaming. They tell me they are now engaging in agriculture and that is what we must encourage. So the Ministry of Agriculture, Land and Fisheries must make it easier for the young people who want to go and invest their time, their effort, their sweat, their blood in agriculture to get it done.

Madam Speaker, we heard the suggestion about contracts with friends. Again, I find that quite ironic, because we have seen within recent times, the billions of dollars paid to certain contractors, and what we also see, is a trend to move away from a 10 per cent mobilization fee to a 20 per cent mobilization fee, and to pay that mobilization fee in the month of August 2015, no work done, terminate the contract, so the country loses out on millions of dollars.

Madam Speaker, in closing, there is another area I would like to talk about,

and lest this country forgets, the OWTU reminds us. The OWTU reminds us that between 2010—2015, a People's Partnership Government offered them 0-0-0 for the period 2011—2014, and refused to budge; sent the matter to the Industrial Court. And let me tell you about that matter in the Industrial Court, Madam Speaker, because I represented the OWTU in that matter. When that Government told the OWTU, who were not rolling over and doing what they wanted, they were going to give them 0-0-0, the OWTU went to court, and what happened in that matter, for the first time that we can remember, is in addition to the entity, the state entity that was fighting OWTU, they on the other side got the Attorney General to intervene, to bolster and fight the OWTU from the left flank and the right flank, and that is how they operated with their 0-0-0 offer.

So, Madam Speaker, what I am calling for today, respectfully, is for us to do what is right for Trinidad and Tobago, and try and put aside the cheap political points and the partisan politics. We have a situation where our revenue has fallen. We have a situation where our expenditure is at an all-time high and we are trying to reduce it. That means we must all tighten our belts, and us on this side, as we came into office, one of the first things we did is, we took 5 per cent of our salaries and that 5 per cent of the salary must go now to some good cause, to show the population that we are going to do it as well. Madam Speaker, it is difficult. We are in difficult times, but a Government has to find ways to increase its revenue.

I assure my friend from Caroni Central, and all others who are willing to listen, that we are working assiduously in the oil and gas, with the various oilfields and what we consider to be stranded oilfields. We are looking to see how those could be rejuvenated to get the production up. Similarly with the gas, as you know there are certain investments taking place, but also we are now looking across border, and we are looking and having conversations not only constraint to any

pigeonhole, but to find ways to increase our oil and gas production, which will lead to an increase in revenue, when the prices go back up. But in the alternative, when you are faced with trying to find means to find revenue, Madam Speaker, respectfully, it is our suggestion and it is our submission, that what has been introduced here, and what we are looking at today, is very reasonable.

Sin taxes on tobacco and alcohol, rich taxes, those who make over a million dollars in salary and emoluments, you will pay an extra 5 per cent. Corporations, let us be real, like the banks, the energy companies, the conglomerates, they are not going to try to evade the tax, and even if they try, they are not going to be able to avoid and evade everything over a million dollars.

We saw the other day—this week or last week, Republic Bank declared, although it is a drop in their in 9—how much was it?—\$986 million, and a dividend of three dollars if I—over three dollars. I think they may have even added an interim dividend. Let some of that money come back for us to look after those in our social networks, who are a little less fortunate, and that is what this Government is about. So that tax is geared at taxing those who can afford it, to help those who cannot. If anybody has a problem with that, let them go and tell those who do not have, that we are not going to help them.

Madam Speaker, with those few words, I would like to thank the House and yourself and country, for the continued opportunity to make a contribution and, Madam Speaker, I thank you. [*Desk thumping*]

Dr. Surujrattan Rambachan (*Tabaquite*): [*Desk thumping*] Thank you very much, Madam Speaker. Madam Speaker, we had a very emotional contribution by the Member for Port of Spain North/St. Ann's West, trying to convince the people with the same rhetoric that he has done—been regurgitated for the last 14 months, but failing to tell the population what he has done to bring relief to the pain that the

population has been suffering [*Desk thumping*] for the last 14 months.

Madam Speaker, before I get into the substance of what I want to contribute, let me just say that the hon. Minister and Member for Port of Spain North/St. Ann's West said that they cut expenditure by \$11 billion, but there were no job cuts. I would like the Minister to explain to us, how many contract jobs have not been renewed in the public service? [*Desk thumping*] I want him to explain to us, how many of the 16,000 jobs reported lost by the CSO last week, how many of those jobs are in the public service? [*Desk thumping*] I want him to explain to us how many jobs have been lost in the oil sector and in service companies, oil servicing companies also? [*Desk thumping*] I want him to tell me if he has cut expenditure by \$11 billion, did that result in the workers of the BIR having to be sent home because they have rat infested environments and, therefore, will further lead now to loss of productive hours in helping you to properly collect revenue in the country? [*Desk thumping*]

So are you cutting down expenditure, but at the same time endangering the lives of people, [*Desk thumping*] so that it will shut down parts of the public service, and as a result of that, put the citizens of this country under further pressure. Are you saying that by cutting \$11 billion you are explaining why there have been drug shortages in the country, [*Desk thumping*] and people cannot get cancer drugs and what have you? Are you saying that by cutting it down by \$11 billion, you are now unable to fix the equipment in the hospitals, and that is part of the reason people are now being given dates up to 2019, for simple services that they ought to get in the hospital? Minister, all this is very true, and you can check the factual basis of what I am saying.

Are you saying that by cutting down \$11 billion, you are now explaining that you have shut down so many construction projects, sending further so many

workers home, shutting down other small businesses that supply the construction sector, and now, that you are attempting to start it back, it is going to cost you at least an additional 25—30 per cent [*Desk thumping*] to start back those jobs? Minister, and Member of Parliament for Member Port of Spain North/St. Ann's West, you referred to the OAS moneys you have recovered. Minister, you would agree and you ought to be honest about it, and truthful about it, that had NIDCO not had proper contractual arrangements, had they not had proper documentation [*Desk thumping*] you would not have been able to collect that money. Therefore, this Government acted in good fate to protect the interest of the public of Trinidad and Tobago, Minister. [*Desk thumping*]

It was properly protected and that is why we could collect it. That is why you are able to go and get that \$246 million, plus [*Desk thumping*] the other moneys that you got. Minister, you spoke a while ago—Member for Port of Spain North/St. Ann's West about your discussions with Mitsubishi. I want to tell you something Minister, while I was Minister of Foreign Affairs, I was part of a Caricom delegation to Japan, and there I went and I visited with all the big companies in Japan, and I want to tell you after that visit, Japan sent the first investment mission to Trinidad in 19 years they sent them, [*Desk thumping*] and that Mitsubishi company came and that work that you have been speaking to, was generated out of that visit and at that time. I am not taking credit for everything, but you must show that we have continuity of Government, and that we were also working hard to bring investments into the country. [*Desk thumping*]

You will recall Minister, that the highest personnel from China came here with investment missions to Trinidad during our time also—[*Interruption*] exactly, from Panama, from other parts of Latin America, because we had seen Latin America as the new frontier for Trinidad and Tobago, and we were opening up

those markets to Trinidad and Tobago. So what you are experiencing is what foundations were laid [*Desk thumping*] properly by us.

Minister you spoke about a \$1.6 billion short-term loan for WASA—
[*Interruption*]

Hon. Member: T&TEC.

Dr. S. Rambachan: T&TEC for what have you. That is half of the story, tell the other half. Go to the bank and since you called Republic Bank, let Republic Bank come and talk the truth too. Republic Bank was the bank where this was being negotiated, and this was a \$1.6 billion loan because they said to us, “Take it short term because they could not complete the US dollar loan on time, under—they would complete the US dollar loan and then it will become a long-term loan. [*Desk thumping*] So speak the whole story. Do not speak half of the story. Speak the whole story. [*Continuous crosstalk*] You stood there, Minister, and you listed out all the countries with graduated tax rates and different tax rates and so on.

Madam Speaker: Members, I want to hear the contribution.

Dr. S. Rambachan: But you agree Minister, that using tax rates in other countries to justify the taxes that you are imposing in this country, is not a really good comparison. [*Desk thumping*] You are not making a fair comparison because different countries have different economic and national agendas, and different countries are at different stages of development, and this country was at a particular state of development, where if you had managed well over the year 14 months and the many years before that you were in office, you would not have had to descend to this position you are descending today. [*Desk thumping*] Minister, you would not have had to do that.

You speak about the fact that we left overdraft for you. Yes, the net overdraft was \$9 billion, but you are not telling the country that it was built up

since January of 2015 and just before that, because of the very oil prices. And having said that, that overdraft was paid off in September 2016, but your Government in my view deliberately delayed the payment and you could have repaid it in October 2015, [*Desk thumping*] because then you had the opportunity to collect taxes of \$6.5 billion, the Phoenix Park IPO of \$1.5 billion, the TGU money of \$4 billion and a further loan of \$1 billion, giving you \$13 billion, pay off the \$9 billion, you will still have \$4 billion. [*Desk thumping*] So, yes, we left \$6 billion, but do not say we did not make provision for ensuring that you would have had money to run the country. [*Desk thumping*]

Madam Speaker, the profit for NGC increased from \$3 billion to \$9 billion, between 2010—2013, and dividends were therefore increased from \$1.5 billion to \$4 billion, to invest in the country and in the infrastructure of the country, to ensure that the people have a better quality of life, [*Desk thumping*] to build the schools. Yes, to build the health facilities, because the people [*Desk thumping*]*—*money must—you said it, money must be spent in the interest of the people, and that is what we did, [*Desk thumping*] brought a better quality of life to the people of this country.

Madam Speaker, the hon. Minister and Member for Port of Spain North/St. Ann's West, spoke about he is talking to investors in oil to come and deal with mature fields. Well, Minister, let us talk about the existing oil people in Trinidad, the bps and the Repsols or whoever, and ask you what are you doing about the fiscal incentives that they are talking about, so that we can make sure that they remain here in this country, [*Desk thumping*] and continue to do the exploration that will benefit this country? So we have to talk about all of this. We just cannot talk about half the story. You have to talk about the whole story and that is important.

Now, the rationale for the online tax was given by the Minister, and he said here:

A tax that is intended to help manage the increase in foreign exchange outflows from online purchases, reduce revenue leakage and assist local manufacturers and service companies to compete with overseas retailers.

Before I say that, I just want to remind the hon. Member for Port of Spain North/St. Ann's West, again, he spoke about the HSF, and said we borrowed money to put in the HSF. Are you saying we borrowed \$2.1 billion to put in the HSF between 2010—2015 when we left office, that we borrowed that money? But we did leave US \$5.6 billion in [*Desk thumping*] the HSF, and it did increase by US \$2.1 billion during that period.

4.00 p.m.

When you add—there were almost \$12 billion that was left in foreign exchange—then you were left with a potential of about TT \$120 billion there. [*Desk thumping*] So that is two years' budget. So, you know, I want to tell the whole story and it must be told. But you did say here now that the online tax is to help manage the increase in foreign exchange outflows from online purchasers, reduce revenue leakage and assist local manufacturers and service companies.

Now, you are assuming that online shopping will decrease because people might be unwilling to pay the extra 7 per cent. You also say that you hope to collect \$70 million in taxes. I want to know: what is the basis of your assumption on your calculation that \$1 billion is being spent on online shopping or US \$150 million? Where did you get that? What is the basis for that calculation? It would be interesting to know how it was calculated.

But, Minister of Finance, you are saying that you want to assist local manufacturers and service companies to compete with overseas retailers but while

you say that: is it not that you are really allowing local retailers who bring in goods by sea to take advantage and charge a price they want to charge since you are eliminating the opportunity for people to perhaps import these goods at a cheaper price and a better quality? [*Desk thumping*] That is why we say that you are protecting your rich friends [*Desk thumping*] because they are the ones who are the big retailers in the country. Those are the ones you are protecting. What you are doing is you are going back to a situation of ECO and EC1 forms where people who will want to buy something have to go back to the Central Bank and stand up in a line and beg for something. You know, the little man in the country who works hard: why are you taking away this opportunity for him to buy a US 100-dollar item and so on?

I want to ask you a question for clarification, Minister of Finance. What is the situation where an item is sent by air to a courier that is consigned to a person as a gift item for which the person did not pay through via an electronic transaction? What is going to happen to that item? He is coming in. He does not pay through an electronic transaction that is a gift, so all of that is subject to 7 per cent. Is it not that? Minister, maybe I can sit and ask you if you can answer that.

Mr. Imbert: At the end.

Dr. S. Rambachan: Okay, at the end. And, secondly, let us use an example. If someone buys an item for US \$100, and let us just assume that US \$100—the rate is now \$6.80 today. So that is, let us say, \$700, because the black market is \$750 to \$775 right now. If you go to the airport, you are paying \$8 and more in the Cambio for a US dollar. Right. So you pay \$700: carriage, insurance, freight—cost insurance freight what have you. So, you come here now, the tax is 20 per, \$140—so that is \$840 now. Where are you charging the 7 per cent on the \$8.40 or \$8.40 plus 12.5? Where are you charging it, \$8.40 by 7 per cent—\$8.40 plus 12.5?

No, you see, that is what I want to calculate. Is it \$8.40 plus the 12.5 per cent VAT? Because if that is the case, what you have effectively done is the 7 per cent is on the 20 per cent which is 1.4 per cent; on the 12.5 per cent is another 1 per cent, that is 2.4 per cent and plus 7 per cent, 9.4 per cent. You have effectively increased the VAT in the country to 22 per cent. [*Desk thumping*] When you add 12.5 per cent plus now the additional cost, the 7 per cent is no longer 7 per cent. It is more like 10 per cent, so you go up to about 22 per cent—VAT plus the 10 per cent. You have gone up to about 22 per cent. So that is what you are really charging persons.

So the online tax is, to me, you know, for the small man, a way of punishing people to want to get a better price, higher quality and to shop in a more convenient fashion. I do not think that the online tax is going to save you foreign exchange, which you described as its primary purpose. I think it is a discriminatory tax, discriminating against persons in terms of their right to choose. [*Desk thumping*] Let me tell you. People understand in this country that foreign exchange is important and you have to be conservative and so on and so forth, but when you create a situation where people feel you are discriminating against them then people get angry. People are getting angry with the Government like they got angry with the establishment and they did not allow Hillary Clinton to win last night, and you are heading in the same direction.

Hon. Member: That is karma.

Dr. S. Rambachan: And the karma is coming back full circle to you. [*Desk thumping*] My colleague, the Member for Caroni East, pointed out—Caroni Central, sorry—that for persons engaged in small business and who are legitimate traders using airfreight—and you are saying that they might be exempted—this tax will further push up their cost and affect their competitiveness, compared to the

people who have been allowed to bring it in by sea freight and there are no charges.

In other words, what will happen to the small man who goes to Panama and brings in a couple of things by air? He goes there, he ships it by air and it comes back, and now he has to pay the 7 per cent. Because you really have to give us the assurance that in the customs they are going to be treated fairly. From what the guys are saying now, that is not happening.

Madam Speaker, the Government has to think about revenue, not only in terms of increasing taxes. That is not the only way you get revenue in a country. That is not the only way you save foreign exchange or gain foreign exchange, because you see they will come a point in time when such continued application and rise in taxes will eventually begin to result in a decrease in Government's revenue because of a decrease in consumer spending. People are going to reach that point and the country is going to reach that point.

What the Government has to do is instead of just taxing and taxing and taxing, like which the Member for Port of Spain North St/Ann's West said and try to justify more and more taxes, you have to look at other ways. You have to adopt a new paradigm in terms of products and services to increase revenue and foreign exchange. One area that you are not looking at—for the last 14 months, you have done nothing to deal with it—is tourism. Look, winning prizes for best hotel rooms will not necessarily bring you more tourists. Do not boast about that. The same tourist, volume of tourists, may give that hotel preference, but the overall volume of tourists may not necessarily increase, because you have to differentiate your product, and you have everything going for you to differentiate your product, but you are not differentiating your product.

You know, Tobago is paying airlines for seats to bring passengers to

Tobago. One has to ask whether we are really losing money and losing foreign exchange because has the THA or the Tourism Development Authority done a study to determine the net economic returns from its investment of tourism especially in Tobago. Has the Government, for example, explored to the fullest extent the import substitution in terms of food? Have you really done it? You know, we are talking about importing food, but has the Government examined what it could do to export food?

You may say well we cannot export food like people, the kind of food we buy. I am not talking about that. I am talking about the production of exotic tropical foods in Trinidad that already have a market in Europe and other parts of the world. [*Desk thumping*] What have we done about, for example, our cocoa industry? What are we really doing to produce dark chocolates which is now something that is in high demand because people realize that it is not going to affect their heart and it is even good for your heart? What have we done? What have we done about that?

You know, we talk about all of this. We have a University of the West Indies with an agricultural department and so on. What are we doing to create agribusiness incubators at the university so that we can get people, the students, to engage in agribusiness even before they come out of the university?

You know, I want to congratulate the Member for Chaguanas East when he was Minister. The first graduates from the aviation school are graduating today. Congratulations. [*Desk thumping*] When our colleagues were in the Opposition they laughed at this Minister saying: "You want to go and put aviation in Couva." Today, we are creating aviation mechanics or maintenance technicians and so on right there. That is vision. That is what we are talking about. [*Desk thumping*]

We are talking about people coming here to this country to sell education to

us: Canada, US universities. We can sell, we can export education in terms of providing the environment for that kind of training. We can export education by having universities bring their students to this country for courses in West Indian literature, West Indian history and what have you and so on, in medicine and so on. All that can happen in this country. You are only thinking about taxing people to increase revenue and foreign exchange. Well, Dr. Tewarie will tell you like I have, there are so many other ways to increase your foreign exchange and increase revenue [*Desk thumping*] but that is the difference between this side and that side. This is a thinking side [*Desk thumping*] and that is a non-action side. [*Desk thumping*] This is a can do side; this side gets it done. This is a side that has always worked harder for the benefit of the people and the country. [*Desk thumping*]

Madam Speaker, right now we are wasting our capacity for earning foreign exchange by exporting pepper just picked from the fields and put on the planes, when we can buy a simple piece of equipment and dry that pepper and process it and export it for about five times the price that we are now exporting the raw peppers for. The Member for Mayaro will tell you that. Has the Government exploited earnings from one of the fastest growing tourism sectors in the world? Do you know what it is? Wellness tourism in tropical countries combining yoga and Ayurveda wellness centres. I make these points to show that while the Government is intent upon punishing citizens with more taxes, it is not thinking about revenue and foreign exchange possibilities for which there are many, many in this country. The online tax is a punitive tax.

There are many areas where foreign exchange is being wasted, because we are not adding value to what we have in this country. For example, why should we be importing into this country or allowed to be imported wooden furniture when

we have some of the best hard woods—or have it right there in Guyana where we could import it—add value to it or use our teak to make foreign furniture in a knock-down fashion to export to countries across the world? [*Desk thumping*] We have good wood workers in this country, but who is organizing them? The role of Government is to facilitate the organization of our small manufacturers and give them the organization and the financial incentives and support so that they can produce and then somebody can export it. This is what we have to do.

The Member for La Horquetta/Talparo can employ plenty good people, skilled people from your area in furniture manufacturing, cupboard manufacturing. Lots of teak down in that area; in your area and my area. “I waiting for all yuh to go an open those packing centres that we have that you want to get them to rust like the Biche High School rust” [*Desk thumping*] and punishing small farmers who want processing facility space and they cannot get it.

Madam Speaker, I am told because of my research in this matter for online tax that several courier companies have begun to retrench workers, and people are losing their jobs. Economic expansion is the answer, Madam Speaker, not economic contraction which seems to be the result of the current Government policy. The current Government policy is economic contraction, not economic expansion.

In the leakage of foreign exchange: has the Government done any study to examine the amount of foreign exchange that is being sent outside of this country through companies like Western Union by people who supposedly own restaurants in the country and they come down to the Western Union to send money all over the world that they supposedly say they make in the restaurants? Has the Government examined whether these are the same people that own what you call Members Clubs or casinos in the country and whether, in fact, that there are lots

and lots of foreign exchange leaving the country through this means? They go with cash to the Western Union and what have you to send it. Is the Government aware that an underground foreign exchange market for US dollars is prevalent in this country and for which people are buying US dollars for \$8 for one? Is the Government aware that while US dollars are not readily available in the banks that people are using wire transfers that are being facilitated by the banks creating capital flight and people are opening false companies overseas and sending money to these companies purportedly to bring in imports? These are the things we have spoken about openly in the communities, Member for San Fernando East. These are the things that are openly being spoken, and these are the things that the Government should crackdown on if it wants to save foreign exchange. [*Desk thumping*] But what you do? You punish a fella who has a little credit card and he wants to buy a gift for Christmas for his loving wife. [*Desk thumping and crosstalk*] So to tax people 7 per cent and leave what I would describe as rivers of foreign exchange to flow out, is punishing the honest and leaving the dishonest.

Minister of Finance, you know, yesterday I did something interesting. I have been hearing about the amount of money being lost by this country in taxes, and you are charging companies 5 per cent and people 5 per cent and so on, so I decided to do a little research. So I went out to a restaurant, a Chinese restaurant. In fact, two of them, because I am told that they have roulette machines in these outlets. So for my own purpose, I asked the Gasparillo police to accompany me to these two places, because I wanted to be sure the information I collected is correct. So they went and they asked the companies for their receipts for what they were paying for in terms of their roulette machines. We got the receipts from them, Madam Speaker. Actually, I should have shown you this. These are actually receipts.

Madam Speaker: But, Member, if you have to display anything, you need to get leave from before.

Dr. S. Rambachan: I am not displaying, I am reading.

Madam Speaker: Fine.

Dr. S. Rambachan: It is a Government of the Republic of Trinidad and Tobago Ministry of Finance document. So they have this roulette machine and they have five other machines what you called one arm bandit and thing. They have five machines and the roulette machine. So around the roulette machine has 12 chairs and 12 machines accompanying the 12 chairs. So if you really think about it that is 12 people playing 12 machines. But when you look at what they pay taxes for, they are only paying for six machines. So the 12 chairs around the roulette machine become one for which they are paying \$3,000 and \$3,000 each for the other five machines amounting to \$18,000 in taxes.

However, when you go to the other fella now in Gasparillo, Club Victory Recreation Club, he has two roulette machines. I saw here that he pays \$60,000 a year for one roulette machine and in the restaurant, the same roulette machine the fellas are paying \$3,000 for. So you are losing—in every restaurant that you have a roulette machine under the guise of where they could get these machines by simply having a bar licence, because if you have a bar licence you could get up to 20 machines—they are getting away with \$3,000 and you are losing \$57,000 on each one of those machines a year. [*Crosstalk*] So in these restaurants—
[*Interruption*]

Madam Speaker: Members, the crosstalk. Please continue, Member for Tabaquite.

Dr. S. Rambachan: In these restaurants, I saw children playing on these machines. Then there is another thing, Minister, you have to look into. You talk

about taxes. There are lottery vendors, and there is one particular one I saw yesterday, in which there are these same machines and they put “for amusement only”, but you have to buy a coin for \$5 to play on the machine. So you are instilling the gambling habit in children very early as amusement only, and we talk about the deterioration in moral and values and we talk about a gambling society and we talk about gang development in the country and so on. You see where it comes from?

We in this Parliament must move to ensure that that gaming Bill is passed. [*Desk thumping*] We must do that. Let us sit down and make sure it is passed. We presented it and we are going to support it. [*Crosstalk*] Yes. I will support it because I cannot live in a country every day and see children being introduced to gambling, and see what is happening to the destruction of family life because of gambling in this country [*Desk thumping*] and the extent to which family life is deteriorating. Sometimes people do not have money to feed their families because they gambled everything before they reach home in the evening. Let us be clear on some of these matters. These things cross political lines, and this is a responsible Opposition that will do what is responsible for the interest of the society. [*Desk thumping*]

You go to Chaguanas and go into the dump where they sell clothes there, and they have play whe going on there, illegal play whe going on there. They have restaurants side-by-side with the Lotto machines and they are using the same numbers drawn by the Lotto machines. If you draw, let us say, 26, and instead of you paying \$26 to \$1, they are offering \$30 and \$35 to \$1. So NLCB is losing money, and you are further losing taxes. Why are you not closing these loopholes? [*Desk thumping*]

Madam Speaker: Hon. Member, your 30 minutes have expired. You are entitled

to 15 more minutes. Do you intend to—

Dr. S. Rambachan: Yes, Ma'am.

Madam Speaker: Hon. Members, can I get your concurrence that we will take the suspension at the end of the contribution of the Member for Tabaquite?

Hon. Member: Yes.

Madam Speaker: Please proceed.

Dr. S. Rambachan: Thank you. You have these members' clubs, billions of dollars probably passing through these members' clubs. How much taxes are they paying? How much taxes are they really paying, these members' clubs? There are banks in this country that have refused to take money from the members' clubs. How are they then getting rid of this money? Is this part of the money laundering that is going on in the country? How are they getting rid of this money, Member for Laventille West? Is this the money that are being used to buy guns and drugs in the country and take the lives of young people? What are we doing about it? So we are losing. You are taxing a man 7 per cent but you are losing all this revenue. This is wrong. This is wrong and we have to do something about it. Minister of Finance and Member for Diego Martin North/East, I would like to know whether the interest on these bonds that you are going to raise are tax free.

Mr. Imbert: No.

Dr. S. Rambachan: They are not tax free. Since you have four kinds of bonds in the Schedule: Government Savings Bonds, National Tax Free Savings Bonds, Tax Free Housing Bonds and National Saving Bonds again. Are these bonds tax free? If you really want to give a break to fixed income earners, you should give them tax-free bonds. A man who puts in \$100,000—because that is what he could buy, up to \$100,000. You give him—let us go to the maximum—3.75 per cent. So he gets \$3,750 a year. Does he get this \$3,750 at the end of the first year, second

year, third year, fourth year or does he have to wait until the seventh year before he gets the full sum of \$3,750 times seven? Would it not be better to give him on an annual basis his interest so that he could reinvest it or he can use it? Because if he is earning \$3,750 on \$100,000 that means he could be earning about \$325 a month, which could be added to his income. If he is on fixed income or pension that is quite a nice sum for him. So are these interests going to be paid annually or are they going to be at the end with the value of the bonds? I want to advocate that they be tax-free bonds for the person.

I agree with the savings bonds. It should be encouraged, because there are too many persons on fixed income in this country. Their money is going down, going down and then some have reached a position where they now have to engage in reversed mortgages. So that at the end of the day, they will have nothing basically—nothing to leave for their children and so on—when they have built their lives to provide some kind of legacy by way of a physical asset, and because they have to engage in borrowing and reversed mortgages they would virtually have nothing, they lose their property.

Now, you are borrowing. The \$2 billion is really a way of borrowing from the citizens. Now, I have no problem with that because it means to say also that you do not have to borrow in US dollars and, therefore, you would not have to find foreign exchange to pay if you have to pay in \$US, so why not borrow more from the local market? Why not borrow more from the local market?

The population though, as I say this, is noting very carefully with more than a passing interest that the current Government financial policies have a remarkable resemblance to IMF policies. [*Desk thumping*] What we are seeing is a very subtle injection of IMF policies in this country, not so well very disguised again, and the people are beginning to note it. You see, you had to listen carefully to the

hon. Minister of Finance when he spoke about wage restraint, if he wants to use that word or if it is just wage freeze in terms of 0-0-0; that is not the answer. That is not the answer. Because with inflation rising people are going to be living poorer. They are not going to be able to buy the same amount of goods and services with the same amount of money if they do not have some increase in their wages.

What you have to do in the country is very different. That is why I say you are not a thinking Government. You are not an inspirational Government. You have to inspire people to exercise a quality of restraint, self-restraint, while they enjoy quality living, but try to use more locally produced products allowing your scarce foreign exchange to be available for what it has to be available for—drugs, manufacturing—so that people could keep their jobs as a result of manufacturing and for other priority services.

Maybe we need to talk again to import smaller cars. I saw Honda CEO, Mr. Borde, is saying that the bestselling car now they have is the CNG City car. Thanks to the PP Government when we introduced that tax free in the country and say you would not pay any taxes on CNG [*Desk thumping*] when we introduced that policy of greening the environment, but it was more than that. Are we looking at alternative countries as suppliers for the kinds of things we need, cheaper classes of what we need? Are we doing that or are we continuing to think that only in the USA you could get high-quality engineering goods when, in fact, you can get them at cheaper prices in other countries? We have to change our paradigm of how we do business.

Minister of Finance, savings bonds are important, and they have to operate not in a vacuum, but you have to have other policy measures and initiatives that would encourage a shift in consumer preferences. You are not providing those

incentives, that inspiration for people to do that. All you want to say is look: “We have a lower revenue, leh meh tax people. Leh meh wait for an increase in oil prices; leh meh wait for an increase in gas prices.” That is wishful thinking. That is not going to happen for a very long time to come. That is not going to happen. Even the Minister predicted \$48 to \$50 for a barrel of oil. Right now it is down to \$44 to \$46 for a barrel of oil. In the last month that has not even become manifest.

So I agree that the savings bonds are important, because I am very happy for people on fixed incomes, but \$2 billion at a maximum of \$100,000 only allow 20,000 people in the country to participate in these savings bonds, 20,000 persons. A lot more persons—given how many people applied for the IPOs and so on—want to invest their money and maybe we should think about other means of giving the people the opportunity to involve themselves.

You see, given the high service charges that banks now inflict upon people, when you talk about savings bonds, you want to encourage a saving culture. You know, you have to pay the banks now to keep your money. You actually have to pay the banks to keep your money. If you do not use your money for a month, they take \$15 or \$25 out. The banks are very, very dishonourable in terms of what they are doing.

What we should be doing is trying to build the credit unions in this country, trying to build the credit union movement to develop a more financially-friendly customer environment and even find ways of helping the credit unions so that loans can be made available at cheaper rates to those persons who, because of their circumstances, are now excluded from being able to borrow money, and to build something and develop their lives.

You see, I want to propose that a saving culture be encouraged, but it should start early in the life of a child. I thought that the Unit Trust Corporation would be

playing a different role in this. I think that the Government should mandate the Unit Trust—a deeper role for the Unit Trust alongside children in schools to foster this culture of savings. You have to start somewhere and you have to encourage people, and maybe you got to give people tax credits for saving for children. From the time a child is born, give a tax credit up to \$5,000 for the parent who goes and starts a Unit Trust account [*Desk thumping*] so that by the time the child reaches 20 years there is about \$150,000—given the increases and so on—so that becomes university money for education.

Mr. Karim: Since you take away GATE.

4.30 p.m.

Dr. S. Rambachan: And then you may find that when you give GATE to that, you would not have to apply all this means test and put people under pressure and so on. This is what we are talking about. So it is not just about taxing people, you have to find ways to encourage people and grow people, and when you grow people you grow your country, and when you grow your country, you grow a future.

Madam Speaker, you know this tax, corporation tax, the 5 per cent more to 30 per cent even on the profits on the chargeable incomes and so on. People will pay taxes, you know, but you know what is happening in this country right now why people are evading taxes? People are evading taxes because they are not sure that Government is going to spend the taxes in the right way. They want to know that their taxes are going to be spent for the right things and that is why people try to evade it.

There are responsible citizens in this country and they want to do that. But why we say that, I want to ask the Minister of Finance, Member for Diego Martin North/East, you have mentioned, I believe, in this House that we have lost a lot of

revenue as a result of transfer pricing with respect to our gas and so on and maybe you were referring to Atlantic gas in particular. And if it is what you said that we have lost about US \$10 billion over the years, what have you done to initiate the process to begin negotiations to get back that money for Trinidad and Tobago?

If you are convinced that we have been cheated in terms of the transfer pricing, that gas leaves Trinidad and when it reaches in the middle of the ocean it turns around and goes somewhere else because that is when they get their real price and they benefit and we do not benefit, we are the source of primary raw material. What have you done in order to initiate a process that will get us back that money?—because I think that is important, very, very important because those contracts were negotiated quite, quite a long time ago.

So, Madam Speaker, I am very happy to have contributed my little bit to this debate here. Madam Speaker, I say we are losing money, we are losing money. At the last count in 2013, according to this *Express* report, there were 19 private members' clubs at that time. I do not know it is has doubled by now. And this report says, mostly offer casino style video slots, casino style. Are these members' clubs paying their \$60,000 per roulette machine? Are they paying taxes at all? Are they paying taxes at all? So you see how much money we are losing in this country?

Madam Speaker, you are a person who has a great interest in children. I have seen that from the meetings we have had in the Youth Parliament Committee and so on. And you will get so annoyed when you go into these restaurants, small restaurants all over the villages and you see these one-armed bandit machines on the thing and the parents are waiting there to eat or collect food and the children are putting their dollar in machine and they are playing there.

Why are we allowing gambling by children in restaurants? This has to stop.

It has to stop. Yes, we are debating about taxes and so on, you know, but they pay \$3,000 for those machines, right?—for the year. They are making about 50 times that a year on that one machine or more. I am telling you, Madam Speaker. So I am concerned, really concerned about this despite what I am talking about here in the taxes. I do not think that the Government is doing the kind of job that it should do. Just having a moratorium to collect taxes and get \$750 million, or in our time, get \$900 million and so on, that is not enough, that is not enough. If people are sure that their money is going to be used for the right reasons, people are responsible enough to pay their taxes, but they have to trust the Government, and right now the people do not trust this Government. [*Desk thumping*] So everyone is trying to “break biche” away from it.

So, Madam Speaker, with these words I thank you. And, you know, I noted that this year is the 70th year of the right to vote and I think it is a moment to put that in the record. That is a freedom and it is a right that we should protect and cherish and congratulate all of those in the past who worked to ensure that we got that right. Thank you very much. [*Desk thumping*]

Madam Speaker: Members, this House is now suspended. We would return at 5.10 p.m.

4.35 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Deputy Speaker: Good evening, Members. We would like to resume the debate and I recognize the Member for St. Ann’s East, Minister of Community Development, Culture and the Arts. Proceed.

The Minister of Community Development, Culture and the Arts (Hon. Dr. Nyan Gadsby-Dolly): Thank you, Mr. Deputy Speaker, for the opportunity this

afternoon to contribute to this Bill which is “an Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for other related matters”.

Mr. Deputy Speaker, before I get into my speech, I would like to address some of the issues that were raised by the contributors so far in the debate. And would like for the record just to state that the Member for Port of Spain North/St. Ann’s West did indicate that expenditure was reduced based on the budget for 2015/2016, but he did not say however, that there were no job losses. I want to put that on record. Because the Minister of Labour and Small Enterprise Development herself is on record as saying that, yes, there were job losses, and I want to just put that into context because around the world, Mr. Deputy Speaker, based on the global economic situation, there have been job losses.

And I want to just reference, for example, in Barbados in 2014, the Government of Barbados announced that they would be going through a phased reduction of public sector jobs by 3,000 people. I want to also reference that Microsoft, the giant, the software giant in 2015 also announced a reduction in jobs by 7,800 persons. Oil companies worldwide between 2014 and 2016, jobs were lost in the order of 351,410. So I want to place into context the fact that there have been job losses in Trinidad and Tobago and I want to actually commend the Government of the day, the PNM Government, for being able to ensure that we are guided through this process without any massive job lost in the public sector, [*Desk thumping*] and think that is worth commending.

So as we move on, Mr. Deputy Speaker, I want to also say that the Member for Tabaquite did give us quite a long spiel on gambling and it is commendable that the Member is offering this advice with respect to where we should collect taxes with respect to gambling and so on. And I just want, for the record, to state

that this situation had not started in September 2015. It is something that has been ongoing and while we appreciate the advice, I want to state that this issue of the online purchase tax which he juxtaposed against collection of revenue from Chinese restaurants with machines, that comparison is really apples and oranges. Because in one instance we are speaking about simple collection of taxes, and in another instance we are speaking about a process which can help not only to aid in the collection of taxes, but can also help to assist our local manufactures and service companies to be competitive with respect to over shore and overseas retailers.

So, Mr. Deputy Speaker, at this point I would like to go into the body of the contribution and this really is dealing—and I want to focus on this aspect of the Bill before us, the online purchase tax. And this, of course, is the 7 per cent that would be levied on online purchases of goods and services from retail companies, resident overseas, and it is intended to, among other things, assist local manufacturers and service companies to compete with overseas retailers.

Mr. Deputy Speaker, there are various views on this and we have heard from the other side that this is a punitive measure and so on, but I want to just emphasize again, because it bears repeating because I have heard it repeated on the other side twice now, that there are exemptions to this tax. And those exemptions are important to mention because a lot was said about small importers and the disadvantage that they will be experiencing based on this tax. But I heard the Minister of Finance say it, Member for Diego Martin North/East, I heard the Member for Port of Spain North/St. Ann's West also reference it and I am going to reference it as well, Mr. Deputy Speaker, to ensure that the public understands that goods for a company for trade purposes are exempt from the 7 per cent online purchase tax.

So small businesses have no need to fear and they are not going to crumble if they are importing by air in order to sell their goods. And, you know, I think it is disingenuous for the other side to stand and to say it over and over again when it has been said from the beginning that they are exempt. So small importers, you need not fear because the tax is not meant at all, in any way to crumble your business or to protect big business.

The Member for Tabaquite, I think, raised, no it may have been the Member for Caroni Central raised the point about small persons who may not have incorporated a company. Mr. Deputy Speaker, it is not so difficult to incorporate a company that one should not ensure that when you are opening your business you go the right way. And I do not think it is right for us as parliamentarians in the highest court of the land to condone that type of operation. It is the right way to open a company, incorporate your company and therefore, you would not have a problem with this online purchase tax.

The other category that is exempt from this tax are the non-commercial goods sent from one person to another. So, for example, Mr. Deputy Speaker, if you have relatives or friends in foreign countries and they send you a gift by airfreight, that gift is not attracting this 7 per cent tax. It is specifically for things that are bought of a personal nature from an online retailer. So, the Member for Tabaquite who referenced a gift that your family sends to you, you can receive your gift. That is not affected by the online purchase tax.

In addition to that, Mr. Deputy Speaker, goods from overseas which arrive by sea are not a part of this category that will be taxed. So, for example, barrels that have been around since, before I was around, and that is the usual method by which those in the lower income stratum get their goods from overseas, their families send them things. I myself visited the States last year and I myself sent a

barrel down. And I am glad to know that when I do that again, it will not attract the online purchase tax. That is the method by which the lower income strata get most of their supplies from overseas and that has not been a part of the online purchase tax. So therefore we see that, contrary to what has been said, the PNM is ensuring that they protect the lower income earners and ensure that they are not affected by this. [*Desk thumping*]

Mr. Deputy Speaker, when we look at it, after we have cleared all the exemptions now, we can therefore look and focus on the fact that the opportunity is there for local, small and medium enterprises, SMEs to be able to benefit from this intervention, because what it does is makes shopping online less competitive. And so, far from killing them off as we have been hearing, it actually gives them a window of opportunity to be more competitive and to compete more successfully for the local dollar.

Now, I think it is important for us to think about what are the facts with respect to online shopping locally. Now, in 2014 the Central Bank revealed, in 2014 at that time that US \$1 billion was spent in Trinidad and Tobago on online shopping between 2012 and 2014. So over that two-year period the Central Bank revealed \$1 billion. So that must have increased by now.

In 2015, the top five items bought in Trinidad and Tobago, through online shopping, were clothes, electronics, carnival accessories, cosmetics and kitchen appliances and gadgets. Mr. Deputy Speaker, none of these are essential items. They are all luxury items. I heard the Member for Tabaquite reference that the small man will be affected by having to pay more to get these items. And I wonder if the Member for Tabaquite has lost touch with what the small man is, because as far as I know, the small man does not shop online for clothes, electronics, carnival accessories, cosmetics or kitchen appliances and gadgets. And, you know, we

have to be careful when we say these things and we bandy these things about, because we really are doing the country a disservice when we say them. So there are no essential items that are bought online through online shopping and online electronic transactions.

In 2016, the top sites patronized in Trinidad and Tobago to do online shopping transactions: Amazon, eBay, Forever 21. As far as I know there is no flour, rice, sugar sold by these businesses and therefore, again, no essential items are being sold by these areas. [*Desk thumping*] So therefore, this issue of the small man being affected, I want to say that we have to put that to rest. These are luxury items being bought by persons with enough disposal incomes to have a credit card.

Now between the years 2012 and 2015, the number of credit cards, and this is the Central Bank website giving this information, the number of credit cards in Trinidad and Tobago, 173,000 in 2012, 215,000 in 2015. So we have an increase of 13 to 16.5 per cent of the population using credit cards in Trinidad and Tobago. Again, small population, small stratum, but we see that increase and therefore the potential for the upsurge in online shopping is there with all of the effects that go with it.

Now if we take a look, Mr. Deputy Speaker, at the effect of online shopping on local businesses, then I think that is where we hone in and we understand why we need to make online shopping less competitive to give our local businesses and small and medium enterprises a chance. It is important to us because in 2014, statistics showed that 85 per cent of local businesses are small and medium enterprises in Trinidad and Tobago and 200,000 persons are employed in small and medium enterprises in Trinidad and Tobago. So it is important for us to understand how online shopping affects our small and medium enterprises as it employs so many people in this country.

The Member for Diego Martin North/East would have referenced the issue that Carib had and Carib gave with respect to international competition being given by the potential or the alleged dumping of bear in Trinidad and Tobago and the effect that a large company like Carib is having a deleterious effect on them. And the Member for Port of Spain North/ St. Ann's West also would have referenced that there is the precedence for online purchase taxing happening in Argentina, in Brazil at much higher levels than have been suggested in Trinidad and Tobago in some cases.

In Canada in 2015, Mr. Deputy Speaker, 64 per cent of retailers identified online shopping as one of the main challenges to their success as a going concern. They identified two out of three dollars online going to US retailers, this is in Canada, \$2 out of \$3 spent online going to US retailers. A reduction in the moneys circulating locally by 32 per cent, based on the fact that online shopping was rising in precedence. And so what they also identified is that small and medium enterprises were at the greatest risk of decline based on the increase in online shopping.

Another study done in India, in one of the cities in India, with a population close to Trinidad and Tobago's, also identifies the trend, that retailers are having a great difficulty competing with online shopping because they cannot compete with the low prices in some cases by these large corporations. They cannot compete with the variety given online and so they are also having difficulty being able to sustain themselves.

There was an article in Forbes Magazine in 2015, Mr. Deputy Speaker, which was titled, "The Shopping Malls Really Are Being Killed By Online Shopping". And again, the author went to great pains to describe the effect on retail and small and medium enterprises by the online shopping rise. In addition to

that, there is a statistic I would like to share coming from the Institute for Local Self-Reliance in 2012 which identified that when Amazon makes US \$1 million in sales, one job is provided, as opposed to small and medium enterprise making US \$1 million in sales providing eight jobs. So again, that shows you the difference in what small and medium enterprises can do with respect to employment. And it highlights and really crystalizes the fact that we have to look very seriously at the effect of online shopping on our small and medium enterprises, which as I referred to before, make up over 85 per cent of all businesses in Trinidad and Tobago which are approximately 20,000 in number and which employ approximately 200,000 persons in this country and contributes, as a matter of fact, approximately 30 per cent of our GDP.

So in Trinidad and Tobago we have micro, small and medium enterprises employing people from between one and five, which is micro, six and 25 which is small, and 26 to 50 which will qualify to be a medium enterprise. And those small and medium enterprises their success is critical to the economic success of Trinidad and Tobago and they offer certain advantages to the country. Small and medium enterprises are labour intensive, as I just would have mentioned in the statistics. They require more people to be employed in order to produce the service and they provide jobs for the vulnerable in society. So more women, more young people are employed in small and medium enterprises. They are less import dependent because they use local, raw material and therefore, they assist in conserving foreign exchange.

The small and medium enterprises also have lower overheads and can supply, in some cases, cheaper goods, but it is difficult for them to compete with large retail chains. They stimulate economic activity and they offer greater job security as they usually have greater wage flexibility and they also give a higher

productivity to the nation. And so these small and medium enterprises are very important to our country and are very much affected by the rise in online shopping and we have seen case studies which show that this is a true trend.

In Canada, 69 per cent of Canadians in one study indicated that they prefer to shop Canadian. And I want to just bring this quote which was given:

Canadians are increasingly aware of the power their spending exerts on the economy.

I want to repeat that, Mr. Deputy Speaker:

Canadians are increasingly aware of the power their spending exerts on the economy.

And I want to submit that this is necessary for Trinidad and Tobago. We have to become aware of the power that our spending exerts on our economy and our responsibility in this regard.

Now, why do people shop online? Mainly, they shop for convenience; they do not have to go through the traffic get to the store; the store is opened 24/7 online; it is less hassle to purchase the things that they want. They also talk about the price; sometimes you get cheaper things online and the availability of goods. You can have different brands that you prefer, the quality in those brands may be what you prefer and the variety, you may get a wider variety when you shop.

And so if we are saying that these are the things that our shoppers are looking for, but if we allow online shopping to proceed without putting any type of brakes on it, what it can actually do is erode our own small and medium enterprises, then what we have to look at this online purchase tax as, is an opportunity for our local businesses, our local, small and medium enterprises which make up 85 per cent of all businesses in our country, they have an opportunity now to step up.

They have a local audience who is now accustomed to a certain way of life and of living. And so now they have to think about how they increase their online presence, their responsiveness, the quality of the interface online, how regularly they are updating their catalogues and so on. They have to look at their delivery efficiency and consistency because when you shop online your goods get delivered, so that is another opportunity for local small and medium enterprises, and also it is an opportunity for them to look at their pricing to make it more realistic. Because we all know that there are quite a number of price gougers out there and that would need to stop if they want to be competitive. Because if they are not, what we can simply see happening is people continuing to shop online which would lead down to bringing the revenue from this online shopping very much in line with what the Minister of Finance is predicting.

So the local small and medium enterprise industry has to look at how they provide the service to the level of customer that they want to attract. And it is also an opportunity for creating more jobs in the delivery and service industry for Web designers to assist now with the small and medium enterprises in making their online presence stronger and also in online support services, to ensure that you have the responsiveness that every one of us likes to have when we shop online.

And in addition to that what it will do is allow our local small and medium enterprises to grow because once they get their presence online, now their market is global and we can look to the region to see what type of support you can get. So there might be regional, more regional interest in our local stores if they have a stronger online presence and are able to attract this.

So, Mr. Deputy Speaker, the future of shopping is digital and I think that is not something that can be easily rolled back. We have come to that and I do not think we are going to move from it and so this online purchase tax creates an

opportunity. Instead of looking at it as a punitive measure for consumers, we have to look at it as a measure that creates an opportunity for our local small and medium enterprises to become more competitive which redounds to their benefit within the region, as well as within the country.

The Ministry of Finance and the Minister of Finance, I want to commend you publicly because this move actually supports [*Desk thumping*] our local entrepreneurs and business owners, far from trying to kill them off, it is a measure that gives them an added measure of competition. And now what they have to do is to rise to the occasion, move into the vacuum that is created, because it is a small window and if they do not take advantage of it, what we can see happening is simply that the Government will make more revenue from online purchase tax. So they have a window of opportunity. They need to rise into it. Make your online presence stronger and we have everything that we need. All that we do not have is the will. And now the Government has afforded a head start, so there is a reason now for consumers to look local. So therefore, our local small and medium enterprises, this is the chance to step up and take advantage of the head start given to you by the Government of Trinidad and Tobago.

5.35 p.m.

And we, as local consumers/shoppers, have a responsibility as well to support our local enterprises, to buy local. I know we have a lot of ads on the radio and the TV about buying local but this is a chance for us, as they have done in Canada, to recognize that we have a part to play in supporting our local industry. We have 200,000 people employed in small and medium enterprises, and therefore we need to ensure that we support our local enterprises so that they can grow and we can ensure that our citizens remain employed.

So, Mr. Deputy Speaker, we all have to do our part. The Government has

done its part, and this is not a punitive measure. This should not be seen as a disadvantage, rather an opportunity for our small and medium enterprises to grow, and an opportunity for us as patriotic citizens to support our local enterprises to the benefit of all of us in Trinidad and Tobago.

Mr. Deputy Speaker, with these few words, I thank you. [*Desk thumping*]

Mr. Rodney Charles (*Naparima*): Thank you, Mr. Deputy Speaker. I seek your guidance under Standing Order 44(10) to refer to my document.

Mr. Deputy Speaker: Proceed.

Mr. R. Charles: Thank you very much. Well, I will start as I always do by quoting from the book of scripture—

Hon. Member: What version?

Mr. R. Charles: Second Peter, verses 1 to 10, and it says:

But false prophets also arise among the people, just as there will be false teachers among you, who will secretly bring in destructive heresies, and in their greed they will exploit you with false words.

And I say that, Mr. Deputy Speaker, in the context of the election last night in which, surprisingly, Hillary Clinton lost the election, and we now have to deal with a situation where we have President-elect Donald Trump.

But what that election told us, and it is important as we discuss these tax-and-spend measures, is that globalization is creating increased inequality in societies. It is, what Donald Trump—and I hate to quote Donald Trump—calls a rigged system that operates in the interest of the wealthy, the 1 per cent, and to the disadvantage of the majority. And he spoke about a society that is evolving, and this is happening in Europe, it happened with Brexit, it happened in the United States, and I suspect that inexorably we are heading to a direction where sooner or later we will have a day of reckoning in our society. We have reached a stage

where young people, our millennials, they feel that this society does not operate for them and some are even asking the question whether the education that they got under GATE, that they got under the UNC, is worth the while, and whether they should at all even think about tertiary education.

When I speak about this budget, Mr. Deputy Speaker, I would not go into detail—this statement, I would not go into the details of the Bills we are looking at, I think my Government Savings Bonds Act, Income Tax Act, Corporation Tax Act, Miscellaneous Taxes Act, et cetera, except to say that the hon. Member for Port of Spain North/St. Ann's West quoted some tax rates in other countries. My information is that, and I will just give an example: the income tax in the United States the top marginal corporate tax rate is 39 per cent. I am advised that by region Europe has the lowest average corporate tax at 18.7 per cent, and worldwide, the worldwide average corporation tax rate has declined since 2003 from 30 per cent to 22.9 per cent, and so every region in the world has seen a decline in its average corporate tax rate in the past 12 years. So, what is happening is that we do not understand the architecture which says that if we increase our corporation tax rates in this era when businesses can move easily from one country to another, the more we increase our tax rates the less competitive becomes our economy, and less as a destination for investments. [*Desk thumping*] But you see, a Government that is tied to tax, and tax, and tax, would not see the architecture or what the implications of, and how the tax rate relates to what they are doing.

Mr. Deputy Speaker, never in the history of Trinidad and Tobago has so much damage been inflicted on so many citizens in such a short time by so few on that side. [*Desk thumping*] But I would like to in the context of this tax and spend, because all I see—as I say before, in the context, and I am a student of Lloyd Best—is the arithmetic. You have a fiscal gap and you have to narrow that gap,

and you either tax the citizenry or you reduce expenditure, and that bears all the hallmarks of external exogenous advice that comes to Trinidad and Tobago. I would like to quote from a document that was written by the founder of that party, and the article is “Massa Day Done”, and Eric Williams as he spoke, and it was printed by Balisier House, and he said that:

As we are independent we have to look for local solutions to our problems.
We do not look to institutions like the IMF.

And he admonished our society that Massa day done. He indicated that he was not talking about race. He said:

I will now make clear what Eric Williams meant when he spoke. He said
Massa is a phenomenon, a symbol of a bygone age.

In other words, it represents a philosophy that outside views are more important than internally generated solutions.

Massa was a symbol of a plantation economy, where our resources are not used for our benefit. Where our destiny are not in our hands. Our destiny resides elsewhere, decisions made elsewhere, in their own interest and we adopt it. When we look at the IMF, the context of the ingredients of what we are discussing here today, we see that this operates not for us, and the genesis of this does not arise locally. He said:

Massa—“welcomed political dependence so long as it
guaranteed...economic dependence of his workers.”

And based on that, that is what I am seeing here today.

I am seeing here today that we are not operating in the interest of Trinidad and Tobago. We are operating on an IMF prescription, whether we like it or not, that is what we have here today. [*Desk thumping*] And what are the prescriptions? Tax everything that you can find without a philosophy that you will tax those

things that are not generating income, that are not generating employment, that are not generating revenues. We tax “lamblash”, tax everybody. We reduced subventions, and we have seen that. We have reduced subventions to petroleum subsidy—sorry, petroleum and diesel, et cetera.

We see that in the reduction of poverty reduction initiatives and the food cards, and they boast about the food cards. They come here and boast about the food cards, and say we have cleaned the list. And I said it previously, my constituents are telling me, “I am not going to put myself up to the humiliation of being told that they will not get it because they come from a UNC constituency like Naparima”. So, they do not even apply to put their names on the list to get a food card. And my friends opposite interpret that somehow they did not exist, there are ghosts, and therefore they have cleaned the list and there was corruption and mismanagement. And IMF operates on short-term macroeconomic adjustments by reducing expenditure and closing the fiscal gap.

Essentially, it is about not respecting the people of Trinidad and Tobago and the talents of our citizenry. I recall decades ago in A level we used to be discussing the same kinds of issues that we are confronted here, and the same kind of solution, and then we were only 18 years old in Naparima College, and we would talk about, increase taxes and cut expenditure, and you come today decades after, half a century after, and you find the same prescription, not an iota of change. [*Desk thumping*] And they try to fool us that we are not dealing with the IMF. The Prime Minister sought to clarify during the post Cabinet press briefing last Thursday, saying that this IMF presence is part of an Article IV, and it is part of regular consultation, that Government’s decisions are not singular, there are options, and that Government would chose to do what is best with the limited resources, and the question I ask is, who is benefiting from the decisions we have?

Who in this country feels better off today after we have had 14 months of a PNM Government? Who feels safer?

Mr. Singh: Antoine. [*Laughter*]

Mr. R. Charles: And as my colleague the Member for Tabaquite said, citizens do not mind paying taxes, two things they ask, some light at the end of the tunnel so that people can see that this is a present situation but we would not face that forever. And secondly, they wish to see that their money is being spent in an area that is beneficial to the society. There is no problem with borrowing money and no problem with taxes if you invest that money to create new jobs and new investments so that we can have a cycle of growth and development ultimately.

It has reached a point where the most die-hard PNM supporters can say that they feel as if they are not better off today. And I believe that people are going to send a message shortly to this Government very soon, to come of their high horse, to talk to the population to consult with us, let us know what are the measures, why the measures, and how are they going to ultimately benefit the society. For example, if you are going to put an airfreight tax, a 7 per cent tax, the question arises, is this applicable to everyone? I have friends who are disabled, they must buy things from abroad because the things are expensive locally. For example, a catheter, I am told, is worth \$150 in Trinidad, they can buy it abroad for US \$3, and the question is they need to use two per day. In the absence of medical equipment in the hospitals in Trinidad and Tobago, are you going to punish citizens if they use their brain that God gave them, to find a way to get access to the medicines that they need to ensure their health? But you are going to tax that, and without a context and without an architecture to say how the thing is going to help us. [*Desk thumping*]

But our citizens are constantly worried, and they keep asking themselves,

what will be cut next, and which new tax will be added. There is a fear that the next announcement would be that the IMF is actually in charge of Trinidad and Tobago. And I want to remind the Minister of Finance, I want to tell him in no uncertain terms, that Massa day done, and we will not allow them to take our nation back to the state of dependency. We will not allow them to sell our destiny for 30 pieces of silver. We will not accept an offer of zero, zero, zero, and Trinidad and Tobago will not allow this Minister to continue to talk down to the nation, to laugh at the rising cost of living, to laugh with his friends about our misfortune, and the people of Trinidad and Tobago will send a message soon. And just in case they are under any delusions, I wish to let them know, the state of the economy is one of the primary concerns of all the citizens of Trinidad and Tobago.

They look to the Government for a plan, they want to be reassured that the policies being put in place would lead them out of a recession and into sustainable development. But there is no reassurance. Every time the Minister of Finance gets up to speak the country goes into panic mode, groceries and gas stations are filled with people. It is the same reaction we see when there is a natural disaster. *[Interruption]* When the Minister of Finance gets up to speak to this House the country responds as if a hurricane is coming. So, we told them at election that those on that side they have no plan. We told the country during the election that they did not have a plan. What could have been dismissed then as campaign rhetoric cannot so easily be dismissed today.

The country is seeing for itself, they are feeling the brunt of being rudderless, floating dangerously close to IMF waters. When we look at their manifesto primarily made up of pictures and catch phrases, and where they try to offer something resembling a plan, it was vague, there were no timelines, there were no targets, and there were no measurements. All these are elements of a plan,

a specific, measurable, attainable, et cetera, and we have to assume in the absence of any facts or evidence to the contrary that this is another element of a hodgepodge tax measure to get revenues in order to facilitate the expenditures that they have indicated to us. It is piecemeal. It is *vaille-que-vaille*; it is nonsensical; it is a primary school approach, because their interest was primarily to get into government, not to provide an architecture to make us a First World country. [Desk thumping]

It was evident in the many budgets presented by this Minister of Finance, and it is evident today that all this Minister knows is to tax and spend; taxing our citizens straight into poverty. Since September 2015 the PNM has, and these are just examples of the arithmetic by which we are governed: they had proposed to freeze public servants wages, they have increased gas prices three times and may increase it more depending on whether or not we riot; they have added VAT to more food items, they have added taxes on online purchases, they have increased tax on luxury motor vehicles; they have proposed the reintroduction of the property tax, they have increased the business levy, they have increased the Green Fund; they have increased taxes on alcohol and cigarettes, and nobody is saying anything is wrong with taxing alcohol and cigarettes. But put it in the context of an overall plan of health and wellness of the citizenry and show how this tax could reduce usage, if at all it will, because we are talking about goods coming in under the customs radar, et cetera, but show us how so it would make sense.

It is not just a tax put on two items because you need revenue, it is a tax put to help our citizens and reduce our health expenditures, and they have proposed new gaming and gambling taxes. If the citizens were to add up how much this PNM Government is costing them. The Minister knows why he spoke about riots. He knows what he is doing to the population. If the Prime Minister allows him to

continue we would have an entire generation of Trinidadians and Tobagonians weighed down by their lack of foresight and planning.

Mr. Deputy Speaker, I see no forward thinking, no succession planning, no developmental plan, no use of brains, no innovation, no creativity. You read this and it is déjà vu, we went this way before. We taxed our way into poverty. As we tax, people spend less, the revenue shrinks, and we go to a downward spiral towards the Haitinization of our economy. [*Desk thumping*] A coherent and visible economic strategy is a necessity, not a luxury. We will certainly not benefit from random announcements about Government having no money. So, therefore you are introducing or introduced another tax. Difficult economic times present an opportunity, an opportunity for innovation where we can take stock of what we have and find the best way to use our resources. The time for politics and gimmickry are over. It is time for Government to show the country what they are made of. And, Mr. Deputy Speaker, if they do not possess the aptitude or skills necessary to do what needs to be done for the country, they need to step aside and let those who can take charge. [*Desk thumping*]

I have not been impressed by a single thing this Minister of Finance has brought to the House. I have not heard anything yet that I could take comfort in and say that this country will eventually reap and benefit from this policy. [*Desk thumping*] I have not heard it and neither has the country, and that is why there is panic and pandemonium every time he speaks. We heard nothing innovative, nothing new, nothing inspiring, nothing that will change our course, nothing that will give us hope. We ask the question, where are the ideas? You had five years in Opposition, what did you do in those five years besides inventing allegations, inventing emails and trying your best to become the government? You told us that you are red and ready, and now your members are red and hungry. Would it not

have been prudent to spend some time thinking about what you would do when you came into government, and now you are here you are grappling, pandering to the IMF, as one of my colleagues said before, you have subcontracted, you have outsourced the management of the economy to the IMF.

The late Lloyd Best would speak about the algebra and arithmetic. The algebra was universalistic and the transcendental, generality, whereas the arithmetic was particularistic. I do not know if the country truly appreciated the genius that he was, but he spoke about the need for the two, and all we have here today is the arithmetic, and even that is not adding up. And we need money so we tax and we borrow—and we ask—Mr. Deputy Speaker, I am very disheartened that I still have to be asking the question—where is the algebra? Where is the planning? Where is the silver lining? What is the philosophical underpinning that guides the kind of tax that we have? What is the plan and where it is?

Mr. Deputy Speaker, our time and effort would be better spent discussing the merits of ideas to take us forward in this new era, into a period of innovation where we harness our resources and we move our country forward. But we cannot do that. We have scrap paper here before us. Not an idea in sight coming from the Government bench, not a single contribution worthy of intelligent intellectual discussion. What is your plan for the workforce, for the well-educated and under-employed citizenry? What is your plan for short, medium and long-term diversification? Give us one idea other than Sandals that speaks to a diversification that makes sense?

Now is not the time for you to be resurrecting previously rejected PNM ideas. We simply do not have the luxury of you running this country like OJTs. You told the country you had a plan, and once you got into power you would fix the problem, and we demand as citizens, fix the economic problem facing Trinidad

and Tobago. [*Desk thumping*] Every time you come here you give some faulty arithmetic, messages of doom and gloom followed by short-term plugs. You are treating the economic management of this country like a leaking roof with the Minister of Finance running around with a bucket trying to collect water instead of coming up with a plan to fix the roof.

The country deserves an algebra. This country of intelligent people. Our greatest resource is our human resource. Do not come with arrogance and talk down to us; not short of stature and short of intellect. They were giving you time and now they are running out of patience, because every time workers are retrenched or food prices go up, and you come here and articulate the problem with no accompanying solution, just tax bucket after tax bucket, the country gets more agitated. Parents want to know when they sacrifice and send their children to school that their hard work will pay off eventually.

My parents sacrificed because Eric Williams, the great founder of this nation, who I say would come on this side if he was to be resurrected today. He said, the future of the nation lies in the book bags of the children, and therefore my parents sacrificed so that their children would inherit the kingdom. But what are—today parents came from Reform Village Sanatan Dharma Maha Sabha, that school is among the top 10 schools in Trinidad and Tobago based on performance, academic performance on standardized test. And there is a big school, a \$15 million school standing at the side, 90 per cent complete, and the Government is taxing and standing up there and allowing that school not to be completed. [*Desk thumping*]

Six months ago work has stopped on that school, because they are doing an audit on that site. Well, for heaven's sake if you are doing an audit get a quantity surveyor to estimate the work done and pay the contractor so he can finish the

school, so that the children, the future leaders of this country, can get an education, so they will not be stuck using IMF prescriptions. [*Desk thumping*] They can use their own brain. Mr. Deputy Speaker, if you go right now and download IMF policies and give it to any sixth form class, Queen's Royal College, Naparima College, St. Stephen's College, Cowen Hamilton Secondary School, put them together in a room and they will come up, for free, with a plan better than the expensive IMF plan prescription that they want to follow. Trust us. Trust us. We are intelligent. We are bright. We went to school like everybody else in the world.

The Minister of Finance went to the University of Manchester and I am sure he did great service to the intellect to show the British society what Trinidad can achieve. [*Interruption*] Well, we hope so. If he did that we all can hold our heads high when we go abroad. But when our Government comes—because they do not have a plan, they run to the IMF, and those are second rate students in there. They are not the best and the brightest in the First World in the IMF, and they come and lecture to us and we ignore the talents in Trinidad and Tobago.

I heard the Prime Minister telling the country that paying taxes is patriotic, and that if you have to pay a property tax you should be proud because you have a home. But what is the plan in place to help young professionals, that 25 to 40 age group, to become homeowners. That is the algebra. You see, you give us the arithmetic with the property tax, no problem with that. The algebra would be the plan to increase home owning among that group, and again that is missing. You come here and you ask me, a big man, to sit down and approve a tax of whatever it is [*Laughter*] to spend and waste, and we have a citizenry that is crying for leadership and crying for vision.

Do not tell me about Japanese coming to invest. I went, paid by the Japanese Government, to Tokyo four years ago, and I went to Mitsubishi

Chemicals head office, and they did speak about helping us diversify our economy once they got the Mitsubishi plan constructed. So, do not come and tell me years after without giving credit to Kamla Persad-Bissessar and her Government, we laid the foundation. [*Desk thumping*] We do not want thanks, we just want you to use the ideas in the interest of the citizenry of Trinidad and Tobago.

The People's Partnership had a plan to make Trinidad and Tobago a home owning democracy, because we understand the importance of this. We understand the algebra. The Minister could find it on page 58 of our manifesto. "Look we giving yuh advice, free advice, a road map. You could tief the idea and doh give us credit. We doh care". Stop giving us buzzwords and 10-point plans, not even worth the paper they are printed on. Tell us your economic development strategy. How are these taxes part of our overall development plan? How will they create jobs? How will they improve the lives of the citizenry? Show us how you plan to improve the skills of the workforce or reduce the cost of doing business and thereby boosting investment? That is what we want. We past the stage to come here and sit down and pass tax, increase tax; tax everything; you are taxing weave and all. If the Member for Laventille West was here I would find out if there is a VAT on weave.

Mr. Deputy Speaker, you can see I have a lot of questions and very little hope any of them would be answered. Government speaker after speaker will come and tell us the People's Partnership did this. They had ghosts, well for heaven's sake if you have a ghost give the name, lock them up, but do not come here [*Desk thumping*] with inadequate evidence and unthought of ideas, and pass it of as facts. Eric Williams spoke about, he said this pack of united idiots, this band of obscurantist politicians, this unholy alliance of egregious individuals, who only come every night and read a book, one book, and they come, nincompoops that

they are, think they can pick up any old book the day before a debate in the legislative council and pull a fast one.

Hon. Member: What are you speaking about?

Mr. R. Charles: I am speaking about Eric Williams, *Massa Day Done*, page 1, printed by Balisier House, 90 Frederick Street, Port of Spain. [*Interruption*] An uninspiring and uninspired bunch. But I want what is best for my country. This is important to me, and I hope that they would reflect on the concerns of the nation and act together. The IMF in Trinidad. The Minister of Finance was quoted in the post Cabinet press briefing in April as having said:

The IMF and the World Bank will help Trinidad and Tobago come up with a new fiscal regime for the oil and gas sector.

I do not know if the Minister is aware of the IMF's track record in developing countries. He simply had to look into our region to know what is the problem and he should proceed with extreme caution. But instead he has invited the IMF World Bank team to help rewrite the rules governing the Heritage and Stabilisation Fund. He has invited them to review Government expenditure and provide an update as to whether the Government is getting value for moneys being spent, and he has invited them to advise on appropriate foreign exchange policy, and a number of other fiscal and monetary matters. I certainly hope—

Mr. Deputy Speaker: Hon. Member, your time has expired, do you care to avail yourself of the additional 15?

Mr. R. Charles: Thank you, sir.

Mr. Deputy Speaker: Proceed.

Mr. R. Charles: I certainly hope, along with the rest of the nation, that the Minister is proceeding with extreme caution, do not take what they say, because we have a Massa complex.

6.05 p.m.

Because if we look to Jamaica and the IMF, we could ask the Center for Economic and Policy Research, which in 2011 in a paper examining the role of the IMF in Jamaica, had this to say:

“...Jamaica’s economic and social...”

—and I am quoting, Mr. Deputy Speaker.

“...Jamaica’s economic and social progress has suffered considerably from the burden of an unsustainable debt; and that even after the debt restructuring of 2010, this burden remains unsustainable and very damaging.”

It continues.

“Pro-cyclical macroeconomic policies, implemented under the auspices of the IMF, have also damaged Jamaica’s recent and current economic prospects.”

They damaged Jamaica and they are damaging Trinidad and Tobago, unless you keep an eye on the prescriptions that they give for us. It goes on to talk about how IMF policies focus on tax increases and large cuts in expenditure, and why this exacerbated Jamaica’s economic problems. They said the:

“...IMF program places particular emphasis on containing the wage bill.”—zero, zero, zero, comes to mind and that—

“This can have negative consequences for developing countries that need to increase spending on vital sectors such as health and education.”

Mr. Deputy Speaker, years ago we were told about—by the IMF and the World Bank—comparative advantage and we should get out of agriculture and concentrate on the energy sector, only to realize 30 years after when the prices of agricultural produce, like milk, butter and meat went up that we were caught in an

import spiral and a foreign exchange haemorrhaging situation.

Around 1980/1982, Holstein cows were killed because they were deemed to be unimportant in the context of IMF-prescribed solutions to our economic problems. They do not know what they are doing. It is the blind leading the blind. I caution them on that side, do not, do not uncritically take IMF prescriptions and use them on our society.

A member of the human rights advocacy group speaks out vociferously against the policies that the IMF and the World Bank implement in developing countries.

Mr. Deputy Speaker: Hon. Members, at the lower end of the Chamber, please, on both sides, please.

Mr. R. Charles: So they are taking advice from people who suffer from the same lack of vision that they have and that does not make sense. The IMF is certainly not invested in the best interest of Trinidad and Tobago. They are not interested in the plight of the average man and one has to question where the Minister stands as well.

Dr. Henry described the move to seek IMF help as colonial. It seems as if we are going backwards instead of forward. People are worried, they are worried about their jobs, about the cost of living, if they will be able to send their children to university. As a matter of fact, you have some considering now whether going to university makes sense.

Mr. Deputy Speaker, I said in the debate on the SSA amendment, and as I will keep reminding this House we are representatives of the people. We operate solely and only in their interest and to seek their welfare. Every step must be measured, deliberate, purposeful towards a previously articulated end result. We have a tendency, Mr. Deputy Speaker, to look back five years and look five years

forward, so they would want to tell us that five years of the last administration has caused all these problems, and that five years of their administration would lead to all the solutions. They feel as if they must say that. They cannot get out of the politics and the PNM mentality, yet they start, they talk about “we in charge now”. But I remind them that the Prime Minister, five years ago during the debate of our first mid-year review they were singing a different tune. The hon. Dr. Rowley, MP for Diego Martin West, had this to say and I quote. He is telling us then:

“This Government must take responsibility for the absence of the confidence in Trinidad and Tobago today and the outcome of that, and no amount of blaming the PNM will change that.”—and he says—“If the country was unhappy with the PNM, as”—they were—“on May 24, 2010, the PNM was fired, and new managers was hired”—and he was talking about the PP Government—“The understanding was that these new managers will know how to use our materials and build a structure, but no.”

And we come here every day, Mr. Deputy Speaker, every day and hear what the last Government did. And we hear it with crocodile tears and false statements.

Mr. Deputy Speaker, they come here and they give out all kinds of figures about salaries of lawyers that the PP Government paid—Gerald Ramdeen and others—how they were paid. And years ago, in this honourable House, when then Sen. Wade Mark asked a PNM Attorney General about the exorbitant fees paid to a PNM lawyer—I would not call his name, I think we could go to the *Hansard* and find out—the then Attorney General, she said that she is not going to give out the figures because privacy trumps the public’s right to know. And today, Mr. Deputy Speaker, they come, unmindful of their history, unmindful of their principles and philosophy, they come every day and read figures we do not know where that come from. Whether it is made up, whether it is invented, whether it is—and I

would like to recommend to them if you have hard-core evidence bring it to the House, do not bring suppositions, do not bring hypotheses, do not bring things you make up in your mind.

Anybody could get up and say, there are 25 ghosts in this Ministry and 45 instances of corruption. We passed that stage. This is a first world deliberation. Come with the evidence or shut up. [*Desk thumping*] Put up or shut up! I will not tolerate, Mr. Deputy Speaker, they are besmirching our characters based on flimsy evidence, and let it go to the courts, we operate on the rule of law. “We doh operate on no ole talk and standpipe talk and ting”—[*Interruption*—and Kamla.

We had a plan, Mr. Deputy Speaker, as a matter of fact we had many plans and if they had the sense they would read it, but they do not read, they just come here and talk anything that comes to their head. We had a green economy. They are not even signing the climate change agreement. They are not ratifying it, far less thinking about a vision. We are going to wake up one day, Mr. Deputy Speaker, and all those industries in Point Lisas will be declared obsolete because not only did we not ratify, we took no steps to upgrade the technology in those plants to make them consistent with the requirements for 2020.

We talked about the silver economy. There are endless jobs, endless jobs that could come out of the silver economy. We have citizens in the States, about 200,000 who left Trinidad in the 1970s and they want to come back, they want to die in Trinidad and Tobago. When they come back the Minister of Finance has no plans to deal with those citizens desirous. I had a friend who came to Trinidad and he got very ill and his relatives flew down and they were trying to get him in a home, a senior citizen home and they went throughout the length and breadth of south Trinidad and could not find a single place consistent with the standards in Canada. That is an opportunity to create jobs. Do not come here and just tax and

Mr. R. Charles

cut expenditure. Come here with ideas. I think the Member for Tabaquite threw out a number of ideas, but they would not copy it because they know everything, because “Great is the PNM and the PNM shall prevail”. [*Desk thumping*] And when we spoke about the blue, the grey—[*Interruption*]

Dr. Francis: You finally said something worthwhile.

Mr. R. Charles: I would like to tell the Member for Moruga/Tableland, based on his behaviour, “God doh like ugly”.

Hon. Member: Please.

Mr. R. Charles: I am talking behaviour, Sir.

Mr. Deputy Speaker: Address the Chair, please.

Mr. R. Charles: I am talking about behaviour. And we intend on pursuing an industrial diversification policy—[*Interruption*]

Mr. Deyalsingh: Mr. Deputy Speaker, Standing Order 44, please, about “God doh like ugly”, to the Member for Moruga/Tableland.

Mr. Deputy Speaker: I overrule. Go ahead, hon. Member for Naparima.

Mr. R. Charles: Thank you very much. They shall come false prophets.

Mr. Deputy Speaker: Proceed, proceed, hon. Member.

Mr. R. Charles: And they shall deceive. In terms of the green economy, these included biotechnology, information technology, high-tech manufacturing, pharmaceuticals, food production and processing, alternative energy and third and fourth generation renewable energy industries and a number of other initiatives which we listed in our manifesto. You use the money that we get from oil, use it as a platform to create new industries, not to come here and tax and spend. And we have a situation—[*Crosstalk*]—my time—we have a situation where you feel safer with Trevor Sayers than going into the health centres in Trinidad and Tobago.

So it is empty promise after empty promise, tax after tax, pressure and more

pressure. They never take the opportunity to report on the many consultations promised in the budget. In fact, no reports on any audits so far. Only things have gone to the courts and they sealed names and all kinds of things. I am just highlighting a pattern here for the benefit of the public. In their manifesto they promised to establish an appropriate set of minimum wage rates. We have no update on that. They said they would have unemployment exchanges managed by regional corporations and a promise of better paying jobs.

I do not know if any of this sounds familiar to the Minister of Finance. Instead of hearing about plans to make better use of the work force and improve employment conditions, we are hearing about 10-point plans from them and bitter complaints from retrenched workers. I wonder sometimes if they are not ashamed, having promised so much and delivered so little, except more taxes and higher cost of living. Any Form 4 student could do that. You do not have to come here and fool us—pressure, pressure, and more pressure, punishment for the citizens.

In conclusion, Mr. Deputy Speaker, there is a feeling in Trinidad and Tobago right now that we are living in uncertain times. There is an air of trepidation that is unmistakable. The country is undoubtedly worse off under this PNM Government. The Minister of Finance has done nothing to alleviate the problems of the population. His effect is quite the opposite. The absence of a plan is clear and it is worrying. And when you add the IMF to this equation, Mr. Deputy Speaker, the country is justified in feeling that we are going nowhere. The economy is on a downward slide. Citizens are faced with higher taxes, increased food prices, and fewer job opportunities. The words of Prof. Jonathan Sacks. He says:

“A perfect storm is in the making: financial uncertainty, economic downturn, government cuts, rising unemployment and a future that looks

less clear the more we try to fathom it.”

Mr. Deputy Speaker, heaven help us, Lord graciously help us, because we are led by a group of people who have no clue about what to do with this economy and they are leading us down the road of eternal damnation. I thank you very much. [*Desk thumping*]

Brig. Gen. Ancil Antoine (*D’Abadie/O’Meara*): Mr. Deputy Speaker, I am thankful for the opportunity to address this honourable House on this Finance (No. 3) Bill, 2016. The Bill seeks to introduce some change, measures, dealing with savings bonds, income tax, corporate tax and miscellaneous taxes. Listening to my colleagues on the other side, they seem to be caught up and putting forward the idea that this Government is only about borrowing and taxing. The previous Speaker, the Member for Naparima, seems to have gone down a road of the IMF with all sorts of insinuations and pointing the population down a road that this Government has no intention of carrying this lovely nation.

Mr. Deputy Speaker, the Government seeks to introduce to our citizens the idea, long treasured in our communities, of saving for the rainy day, by introducing a savings bond and allowing the Minister of Finance to increase the amount of borrowing so that the Government can begin to partner with the people of Trinidad and Tobago by borrowing from the people and providing these very people with a better interest rate than the banks are presently giving so that they can continue the process in our communities of saving.

In our communities where I come from, in the days they called “behind the bridge” or East Dry River, now we look at this whole area as Laventille, we have a culture of saving for the rainy day. That is, putting aside something regardless of the situation that we are in, knowing that when things get bad we have something that we can draw on. I grew up in a community that had what we called sou-sou,

and a sou-sou would be run by anybody in the community and it dealt with a number of “hands” and you paid sometimes weekly, fortnightly, monthly. You put aside a little bit and eventually you would get a “hand” and you could use the hand for all kind of things. Whether it is the time to buy books for your children, sometimes for a wedding, sometime to purchase materials to fix your house and so forth.

So we in our communities are accustomed to putting aside a little bit for a rainy day. And we now have in our society a situation where this Government found itself in, where the previous Government, and I know the Member for Naparima does not want us to go back on what they did over the last five years, but in the last five years all they did was spend, spend, spend. [*Desk thumping*] And whilst we have to borrow and tax to increase revenue they dive into cash cows, like the NGC, and just utilize the money from the NGC for all different kinds of reasons just to spend money. Now, that is not the kind of community that we grew up in, where you just spend because you have it. We grew up in a community where you had sou-sou hands and where you put aside for the rainy day so that you can deal with situations that come along.

So in this situation where workers in this country are in receipt of lots of money from arrears, so they have liquid cash. So now the Government is introducing a savings bond, where the citizens can utilize some of those arrears of salaries and the different 50 per cent bonds that is coming up, to save for the rainy day and to develop a culture and keep the culture of saving rather than the culture of spending.

So in partnership with the people, the Government is now seeking to borrow from the people for the people. [*Interruption*] [*Desk thumping*] We have to say partnership. I know it is a bad word in Trinidad and Tobago now, all right? [

Laughter]

Dr. Francis: Derogatory term.

Brig. Gen. A. Antoine: A derogatory term as my friend says. So we are working with the people. It shows that the Government has confidence in the people of Trinidad and Tobago, contrary to what my friend the Member for Naparima was saying. We have confidence in the people of Trinidad and Tobago that they will understand what they have to do in hard times, and we are in hard times.

Dr. Francis: We have had hard times before.

Brig. Gen. A. Antoine: And, yes, we have been in hard times in the past. So we are telling them, look, let us look work together, I would not use word “partnership” again. Let us work together. And we will borrow from you and we would give you a better interest than the banks are giving so that your money can grow.

So, we are working with them, we are saving, saving in terms of bonds and the people have different options, whether the bond is three years, five years or seven years, they will get different interest, better than they are getting from the commercial bank so that we can work together. So in terms of the savings bond, that is one area in which the Government seeks to work with the people, for the people and for the benefit for the country.

Mr. Deputy Speaker, I would love to pay 30 per cent of my earnings in taxes. It would mean that I am working for over \$1 million a year. So I have no problem in having to pay, if that is ever the case, over 30 per cent of my income in taxes. I would love it. It would be a great opportunity on my behalf. So in terms of the income tax, those who have more should pay more.

Now, this Government subsidizes a lot of things for our citizens, across the board. I recently held the post of Minister of Public Utilities. And in public

utilities, especially in terms of the Water and Sewerage Authority, the Government is subsidizing water and lights, some of the lowest rates in the world. But that is across the board. Everybody is benefiting from the low water rates, everybody—those indigent as well as those who make over \$1 million a year. So therefore if you have to pay a little more in taxes, benefiting from Government's subventions, benefiting from what Government is giving in terms of low rates, then it is just fair. You are making more, then you should pay more and those who are making less, obviously should pay less. So I do not have a problem in terms of those who make over \$1 million a year paying higher taxes.

Now, a lot was said about the online tax and, of course, my colleagues on the other side love misinformation and love to throw out things to the national community that they know is not correct. Now, I love sports. All my life I have been playing sports. I represented Trinity College, both in hockey and in soccer as a young—playing in Intercol, both in hockey and in soccer. I was a member of the defence force basketball team, one of the best basketball teams in the nation. And I actually played one game as the goalkeeper for the defence force football team. I was a goalkeeper. They did not score on me. I have a 100 per cent record. [*Desk thumping*]

There was a game in Princes Town, an exhibition game, and one of the goalkeepers got injured and because there was a knockout game coming up shortly they did not want to risk the other goalkeeper so they put me between the nets. And I knew I had the best defence in the country—defence force—so I was not worried and I ended up goalless, no goal was scored on me. So I have a 100 per cent record. [*Desk thumping*]

Hon. Member: “So it didn't have no goal then?” [*Laughter*]

Brig. Gen. A. Antoine: They tried to score, I made some good saves. Now as I

have gotten on in years I have a watchdog, pardon the pun, let me rephrase that, I have somebody who is very interested in my well-being and saying the fact that I am now accident prone. So my wife has, in a sense, banned me from playing basketball and soccer and so forth with younger people who tend to “rough me up” and injure me on the field. So I have taken to playing golf.

Dr. Gopeesingh: Old horses—

Brig. Gen. A. Antoine: I have taken, yeah, yeah, old horses, “I cyah take the roughing up again”. So I play a game where I just hit the ball, walk behind it or when I do not have time I jump in a cart and drive behind it and my wife loves it. She comes along with me especially when I was abroad and she would drive the golf cart. She would drive the golf cart and she would take pictures and so forth and I would hit the ball and walk after it. Why am I saying this?

Dr. Khan: Does your wife play with you?

Brig. Gen. A. Antoine: My wife—[*Crosstalk*]

Mr. Deputy Speaker: Members! Members! Please. Hon. Members, [*Laughter*] I was hoping that you would have brought the game into the debate a little quicker. So please, Members, please. Go ahead.

Brig. Gen. A. Antoine: Why am I saying this? I say this because golf is an expensive game. The balls are expensive, the clubs are expensive and I use online shopping to buy my golf balls. [*Desk thumping and crosstalk*]

I play in Millennium in Trincity, and if you know Millennium it is lakes and you lose a lot of golf balls during the course of the day. And I use online shopping to buy my balls and to buy clubs as the case may be and all the different paraphernalia that go with playing with golf. And what I love about it—I love online shopping. What I love about the online shopping is that there is no traffic. You have no waiting in line. The products are a lot cheaper and you have a wider

variety. When I go on Amazon.com I search—[*Crosstalk*] all different types, and I buy used balls.

[MADAM SPEAKER *in the Chair*]

And I have a wide variety that I can chose from and even though I shop online and I import these different items for sports, it is cheaper than if I would go to the sporting goods store here in Trinidad and buy them.

Now, listening to the Member for Tabaquite and also the Member for Naparima and also the Member for Caroni Central, I get the impression that they are suffering from a tabanca. And if you do not know what a tabanca is, a tabanca is something when you have lost in love.

Dr. Moonilal: Or when you have lost a job.

Brig. Gen. A. Antoine: When you have lost a job, you can get tabanca too. There is no problem in losing a job and getting a tabanca. But then when you lose a job you are just like the citizens of the country who are in hard times. So I am going through some hard times. So when you have a tabanca you tend to live in a world of “coulda, shoulda, do dis, do dat”.

So, the Member for Tabaquite, he is coming up with all kinds of ideas now. He was in Government for five years; five years he sat down in Government, no ideas—[*Interruption*]—and three months. Yeah, he got some extra time, Madam Speaker, he got some extra time. No ideas. He wants to suddenly grow peppers for export. “He want tuh export teak furniture, cocoa, but he eh say whoplanting the teaks forest, eh, who ha de ideas to plant the teak forest”, so that Trinidad and Tobago would have a product to make furniture from. “He ehtalking bout dat.” [Desk thumping] “He eh talking bout dat, buh he want tuh export teak furniture”. Suddenly he wants to clamp down on roulette wheels in restaurants and in all the different places. Five years—[*Interruption*]—yeah, two places way down in south.

I think it was in central or down in south?

Hon. Member: One-arm bandit.

Brig. Gen. A. Antoine: Talking about one-arm bandit. [*Crosstalk and laughter*]

Hon. Member: He did nothing about the two-arm bandits. [*Laughter and crosstalk*]

6.35 p.m.

Madam Speaker: Members, while I am quite happy about the camaraderie, I would like us to remember where we are and conduct ourselves with proper decorum, please. Continue.

Brig. Gen. A. Antoine: He wants to build credit unions. He “in ting” about members’ clubs; “he talking suddenly about he have a concern about the gangs and drugs”, yet when they were in Government they destroyed SAUTT and destroyed the entire intelligence community of Trinidad and Tobago. [*Desk thumping*] Suddenly they have a problem with everything. That sounds like you have tabanca. [*Desk thumping*] “Is tabanca yuh suffering from. The member for Naparima have a tabanca with the IMF.” [*Laughter*]

Dr. Moonilal: What raucous behaviour is this?

Madam Speaker: Members, please do not have me rise again for this type of behaviour. Continue please, Member.

Brig. Gen. A. Antoine: The Member for Caroni Central—only misinformation. “He trying to show”—he does not understand the fact that this tax, this online tax, is not on sea freight. We are not dealing with the diaspora who is sending barrels for their families back in Trinidad and Tobago. I am not

dealing with that. We are dealing with online purchases. So we are not taxing the sea freight. Do not misinform the population “as what is going on”.

And they have all kind of ideas. The Member for Naparima “full, full, full ah ideas. He love Singapore.” He has a tabanca with the IMF, but he is not thinking about a vision that started off very good, called LifeSport where they wanted to take money and get it down to the young people and so forth, in the community, and it went from a simple few millions dollars to \$420 million. And I am from D’Abadie/O’Meara. I represent the people of D’Abadie/O’Meara, and what the LifeSport brought to D’Abadie/O’Meara is death and destruction. [*Desk thumping*]

Hon. Member: Ground Zero. That was Ground Zero.

Brig. Gen. A. Antoine: Ground Zero. That is what LifeSport “bring”. It was a good vision but the problem was the implementation of the vision. That is what we have to deal with. That is what this Government has inherited, apart from the downturn in the economy. We have inherited a population who believes that money comes easy. Government “go jes give, and give, and give, and give and yuh eh ha tuh do nutten fer it”.

I walk my constituency and that is what “yuh” getting from them all the time, how easy it was when Anil was there. Anil had plenty money! “Anil jes used tuh run de bread. Run de bread.” Give, give, give. Spend, spend, spend. Any and everybody had a food card. I hear about people who are driving up in a Prado and using food card in the supermarket. And “dey say when dey done use de food card den they pull out dey credit card and buy de liquor. Dah is

what we inherited. Dah is what we inherited in this country.” And what we have to do is to bring the people back to reality. [*Desk thumping*] So we are telling them that we will giving you a Savings Bond—

Dr. Tewarie: Get real.

Brig. Gen. A. Antoine:—“so yuh doh ha tuh spend all your money. Yeah, we real. We making it real.” Thank you for reminding me. “We making it real.”

Hon. Member: Oh yes, oh yes. [*Desk thumping*]

Brig. Gen. A. Antoine: Thank you for reminding me. “We making it real.” So we have to bring the people back to reality—

Dr. Tewarie: He has a sense of humour—

Brig. Gen. A. Antoine:—that they know when they get their arrears, when they get their back pay, they “doh jes go and spend it on consumer goods, or jes run and do online shopping”, but you can put some money on a savings bond, saving for the rainy day. Better than the sou-sou, “becor de sou-sou yuh didn’ used to get no interest and plus de person who holding de sou-sou used tuh take a portion.”

Hon. Member: Tax.

Brig. Gen. A. Antoine: Tax, thank you very much.

Hon. Member: They call it “box.”

Brig. Gen. A. Antoine: Take out “box”—box tax. Because it seems like tax is a bad word for my colleagues on the other side. But our people, we understand—

Dr. Tewarie: They like that, yeah.

Brig. Gen. A. Antoine: We understand. Not, we like it, we understand it is necessary. [*Crosstalk*] I am asking about—what about the 40 per cent kickback? “Becor I hear some people used to get a percentage, yuh know.” There is a person who was known as the 15 per cent man. Was that not taxing the contractors?

Hon. Member: Like informal taxing.

Brig. Gen. A. Antoine: Informal. “Yuh doh” like formal taxation.

Hon. Member: Formal taxation is the problem.

Brig. Gen. A. Antoine: So we are telling our people of this nation, we are making it real. Save. We are giving you savings bond to save. We are taxing you online but not “no” exorbitant tax. Your online purchases will still be cheaper than purchasing it retail, and you have a wider variety to choose from in Amazon.com and the other stores online. It also tells our entrepreneurs in Trinidad and Tobago that you can get in the online business as well so that you could be part of this entire online market.

So we are working with the people. We are borrowing for the people for their benefit and we are teaching the people that, for you to be part of a First World country you have to pay taxes. [*Laughter*] It is part of being a First World country. Not exorbitant as you—[*Crosstalk*]

Madam Speaker: Member for Oropouche East—[*Crosstalk*] Excuse me, please. Members, maybe it was a little bit too much sugar, but the decorum after the suspension is intolerable and I would like you all to abide by the Standing Orders, please. Member for D’Abadie/O’Meara.

Brig. Gen. A. Antoine: So we are teaching our people to be responsible.

Mr. Hinds.: That is right.

Brig. Gen. A. Antoine: And I am sure that the Member for Caroni Central does really understand the social contract between the citizen and the State. The citizens pay their taxes and the State provides for them the amenities: security, schools, education, health. And, yes, a lot of these institutions are not what they ought to be, but we are working on it, so that you get better health care, better education, better housing, better roads. We are working on it, but at the same time we are telling you, save for the rainy day. “So we eh going dong de road that the Member for Tabaquite want to carry us, with the one-eyed bandit and suddenly know about taxing all these things, and so forth and the other.” So we are working with the people so that we can build a better Trinidad and Tobago.

Thank you, Madam Speaker. [*Desk thumping*]

Madam Speaker: Member for Caroni East. [*Desk thumping*]

Dr. Tim Gopeesingh (Caroni East): Thank you very much, Madam Speaker. It is nice to see that the Member for D’Abadie/O’Meara’s contribution decided to bring some comic relief to the Parliament this evening, and it was very refreshing to see that he was purchasing his balls online in an attempt to get the balls cheaper, particularly the golf balls. We have a very lovely Brigadier, the Member for D’Abadie/O’Meara. We wish him well in his new position, without any troops—the Brigadier without any troops. [*Desk thumping*] The Brigadier without a command.

Mr. Indarsingh: He sounded better from the backline.

Dr. T. Gopeesingh: So we wish him well in his sporting career in the golf as well.

Madam Speaker: Member for Couva South—

Dr. T. Gopeesingh: Madam Speaker—

Madam Speaker: Member for Couva South—

Mr. Indarsingh: Yes, Ma'am.

Madam Speaker: Kindly listen in silence, please, or if you speak, in undertones. Continue, please, Member for Caroni East.

Dr. T. Gopeesingh: Thank you. Madam Speaker, the Bill that has been brought here by the hon. Minister of Finance, the Finance (No. 3) Bill, is now the fifth piece of legislation that the Minister of Finance has brought in terms of the financial situation in Trinidad and Tobago, and what he is doing now in terms of trying to raise revenue and balance the revenue versus expenditure. We had two budget presentations; a midterm presentation in terms of reallocation of funding; we have this Finance (No. 3) Bill and we had the Finance Bill in early 2016 as well. So this is the fifth.

But I want to ask the Minister of Finance if he really believes that the people of Trinidad and Tobago have an appreciation, or even this Parliament, has an appreciation and a clear understanding of what our economic and financial situation is as a country at the moment? So after 14 months, the people are left wondering where we are. You hear the intelligentsia of the finance professionals still remain confused because the Minister of Finance has not brought to the Parliament, and has not told the population what the true state

of finance is. We do not know how much we have borrowed; we do not know how much we owe; we do not know what is the expenditure for 2016, the real expenditure or the revised expenditure, and we do not know where we are going in 2016 to 2017. So the hon. Minister of Finance falls woefully short of being a very capable and competent Minister of Finance.

I remember when this Minister used to be saying when we had two former Ministers of Finance, Minister Dookeran and Minister Larry Howai—when he would call them OJT Ministers. But I think the term now is very applicable to this present Minister, and I will say pretty shortly why I am making this statement. So after five finance presentations to this Parliament, we are left not knowing where we really are. So, what has he done? He has gone on to take the advice of the IMF; brought the IMF on a plane with him; organized a conference with IMF and decides to go to the conference and to impress the IMF he tells the country, “0-0-0” in terms of the negotiations that will take place. You cannot impress the IMF. And, Madam Speaker, the younger people in our population—

Madam Speaker: Member, I want you to remember what we are debating. I am allowing you some leeway but if you can tie your contribution to the matters that are before the Parliament, please.

Dr. T. Gopeesingh: I am bringing the issue of the IMF in terms of the taxation that the Minister is imposing now on two areas on the Bill. There are a number of young people in this country who do not understand the implications of when an IMF is in a country. Jobs are lost, increased taxation. So the Minister has

been advised, and he has taken the advice, that we must have more taxation. And taxes that he intends to bring on when this is completed, we would have experienced a number of taxation measures. We had the increase in VAT, of 7,000 food items to 12.5 per cent; we had the Unemployment Relief Fund that they increased, 300 per cent; we had fuel prices increasing three times; we had the Green Fund increase by 300 per cent and they are now speaking about property tax, which I will come to; a 7 per cent online tax which my colleagues discussed—I would not go there again; the personal tax increase of 5 per cent on chargeable income above \$1 million and an increase in corporation tax of 5 per cent above the 25 per cent on profits more than \$1 million by any corporation; in addition, the alcohol and tobacco tax.

So, this country has witnessed, since this Minister of Finance has come on, tax, tax, tax, tax, all the time, and he has not indicated what he is doing with the money that he is receiving and how he is going to spend it. And just a while ago in his contribution earlier this afternoon he spoke about income equality; he spoke about a conference designed to address the challenges facing TT, which was with the IMF; he spoke about spreading the burden of adjustment, widening the tax base.

Madam Speaker, this country knows now that the burden of adjustment has been spread, not to the upper class, but the lower socio-economic group and the working poor. There is now an erosion of the middle class of the society, or the middle-income grouping. So what we have witnessed is just taxation, taxation, taxation and the abject poverty now that people are finding themselves

without jobs and unable to meet the rising cost of living and unable to sustain a decent livelihood. And this is what is happening in this country.

In addition, we know what has happened in—although he is receiving all this tax, there are no textbooks for the children, no laptops for the children, no Life Fund for the children, no School Feeding Programme. The health centres are closed. Construction in schools has stopped. Over 78 schools were under construction; owing millions to contractors; murders and kidnapping worsening; no pharmaceuticals; no CDAP drugs, and people are dying waiting for surgery—going into hospitals and leaving almost dead.

Madam Speaker, the issue of the bond, I will come direct to that issue now—the bond issue. So when the Minister is speaking about tax adjustment and spreading the burden, we know that the burden of adjustment is only on the poor people of Trinidad and Tobago and they are really suffering at the moment. It is undeniable that the poor, their standard of living is becoming worse and the middle-income group is losing their identity and ability to meet their commitments.

So this Provisional Collection of Taxes Order, 2016 which the Minister has brought today, including a corporation tax—and he spoke about an innovative programme of tax amnesty. That tax amnesty is a copycat of what Minister Dookeran had brought in when he was Minister of Finance. So if the Minister of Finance now wants to take credit to say that that is innovative on his part, that is just a copycat of what the previous Minister had done.
[*Interruption*]

Mr. Deyalsingh: It was done before that?

Dr. T. Gopeesingh: Yeah. [*Crosstalk and laughter*] I want to deal a little bit with the corporation tax. [*Interruption*]

Madam Speaker: Order! Order!

Dr. T. Gopeesingh: I want to deal with the corporation tax, Madam Speaker. The Minister said that they will receive approximately \$580 million from this corporation tax. Would he be able to enlighten the country, how many corporations that fall into the area where they receive over \$1 million in profit? And would he be able to say how many of these corporations, by imposing the business levy, the unemployment levy by 300 per cent, and pretty shortly the property tax where 5 per cent of the annual rateable value of the property will be brought in, and now this corporation tax increase, how many of these corporations will see their way and be able to sustain, as an enterprise, bearing in mind the burden of this taxation over a period of time? They will not be able to survive, and a number of them will close down. Therefore, when he thinks that he is going to get increased taxation from it, he will find that the taxation will be reduced considerably.

It is the same idea, the same issue we spoke to him earlier on in 2016 where we told him that he will not get the \$12 billion that he thought he would get in VAT. The State eventually received \$7 billion, \$5 billion short in VAT because there was no increased economic activity. No economic activity was generated, so there was no increase in VAT collection and VAT taxation. So it is the same principle he is adopting now, and unable to tell this population, well,

if you increase the corporation tax by 5 per cent on the profit over \$1 million, what benefit is it going to bring in terms of how much tax he is going to collect? And to be able to say how many corporations will close down as a result of that. That is a very important thing, that you will increase it from 25 to 30 per cent, but in the end a number of them may close down.

Now, he also spoke about the harmonization of the prices with the rest of the region. Are you trying to compare the standard of living—you said you are increasing the price of alcohol and the price of tobacco because the other countries in the region have increased their prices. But do you know how much suffering goes on in the other countries? And if they have to pay a certain amount, does it mean that you have to cause your people to suffer to bring your prices in line with their prices? That does not make any sense at all. You must not look at another country's standard of living and try to equate our standard of living in this country with another country in the Caribbean. [*Desk thumping*] So do not try to equate the prices and say you are doing this because the other countries have this taxation. That is a non sequitur, hon. Minister.

Every day we hear the Minister speaking about the Revenue Authority and you want to collect more taxes—you want to collect more taxes. But the same IMF has been telling you, to collect more taxes you have to become much more efficient in your collection mechanisms. Your Government over the last 14 months, and even before that, many people will know that you have been speaking about this Revenue Authority. Have you brought on any areas where you want to bring this Revenue Authority? Have you shown any proof that you

are really going to implement this Revenue Authority?

So here it is you are taxing the people, taxing the people, but you have weaknesses in the system which you are supposed to be looking at so you could collect more taxes, but nothing has been done over the last 14 months as far as this Revenue Authority is concerned. And we want to ask the question: when this Revenue Authority comes on, how many jobs will be lost? Because I remember we had major discussions about that, when you brought the Customs, and the Immigration, and the Board of Inland Revenue into that ambit of the Revenue Authority, almost 2,000 jobs were going to be lost. So you could speak now from here to eternity but we know that you are never going to implement it. But in case you are thinking about implementing it, you must tell this population how many jobs are going to be lost.

You also speak about the HSF. The Member for Port of Spain North/St. Ann's West spoke and provided misinformation to this Parliament about the Heritage and Stabilisation Fund; that we borrowed money to put in the Heritage and Stabilisation Fund. We did not borrow money to put in the Heritage and Stabilisation Fund. We set the value of the price of oil and the price of gas at a price where, if the price of oil and gas went above that in a formula, we put money into the Heritage and Stabilisation Fund. So that price that we had set, the price of the oil and gas went above that and we deposited from US \$2.1 billion, close to TT \$13 billion in the five years that we were there. We moved it from US \$3.5 to US \$5.6 billion. And so, you cannot give misinformation to the population and hope that it will just be unanswered.

So when we demitted office, the Heritage and Stabilisation Fund was US \$5.6 billion, that even your Prime Minister, in an address to the nation, spoke about the fact that we had left sufficient reserves. He acknowledged the fact that we had left reserves of the economic situation for Trinidad and Tobago. And in addition, we had left close to 12 months of import cover in the foreign reserves which was equivalent to about US \$11.5 billion. So we had close to nearly US \$17 billion in foreign reserves and Heritage and Stabilisation Fund equivalent to nearly TT \$115 billion, which is equivalent to two years of expenditure on a budgetary allocation.

That was the economic state that we left Trinidad and Tobago in, and when the Member for Port of Spain North/St. Ann's West speaks about the fact that we left the—and the Minister of Finance always says that we left the country and the economic situation woefully inadequate, and there was no money in the Treasury, we knew that by September you were going to receive close to \$15 billion, and you hid it from the population that you did not receive that \$15 billion, and it was only in October you began to say that you received the money.

So at the beginning you said that we left the Treasury empty; “there was no money for us to spend; we could not do this and this is why people are losing their jobs; this is why we are putting the taxes; this is why people are suffering, because all yuh leave the Treasury empty.” But you were going to receive by the end of September, early October, \$15 billion, and my colleague would have explained—the Member for Tabaquite explained the breakdown of how this was

going to be received—and close to TT \$15 billion. So I had to make these points in relation to your statements on a regular basis in this House and outside.

I come to the bond issue, Madam Speaker. The Minister has brought this Finance Bill to seek the House's support for passage of this piece of legislation—Finance (No. 3) Bill—which seeks to give him the authority to move the bond setting from TT \$300 million to TT \$2 billion, and he will be able to set his own rates and the terms of the bond, et cetera. Now, I would have expected that the Minister of Finance would have told this country—told this Parliament—a little more about the issues of bond. How many bonds have we, as a country before us at the moment, in terms of foreign bonds and local bonds? I had to search for it to get an understanding of where we are, and I found some answers to my search and research in this book here, Madam Speaker, the *Draft Estimates of Expenditure for the Financial Year 2016*. And so, you are seeking our permission to have more bonds, to be able to move from \$300 million to \$2 billion.

You were on a road show recently. You raised US \$1 billion equivalent to about TT \$6.7 billion. You had a billion-dollar bond with Republic Bank, then you took US \$350 million from the Heritage and Stabilisation Fund, which was equivalent to about TT \$3 billion. So immediately you had close to \$11 billion to \$12 billion that you borrowed and you utilized for expenditure.

7.05 p.m.

Now, you cannot tell this country where you have spent this money for 2015/2016. You have spent, and I want to refer the Parliament to—there is always

some misinformation that is spread around the country that we spent so much money and you spent less amount of money. Madam Speaker, I am quoting from this book on page, well Xlii.

In 2014, the actual expenditure was—[*Interruption*]

Madam Speaker: Member, which book is that?

Dr. T. Gopeesingh: The *Draft Estimates of Expenditure for the Financial Year 2016*.

In 2014, the actual expenditure by us, the People's Partnership administration, was \$58.431 billion. In 2015/2016, your estimates for expenditure was \$60.17 billion, but your revised estimates of expenditure, you come and tell this House that you saved \$11 billion, you spent \$52 billion, but your revised estimate of expenditure for 2015 to 2016 was \$55.597 billion and your estimate for 2016 is \$58 billion. So you keep saying we spend. The People's Partnership spend, spend, spend. We spent \$58 billion in 2014. You estimated that you would spend \$60 billion in 2015/2016, you spent \$55 billion even knowing that the price of oil and the price of gas was less. What have you done with the money? Tell the country? [*Desk thumping*] You cannot tell this country what you have done with \$55 billion and your estimate for expenditure in 2016 is \$58 billion. So we want answers from you, hon. Minister. Your colleagues are saying the same thing and giving misinformation to the general population through the Parliament and elsewhere. So that is not correct. That is not right. I have given you the facts.

So you come to ask for permission now to increase your bond from \$300 million to TT \$2 billion, but you do not have an idea, the country does not have an idea how many bonds and what is the public debt related to bonds in Trinidad and Tobago. There are 99 local bonds on page XXV—that is page 28 the roman numerals equivalent. Our debt servicing now, Madam Speaker: in 2016 the debt

servicing is \$6.5 billion. So out of what we collect in taxes—you collect taxes, tax, tax, tax, but your debt servicing now is \$6.5 billion for the year. Do you know what you have done there?

When we came into office the debt to GDP was 32 per cent. Five years later when we demitted office is what? Forty-five per cent debt to GDP, 13 per cent increase. In 14 months you have carried the debt to GDP from 45 per cent to 60 per cent. So in 14 months you have increased the debt to GDP ratio by 15 per cent [*Desk thumping*] and we increased the debt to GDP by 13 per cent. Five years, 13 per cent increase in debt to GDP; 14 months, PNM has increased the debt to GDP by 15 per cent. You are now a junk status. You came into this House, hon. Minister of Finance, and you decried the Government at the time when Moody's downgraded us from Baa 1 to Baa 2.

You have now put Trinidad and Tobago into junk status with a debt to GDP of 60 per cent. Pretty shortly our interest and our borrowing will be—we continued to be downgraded by Moody's and Standards and Poor's, and therefore, when we could have borrowed at 2 per cent in the international market, we will now have to be borrowing at 6 and 7 per cent. Jamaica had to borrow at 9 per cent recently with the IMF conditionalities.

Madam Speaker: Member, again, relevance. Bring your contribution to the matters that are before this House, please.

Dr. T. Gopeesingh: So, Madam Speaker, I am speaking about the bond issue. Now 99 local bonds that bring the debt servicing of 6.517 and the foreign bonds—the interest that we pay on local bonds is \$1.159 billion, and on the external bonds the interest we are paying is \$745 million, and principal repayment and so on; everything comes up to \$6.5 billion. So we are giving them permission.

He wants permission to increase the bond, his ability to issue bonds from

\$300 to \$2 billion, but we do not have an understanding where we are. So why do we have to spend \$6.5 billion on debt servicing? Are we giving you permission to borrow more money and have more bond issues so that the people will be strangled by virtue of the debt burden and the poverty index will continue to rise? Have you considered, hon. Minister, examining this issue of the bond? The interest rate, have you done an analysis of these 99 local bonds and 75 foreign bonds? The interest rate that is being paid on these bonds varied from 8 1/2 per cent, 7 1/2 per cent, 6 1/2 half per cent and, in some instances, 9 per cent here and 10 per cent. Why could you not at the same time bring in something to tell us that you are going to re-service or refinance a number of these bonds so that we do not have to pay \$6.5 billion in debt servicing?

So you are imposing tax. You are taxing the people, taxing the people. In five years we never put one cent on tax. We never introduced any taxation measures in five years during our administration, but you have imposed about 10 pieces of taxation already. Tax, tax, tax, but not using your God given intelligence to refinance these bonds that you have, that causing us to pay \$6.5 billion. So I want to tell the Minister of Finance, Madam Speaker, through you, that he seems to be unaware of what is happening in his Ministry about these bonds, and to take a grip and a—*[Interruption]*

Madam Speaker: I advise on relevance. As I said, I think I have given you sufficient latitude, and therefore, if in the next few seconds you do not make a link between what you are speaking about and what is before this House, I will have to enforce the Standing Orders and ask you to take your seat. Please continue, Member for Caroni East.

Dr. T. Gopeesingh: One of the items on this, Madam Speaker, is the Savings Bonds and the Housing Bonds, and the other one is the—*[Interruption]*

Madam Speaker: Hon. Member, your 30 minutes have expired.

Dr. T. Gopeesingh: Thank you.

Madam Speaker: You are entitled to 15 more minutes to continue, Member.

Dr. T. Gopeesingh: Yes, Madam Speaker.

Madam Speaker: Please, I am on my legs. And Member, please, while bonds is the same word, I am not certain that the relevance is just in the word, but is in fact contained in what is before us, and therefore, if you do not make the connection and make it relevant I remind you in the next 15 minutes that you have I am going to enforce the Standing Order. Member for St. Joseph, while I am on my legs please observe the respect for the Chair. Please continue, Member for Caroni East.

Dr. T. Gopeesingh: Madam Speaker, I am drawing my contextual framework in relation to the issue of what the Minister is asking us to approve in Parliament today, the domination of bonds, rate of interest which I am speaking about; methods of encashment on the various areas; Government Savings Bond which I have referred to in the text, these are all Government Savings Bonds; National Tax Free Saving Bonds, these are what I referred to in the text a while ago as well; Tax Free Housing Bonds, this is a new measure he is now trying to introduce.

So I had to give a background in terms of where we are and why is he bringing these bonds when we can do a number of alternatives things to increase our income and save a lot of money. I brought that in because if we give the permission for the hon. Minister of Finance, and we give passage for this Bill, it means then that there will be introduction of more bonds on the market. But the issue here, Madam Speaker, is that the Minister of Finance is oblivious to the fact of being unaware what the situation is with his bonds, and I want to give one example of what has happened and we must be careful that we do not fall into this trap again when this is given.

Recently, there was a \$400 million—[*Interruption*]

Mr. Imbert: It is not a savings bond.

Dr. T. Gopeesingh: That was a national bond. It is a national bond.

Madam Speaker: Minister of Finance, please. Member for Caroni East, as I said on several occasions, I am of the view that the contribution is not relevant to what is before this Parliament, and therefore, I invoke the order and I ask you to please retake your seat.

Member for Tobago East.

The Minister of State in the Office of the Prime Minister (Hon. Ayanna Webster-Roy): Thank you, Madam Speaker, for the opportunity to contribute. I want to start my contribution by referring to something that the hon. Member for Caroni East would have mentioned.

Madam Speaker: One minute, please. Member for Caroni East, if you are leaving please leave with the proper decorum.

Dr. Gopeesingh: Madam Speaker,—[*Interruption*]

Madam Speaker: Caroni East. Member for Caroni East—[*Interruption*]

Dr. Gopeesingh: Yes, Madam Speaker.

Madam Speaker:—having gross disrespect, I will ask you to remove yourself for the balance of today's sitting. [*Desk thumping*]

Hon. A. Webster-Roy: Thank you, Madam Speaker. The hon. Member for Caroni East would have mentioned that an increase on the duties in alcohol would result in suffering of the people. I want to use my contribution to speak to that.

Madam Speaker, I stand in full support of the increase on duties and alcohol and tobacco. Both alcohol and tobacco use at an early age have been linked to violence, poor academic performance, breakdown in family structure and other societal ills. Both have been characterized in many research as gateway substance

leading to illegal drug use. It is quite instructive that the data available suggest that alcohol and tobacco related-illness has also placed a burden on the public health system. So I cannot understand why the hon. Member would have said that, “us making it harder for people to access alcohol will result in suffering”. I believe it is actually the reverse.

Madam Speaker, if you would permit me to refer to a paper published by Ann Marie Bissessar in the *International Journal of Humanities and Social Sciences* in July 2014. The research paper is entitled, *The Tragedy of a Small Country: Combatting Substance Abuse and Illegal Drugs*, and the subject matter of the research would have been based in Trinidad and Tobago. Miss Bissessar noted:

“Many reports and research papers maintain that one of the major public health problems in the Republic of Trinidad and Tobago is that of substance abuse (namely alcohol, tobacco and legal over-the counter drugs) particularly among the youths and increasingly among children as young as eleven years of age. The impact of this abuse is multiple and is often associated with accidents, violence, stress and mental illness. Alcohol abuse, for instance, is increasing, particularly among the young. In a 2007 survey undertaken of twenty three schools in Trinidad...in Tobago, 2,969 students enrolled in forms 1-4”—who—“participated...”

Of that population—“42.5% of students drank two or more drinks per day...” We know that we are not supposed to sell alcohol and tobacco products to children, however, due to the fact that it is so easily accessible by virtue of it being reasonably priced, we are seeing more and more of our young people accessing it and we are seeing the impact in our society.

Madam Speaker, the paper also spoke to the socioeconomic impact of

alcohol and tobacco use. In her presentation, Miss Bissessar noted “tobacco use, however, has been cited as one of the leading cause of death”. A daily newspaper in Trinidad and Tobago reported that the Minister of Health—and that was during a debate on tobacco use in January 2008—would have noted that the public health cost of treating tobacco-caused diseases was very detrimental. It actually rob families of their male breadwinners in their prime, and it actually results in a lot of money being spent in the public health system to care for persons who would have been afflicted by diseases related to alcohol and tobacco abuse.

adam Speaker, coming from a background in community development work and now working closely with children and vulnerable sectors of the population, I recognized the impact this is having on our society. A lot of our young people in community residences would have had some exposure to alcohol and that would have escalated into other hard drugs, also impacted on their ability to reason properly. So instead of resolving conflict by negotiating, or talking it out, they would have been resolving conflict by using violence and hitting out. We have to change that in our society. We have to save the young people of Trinidad and Tobago and imposing the taxes on the alcohol and tobacco; making it harder for them to access it is one measure.

Madam Speaker, in my very short contribution, I want to say that although this is one measure, the Member for Naparima would have indicated that we approach it as though it was just a way to earn money and that it was not going to really make sense. However, Member for Naparima, we know that in order to bring about the change we want to see in society, that the taxation on the substances is not the only approach we should use. We are working to resolve whole of Government approach to implement a programme to treat with the behaviour that will be present in persons accessing the alcohol and the tobacco. So

we are working with the different Ministries, different agencies, and even the NGO sector, to ensure that we capture our vulnerable population before they get to the stage of going to use alcohol as a way of self-medicating and going to use tobacco as a way of self-medicating.

Also, the data would have shown that tobacco and alcohol use has been linked to intimate partner violence. So sometimes when we see reports of domestic violence in our communities, a lot of the times when you get down to the nitty-gritty, somebody in that household would have been drinking. Something came to my research when I was doing my research. There was an incident in the papers recently where a friend would have stabbed another friend with a pitchfork for a comment made, but when I read the article it said that they were drinking and liming. Now any reasonable person, if you had an argument with your friend and you are full elucidate, you are not tipsy, you will not pick up a pitchfork to end the argument, but you will reason with your friend. However, a person due to alcohol would have killed a loved one, and we are seeing more and more of this in Trinidad and Tobago.

Research has also shown that in the University of the West Indies the prevalence of drinking and tobacco use is very, very high and it is also resulting in our students not performing at their best, and also violence on campus is also linked to the high rate of accidents amongst our young people. When they go out to fete, a drink “ain’t” too expensive; they buy one shot, they buy two. It is easy and then when they are going home they forget to designate a driver, and then we end up with more and more parents crying because the blood of the young on the streets of Trinidad and Tobago.

Madam Speaker, the same way because alcohol is so easy to access, tobacco is so easy to access, more families, especially poorer families, instead of using

their disposable income to purchase food, to purchase books, they are using it as a coping mechanism, and then when they take the alcohol and they use it to cope it results in violence. During the last few weeks Conflict Women TT—that is an NGO—would have used the Internet to promote stories from survivors and there was one particular story that really stayed with me. It was a young woman reliving the tale of how she would have encountered abuse from the person at home. And she noted:

Whenever my father came home drunk it was not my father any more. It was a beast I did not know.

And she spoke about the first time she tried to intervene to save her mother from her father's attack, and at that particular point in time she almost died. That story stayed with me because this was a survivor's story.

What about the untold stories of women we find in apartment buildings; on the side of road in drains, who may have been victims of abuse from their partners, who in the heat of the rage and in the moment under alcohol or, in some instances, where the tobacco use escalates into marijuana use; or other hard drugs would have killed a partner, or vice versa? What about the hush and underreported incidents of men who are abused by women in Trinidad and Tobago, and these women who use alcohol to self-medicate and to cope with the stresses?

The current socioeconomic conditions in our country dictates that we take a different approach, and I want to really speak to my colleagues in the House because I would have listened to both sides, and I want to particularly speak to my colleagues. the Member for Caroni Central, Member for Tabaquite is not here and the Member for Naparima, I have always said, Madam Speaker, there is a time and a place for everything.

Madam Speaker, it hurts me whenever this honourable House is used to fool

the people of Trinidad and Tobago, and we say fool. The hon. Members would have got up and in dealing with the online taxes, and even the duties on alcohol and tobacco, would have created a picture as though we are doing this as a punitive measure, we wanted to punish the people. That is far from the truth. What we are seeing today, it calls for us as a people, as elected representatives, to sometimes put aside our party politics, and put aside creating mischief to score petty political points, and put the best interest of the people of Trinidad and Tobago first and foremost. [*Desk thumping*]

I was really surprised when I heard the hon. Member say that if we put on the taxes on alcohol it would cause people to suffer, and I am saying who he really expect to believe that. Any right-thinking person will not buy into that. So we have to be very careful because not only adults listening and looking on, there are children following us closely in this honourable House. So we have a duty to always speak in the best interest of the people of Trinidad and Tobago. The time is now for us to change the way we operate.

Our era is being documented in the pages of history. I want it to be fair to all of us. I want the pages of history to say despite their political differences, the people of this honourable House, in this particular time—[*Interruption*]

Mr. Indarsingh: Madam Speaker, 48(1).

Hon. A. Webster-Roy:—in the best interest of the people of Trinidad and Tobago.

Madam Speaker: Member for Tobago East. Please continue. I rule that she is saying it in the context of punitive and the taxation.

Mr. Indarsingh: Oh, thank you.

Hon. A. Webster-Roy: Yes, Madam Speaker, that is what I was referring to. Thank you, Madam Speaker. During my research I would have come across a publication from the World Health Organization and that publication would have

indicated that in many countries as a way to prevent persons from accessing alcohol, that taxation was a measure that was used by ensuring that increasing the prices, making it less accessible, making it harder for them to find the money—even young people—they would have reduced the incidence of persons purchasing alcohol and consuming it and that would have improved the quality of life.

In one instance, there was marked decrease in youth violence linked to alcohol use and also youth violence linked to marijuana use escalating from children starting off with tobacco and experimenting with tobacco. The research also showed that persons who would have been exposed to tobacco and alcohol in their homes growing up would have accepted it as a norm, and as they grew older would have found it normal to go ahead and purchase the alcohol and the tobacco products. It also indicated that children in households, where there were heavy smokers would have suffered from second-hand smoke and would have had debilitating lifestyle effects. Some of them would have childhood cancers, even women who would have drunk when they were pregnant, children would have had foetal alcohol syndrome.

Madam Speaker, we know now that in a time where we have limited resources and there will be a demand for persons to access community residences and other facilities to care for children, we have to ensure that we put things in place to protect our children, to protect the future of Trinidad and Tobago. If we make the mistakes now, if we do not get it right now, then it is not just us who are going to suffer, but those who are to come. The face of Trinidad and Tobago will change not for the better, but for the worse.

Madam Speaker, with this very few words, I just want to reaffirm my support and my commitment for the measure. I want to commend the hon. Minister of Finance as we are looking at this as one way of us treating with a very

important societal issue. I want to give the commitment of the Government to work with all sectors to ensure we put the support programmes in place, to ensure that our people have the right intervention at an early time to prevent them from going towards alcohol or tobacco use as coping mechanisms.

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

Dr. Roodal Moonilal (*Oropouche East*): Thank you very much, Madam Speaker. It is a pleasure to join the debate today on the Finance Bill (No. 3) and related Motions approved by the House to debate as one. I have listened attentively and intently to contributions of colleagues on both sides on these very important issues that touch and concern our governance, our public policy framework, our revenue policy and our attempt to grapple with the challenges of our time, economic challenges, and as the last speaker passionately reminded us, our social challenges as well. Having heard my colleagues, and having taken some notes—and I must say I do have notes from all the speakers before me—I would take the opportunity to respond to some of the issues raised by colleagues and then to go into a couple issues myself related to the various Motions and the Bill.

Madam Speaker, we are where we are, and the Government has sought to alert the country as to the changing reality that the country faces. A colleague, the Member for D’Abadie/O’Meara, spoke, I believe, with some colourful language, and my colleague, the Member for D’Abadie/O’Meara, appears much more relaxed today than he has ever been.

And alerted us to some of the—[*Interruption*] Well, my good friend from Laventille West wants to engage me already but I will not fall for that. The Member for D’Abadie/O’Meara alerted us to some of the challenges that the country faces in terms of our culture, our economic behaviour, patterns over the years, that the Member—and I suspect his Government—believe has led to a

situation where the country has to adjust and some sort of reality has to set in. The Member spoke of the notion of tabanca; I think he did. And I want to congratulate him on adjusting very quickly to life after Cabinet and really giving a good contribution. And the very hon. Member for Laventille West, Fitzgerald Ethelbert Hinds also is adjusting to his new Ministry which I am sure we will do, but I will come back to that later.

7.35 p.m.

Madam Speaker, the Minister of Finance, in piloting these measures earlier today, spoke to the importance of revenue collection and the strategies of the Government and reminded us that at his first Finance Bill presentation, the Appropriation Bill, he had hinted on some of these matters and indeed, in the mid-year review and later, brought legislative amendments to effect his policy pronouncements.

Madam Speaker, while one cannot disagree with the last Member for Tobago East—one cannot disagree too much with her analysis and the research—one has to be very cautious about engaging in revenue policy in this manner. The Member for Port of Spain North/St. Ann's West also spoke to this issue and the Member for Port of Spain North/St. Ann's West spoke about the sad situation that they found the country in, the problem with revenue, the matters in the energy sector; what good work that they had done in one year to stabilize that sector, to put new programmes and policy in that sector and to go beyond what he claimed was the work done by the former administration. It is only regrettable that having done such a good job in the Ministry of Energy and Energy Industries, the Member for La Brea was summarily dismissed, [*Desk thumping*] after such a wonderful contribution in one year. Because I want to also speak to the energy policy issues where, I believe, these are the key revenue levers that the Government should be

looking at.

Madam Speaker, there is a risk with taxation in this way as the Member for Diego Martin North/East proposes. I remember, as a child, you are going to school, the Finance Minister was George Michael Chambers, Prime Minister as well, and when budget day came around, you would have lines and lines of motor cars by the gas station, you would have a sort of anxiety in the national population, and the former Prime Minister, who himself was known as a smoker and, you know, carried about that habit publicly, he would have the taxation on these tobacco and alcohol products. And the Member for Tobago East would be aware, with her expansive research capacity, that in the year one economics course at UWI, I think it is EC101, at some time we did use a book called Richard G. Lipsey, *An Introduction to Positive Economics*. I think it is still being used by some people now and it spoke to elasticity of demand and there are some products with an elasticity of demand where if you change the taxation measures on it, you increase taxes, the demand would more or less be the same. The classic example of that is always banana I believe, but banana has gone now out of the way in so many ways as a means to industry. And today, one also reflects on tobacco products and alcohol as having an elasticity of demand. That if you tax, there is no assurance that sale and consumption go down.

The Member for St. Ann's East, I think, spoke earlier as well and it was a very interesting conversation that was taking place between the Member for St. Ann's East and the Minister of Finance, because the Minister of Finance advances the argument that he is here to raise revenue by introducing a tax on alcohol and tobacco. And unless I am mistaken, the Minister of Finance gave some figure as to how much millions of dollars he would gain by that. And if that is so, then it is clearly—if you want to raise revenue by taxing tobacco and alcohol, you would

like people to buy those products. That is how you will raise the revenue. So what is the policy objective? Is it to raise revenue or is it to deal with the social side of alcohol consumption? [*Desk thumping*] Is it that?

Also, the matter also arose which is another matter before us of this online tax and the Member for St Ann's East gave, again, a holistic argument and she said that she understands well online shopping, probably less so than the Member for D'Abadie/O'Meara who alerted us that he bought his balls online to play golf, and he told us all about that experience he has shopping online because I imagine he is an avid golfer and apart from balls, you will have other accessories I am sure—shirts and pants and so on—that he would purchase online.

But the problem here is the policy contradiction in that the Members are telling us, on the one hand, this measure is for you to buy local, do not shop online, use foreign exchange as the case may be and buy your golf shirt from a nice USA golf shop online. Through Amazon, you will get your golf shirt and pants, you will get your balls, clubs and so on and you will buy that online. But one Member is telling us that this is to promote local, buy local. The next Member is telling us this is to get money so buy more foreign. Buy more foreign. [*Interruption*] I will come to marijuana and joints and so on in a little while because the Member spoke about weed so I wanted to come to that, Member for Laventille West, in a little while. Do not pre-empt me. [*Interruption*]

Madam Speaker: Please control the crosstalk.

Dr. R. Moonilal: Madam Speaker, please. I know he is excited when he hears these things. So the policy contradiction is, what is the objective? Is the objective to get more money?—M-O-N-E-Y. Then alert people that they should spend more, because the only way you will get your hundreds of millions of dollars is if the people smoke more, drink more and shop more online. [*Desk thumping*]

And if your policy approach is that you want to really deal with the social problems associated with smoking, drinking, look, I agree with you. This is a society, even in my own constituency, my own area, we are not unknown for the consumption of beverages and so on. Those things are related to colonial society, colonial plantation systems, where people work in the plantation system, factory system. When they finish a hard day's work, you know, they go to the rum shop, they have a couple, then they go home because that helps their appetite and they eat. And then sometimes, in going to work, it helps you to cope with the stress and the strain of the manager, the boss and so on. There is a history of that. There is an industrial culture and issue to that and those social problems we know, but you cannot say you are introducing a tax to deal with the social problems because of the elasticity of demand.

And might I say one time. I am not targeting factory workers and lower income workers and saying that they are stressed out. It is common knowledge that a mayor, the other day, was stressed out. It was the last statutory meeting and I understand they were stressed and I think he was charged and then he was charged again. So that the point I am making is that this is not a matter that affects only lower income working people, factory workers and so on, we have had this situation in the country where people at different levels would abuse as the case may be. So get the objective right because I do not think that both objectives could be—I do not think they could be in unanimity. I do not think you could put both together. [*Desk thumping*] I think there is a conflict in policy and it reflected itself in the contributions as well. You did not know what they were really angling at.

Madam Speaker, of course, the Member for Port of Spain North/St. Ann's West would not easily resist the temptation on a regular basis to accuse the former administration—[*Interruption*]

PROCEDURAL MOTION

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Madam Speaker, in accordance with Standing Order 15(5), I beg to move that the House continue to sit until we complete the business before it today, please.

Question put and agreed to.

PROVISIONAL COLLECTION OF TAXES ORDER, 2016

Dr. R. Moonilal: Thank you very much. My colleagues were just asking me if something is wrong with me because of my—*[Interruption]* Yes, well I have the full attention of my colleagues opposite so I can be like this.

The Member for Port of Spain North/St. Ann's West is not one to resist the temptation on a regular basis to attack the former administration on waste and what he calls the corruption and mismanagement and so on and pointed out—I took note—the use of the business people today who are so named: business persons and contractors and so on. And then the Member for D'Abadie/O'Meara shockingly spoke about 15 per cent Minister or former official and there was a rumour of 15 per cent and so on. I was most shocked about that.

You see, Madam Speaker, it is a tone in the debate now for the Member for Port of Spain North/St. Ann's West, whenever he speaks and whatever the issue before us, to speak about this matter of owing contractors and how much money contractors made and linking contractors, as he did today, to the former administration. I would like to ask the Member, with great respect, to cut it out, to really cut it out. *[Desk thumping]* Because apart from—*[Interruption]* He cannot be so young at this time, we have been here one year and more.

Because I wonder if the Member for Port of Spain North/St. Ann's West might be aware and following a story right now where a businessman is being sought for US \$2 million in this country, and the further issue that arose, I heard, is

that the businessman, in some way, is linked to the Cabinet of Trinidad and Tobago and a Minister of this country. Now, that is not a matter I wish to get into; I will move on immediately, but that is not a UNC financier. If it was a UNC financier, they “woulda” find him already and expose him.

Madam Speaker: Member for Oropouche East, could you get, please, to the matter that is before us, please?

Dr. R. Moonilal: Madam Speaker, thank you, but then I will not further quote the Member for Port of Spain North/St. Ann’s West because if I quote him again, I will have to go back to that issue, so I will move on to the other substantive matter.

Now, Madam Speaker, the online matter left another question hanging with this taxation online, is that apart from the policy contradiction is really the management of this matter. The Minister of Finance tells the country, today, that this is a tax in its infant stage, embryonic, if that is the term. [*Interruption*] So it is not infant yet? Okay, it is embryonic. Had the Member for Caroni East not vacated the Chamber, he would have explained that for us, the embryonic and the infant. So the Minister of Finance alerted the country, today, that this tax is in this embryonic stage. That is a very dangerous position to take. It suggests that the Government and the Minister of Finance have not properly thought out this matter, the implications and consequences of this tax. [*Desk thumping*]

So that to tell us that one someone bringing a barrel of clothes from New York on a plane, that will go through Customs and the Customs will exercise their discretion to see whether it is one pair of trousers or 20 pairs of trousers and tax accordingly, and someone else bringing in a suitcase can say, well, they are involved in online—you are involved in buying materials and so on for sale and you tax, and then you have the matter of online. It has been raised in the national community. When you purchase certain goods online, you bring it into the

country, it is for personal use, yes, it may be for medical use as well, are there exemptions to this?

If you go online—I am asking the question because the national community asked. When we meet with our constituents every week, wherever we meet them—in the health centre, the office—they ask questions because they read or they hear the news and they want to know. If, for example, you bring in some piece of equipment to assist you with medical care of one kind or another, right, they put the tax on it because it is a good, it is bought online and it comes into Trinidad by air. Are you then punishing persons, particularly the elderly, the sick, the infirm, if they may be purchasing anything related to their health care? Not necessarily medical equipment, not necessarily drugs and so on but healthcare which is wider.

Then, the Government, again, you promote healthy lifestyles. You are promoting healthy lifestyles. The Member for Diego Martin Central, I saw him riding a stationary bike one day, then I saw him riding a decorative bike, I think, the next day. There was some Carnival thing with a bicycle and—[*Interruption*]—it was a Divali bicycle. It is the first time I saw it.

Mr. Smith: “Yuh want ah toe?”

Dr. R. Moonilal: I want to assure the Member that if he goes on that bicycle, nobody else “eh” getting on that bicycle. [*Laughter*] He is my colleague, I can tell him that. And not me at this stage.

So, Madam Speaker, we encourage healthy lifestyle on the one hand, we encourage the whole population to run and exercise because we are fighting diabetic condition, heart condition, whatever the condition, we are fighting that and yet citizens go online, they decide that they are buying health-related equipment, clothing even, and you say, well, you have to pay more tax for that. You have to

pay more or go locally and buy it. These are the contradictions that you expose yourself to. These are the contradictions—that you are going to raise the cost of purchase of equipment, of clothing, of all sort of things which you are promoting as government policy and then charging more for and those are serious questions.

Just recently, I believe, I think I was taxed as well on this online tax. I ordered, I think, two or three gym—[*Interruption*] No, no, I leave the golf to the Member for D’Abadie/O’Meara. [*Interruption*] No, no, I do not even think of that. So I ordered something and then it came and I understand that there was a \$50 tax or something on it more, and this attitude that we are picking up from the Government is a dangerous attitude. Today, several speakers made reference to something. It was led off by the Member for Port of Spain North/St. Ann’s West, he was the key; flagship bearer on this matter. When we are doing comparative studies of other countries to tell us we must suffer more because Canada has more, Barbados has more. If you go for a drink in Grenada, it is \$50 while the same drink in Trinidad is \$25. We are now comparing ourselves to every country in the world that we could find where it is more expensive to say Trinidad and Tobago, you could suffer more.

And it came across in a very potent statement from the Minister of Finance when he said that “I raised the gas price once, twice, three times and “dem eh riot yet” [*Desk thumping and interruption*] and he will raise it April next year. And, Madam Speaker, but the Minister of Finance will know that there were payments made and so on to people, apparently “they riot”, they got payments. So it is dangerous to push this country to the edge by suggesting that you did not riot. Gas gone up, “yuh didn riot”. We do it once, twice, three times, but it is not the gas alone. That is just the symptom of a deeper analytical condition and that condition is that persons have an absorptive capacity for “sufferation”, as the Leader of the

Opposition likes to put it, so that you can push people more and more and more.

And I met someone the other day and they told me, they said they could not believe that in one year, this Government will be so unpopular, in one year. Normally, your unpopularity index reaches somewhere in the third year and the fourth year, you are unpopular, but after one year, because the citizens are seeing this type of—it is a narcotic of arrogance that we are seeing across the board. It began with “We in charge now” and then it come down the road to “zero, zero, zero and dey didn riot yet”.

With this taxation on these matters, Madam Speaker, online shopping, tobacco, alcohol gone, and a personal income tax now and a corporate tax, you are also pushing those sectors as well. Not just the ordinary man and woman, you are pushing the other part of the society, that part of the society that you want to create jobs. So you are saying—and we are here today to debate that, Madam Speaker—that you are increasing corporate tax or the tax on profit over \$1 million. That is to say the taxes on profit over \$1 million and the taxes on income, I believe, over \$1 million per year. That is the purpose we are here for. And you are going to, in that way, punish the businesses that make that and you expect the same people to hire more people in a time of unemployment. [*Desk thumping*] When the Government should be giving a tax break for creating jobs, they are giving an incentive for job loss. And again, what say you? How can you balance that? That you are going to increase taxes to companies.

The Member for San Fernando East, leading a difficult sector, is encouraging the private sector to get involved in the construction of homes, but that same private sector that he is encouraging—every day I see him, he is begging every private sector in the place. “I beg you, build house for us. Please, join us, we do not have money.” And that same group of companies that he is appealing

to—and I believe sincerely appealing to. He announced with fanfare, I think recently, a PPP project and in due course, we will ask the details of those projects and the process. We will do but not tonight. We are not concerned with those details tonight. In due course, we will speak to that. But his intention is to ask the private sector to build homes and when he goes to the private sector and says, “Listen, Mr. X, Y and Z” and in this case, “Mr. NH”, I believe it is, “please, build some homes for us, we do not have money”, he is telling them, “But I want to tell you, my Minister of Finance has just increased the taxation on your profits per year”. How is that going to work?

Mr. Mitchell: Tax break.

Dr. R. Moonilal: No, but those tax breaks are there already. You already have an incentive and you are creating a disincentive now. You are creating a disincentive. [*Desk thumping*]

And I want to remind the Minister of Housing and Urban Development that this is not the first PPP project, so do not say that and let somebody contradict you and laugh at you.

Mr. Mitchell: Ours.

Dr. R. Moonilal: The PPP project was started in San Fernando with Republic Bank under the last administration to construct. [*Desk thumping*]

Mr. Mitchell: Our administration.

Dr. R. Moonilal: Or, your administration’s first one, first PPP. It is \$145 million I believe it is, so no, it is fine. But coming back to the point of the disincentive to firms with over the one million and then you say, well, everybody paying the price and paying the burden but if you do not have employers, you cannot have employees.

Okay, you find people who are making \$1 million in income per year. Now,

I was shocked today that the Minister of Finance announced and I took notes—of course, I took notes. The Minister of Finance is announcing that he is going to be getting tens of millions of dollars, predicted, from the taxation on individuals, and then jumped and said we are getting between \$500 million to \$700 million from the companies that make a million dollars more. That I can imagine but not on the individuals. Who are these individuals, as the CSO labour force documents will tell you the stratification of every single occupation and professional layer in the labour market, so to speak; that would tell you.

When you look at that, it is a narrow band of professional people who will be earning in excess of what the CSO will put to be \$45,000, so we did not reach a million dollars yet, it is \$45,000 as the case may be. And if you say you make \$40,000 a month, I imagine that is after tax—that is, after 10 months, \$400,000 is \$480,000 per year, well it is not a million. And the CSO will not have data—there is no bracket in the CSO that says professional people, \$1 million plus so you have to calculate that yourself.

Many of those people, labour market analysts will tell you, are self-employed people, are people who are not declared by an employer. For example, if you lecture at the University of the West Indies—I believe my friend from Moruga/Tableland was a distinguished lecturer. He cannot find his way to the Cabinet room yet, I think a checker beat him to it recently, but he was a distinguished lecturer and so on. He would know. At the University of the West Indies, your employer declares your income. When you are in Cabinet, incidentally, your employer declares your income. The other Members from La Brea and D'Abadie/O'Meara took a vicious pay cut recently. But at the Cabinet level, they declare your income and you pay your taxation. But at the University of the West Indies, UWI declares your income.

When you are into private work now as a Ph.D. or as lawyer, a doctor specialized, you declare your own income and the Member for Port of Spain North/St. Ann's West told us today that he went to school and when he went to school—he said a long time ago at Notting Hill or Nottingham or somewhere there. They are known for the Carnival there, I think. When he went to school, he learnt about tax avoidance and tax evasion. Today, the Government has a particular interest, which they should have, on dealing with tax dodging. That is what it is really: tax dodging. People who dodge. Americans say tax dodging, we say tax evasion and so on.

But the Member was very clear, from Port of Spain North/St. Ann's West, to tell us tax evasion is not tax avoidance. He was very clear on that. He learnt that in school, he told us that. And the persons that they are targeting to raise money from this are persons who deal in tax avoidance, and they create—*[Interruption]*

Madam Speaker: Member for Oropouche East, your 30 minutes are up, you are entitled to 15 more minutes. Do you intend to avail yourself of it?

Dr. R. Moonilal: Yes.

Madam Speaker: Please, continue.

Dr. R. Moonilal: Thank you very much. Madam Speaker, the point I was making is that the persons who will be receiving income at that level are persons who themselves have professional help by way of accountants, lawyers and so on, and will easily declare themselves at 300, 400, \$700,000 a year and the rest will be through the company: car expense, this, that, the other. They will do that and very few people you will be able to trap with that million dollars. So I was shocked to hear about this—what—\$70 million or \$100 million that you intend to get from that. And we will file the requisite question after one year to find out how much money you raised from doing this, because the Government will announce with

fanfare that they will project this, they will project that and at the end of day, Madam Speaker, you are not sure that you are getting a penny from some of these measures. [*Desk thumping*] “Yuh not sure.”

So, Madam Speaker, that corporation tax has built in disincentive and telling us about corporation tax in America and Canada and all of that is irrelevant. When you sit down in a patio having that bottle of wine that the Minister of Finance described earlier, when you sit down in a nice patio in Toronto and so on, “Yuh doh be too scared that people come behind yuh with ah machine gun and fire into the crowd and shoot and kill everybody. Yuh doh be scared.” In my own constituency, gentleman is at a bar, “they rob the place, took cell phones, wallet, money, everything, in leaving, fire one shot, hit one man, kill one man.” That is Trinidad and Tobago. And they compare with Canada, with America, they have bigger taxes. So if you find a country with 70 per cent taxation, we should do that too. Then they come to the individual where I do not think they will get that kind of money.

So, Madam Speaker, their revenue collection leaves a lot, a lot, a lot to be desired and in terms of the reality, because in Trinidad and Tobago today, and we did have a scare recently over this bond issue. After the latest development here, I am almost scared to say the word “bond”. But we did have an issue with EFCL bond issue where, I think, high-level intervention was needed to sort that out because that would have created a crisis of confidence and integrity.

8.05 p.m.

Madam Speaker, the Government’s attempt to deal also with the housing sector is covered here as regulations applicable to types of bonds, and I am quoting. We have:

“Government Savings Bonds Regulations

Government Savings Bonds

National Tax Free Savings Bonds Regulations” and

“Tax Free Housing Bonds Regulations”

—as part of this menu of revenue-making measures and that is what they come to.

So could I speak for a moment on this tax for the housing, the Tax Free Housing Bonds matter? They have fought and tried their best, Madam Speaker. And in this debate, incidentally I took note of the Member for D’Abadie/O’Meara speaking, Madam Speaker, I do not know if you were in the House at that time to hear him, about the last Government dismantling the intelligence arrangement in the country. Now I do not know where that dropped from. I would have loved to respond to that, but I am in mortal fear that if I respond to him I could be deemed to be irrelevant. So we would leave it that his contribution was irrelevant and I would not try to be responding to an irrelevant contribution.

The Tax Free Housing Bonds Regulations, now again, what is the policy objective? What is the policy objective? It is to raise money to build houses. It is to raise money to buy houses. It is to generate economic activity because all the measures here is to raise money and generate economic activity. There is a social dimension here. Well, it is supposedly to do that. It will not do it. The Member for Naparima gave us a typically passionate and charismatic dissertation on Eric Williams and “Massa Day Done”. I was particularly pleased that he chose to quote Dr. Eric Williams, because when we heard the statement recently I thought Massa day not done. So, the housing sector will not benefit from this measure, hardly, because they are going about it on the wrong foot.

Madam Speaker, on another occasion, I will speak about a conflict of interest in the housing sector over the administration and assessment of that first PPP project, individuals involved in that project, individuals involved in other parts

of the State and the conflict of interest that exist between an auditing and accounting company in this country, the Ministry of Housing and the Ministry of Public Utilities. It is a devilish and diabolical circle that I will come to on another occasion.

So, Madam Speaker, the Member for Tobago East raised a couple other issues which there is no need to deal with. She also raised the issue of coping, and so on, and I think that was related to the drug business, and so on. I want to assure the Member for Tobago East that we are, although some in the House may not sound as passionate as you, very passionate. We are very committed to being role models for children and we are very committed to passing good law, approving good policy in the interest of all the people of Trinidad and Tobago. [*Desk thumping*] Because someone without my experience may accuse you of just being self-righteous. But I understand your deep concern and enthusiasm and passion. I understand that. I understand that very well. But not because people may not sound like you, means we do not have your great interest in these matters.

Madam Speaker, in closing, I want to take the opportunity as well to remind the population that these measures that we have before us, particularly these tax measures, will not bring relief to sections of the population in need, because I can ask the Minister of Finance when he raises this \$500 million on the corporation tax, when he raises the \$200 million on the personal tax, when you raise X amount of millions of dollars from tobacco sale and alcohol sale, where will that go? Is the Minister prepared to tell us where he will spend that money? Because it is one thing to ask us to come here to approve revenue-raising measures but you must also level with the population and the Parliament and tell us what are you going to put to because today we do not know what you did with the Heritage and Stabilisation billions of dollars that you took. [*Desk thumping*]

Today we do not know what you did with the millions you got from the increase in the green levy from the unemployment levy, the millions of dollars you got from raising the price of gas, not once, as you reminded us, three times. What did you do with the millions of dollars? Because we are in a position now where we might be strongly considering to support you tonight on these corporation tax, income tax, tobacco sale tax.

I took note of the classification of wines that he spoke about earlier. I was alerted to that because he is a gentleman well-travelled and will well be aware of the finer things in life. I am sure you serve that on the yacht when you cruise around the islands. I am sure he does not drink box wine on the yacht.

So what would you use this revenue that you are asking us to vote for? What will you use it for? Will you use it to buy more Cazabon painting? Will you use it for Soca On The Seas? Will you use it to give CEPEP to pay legal fees for suing me? “They sue me, injunct me from talking and then took my taxation, Madam Speaker. This extra tax they will charge, they take my taxation to pay for suing me.” It is amazing. Will you use that to put newspaper ads? The sum of \$45,000, you are going to raise millions of dollars from tobacco sale and alcohol sale. I am asking whether any portion of that will go for newspaper ads.

Over the weekend a story broke. They reported a story in the newspaper. The HDC put out a full-page paid ad to say something that they could have said in a press release, to say something that the Member for San Fernando East could have come to the Parliament and correct the record.

Mr. Young: Like what you all did for FATCA?

Dr. R. Moonilal: You are talking about FATCA. Last night, FATCA, FATCA, whatever car you want to think, “you think anybody interested in you and FATCA again? Eh?” [*Desk thumping*] It was trumped last night. So we had the vision.

When they came here and told the country the sky would fall, we had the vision to tell them hold up. But I am coming back to the use of this revenue from tobacco and alcohol. That is what I am coming back to. I am very concerned with that because I am convinced that that will do nothing to reduce the sale of tobacco and the sale of alcohol. In fact, it might increase. I am asking the Ministry of Finance will you be using that to pay for newspaper ads and wasting money of the taxpayer to put an ad in the paper that a press release/a press conference or a statement by the Minister can answer. That is also a form of waste and waste is a form of corruption and mismanagement. [*Desk thumping*] That is what we are asking the Minister to tell us.

Madam Speaker, the issue is not a simple issue of the social and moral dimension of the taxation. It is an issue of revenue policy. It is an issue of your collection capacity. When we recall—who is collecting this revenue? Who is going to collect this tax? Is it not the BIR? “I think rat infested dey office and dey gone home. I doh know if dey still there. I doh know if the rats left and the workers came back. I doh know.”

Mr. Indarsingh: They cut allocation of health and safety.

Dr. R. Moonilal: And they cut allocation.

Madam Speaker, one more issue I want to pick up, that was raised today. I believe it is the Member for Port of Spain North/St. Ann’s West again. Every time the Member for Port of Spain North/St. Ann’s West, he falls into this default position of attacking the last Government on mismanagement and this and declared today at the top of his voice. He declared his administration saved \$11 billion “ba, ba, ba” and then started to beat his chest.

And when we had a recent finance committee meeting, all, I think, of five days, long evenings, several questions were posed and I respond to this matter

raised only today. When we looked at the spending of the former Minister of Works and Transport, as he then was, the Member for Laventille West, when we looked at the spending in the Ministry of Public Utilities, we looked at the spending in housing, millions upon millions of dollars were not spent because of incompetence. They could not spend it to execute their programme. [*Desk thumping*]

In the Ministry of Health, there is data that will become available. The Minister of Finance has it already, but the country will get it by January next year. I am familiar with these things. There is an IDF report on your spending in the IDF and there is a PSIP report on your spending in the PSIP. By now the technical people would not know that spending until, let us say, July. By the time January comes along, you will get the end of the year and we will be able to look at every single ministry on their project spending, not paying wage and salary and vacation, and so on, you know. They deduct those things. We will look at every ministry and you will see where this \$11 billion were not spent because they could not undertake the projects. They could not deliver. They could not perform. [*Desk thumping*] So there is a rapid announcement of 62 bridges, \$600 and something million. The new Minister of Works “run in the bush” to see bridges, wearing a jacket and tie; bridges we started that they could not finish.

Mr. Indarsingh: They said they were auditing.

Dr. R. Moonilal: They were auditing. They spent one year auditing, reviewing, revising. They could not finish the bridges. Now they have to go back and beg the contractors to finish the same bridges that we started. But I come back to the point made in this House today, this bold assertion of we saved \$11 billion. That is the cost of incompetence, of not completing your projects, not completing projects on time. That is the cost of incompetence.

Mrs. Robinson-Regis: Madam Speaker, Standing Order 48(1), please.

Madam Speaker: I overrule Member. I would give you some leeway, please continue.

Dr. R. Moonilal: Thank you very much, Madam Speaker. I would move away from that because that was an issue raised earlier today in the contribution of the Member for Port of Spain North/St. Ann's West, I think, on that matter.

Madam Speaker, the rationale for these essential elements of all the proposals today, they come with a rationale and part of it is not just tax collection or revenue collection but they speak today as well of reducing the leakage of taxation.

Madam Speaker: Hon. Member, your speaking time has expired.

Dr. R. Moonilal: On a next occasion I will continue that point of the leakage of tax.

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. Madam Speaker, sometimes it is difficult to get an agreement in this House, because it was agreed that we would seek to limit the number of speakers and the speaking time of persons.

Dr. Moonilal: You want to "injunct" me here.

Hon. C. Imbert: That was an agreement reached between the Government and the Opposition and we kept our side of the bargain by limiting the number of minutes that our speakers spoke and hon. Members opposite did not. That is very, very unfortunate. I do not see the point. If we have an agreement let us try and adhere to it. It just does not help. It creates distrust.

Madam Speaker, a number of points were made in this debate, but let me start in reverse order. The Member for Oropouche East complained that the tax to be imposed in the Finance (No. 3) Bill, 2016, that would amend the Corporation

Tax Act to increase the revenue base by introducing a two-tiered tax rate on the chargeable profit of a company, would act as a serious disincentive to the housing thrust, the housing construction programme of the Government, particularly the private/public partnership arrangements that the Government is currently seeking to get involved in with the private sector.

Now, Madam Speaker, when I started off, I very politely pointed out that there is a Provisional Collection of Taxes Act, which allows the Government to impose a tax during an appropriation debate. And then one must return to the Parliament within 21 days to confirm the Order, otherwise the Order lapses. And I was polite, because I did not point out that the hon. Leader of the Opposition, a former Prime Minister and someone with 20 years parliamentary experience, who would have experienced at least 20 Provisional Collection of Taxes Orders in the hon. Member's tenure and understands and knows exactly what a Provisional Collection of Taxes Order is and, therefore, should and does know that one can impose a tax in the appropriation debate without the benefit of a Bill. And, therefore, the allegation that the online tax was unlawful was simply without any substance. I was very disappointed that someone with that level of experience would seek to propagate that mythology and that misinformation that the online tax was unlawful and create hysteria and panic in the country.

And now we have the Member for Oropouche East in similar vein making a statement that is completely without any foundation. And what is disappointing is that the Member for Oropouche East was a Minister of Housing, and he knows that there is something called the Housing Income Tax Incentive Regulations; and he knows that in addition to the Housing Income Tax Incentive Regulations, there is also another piece of subsidiary legislation called the Housing Registration of Traders and Land Developers Regulations; and he knows that these pieces of

subsidiary legislation have been enforced for 40 years, and he knows that if a housing developer is a registered trader, he is exempt from income tax. He knows that.

And, therefore, if you are a registered trader in houses, whether the tax is 10 per cent, 30 per cent or 50 per cent, you are exempt, and, therefore, it is impossible for the two-tiered system, the additional 5 per cent on chargeable profits in excess of \$1 million, to apply to persons who are registered housing developers involved in the Government's Housing Programme.

It is very disappointing because the hon. Member portrays himself as an intellectual and comes into this House with this politically disingenuous style to make these ridiculous statements that have no basis in fact. So it is just absurd, Madam Speaker. It is very disappointing and it is absurd. It is disappointing and absurd. He knows. He signed all sorts of documents, the hon. Member. I apologize. The hon. Member for Oropouche East, when he was the hon. Minister of Housing, he signed many licences permitting persons to become registered traders in housing thereby permitting them to be exempt from income tax. He knows that. That is what is so disappointing. That is what is so bad about the way we speak in this House. We have agreements, they break them. There are things that are factual. They come and they spread mythology and misinformation and downright untruths in this Parliament and they know better. It is just unfortunate and it is highly disappointing and I urge hon. Members opposite, if you have to make a point, make a point. Make a good point. Do not come here and try and mislead the population and mislead the hon. Members who just have arrived and have no understanding of process and might actually believe the things that you are saying.

Now, with respect to the online tax, Madam Speaker, it is absolutely crystal

clear how the online tax will apply, crystal clear. It is illustrated in the Order and in the Bill. The tax is only chargeable to consumers and the definition of a consumer is contained in the Electronic Transactions Act, and for who do not know and they are supposed to know because the Electronic Transactions Act was passed by the PP Government. This is what beats me. Everyone one of them debated it. It was their legislation. And the definition of a “consumer” in the Electronic Transactions Act:

“means any person who enters or intends to enter into an electronic transaction with a supplier as the end user of the goods or services offered by the supplier;”

How much more clarity do you want than that? It was your legislation.

I remember it was, I believe it was Nan Ramgoolam who was the Minister who came and passed the Electronic Transactions Act right here. I debated it, and this definition is in that Act. So you should know better. It is your legislation that created the concept of a consumer being the end user. And, therefore, since you know, why are you asking about it and pretending that you do not know and saying people would become confused. This is wrong. It is time for this kind of puerile debate to come to an end. We need to be more constructive. “We could throw picong. We could throw lash at each other”, but let us raise the standard of debate in this House. [*Desk thumping*]

So let me go back through this online tax for the last time. The tax is applicable to a consumer who brings in a good by air transportation using an electronic transaction and the good is entered from a transit shed. It has nothing to do with the persons passing through Piarco with a suitcase, nothing to do with them and it is also patently obvious that if someone buys a gift for you and ships it through, that is not something that was acquired through an electronic transaction

originating in Trinidad and Tobago. So if you have a relative or a friend or an associate overseas who buys something for you, whether they buy it with a credit card or not and they are sending it to you, that is not an electronic transaction originating here, because the whole intent of the measure is to dampen demand for foreign good that create leakage of foreign exchange out of Trinidad and Tobago. So if somebody in the United States buys something using their own US dollars in the United States, that cannot have an iota of effect on the foreign exchange situation in Trinidad and Tobago. I just want to make that crystal clear. If someone sends you a gift, that gift is not subject to this online tax.

If you are importing things to your business, raw materials for distribution and sale and retail, those items are not subject to the online tax. It is simply a consumer who buys something on Amazon or on Best Buy or anyone of these online retail stores for their own use, for their own personal use, not as a distributor, not as a wholesaler, not as a businessman. So, I hope I have clarified this matter and I ask that you think about it and please try not to mislead people in the future about this matter.

With respect to some of the other points made—[*Interruption*]

Dr. Rambachan: First time you are so clear.

Hon. C. Imbert: Well, okay, thank you. With respect to the other points made, Madam Speaker, I am absolutely fed up of hon. Members opposite coming and saying they do not know where to find information. It is getting overbearing. There is something called the *Review of the Economy*. Every single Government that has passed through this Parliament, whether it is NAR, whether it is UNC, whether it is PNM, has published several reviews of the economy and if you go into that document you will see Government expenditure, Government income, Government debt, debt to GDP ratio. All the information is there, you know. If

you have eyes open up your eyes to see. If you go and look in the current *Review of the Economy* you will see the debt. You will see the expenditure.

I listened to what was being said, that the information is not there and they have to search here and they have to search there and I went and I found the last *Review of the Economy* published by the UNC, the 2014 *Review of the Economy*. And when you go into the 2014 *Review of the Economy*, what does one find? In the *Review of the Economy*, 2014, published by hon. Members opposite, at Appendix 21, and this is for those who do not know and I am very surprised that you do not know, you will always find information on revenue and expenditure in the appendix that deals with Central Government Fiscal Operations. And in this particular document, the *Review of the Economy*, Appendix 21, *Review of the Economy* 2014, it tells you, and these are not my figures, these are the figures of the hon. Members opposite, that in fiscal 2010, total expenditure was of the order of \$45 billion and by fiscal 2014 the expenditure had swelled to \$64.8 billion. These are not my figures. These are your figures. It is here in black and white. So why if it is here and it is published by hon. Members opposite, it is your data, why would you come in this House and say it is not so and quote some other figure that you plucked out of some document somewhere? It is time for this kind of thing to stop.

Let me give you some more information on the online tax. I spoke about this in the Senate and I want to repeat it here today. There is a very good article written by an entity in British Columbia. It is called loco, L-O-C-O, but it is an acronym for buy local and it is about online shopping. The title of the article is, “The Impact of Online Shopping”. When they looked at it, the important element of this article is a paragraph headlined:

“Most Online Shopping Contributes to Economic Leakage

Research shows that two out of every three dollars spent online by Canadians goes to a U.S. retail website. A 2014 survey of Canadian online shoppers found that 68% reported shopping at a web store outside of Canada...”

The point that is made in this article is that none of that money comes back. So that when you buy something online, the US dollars that leave Trinidad and Tobago and goes overseas does not recirculate in our local economy. And based on their research they estimate that online shopping has up to 32 per cent less economic impact, based on the fact that the currency does not return to Canada.

Now this is a developed country looking at the impact of online shopping on a developed country and making the point, the obvious point, that if you are engaging in online shopping you are exporting your currency and that is not coming back because it employs no one. There is no added value from online shopping.

So try and understand we are not the first country in the world that has grappled with this problem. Online shopping contributes to economic leakage. It contributes to loss of jobs. Because if you have to buy local goods you have to have a warehouse. You have to have a distribution mechanism. You have to have transportation. You have to have quality control. You have to have an inventory control. You have to employ people, if you are buying locally. But if you send the money overseas by the click of a button on the Internet using your credit card you are just exporting the currency from Trinidad and Tobago. It does not come back. There is no multiplier effect and there is no added value. These are obvious truths.

So put aside the politics. Online shopping is not a good thing for a developing country because it contributes to economic leakage. These are facts. This is not fiction. This is reality.

So, Madam Speaker, I do not think I really have to say much more. I think I have dealt with the philosophy behind the online tax. I have explained its application. I have explained why we need to do it as a developing country, as an open economy, why we need to do it, and I think I have debunked this theory about the tax on millionaires being a disincentive to housing because registered traders in housing are exempt from income tax. So it does not matter what the income tax is. I beg to move, Madam Speaker. [*Desk thumping*]

8.35 p.m.

Question put and agreed to.

Resolved:

That the Provisional Collection of Taxes Order, 2016 be confirmed.

**CUSTOMS (IMPORT DUTY)
(CARIBBEAN COMMON MARKET)
(AMENDMENT) ORDER, 2016**

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. I beg to move Motion No. 2 standing in my name:

Whereas it is provided by section 7 of the Customs Act, Chap. 78:01 (hereinafter called “the Act”) that the President may by Order increase or reduce any import or export duty of Customs or impose new import or export duties of Customs and from the date of publication of the Order in the *Trinidad and Tobago Gazette* and until the expiry of the Order the duties specified in the Order shall be payable in lieu of the duties payable prior thereto;

And whereas it is provided by section 7(2) of the Act that an Order issued under that section shall after four days and within twenty-one days from the date of its first publication be submitted to Parliament and Parliament may

Customs (Import Duty) (Caribbean Common Market)
(Amendment) Order, 2016
Hon. C. Imbert

2016.11.09

by resolution confirm, amend or revoke the Order and upon publication of the resolution of Parliament in the *Trinidad and Tobago Gazette*, the resolution shall have effect and the Order shall expire;

And whereas the Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016, was made under section 7 of the Customs Act and first published in the *Trinidad and Tobago Gazette* as Legal Notice No. 160 of 2016 on the 19th day of October, 2016;

And whereas it is expedient to confirm the Order:

Be it resolved that the Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016 be confirmed.

Madam Speaker, I beg to move. I think you have to put the question.

Madam Speaker: I think you have to beg to move.

Hon. C. Imbert: I said—sorry, I beg to move while I was sitting down. I beg to move.

Madam Speaker: Thank you very much.

Question proposed.

Question put and agreed to.

Resolved:

That the Customs (Import Duty) (Caribbean Common Market) (Amendment) Order, 2016 be confirmed.

EXCISE DUTY (ALCOHOLIC BEVERAGES) ORDER, 2016

The Minister of Finance (Hon. Colm Imbert): I beg to move Motion No. 3 standing in my name:

Whereas it is provided by section 13(2) of the Excise (General Provisions) Act, Chap. 78:50 (hereinafter called “the Act”) 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 *Trinidad and Tobago Gazette* and until the expiry of the Order 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 section 13(2) of the Act 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 Parliament and Parliament may by resolution confirm, amend or revoke the Order and upon publication of the resolution of Parliament in the *Trinidad and Tobago Gazette*, the resolution shall have effect and the Order shall expire;

And whereas the Excise Duty (Alcoholic Beverages) Order, 2016, was made under section 13(2) of the Excise (General Provisions) Act and first published in the *Trinidad and Tobago Gazette* as Legal Notice No. 161 of 2016 on the 19th day of October, 2016;

And whereas it is expedient to confirm the Order:

Be it resolved that the Excise Duty (Alcoholic Beverages) Order, 2016 be confirmed

Madam Speaker, I beg to move.

Question proposed.

Question put and agreed to.

Resolved:

That the Excise Duty (Alcoholic Beverages) Order, 2016 be confirmed.

EXCISE DUTY (TOBACCO PRODUCTS) ORDER, 2016

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. I beg to move Motion No. 4 standing in my name:

Whereas it is provided by section 13(2) of the Excise (General Provisions) Act, Chap. 78:50 (hereinafter called “the Act”) 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 *Trinidad and Tobago Gazette* and until the expiry of the Order 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 section 13(2) of the Act 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 Parliament and Parliament may by resolution confirm, amend or revoke the Order and upon publication of the resolution of Parliament in the *Trinidad and Tobago Gazette*, the resolution shall have effect and the Order shall expire;

And whereas the Excise Duty (Tobacco Products) Order, 2016, was made under section 13(2) of the Excise (General Provisions) Act and first published in the *Trinidad and Tobago Gazette* as Legal Notice No. 162 of 2016 on the 19th day of October, 2016;

And whereas it is expedient to confirm the Order:

Be it resolved that the Excise Duty (Tobacco Products) Order, 2016 be confirmed.

I beg to move.

Question proposed.

Question put and agreed to.

Resolved:

That that the Excise Duty (Tobacco Products) Order, 2016 be confirmed.

FINANCE (NO. 3) BILL, 2016

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. I

beg to move:

That a Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature, and for related matters, be now read a second time.

I beg to move.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clauses 1 to 6 ordered to stand part of the Bill.

Question put and agreed to: That the Bill be reported to the House.

House resumed.

Bill reported, without amendment, read the third time and passed.

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very much, Madam Speaker. I beg to move that this House do now adjourn to Friday, November 18, 2016 at 1.30 p.m., at that time we will do the Gambling (Gaming and Betting) Control Bill.

Madam Speaker: Hon. Members, there is one matter that qualifies to be raised on the Motion for the Adjournment of the House, filed by the Member for Tabaquite. I now call upon the Member for Tabaquite.

Flanagin Town RC School (Completion of)

Dr. Surujrattan Rambachan (Tabaquite): [*Desk thumping*] Thank you, Madam Speaker. I have two letters in my hand. One—and both seem to—approve two

Motions, I may be—check it, but the first one that you are referring to, may I ask whether it is the one for Flanagin RC School?

Madam Speaker: This is the one for Flanagin RC School.

Dr. S. Rambachan: Yeah, and then I got another one that you sent to me, through the Clerk of the House.

Madam Speaker: The only one that qualifies for today, is the one for Flanagin RC School.

Dr. S. Rambachan: Okay. Thank you, Madam Speaker. The Motion that I have here reads as follows:

The failure of the Ministry of Education to provide of the continuation of the Flanagin RC School, despite assurances given by the Minister of Education in this House on Friday, March 11th, 2016.

Madam Speaker, as you are aware, in your *Speaker's Procedural Bulletin No. 2, Standing Order 108, House of Representatives and 98th Senate*, it speaks about the Committee on Government Assurances, and the definition of an assurance given there, is:

An assurance is a statement made to the House, in which a Minister promises to undertake an action or implement a policy or new plan. An assurance is made during question time, debates on Bills, Minister's statements and the raising of matters on the Adjournment.

Madam Speaker, on March 11, 2016, I brought this Motion to the House and there was a debate in which I contributed, and also the hon. Minister of Education and Member of Parliament for Arima. In that debate—and I quote from the *Hansard* of that date:

The Minister said, I wish to assure the Member for Tabaquite...

And I repeat:

I wish to assure the Member for Tabaquite, residents of Flanagin Town and by extension the national community, that notwithstanding the cash flow difficulties being experienced by this Government, and by the Ministry of Education, the Ministry remains committed to completing construction of the Flanagin Town RC School. We remain committed to the completion of the school.

As such, I want to assure that every effort will be made to collaborate with the Ministry of Finance, to identify the required funding that will enable a resumption of construction and eventual completion of this school.

Madam Speaker, it will be very easy for the hon. Minister to come this evening and say, “Well, I am continuing to collaborate with the Ministry of Finance to identify funds and what have you”, but I brought this Motion almost six months before the debate on the last budget, with the intention to ensure that the Minister would have collaborated, and that provision would have been made in the last budget, for the completion of the school.

By the Minister’s own admission in that debate, he said that 21 per cent of the school had been completed, but that because the contractor was not paid by December 2015, the contractor had suspended the works, and that is when he said, 21 per cent had been completed, which included clearance and the preparation of the project site, fencing of the site, architectural design, which are 90 per cent complete, foundation works, 30 per cent complete and washroom block that was 100 per cent complete.

Madam Speaker, the community of Flannigan Town is very disappointed, and last time I brought this here, when you read the record of *Hansard*, you will see—Members on the other side try to make fun of what I brought here, making comments about who supported who, and who did not support who, and what I did

in five years and what I did not do in five years and so on. That notwithstanding, it is very important that today, we look carefully at this assurance that was given by the Minister, and to find out from the Minister, why the children of Flanagin Town are not going to have their school and there is no date when the school will be restarted?

Madam Speaker, I just want to remind you that this school—and the Minister himself in his statement noted it, the school was established in 1933, and in 1933, the school established was owned by the Catholic Education Board of Management. It is 83 years old, and it is in a dilapidated state. I pointed out that the children are being housed really in a church for all these years, and going to school in a church; 52 children.

It is very distressing that everyday people are passing there and seeing this abandoned school building now, and nothing is happening and there was no indication in the last budget, that anything was going to be done to advance this process. Madam Speaker, the outcome of this is not only that the children are being denied, but a contractor is owed money for works that have been completed, and also when you go to restart the school now, if you go and see, there is bush and grass all over it, you will have to do an assessment again to see the condition of the foundation that had been laid down, to determine the integrity of what is there now on the site, and this is going to cost you more money. If the Minister had kept his assurance and had gone through with the Ministry of Finance, and got money at least to continue part of the work for this fiscal year, you would have had an advanced position with respect to the school. A similar thing, you know, exists now with the Parvati Girls' Hindu College and the Shiva Boys' Hindu College, nearly 80 per cent complete, and no provision made. Also the Ramai Trace Hindu School; same thing, and one has to ask the question, why is it that you are not

doing what promised to do according to assurances?

Madam Speaker, may I compliment you for reminding us, as Members of Parliament by circulating this, *Speaker's Procedural Bulletin No. 2*, that reminds us about Government assurances, because what it does, this particular matter on the Standing Orders, it really determines a new level of accountability, perhaps that was not there before. Where Members of Parliament and Ministers in particular, would know that they are really responsible and accountable to the people, and you just cannot come here and politic, and make promises that maybe deep down you know you have no intention of carrying out at all, that is not integrity. You know, integrity is where you close the gap between the spoken word and the done deed, and in this case there is a big gap between what was spoken and what was not done, which raises the question of the level of integrity involved in the approach of the Minister, to getting this matter completed.

Madam Speaker, that is what I have to say on this, and I await the Minister's further assurances.

I thank you. [*Desk thumping*]

The Minister of Education (Hon. Anthony Garcia): Thank you very much, Madam Speaker. Let me begin by simply stating, that the Ministry of Education and the Government of Trinidad and Tobago, remain committed to having that school constructed in the not too distant future. As soon as certain things have been put in place and I will explain. The Flanagin RC School is owned by the Catholic Board, a statement which I made previously. I wish to reiterate that nothing can be done, unless we have the concurrence of the Board. No nail could be driven, no brick could be laid until and unless we have the agreement of the Board.

What had happened was the Member for Tabaquite met with residents of the

area without consulting the Board, the Catholic Board and the Catholic Board took objections, grave objections to that.

Dr. Rambachan: That is not true.

Madam Speaker: Member for Tabaquite, I know you really did not mean that, so if you could just withdraw that, please.

Dr. Rambachan: [*Inaudible*]

Madam Speaker: Yes, but, please?

Dr. Rambachan: Yes.

Madam Speaker: So would you just withdraw your statement?

Dr. Rambachan: I withdraw it, yes.

Madam Speaker: Thank you very much; continue please.

Hon. A. Garcia: Thank you very much, Madam Speaker. The Catholic Board became aware of designs that were drawn for the school, for the construction of a new school, again, without the agreement of the Board. The Board raised certain objections and there were two major objections. One was, that the drawing of the building would have placed the school too close to the church. And secondly, it would have prevented free access to the church. On those two grounds the Catholic Board objected.

In addition, the Catholic Board insisted that any plans that had to be drawn, must be certified by a qualified engineer appointed by the Catholic Board; remember, the Catholic Board owns the school. However, this was subsequently done and the Catholic Board was in agreement with what was decided upon.

The new plans that were drawn would have necessitated that the school—a part of the school, would have had to be constructed on State lands, and if this had to be done, then there was need to get permission from the Commissioner of State lands. That caused another delay, and up to this point, we have not seen any

permission granted by the Commissioner of State Lands. Those were some of the major areas necessitating the delay.

In addition to that, Madam Speaker, all of us know because of the economic downturn, we found ourselves in a position where we could not have made payments to the contractor on time, and as a result of this, in December 2015, the contractor suspended works, that is the situation as it is.

The Ministry of Education is in discussions with the Catholic Board and with EFCL, in an effort to have this straightened out. We were unable to make any allocations in the 2017 budget, simply because we needed to have had all those permissions including most of all, the permission from the Commissioner of State Lands before we can move forward.

Thank you very much. [*Desk thumping*]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 8.59 p.m.