

Leave of Absence

Wednesday, January 30, 2013

SENATE

Wednesday, January 30, 2013

The Senate met at 1.30 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. Lyndira Oudit who is out of the country.

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards.

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President

TO: ARCHBISHOP BARBARA BURKE

WHEREAS Senator the Honourable Lyndira Oudit is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, BARBARA BURKE, to be temporarily a member of the Senate, with effect from 30th January, 2013 and continuing during the absence from Trinidad and Tobago of the said Senator Lyndira Oudit.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 30th day of January, 2013.”

Oath of Allegiance

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OATH OF ALLEGIANCE

Senator Archbishop Barbara Burke took and subscribed the Oath of Allegiance as required by law.

FINANCE BILL, 2013

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

Motion made: That the next stage of the Bill be taken later in the proceedings. [*Hon. L. Howai*]

Question put and agreed to.

PAPER LAID

Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Trinidad and Tobago Racing Authority for the year ended July 31, 2006. [*The Minister Finance and the Economy (Sen. The Hon. Larry Howai)*]

SPECIAL SELECT COMMITTEE REPORT

**University of the Southern Caribbean (Inc'n) Bill
(Presentation)**

The Minister of Tertiary Education and Skills Training (Sen. The Hon. Fazal Karim): Thank you, Mr. President. I have the honour to present the following report as listed on the Order Paper in my name:

Report of the Special Select Committee appointed to consider and report on a private Bill entitled an Act for the Incorporation of the University of the Southern Caribbean and matters incidental thereto.

FINANCE BILL, 2013

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

Mr. President, the Finance Bill, 2013 before you today was passed with amendments in the other place on Monday, January 28, 2013. It contains the legislative proposals that would bring into effect measures that are contained in the 2012/2013 budget. In summary, the amendments made in the other place

relate to the tightening of the language relating to the Retiring Allowances Act and to make clear the intention of the Legislature; the exclusion of the proposals relating to the self-employed in the changes being proposed in the National Insurance Act; the increase in the tax free limit for residential construction to \$1.5 million; the reduction in the penalty in section 5.16 of the Companies Act for late filing to \$300 per month and a consequential change to clause 18 stemming from the foregoing. I shall return to these in more detail in my presentation.

Mr. President, the Finance Bill, 2013 is presented against the backdrop of an incipient turnaround in the economy following some years of negative and negligible growth as a result of the negative effects of the global financial crisis. The CSO has projected that the economy would grow by just over 1 per cent this year, after registering an average rate of decline of around 1 per cent per annum over the period 2008—2011. This turnaround has been attributed to improvements in the performance of the non-energy sector, especially the services sector.

Our recovery is supported by strong, economic and financial buffers. We have strong foreign exchange reserves. The data for the first half of 2012 show that our current account surplus has increased and that this trend would have continued towards the end of the year. The Heritage and Stabilisation Fund continues to grow, entering the year at \$4.7 billion, and private sector credit has continued to increase, growing by 7.1 per cent on a year-on-year basis, October 11 versus October 2012. At the end of the year both Standard & Poor's and Moody's reaffirmed the country's international credit rating.

Mr. President, the critical issues addressed in the budget were really three-fold. The first related to getting the construction sector back on its feet; the second related to getting the energy sector to become vibrant and to once again play the role it can play in getting our downstream industries back on their feet; and thirdly, the longer term issue of this economy relates to economic diversification, and therefore, the critical issue we have sought to address, from a policy point of view, is how we go about this process of the economic diversification of our economy.

One of the key instruments that we see being used to play this role is a PP modality, the public/private partnerships. However, this is something that will be done over the longer term as we seek to bring the private sector more and more into the process of development of Trinidad and Tobago.

Mr. President, the budget speech resonated our firm belief that both the private sector and labour are critical partners with Government in achieving the growth and diversification that we want to achieve. And therefore, future growth

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is dependent upon collaborative efforts between both the public sector—the private sector and labour with the Government. The trade union movement has demonstrated a willingness to become involved in this and a number of sessions are being carded for the next few weeks as we seek to engage the labour movement in this entire process of dialogue, so we can begin to move a number of initiatives in the area of economic diversification.

We have also had meetings with the private sector as we sought to move the CEPEP Programme, employees from the CEPEP Programme into the private sector, and while these meetings have not been as fruitful as I would have liked, the good news is that the process has started and the private sector has given a commitment to continue to work with Government in seeking to have this transitioning of people, of workers, from the CEPEP Programme into, also productive work in the private sector.

With respect to the issue of diversification, discussions have started with a number of potential investors with a view to getting their involvement in a number of fairly large projects that we have already started to examine.

Turning to the Bill, Mr. President, I propose to circulate to Members at the—sorry, we circulated to Members at the committee stage in the Lower House a number of amendments which have been reflected in a list of amendments which has come forward to the Senate. The true intent of the measure is to facilitate the payment of a retiring allowance to legislators who, although they would have served for periods amounting in the aggregate to not less than five years, would have been denied the benefit simply because they ceased being a legislator prior to November 21, 1996.

Mr. President, prior to November 21, 1996, the legislator would have had to serve for periods in the aggregate of not less than eight years in order to qualify for a retiring allowance. It is suggested that the commencement of the payment and other qualification for the payment should be November 21, 1996. The inclusion of the amendment is intended to tidy up the language in the legislation as requested by the Attorney General's office to reflect properly the intention of the Legislature.

1.45 p.m.

Secondly, Mr. President, with respect to the gaming industry, this Bill seeks to make provision—*[Interruption]*

Sen. Beckles: Can I ask a question?

Sen. The Hon. L. Howai: “Yeah”, sure.

Sen. Beckles: Can I just ask you whether that legislation puts persons at a disadvantage, where there was previously a section where, if you serve between five years and eight years you would have gotten a quarter of your basic salary? Because it appears—*[Interruption]*

Sen. The Hon. L. Howai: No, it is not the intention to change that.

Sen. Beckles: Okay, all right.

Sen. The Hon. L. Howai: Secondly, Mr. President, this Bill seeks to make provision for the amendment to the Registration of Clubs Act by repealing and replacing the schedule to increase the taxes payable on gambling tables and other devices. As we have said in the other place, the Government sees the gaming industry as having a legitimate role to play in the entertainment sector. The gaming industry is wide, it includes, the horse racing industry; it includes the lottery industry; it includes the private members’ clubs; it would include things such as casinos. So the gaming industry is quite wide and we see the gaming industry as having a role to play as part of the entertainment sector. However, it is subject to abuse and we have to do things to address that issue of abuse. It is this Government’s intention to bring comprehensive legislation to both Houses in order to address this particular issue.

In most countries, the gaming industry is a significant provider of revenue for the development of education, sport, arts, and culture. It is our belief that the Government does not get its fair share of revenues from the sector, and it is our intention to put appropriate arrangements in place to ensure that we do get our fair share of this revenue. However, the process for getting this done can be quite lengthy, and we expect that it will take about 18 months to get a comprehensive legislation completely drafted and through both Houses of this Parliament. We believe that, concomitant with that, we would probably need another 18 months in order to get all the institutional support requirements in place to ensure that the gaming industry is properly regulated, managed and controlled. Therefore, we expect that the entire process could take us as long as three years.

It is our intention to speed this up as quickly as we can, because it does have an implication for revenue earning and revenue generation by the Government, coming to the Government. But it is our intention to ensure that whatever we do and whatever we bring, is comprehensive enough that it would facilitate the proper implementation of the changes that we want to see.

Thirdly, we have the issue of litter. This is a major scourge in the country. Many times, you know, personally, I think we seem to lack some level of national pride in the way we deal with litter. It is clear that we have to take action to deal with it. The Ministry of Local Government has advised that they have already employed 147 litter wardens. In fact, that occurred earlier this week, and the training would have begun yesterday with a view to having these wardens deployed throughout Trinidad and Tobago. I expect that the deployment of these litter wardens—because a big issue here has been the question of enforcement. So, we really want to ensure that whatever changes we implement that there is really enforcement. So what we have done is that we have increased the fine, the fine is now \$500; I believe it was \$50. So we have increased the fine, but more important than increasing the fine was to find a way to deploy as many litter wardens as possible to ensure that we control this scourge on the national community.

Mr. President, with this budget we also seek to commence a gradual overhaul of our national insurance system. In our budget speech, we had increases in the maximum insurable earnings over the period to 2020. This is a major adjustment to the system and results in increased benefits to income earners who make contributions after the changes are effected. In conducting the eighth actuarial review of the NIS, the consultant firm was required to incorporate key social insurance principles as follows, and I quote from the terms of reference:

1. The NIS should maintain the principle of redistribution of income in favour of low income contributors.
2. Benefits must relate to earnings, thus reinforcing the concept of benefits as earned rights and recognizing that there is a relationship between one's standard of living while working and the benefits level needed to achieve income protection in the event of sickness, disability, old age and death.
3. The NIS, through the provision of pensions, should provide a basic standard of living upon retirement for all persons who have contributed to the system and have satisfied eligibility conditions.
4. The NIS must ensure that the greatest good is provided to all stakeholders within the context of affordability, fiscal responsibility and administrative feasibility.
5. Additionally, the actuaries were required to address an NIB policy objective which is to maintain the relevance of the level of coverage and the value of contributions and benefits to economic conditions.

Mr. President, of course, the national insurance system itself does face some challenges. The first is that it is underfunded; the second, that the current low interest rate environment does not facilitate a significant increase in earnings for the fund and therefore its ability to quickly erode the deficit is compromised by that; thirdly, the population demographics show that in the coming years, we will have a larger and larger older population being supported by a smaller younger population. So what that means is that the contributions to the National Insurance Board will not be as large if we leave everything as it is going forward, while the number of people who are making withdrawals will increase. So it is imperative that we start dealing with each one of these issues in turn.

With respect to the issue of underfunding, that is normal for national insurance systems globally. Most national insurance systems in the world are underfunded. The issue is the extent of underfunding. For the time being, our fund is one of the better funds in terms of where that stands, and therefore, we think that we are in a position to manage the increases that would cover that deficit over a reasonable period of time, remembering always that the national insurance is a long-term fund, it is a long-term system of contributions, and therefore, the issue of filling a gap in 50 years or filling a gap in 30 years is not as big an issue for the fund as it may be for an individual.

The second thing is that in terms of the contributions, what we intend to do is to increase the contribution rate. So what we have done is, we have done two things: the first is that we have increased the level of contributions by increasing the maximum insurable earnings. Now, the good news with that from the point of view of the fund is that, as you increase the maximum insurable earnings, the level of contributions increase, but the number of people who are withdrawing who qualify will be much smaller than the number of people who are actually making the contributions. So immediately there is a surplus that is generated from that activity.

Secondly, we will be increasing the contributions from 11.4 per cent that existed before to 11.7 per cent this year and 12 per cent next year. So what that means is that, there is going to be a very marginal increase as far as the contributors are concerned, but again because you are dealing with 600,000 people contributing, a small increase, when added together, there is a large contribution to the fund. Whereas the number of people who will be retiring on an annual basis, while that is happening, remains relatively small in relation to the number of people who are actually making contributions. So, at the end of the day, you start to move towards increasing and dealing with the issue of the deficit that we have.

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With respect to some of the specific changes, I want to say that I agreed to the request by the Opposition to review the proposals regarding the self-employed and will bring these back by March of this year after further review. Changes to benefit payments in the National Insurance Act are also being proposed to fulfil the mandate of increased social protection. Maternity benefits, survivor benefits, benefits for sickness, invalidity and employment injury, are all being adjusted to ensure an increased level of benefits are able to reach citizens. Maternity and special maternity grants, the minimum retirement grant and the funeral grant are subject to a one-time increase of 50 per cent in 2013.

The minimum survivors' benefit with respect to spouses, children, dependent parents and orphaned children of a deceased contributor, are subject to a one-time increase of 50 per cent in 2013 as well. Calculated benefits in the cases of sickness, maternity allowance, invalidity, survivors' benefit, retirement benefit and employment injury benefits, are to be increased by 25 per cent in 2013 and a further 20 per cent in 2014. The compounded effect of that will be a 50 per cent increase overall. These are all in keeping with the recommendations which were made to us by the actuaries.

As I said, we also intend to increase the present contribution rate slightly, from 11.4 per cent to 11.7 per cent this year and then to 12 per cent in 2014. In both instances, employers will bear more of the burden than employees. In addition, we propose an increase to the threshold for both maximum and minimum insurable earnings under the national insurance structure as I had indicated. So the minimum threshold will move from \$120 weekly to \$150 weekly and then to \$180 weekly in 2014, and the maximum threshold will move from \$8,300 monthly to \$10,000 monthly in 2013 and then to \$12,000 in 2014.

So, Mr. President, while we are giving increased benefits, we are also ensuring that the fund is in a position to remain viable. So what we are doing is that we are giving increased benefits, and by a combination of an increase in the maximum insurable earnings and by an increase in the actual amount being paid as a percentage of earnings, we will be seeking to increase the level of contributions coming into the fund, but again those increases are relatively small in relation to the earnings of an individual.

I want to say that we have a very clear vision of how we want to see the national insurance system evolve, and when we come back with the amendments for the self-employed, perhaps we would be in a better position to enunciate some of the specific strategies we have in mind for dealing with the whole issue of the national insurance fund. We also have a reasonably good, I think, understanding

of the risks that we face and we are ensuring that we put arrangements in place to manage these risks. We are in effect, ensuring that both the burdens and the benefits of the national insurance system are equitably shared throughout the population.

Mr. President, I will deal now with a small amendment to the Public Assistance Act which is to be found in clause 7 of the Bill. The Government has identified wellness of all its citizens as a primary objective and, in particular, the development of an environment where basic and special needs are adequately met. To this end, programmes and initiatives have been implemented with a view to supporting families and particularly children at risk and also reducing the need for foster care.

2.00 p.m.

The Public Assistance Grant and the Disability Assistance Grant are administered under the Public Assistance Act. Mr. President, with specific regard to the welfare of our children, it should be noted that Trinidad and Tobago is a signatory to the Convention on the Rights of the Child and has also agreed to the UN Declaration on the Survival, Protection and Development of Children. In keeping with our international obligations, a national plan of action for children was completed and several pieces of legislation pertaining to the care and protection of our children were enacted, including the recently promulgated Children Act, 2012.

In addition, the Ministry of the People and Social Development administers several programmes aimed at providing financial support to children in need. Some of these initiatives include supporting children with special needs and disabilities and increasing family support programmes, special child grants, assistance for transport, clothing, medical and books, and families accessing these benefits are also able to access benefits under the food card programme.

In the case of the special child grant, a monthly sum of \$800 per child, with a maximum of four children per family, is currently paid to parents of children who have been certified as having a mental or physical disability and are unable to meet the financial cost of caring for the special child. This grant is paid until the child has achieved its 18th birthday. However, a child on whose behalf public assistance is paid will not also be eligible for the special child grant.

Mr. President, it should also be noted that special concessions are given to the disabled through the Customs Act. For example, some of the items that are imported which are exempt from customs duties include:

- (a) Goods catering to the needs of the mentally or physically handicapped as recommended by the Chief Medical Officer and admitted as such by the Comptroller of Customs and Excise; and
- (b) Tools of trade for the disabled as recommended by the Chief Medical Officer and admitted as such by the comptroller.

After a child with a disability attains the age of 18 years, until 65 years, that person will be entitled to disability assistance of \$1,300 per month. This disability allowance was first introduced in 1996 with a monthly allowance of \$520, and this was paid until the year 2002. Thereafter, the assistance was increased over the years, and at present it stands at \$1,300 per month. It is proposed to increase the monthly disability assistance by the sum of \$200, from \$1,300 to \$1,500, and to maintain the income ceiling for receipt of this grant at \$12,000 per annum. The measure will benefit approximately 24,000 persons. It is also proposed to increase the monthly special child grant which targets children with severe mental or physical disabilities, from \$800 to \$1,000 with effect from February 01, 2013. This measure will not require any legislative action to be taken.

Mr. President, I turn now to the issue of the ease of doing business. As you are aware, Mr. President, Trinidad and Tobago ranks 69th out of 185 countries in the World Bank index for ease of doing business. The hon. Minister of Trade, Industry and Investment has established that he would want Trinidad and Tobago to be among the top 10 per cent of countries for ease of doing business.

The goals this year are:

- (1) To reduce the time it takes to set up a company in Trinidad and Tobago from 43 days to three days; and
- (2) To reduce the time it takes to clear a shipment imported into Trinidad and Tobago from 19 days to the current three days.

As a consequence, we have incorporated a number of measures in this Bill. There is a requirement which is inserted into the Income Tax Act to require the Board of Inland Revenue to give an applicant a BIR file number within one working day after receipt of the request.

Secondly, the National Insurance Act is being amended to require the NIB to take specific measures to register a company and its employees, up to a maximum of 20 employees, within one working day of receipt of the application.

Now, Mr. President, we know that certainly one cannot legislate improvements in productivity. It is clear that we cannot write into the Act that you must be more productive and that everybody will be that way. We understand that

we will require to redefine jobs; to re-engineer processes and to put the framework in place to ensure that we are able to achieve these objectives. But by making these changes, we are creating the impetus to have everyone galvanized around the objective of achieving the one working day goal that we have set.

Therefore, we are starting on the process of getting each one of these organizations to identify what are the things they need to do and how they are going to do it, and what are the initiatives they will take to ensure that we are able to achieve these objectives. I want to say that based on a review of what is required to be done, that there is no reason why these objectives cannot be achieved with relatively minor adjustments in the organizations to which I referred.

So, Mr. President, we feel comfortable that these initiatives will help us to move along the road of improving the ease of doing business in Trinidad and Tobago.

Mr. President, a further measure which the Ministry of Trade, Industry and Investment had intended to introduce was to remove the requirement for light manufacturing companies to go through the process of having to attend the Ministry to have imports of equipment added to the list of duty-free items and obtain a Minister's licence. This has not been included in this Bill as this arrangement needs to be worked out further.

Mr. President, I turn now to the adjustments required to facilitate the Clico Investment Fund. Mr. President, the failure of Clico and the consequent collapse of the CL Financial Group has been a major blot on the economic landscape of this country. It also exposed glaring inadequacies of our regulatory framework. What has been equally painful is the manner in which this entire process was handled.

Any banker will tell you that if you are lending money, if you are advancing funds, you must take security. In fact, we have advanced considerable sums without getting any kind of security to support the advances that have been made. In addition, it is important to establish the priority of the Government claims, especially against intercompany liabilities and, again, this—because when you are dealing with a company, Mr. President, each company is a separate legal entity which needs to stand on its own and, therefore, you cannot say that, because one company owes you money and another company is part of the group, that you can easily go to the other company and simply take money from the one that owes you to compensate you for the one that owes money.

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Therefore, there are a number of issues relating to intercompany transactions and intercompany liabilities which should have been addressed as part of the process of advancing funds, so that if you take a debenture, for example, or you put some kind of a mortgage or you put some kind of other legal documentation in place, you are able to easily—or at least more easily, rather than easily; it is not always easy—at least you will be able to more easily be in a position to recover your funds. The absence of this has seriously compromised our ability to recover the \$19 billion which has been used to bail out depositors, investors and other creditors within the group.

Mr. President, the \$19 billion that has been put into this group could easily have done all of the following things put together:

- (1) built the Point Fortin highway;
- (2) built the Point Fortin and Arima hospitals;
- (3) built the Couva children's hospital;
- (4) built the five administrative complexes for the Judiciary;
- (5) built three administrative complexes for the regional corporations; and
- (6) built the new aquatic centre, cycling velodrome and tennis centre.

All of these together, Mr. President, could have been done if we had \$19 billion put into this. [*Desk thumping*] Instead, if we wish to do this, we are going to have to actually borrow this money.

The failure, therefore, to regulate this group properly has cost this country dearly and the bungling attempts to deal with the process after that has certainly not helped me in any way, as I now go through this process of trying to unravel all of the things that occurred prior to the intervention.

Mr. President, we shall never recover all the funds that have been put into the group, but our focus is to try and maximize what we can and to reduce the borrowing that we need to do. We have negotiated an extension of time under the MOU with the CL group with a view to giving ourselves enough time to be able to put measures in place to maximize the collections that we will receive under this arrangement. In the meantime, Mr. President, we have put the Clico Investment Fund in place as we had promised to do.

We propose that the Stamp Duty Act be amended by altering subsection (2) of section 68 in order to allow the President to waive the stamp duty fee for transferring shares in Republic Bank owned by Clico to the Government. The waiver will also apply to the transfer of shares from the Government to the Clico Investment Fund and it will also apply to transfers from the fund to the individual investors.

The Clico Investment Fund serves as a vital part of the formula for restoring to citizens what is theirs and as a repository space to prevent undue systemic risks that can arise with financial market volatility. With this in mind, section 8(1) of the Income Tax Act is being amended to exempt the unit holders of the Clico Investment Fund from income tax and dividends earned, in keeping with arrangements for other similar funds. In addition, we are proposing that the income of the fund be free from tax.

I turn now to the construction industry. As I said at the start, this is one of the sectors that we had identified needed some kind of an injection in order to have it recover from the ravages of the financial meltdowns that occurred globally in 2008 and locally in 2009. To get this economy to turn around, it is important that we make some strategic interventions as far as this particular area is concerned. Although the challenges with TCL have impacted, and continue to impact, the industry, the Government is confident that this sector will return to growth during the course of this year.

Our strategy is to focus on a combination of Government and private sector investment to stimulate activity in this area. On the Government side, apart from the housing programme, a number of projects have been approved and are expected to commence this year. These include: work on the Chaguanas, San Juan and Siparia markets; the construction of the Princes Town and Arima administrative complexes; phase 2 of the Landslip Restoration and Bridge Building Programme.

2.15 p.m.

In addition, construction of the Couva children's hospital is expected to commence in the second quarter of this year and work on the national oncology centre is expected to start in the third quarter of this year. In addition, the construction of the early childhood care centres, the police stations and the school building programme will continue. The effects of these continuing investments, we expect, will be some kind of initial galvanizing of the industry of the sector with a view to a return to growth.

In addition, in order to mobilize the private sector for this, we propose to exempt profits gained from the development and sale of land and housing sites from income tax, provided that development planning standards are complied with and that the projects commenced after October 01, 2012, and the sales of the housing sites are completed by December 31, 2015. In addition, it is proposed to increase the limit on the approved cost of repairs, alterations or improvements after February 01, 2013.

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Mr. President, we have also, in the list of amendments, included an increase in the sum eligible for tax-free benefits from \$950,000 referred to in clause 9(c)(ii)(B) of the original Bill to \$1.5 million as had been stated actually in the budget speech. We also propose to exempt from income tax, until December 31, 2017, the premium and rents derived from the letting of a newly constructed commercial building or multistorey car park. In addition, the gains or profits from the initial sale of such a newly constructed commercial building or multistorey car park will be exempt from taxes where such construction commenced after October 01, 2012.

Mr. President, of course, putting all of these fiscal arrangements in place does not necessarily mean that construction will take place. We all know that we deal with the overall bureaucracy of the Government. We all know that there are significant hurdles to cross—and a number of agencies that one would have to visit in order to get all the approvals that one needs to ensure that you can start a project.

What we have sought to do therefore, is that we have established a special committee comprising representatives of all these agencies, and the view is, that we would certainly seek to have this committee meet with a view to fast-tracking the system of approvals to ensure that private sector contractors are able to have all the approvals they need in the shortest possible time.

Mr. President, I turn now to the issue of the financial services industry. We have identified the financial services sector as an area of focus for the further diversification of the economy. The Government has signalled the relaunching of the International Financial Centre by the establishment of a financial institution support services industry. What we call “FINeSS.” The financial institution support services industry is a creation and formalization of a new industry for the financial services sector, under the facilitation of the Trinidad and Tobago International Financial Centre. The “FINeSS” industry will support the outsourcing and consolidation of the middle and back office processing for regional and international financial institutions. In the circumstances, such enterprises will provide services to customers in Trinidad and Tobago, as well as in the wider region.

These operations may include but are not limited to the following kinds of services, and I quote from one of the memoranda of understanding that have been executed. The services include the processing of wire payments, loan adjudication and fulfilment, database management, human resource management, reconciliations, collections from delinquent customers, internal legal advice, credit card processing and so on.

So the idea is, Mr. President, we intend to create a financial institution support services centre here in Trinidad and Tobago. How that works is, we are seeking for those financial institutions that have operations in the wider Caribbean, as a start, to move their back-office processing and centralize it in Trinidad and Tobago. As a result of that, they gain from the efficiencies of centralization which reduces their overhead costs. It also ensures that they are able to provide a more effective control over these areas and a greater degree of efficiency in terms of their operations and of course, a better level of service to their customers. Accordingly, it is proposed that the Trinidad and Tobago Free Zones Act as well as the Income Tax Act and the Value Added Tax Act be amendment to facilitate the legal framework in support of the “FINeSS” industry.

So we look to this industry to create about 3,000 new jobs over the next five years. We have already started with three institutions who have signed memoranda of understanding with the Government of Trinidad and Tobago. One has actually started operations on London Street, another one is due to complete the planning and start the operationalizing of construction and so on during the month of March, and a third has simply signed the memorandum of understanding with a view to completing all of their studies and determining when they are likely to start here in Trinidad and Tobago.

What I am seeking to do in the next three years is to have a minimum of nine financial institutions operating in this particular space. The intention is that just those nine industries will create close to 1,000 new jobs, and I expect that to accumulate in the next two after that as we move forward. So that at the end of the five-year period, we can come as close as possible to that target of 3,000 new jobs that we would like to achieve.

Mr. President, the other big sector which we had identified for some kind of discussion today is the energy sector. The energy sector accounts for 40 per cent of our GDP—perhaps a little bit more,—41 per cent—and it provides 80 per cent of our foreign exchange earnings, between 70 to 80 per cent depending on where prices are at any particular time.

Over the medium term, therefore, I expect that the sector will continue to be a major sector in our economy. However, oil production has been declining and in 2012 averaged 82,000 barrels of oil per day as compared to a production rate of 144,000 barrels per day in 2005.

So in seven years, Mr. President, output in the oil sector, in the petroleum sector—output of oil—has actually dropped close to 50 per cent. This is because of our failure to invest in this industry over the past 10 years. As you know, what

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happens is, it takes seven years from the time you decide you want to have a bid round, and seven years sometimes is short, it could take as long as 10 years, between the time when you decide you want to have a bid round and when you actually get the output flowing in commercial quantities into industry and into refineries and downstream industries and so on.

A significant amount of the work that is being done today is going to take some period of time before we actually start to see the results on the ground. There are some, like the recent find that Petrotrin had a little over a year ago, which we can bring to production a lot more quickly, simply because there is a lot of infrastructure in the nearby fields. But generally, starting from a bid round and going right out to final output could take us between seven to 10 years.

So with that in mind, we have identified that we need to take specific action and do so urgently to ensure that where there is existing infrastructure, which therefore reduces the time to commercialize as compared to when you are dealing with an entirely new field, we have taken the decision to focus part of our initiatives on that specific area.

Of course, Mr. President, the global energy sector itself is undergoing significant change. The sector is on a global basis facing the output of shale gas and shale oil. Of course, shale gas as a by-product coming out of fields where there is already shale oil, literally means that you can practically give that gas away. Therefore, the kind of competition that Trinidad and Tobago will face in the future in this particular area, is something that we need to also bear in mind as we start to deal with how we are going to change the fiscal regime that exists in Trinidad and Tobago to ensure that we get the level of investment we need to ensure that this industry continues to remain a strong and vibrant industry in the years to come.

Mr. President: Minister, just letting you know you have 10 minutes more.

Sen. The Hon. L. Howai: Okay. I would say that our efforts are proving to be successful. As we expect, this year will see an upsurge in drilling activity, certainly much more than had been seen in prior years. I would like to congratulate the Minister of Energy and Energy Affairs—[*Desk thumping*—]—for the initiatives which he has put in place to ensure that we are able to get the level of interest that we are seeing today in the energy sector.

In fact, Mr. President, in the last few months, we have had the most successful deep-water bid round in almost a decade. [*Desk thumping*] Our initiatives to attract investment in this area will continue and to enhance this activity, we are

proposing to introduce new fiscal incentives for the deep horizon, that is, for wells that are drilled beyond a true vertical depth of 8,000 feet on land and 12,000 feet in the shallow marine area. So we expect to see an upsurge of activity in these specific areas, in the coming months of this year.

In order to facilitate this, we have proposed changes to section 15 of the Petroleum Taxes Act which would allow a grant of a capital allowance calculated by reference to an amount equal to 140 per cent of expenditure, to be granted to those approved deep horizon projects on land or shallow marine areas, where costs of exploration work are incurred between January 01 this year and December 31, 2017. This however, does not apply to an exploration dry hole, finance, administrative and other indirect costs.

Mr. President, this was a specific change we made in order to ensure that giving this tax break did not negatively impact on revenue earnings for the year. So that if you find oil and you therefore pay new taxes, we will give you a break on those taxes, but if you find a dry hole, we are not going to give you a tax benefit.

2.30 p.m.

So, therefore, the amount of taxes you have paid this year, with or without this legislation, remains the same. The only thing is, by encouraging you to invest in a new field or put new investment in place, what this does is, if you find new oil you have an incentive there because you will get a lower tax rate on the new oil that you found. But in the meantime, the Government of Trinidad and Tobago would be getting increased revenue, because without you having done this extra drilling, we would not have earned the income from those wells that we will now be earning.

So, Mr. President, we gave quite a great deal of thought to how we would implement this particular initiative, and we did so with a view to ensuring that we did not erode the revenues which are already under threat because of the reduction of output in the petroleum sector. In addition, we are proposing changes to Part A of the Third Schedule of the Supplemental Petroleum Taxes Act, which would make the SPT rate equal for pre and post 1988 contracts issued. The changes would effectively lower the tax rate, an important condition in attracting needed investment into our exploration sector.

Furthermore, the proposed introduction of the new field SPT rate for shallow marine areas, certified by the Minister under clause 6 of Part A of the Third Schedule, is expected to enhance the effect of the lower harmonized SPT rate for marine areas. These initiatives we feel will prove to be fundamental in increasing the competitiveness of our fiscal regime.

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So, Mr. President, all of these initiatives which we have pulled together, with emphasis on energy and construction, are intended to galvanize the economy so that we can get growth back again, so that we can enhance the turnaround which we are seeing and have been seeing over the past few months.

Mr. President, there are some further comments I would like to make on the whole area of where the economy is, but perhaps some of those could best be saved for the winding up of the debate, as I would probably want to ensure that I have enough time to address those specific issues when I do so.

So, at this stage, I would close by saying that we are moving aggressively to expand and diversify our economy. In the short term, the focus is on a return to growth. That is where our focus is. We do not wish to do anything that would derail the incipient turnaround that we are seeing. In the longer term, we expect the initiatives which we are taking now by way of the PPP modality, as well as by the initiatives in the specific sectors which we had identified for the diversification of the economy: the financial sector, agriculture, ICT, the maritime industry. In each one of these areas, we expect to see the successes which we have started to see in the last three months alone, continuing to cumulate as we move forward, as we move Trinidad and Tobago into the ranks of being a continuing strong and vibrant economy, and a developed nation within the context of the global environment.

Mr. President, I beg to move. [*Desk thumping*]

Question proposed.

Mr. President: Senators wishing to join the debate may do so now. Sen. Henry.

Sen. Dr. Lester Henry: Thank you, Mr. President. I would like to deal with some of the issues especially at a macro level, and maybe my colleagues later on will deal with some of the details of the precise adjustments because I am beginning to cringe. Every time I hear this Minister and the Minister before him talk about incipient turnaround, I get worried because every time they have used such language the opposite generally tends to happen.

Going back to 2010, and the first budget presentation was entitled something like turning the economy around. I keep reminding the public at large that the Government did exactly that, because when they came into office there was a projected growth rate of 2.5 per cent, and it turned out to be negative by the end of the year. So when they talk about incipient reversal, turnaround and so on in

the economy, you have to get worried. In fact, this is what they actually accomplished, they found a way to turn that incipient growth into a negative. I think the real incipient turnaround, therefore, would have started on May 24, 2010, meaning, that we were beginning to come out of the recession that started in 2009 and this Government has continued to bumble and fumble with the national economy and have very little to show for all of the spending that they have done and they promised to do.

So, in the period in which this Government has been in power we have seen only little glimpses of possible return to growth, and then by the end of the day you will find when the figure comes in, the opposite. Now, the Minister was very careful to say the last three months, and I smiled when he repeated it several times. Why focus on only the last three months because the first nine months of 2012 was not very good? [*Desk thumping*] So the Minister skilfully says, “And you know why, again, the last three months well, incipient turnaround.” That is because the final growth figure for that period has not come in yet. At least it is not published and I do not know if there is an estimate by the CSO or the Central Bank. Well, the Central Bank is the one that normally does quarterly estimates of GDP. So, again, as I warned last week, talking about projected growth and actual growth should be minimized and do not try to mislead the public as though this thing already happened.

So the Minister avoided talking about the first nine months of 2012, which is very, very interesting because if you had such declines in the first nine months, how could one quarter, just the final quarter alone, turn over three quarters of negative growth. That does not add up because even the drop in the second quarter, I believe, was a significant magnitude, 3.6 or 3.5 thereabouts, as I mentioned last week. So that is a big amount to recover in just one quarter. Therefore, what you have is the Government scraping and scratching to find something positive by the way of economic growth in this economy. This is after \$51 billion or so in their first budget—[*Interruption*]

Hon. Senator: Fifty-four billion dollars.

Sen. Dr. L. Henry: Fifty-four billion dollars as my colleague pointed out late last Friday—\$54 billion and then a projected \$58 billion budget for this fiscal year. The Minister himself is on record as saying that, “Well, we are concerned about borrowing because we do not want to send up the debt/GDP ratio.” We are concerned about that you know. So when the issue of the Point Fortin highway was being discussed and my question about why the Government did not borrow more to finance that Government, of course, as expected, as I warned, they would

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normally come and say, well that is what we are going to do even after you raised the issue and it is always coming. Now, \$1 billion, \$54 billion and a projected \$58 billion for this year, and you have very little to show for it in terms of the real expansion of the economy.

The Minister warned about being concerned about debt/GDP ratio, but yet in his first budget as the Minister of Finance and the Economy, he says we are going to run budget deficits until 2016. So how could you run budget deficits for 2016 and you are worried about the debt/GDP ratio? Where is the money going to come from to finance the deficit? Is it going to come from magic or are you going to print the money, especially in the context where you are unable to generate any real economic growth? So you are basically saying that.

Now, if you look at the economy over the past year, once again, the problem as we see from the numbers is not that the Government is not spending. You are spending on unproductive activities. It is not my opinion. Again, if you go to the Republic Bank Review of the Economy for 2012, I do not need them to tell me, but maybe the people would like to hear it from an alternative source because it is the same issue. You cannot hide from it.

The review says:

While the economy did not appear to be flat and so on, there is a 4 per cent debt GDP—sorry.

“Specifically, while the fiscal deficit of \$6.1 billion”—the Minister revised that number downward since then. So we will accept that—“or 4.0 percent of GDP was larger in fiscal year 2012 than in fiscal 2011, much of the increase”—in Government spending—“was in recurrent...rather than capital expenditure.”

This is what I am talking about. You are increasing your capital expenditure—which is what the Minister wants to do to get the economy growing, like the construction sector and so on—is not materializing, and this is your third year of promising and giving more incentives to companies to get this thing going. So then, you have to ask yourself, what is the problem, if you are spending all this money, you are giving all these incentives, yet still nothing is happening. There has to be some other explanation as to why this thing is going nowhere, and it continues to be the problem of confidence in the system.

People are not feeling that they can go about making large investment projects and going about their business with this Government. There is a very high amount of unease in the private sector about whether anything that this Government

proposes will actually materialize, and that creates a very uneasy situation. So, therefore, we know that simply spending money and giving incentives will not work. The Minister himself acknowledged that. You have to have the correct environment in the country for these things to come to fruition.

Now, the Minister also mentioned the reaffirmation of our credit rating. Thankfully, unlike some of the other Members on the other side, he did not attribute this to their Government because this positive credit rating that we have, has been in place for over seven, eight years now. So there is no—[*Interruption*]

Hon. Senator: [*Inaudible*]

Sen. Dr. L. Henry:—conservatively. So long before there was no improvement to boast about. You met it so and it has continued that way because when you came in there was \$9 billion or so in reserves, which they often boast about as though they were responsible for it. But they met that and it has continued that way. So, of course, once we have that kind of level of reserves, we will continue to get reasonable ratings.

Our debt/GDP ratio which they met below 50 per cent, significantly below, has gone up to that level now to just about 46 per cent or so. Nothing wrong with that, and the Minister explained that was primarily due to the Clico problem. Of course, what was shocking from the Minister, he referred to bumbling attempts at resolving the Clico matter. I wonder if everyone picked up on that. I wondered who was the Minister actually referring to—[*Interruption*]

Sen. Singh: Tesheira.

Sen. Dr. L. Henry:—because the former Minister, whose seat he now holds as Minister of Finance and the Economy, boasted about his solution to the Clico problem. He came here, boasted and said that was his legacy. He said that was his legacy.

2.45 p.m.

He used to come here time after time and say that the Clico problem was his greatest accomplishment and he saved us from a precipice—[*Interruption*]

Sen. Cudjoe: Blue skies!

Sen. Dr. L. Henry:—when we looked up and down. Remember that?

Sen. Hinds: Yes, yes, yes.

Sen. Dr. L. Henry: Why you would look up when you are at a precipice, I “doh” know.

Sen. Hinds: But they fired him though!

Sen. Dr. L. Henry: Yes. So he used to boast about his accomplishment of handling the Clico matter, so I want to know what exactly was this current Minister referring to.

Sen. Howai: Referring to the 2009 budget. [*Laughter*]

Sen. Dr. L. Henry: And nothing happened since then?

Hon. Senator: It speaks for itself!

Sen. Dr. L. Henry: Yes. So the idea is—you could hide from it, you could say 2008, 2006, whatever it was, the point is that your Minister boasted that he solved the problem.

Sen. Hinds: Yes, that is why he got fired.

Sen. Dr. L. Henry: He came here several times, and not just here, in other fora—[*Interruption*]

Sen. Hinds: It cost us \$10 million!

Sen. Dr. L. Henry:—and said that that was his big accomplishment. So whether it was a mess in 2009 or 2010 or 2005, the point is we were told that the problem was expertly handled, [*Interruption*] and the \$19 billion that we spent, as the Minister pointed out, of course, is a significant amount of money, and basically, the situation became stable. Once you throw that amount of money at a problem, it should stabilize. So, now, we have an admission from the current Minister of Finance and the Economy [*Desk thumping*] that the problem has not really gone away to the extent that we were told.

Sen. Hinds: “Ohhhh!” Another lie!

Sen. Howai: The problem is how we get back the money.

Sen. Dr. L. Henry: Okay. So there was no plan before, or you were not coming clean with the public? Because the problem was supposed to have been solved, and now we are hearing that it is not solved, and it may not be solvable in any favourable way. All right? Okay?

Sen. Al-Rawi: As usual.

Sen. Howai: [*Inaudible*] “tell yuh exactly what happened.” [*Crosstalk*]

Sen. Dr. L. Henry: Now, I want to move on to the question of economic diversity as the Minister pointed out. Of course, we have been trying to diversify the economy for a long time. It is something I know quite a bit about but I will not expand on that now. [*Crosstalk*]

But what you are looking at here is a Government that comes every year so far and promises new projects—new big projects; some small ones, some medium—but at the end of the year, nothing happens. What I want to hear from this Government at some point is something that they actually did as opposed to something that they plan to do. Because all along, going into the third year now, everything is—as I keep saying and the public must understand—in the next few months, you will see the effects of these policies, and we wait three months and we wait six months, and we see nothing. I know many other speakers throughout the day will jump up and say, “Well, we just signed a memorandum of understanding” or “somebody committed to invest \$5 million” and they will call some nice lofty-sounding numbers, and then six months later in the next—or whenever the next budget comes—2013/2014 budget in September—you would see no mention of the same project.

Sen. Hinds: “Yuh go geh up and tell dem!”

Sen. Dr. L. Henry: The project just disappeared. This keeps happening continuously over the period that this Government is in office. What we must understand is that you must have these real projects to get foreign exchange earnings and to improve the standard of living in the country.

Now, just tinkering with small revenue generation measures like littering—increasing the fine to \$500 or whatever—these things will not make any significant difference in the economic activity in the country. So you have not really been able to implement any serious revenue generation measures, it is all about spending? Basically, that is the one consistent thing from the former Minister to this Minister—the emphasis, again, is on spending, not earning. All the earnings are always talked about sometime down the road—potential earnings that we do not see.

Now, it turns out that the same reason I warned the Government back then not to consider oil and gas a curse because that is what is going to save you and what has been saving us from time immemorial, since we are a country, and we have oil and gas, especially the production and export of natural gas over the past 10 years or so. You have had higher than expected energy revenues for most of the period you have been in office. Oil prices have always—I think in the three years that you presented the budget, oil prices have been higher than the budgeted price. So, it is not like you are struggling or oil prices hitting \$60 or \$50 when you budgeted at \$75, right; so things are in your favour.

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Even with the decreasing oil production which again is something that, of course, we must be concerned about, and the fact that it was declining before, as we know, but this Government has not been able to arrest the decline. That is what we are dealing with. We are not saying that it started declining under you. That would be, of course—[*Interruption*]

Sen. Hinds: True.

Sen. Dr. L. Henry: Not true. It would not be true. [*Laughter*]

Hon. Senator: [*Inaudible*] he is honest.

Sen. Dr. L. Henry: But the point is you have not arrested the decline. Now, I know somebody would say, “Well, it went down to 82 in June and it went back up to 82 and a half in July” so therefore, that is some big cause for celebration. Normally, that is what they answer when we say things like that, but then that is not a real turnaround. You have to wait for a longer period to see if there is a real turnaround. Okay? So whereas I perfectly admit that you did not create that particular problem, you have not been able to solve it. That is what we are dealing with.

So, when you tinker with little fines and taxes and so on—you might tax gaming a little more—that really does not generate any significant revenue for the Government. Those are small things. How does the population actually benefit? Because when you counterbalance, that with a lot of the giveaways that the Government does on a regular basis, sometimes by just “vaps”, where, for example, the removal of VAT on 7,000 or whatever items—the hon. Minister pulled out a long sheet so—of course, there were revenue implications for that. Later on, we found out it might have cost the government, let us say, a hundred and something million dollars in VAT revenue. So when you balance these things off, you actually could just be adding to spending in the net rather than having a net positive effect on Government revenue. So you give incentives and you give giveaways—unprovoked giveaways, because if you look at the inflation numbers, the latest we have, food inflation also took off in October again. I believe the food inflation had gone down slightly, but it is back up to 18 per cent, just on food alone. Headline inflation had dipped from 11 per cent to 7.7 per cent; that is the latest figure that I have, but food inflation had jumped back up to 18 per cent.

Now, again, these things create the impression that they are doing very good for the public, you know, it is nice marketing and PR and so on. But what is the long-term effect? Basically none! Most of the reporters, the economists, who talk about this say, “Well, you might have a temporary relief for a month or two, but

then we all expect within a couple of months, the prices to go back up”, and we have seen that already. I mean I have seen it in my own experience going to the grocery; I have not seen any significant decline in my grocery bill. [*Crosstalk*] Yes, I do the shopping. [*Laughter*] I am an economist, prices is my business, so it is my way of keeping track of prices. I go to the grocery myself. [*Interruption*] Yes, I check the baskets of goods very carefully and I keep all my receipts.

Sen. Singh: The problem is that you have too many homes.

Sen. Dr. L. Henry: No, no, only one. [*Laughter*] I am not as fortunate as some of you on the other side. I have one dwelling. [*Laughter*]

So, what we need, Mr. President, is real tangible projects that really add to the productive capacity of the economy, and equally important, foreign exchange reserves. Foreign exchange earnings are what we live by. If we do not generate foreign exchange, we are really spinning top in mud, and it would definitely lead to a long-term decline in our standard of living. So, new sources of foreign exchange is the key to keeping us going, and that is where the big energy projects and so on obviously come in.

Again, to remind the Government, when we tried to diversify into energy and other energy areas—the aluminium smelter and so on—they found a way to oppose that project that was very far along into the different phases where it could have been a real project. They politicized the whole thing and they ended up cancelling the project which would have been a major source of foreign exchange that they, themselves, could have been tapping into right now. If you had allowed that project to go; now, who knows? Given the international environment, you never know, but certainly it was a potential major source of foreign exchange earnings for the country. Just as how the methanol plant, when that came into existence, changed the dynamics in terms of our sources of foreign exchange. So even if we diversify within the energy sector, we could reap significant benefits while we wait on diversifying outside of the energy sector.

We know that economic diversification outside of energy, for countries like us, is very, very difficult. We know that! We have tried many things to diversify the economy going back to the 1960s. I have very good records on all the attempts. So many people who say we have never tried to diversify the economy really do not know what they are talking about. It is absolutely false! From the '60s coming right back up, well-documented efforts even with our attempt at assembly industries back in the '70s, and our attempt at agriculture, localizing chicken production, ham and all these things. Those were attempts at diversification.

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Many of you who are old enough may remember when you had to wait for a ship to come from somewhere to get a ham for Christmas. I do not remember it, but that was it. Ham was imported; chicken was imported. So all these attempts were meant to help diversify the economy but nobody normally states these things in public. For some reason, either it is selective memory or a bias because they were done under a particular Government, that is, the PNM. So all these attempts—even the diversification into the Point Lisas development.

Sen. Hinds: Oh yes! [*Desk thumping*] Well, that one stares them in the face.

Sen. Dr. L. Henry: Now, as my colleague is pointing out, even that may be under threat from the activities of this Government. [*Desk thumping*]

Sen. Hinds: Oh yes!

Sen. Dr. L. Henry: So all of those were attempts at diversification, so when people jump up and actually say, “Well, yuh know, we never did anything to try to diversify the economy”—[*Interruption*]

Hon. Senator: [*Inaudible*] nothing! For 40 years!

Sen. Dr. L. Henry: Absolute nonsense! There were significant attempts.

Now, because it did not transfer the economy in a particular way that we wanted, it does not mean that we did not try to do it. [*Crosstalk*] Not totally, and you still eat local chicken. [*Crosstalk*] No? There was partial success. All right. Because, I mean—do not use fail in terms of the economy because as far as the economy is concerned, your Government, this UNC Government, has failed miserably.

Sen. Cudjoe: Miserably! [*Desk thumping*]

3.00 p.m.

Sen. Dr. L. Henry: At a macroeconomic perspective, you are at sixes and sevens, that is a football terminology that means you do not have any proper strategy for defence, and I could continue in the analogy by saying you are struggling to get out of your own half as far as the economy is concerned. [*Desk thumping*]

Sen. Hinds: One hundred and sixty two billion, so far.

Sen. Dr. L. Henry: “Yeah”, in spending, and as I said—[*Interruption*]

Sen. Hinds: Public debt.

Sen. Dr. L. Henry:—you are spending. So, when you say, you are going to increase government spending to stimulate the economy, improve capital expenditure and not non-productive investment.

Hon. Senator: By settling the bills you left for us.

Sen. Dr. L. Henry: Yes—[*Interruption*]

Sen. Hinds: “Yes, da’is all, settling bills, yes.”

Sen. Dr. L. Henry:—that was the excuse of settling bills—[*Interruption*]

Sen. Hinds: Only settling bills.

Sen. Dr. L. Henry:—we could take that in the first year.

Hon. Senator: “Plenty bill all yuh leave.”

Sen. Dr. L. Henry: “Yeah. Yeah.”

Sen. Cudjoe: Telephone bill, too. [*Laughter and desk thumping*]

Sen. Hinds: Nice one Shamfa. Nice one. Nice one.

Sen. Dr. L. Henry: So, diversification we know will take a long time. It may not even happen because of the obstacles we face in the international community. For example, when many countries in the Caribbean tried to diversify into textiles back in the ’70s and ’80s, Barbados and Jamaica under NAFTA tried to diversify away from tourism, up came China who started to produce textiles at almost very, very minimal cost, so they got wiped out. So all the textile production from Jamaica, Barbados and St. Lucia went under.

What I am saying is that because we are not world beaters in non-energy production and export, do not take it as a given that we did not try to do some of these things that many people are still jumping up and saying and writing in the papers as though we never heard it before: well, you must do this. You must do X. You must do Y. Well, we have heard all the things before. You must develop tourism. You must develop agriculture. You must do this. There is nothing new being said. It is the same old things that were being said. You go back and read the economic papers from ’66, ’72 and ’73, whatever year, you see the same things being said and there were efforts to do some of them.

Hon. Senator: “Woulda, coulda, shoulda.”

Sen. Dr. L. Henry: Should have, “yeah”. No, they tried. It was actually done. Most of what I mentioned there were projects that were actually done. I was not talking pie in the sky like your Government, like your current Minister and your former Minister, about what is to happen. We did those things, right. [*Desk thumping*] Now—[*Interruption*]

Hon. Senator: “Yuh hand [*Inaudible*]

Sen. Cudjoe: “We pong on all yuh last Monday.” [*Laughter and desk thumping*]

Hon. Senator: “Ooooooh!”

Sen. Dr. L. Henry: So, Mr. President, again, I want to warn the Government as I did on a previous occasion about getting to preoccupied with the licks of not generating economic growth, and not having any pretty economic statistics to report on and do not tamper with the accumulation and reporting of the data. I am very concerned that this could become a possibility, and I think it would be a frightening development if we do get to that stage. Leave the professional people at the CSO and at the Central Bank to do their do, and if the data is not in your favour, leave it as is. Do not try to doctor it or put some kind of interference where numbers come out and we cannot trust these numbers. We have been fortunate so far that our agencies such as the CSO and the Central Bank have maintained a level of credibility over the years, and we have not had any big complaints from international agencies and so on about our information. We do not want that to start now because I know that it is an easy temptation when you are under pressure.

Of course, when I mentioned the unemployment data, for some reason, we have not been able to get back on track with that as yet in terms of providing up to date unemployment data, and that is increasingly, it was a concern last year, it will continue to be a concern. Let the chips fall where they may. If you bring down unemployment we will give you credit. If unemployment goes up it is another story. [*Interruption*] Yes. Of course, we do because we are too far behind and I have warned several times about potential issues at the CSO that are still not resolved.

Now, in particular inflation, I see where there is some attempt to redefine how we measure inflation. So I hope when that is put into place, if it comes to fruition, because there were concerns that the way we measure inflation was biased upwards, meaning that we would tend to report higher inflation than what was really happening because of the basket and the weights and so on. If that is tampered with and inflation appears to be lower in 2012, or 2011, than we had previously forecast, we hope that they go and carry it all the way back for all the years before and not stop right there. And whatever technique they use because I am not privy to what the adjustment is that is being proposed, the exact details of it—I was not invited to whatever presentation they had. [*Interruption*] “Well, dey leave me out.” I am sure they included other people.

So, the way that is handled is very, very important because you do not want to have people questioning the data from your national institutions that are supposed to be unbiased and non-political. We need to keep confidence in those institutions because given all our political shenanigans, different parties getting in power over the years, we have never had that problem in this country. So we do not want to start now.

Mr. President, I would also like to take this opportunity since we are talking budget and revenue, to raise the thorny issue that the Minister did not address of CAL Airways, and the amount off losses that this company—we believe—continues to inflict on our national treasury. I would like the Minister in his wrapping up to give some idea even though we cannot force him to, but I would plead with him to give us some idea of what are the losses so far, well, especially during the calendar year 2012, of the Caribbean Airways company, because we on this side suspect that the losses are huge and it is a complete drain on our financial resources that we could have done without.

We know there are problems at the airline in terms of their operating cost, the wet leasing of the 767s, which my colleague Sen. Deyalsingh talked about, and some of the problems with that. We also know that the airline is potentially going to have another set of competition coming in with Fly Jamaica, if that gets on track. They were supposed to start last week, I believe. Fly Jamaica is an airline out of Jamaica started, I believe, by disgruntled ex-pilots who were laid off from Air Jamaica. They are campaigning on the basis that Jamaicans do not want to fly Caribbean Airlines and that is their whole sales pitch, basically.

They set up a plane but they are very selective in their routes so far. I think they applied to go the normal places you would expect Jamaicans would go, Miami, New York and Toronto, but they are also going down into Guyana, to fly New York to Guyana to give us competition on that route too. So, Guyana/Toronto, Guyana/New York or some kind of Guyana/Jamaica, then—*[Interruption]* so, basically that is going to add to the woes once come it comes off. They have not actually had a flight yet, I believe, but they were supposed to have started flying last week.

If the Minister could inform us as to what kind of losses are being generated from Caribbean Airlines, I am sure the public might be in shock to know the figures. While the Minister scrapes and scratches for revenue, we have a big hole that seems to be expanding in the form of Caribbean Airlines, and I am sure we are not going to see any decrease in those losses anytime soon.

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We should, therefore, have the public informed about what is really going on here because sooner or later we would find out that there is a significant amount of hundreds of millions of dollars that we warned about with the Air Jamaica acquisition back in 2010 and 2011. There was an escape clause with that operation that expired in April 2011, and some of us urged, at the time, the Government to take it and run, but for some reason the Government did not use the escape clause to get out of the deal and it is coming back to haunt us in a big way, the way we have warned the Government about on several other measures.

Sen. Hinds: The Government is haunting.

Sen. Dr. L. Henry: The OPVs, the aluminum smelter, a whole bunch of issues that we have tried to give them ample warning about, and tell them the consequences would be dreadful for the country if they pursue this line, and they waltzed right into it.

Mr. President, given my contribution last week, I am going to end here, and leave my other colleagues to really deal with some of the singular issues mentioned in the Bill.

I thank you. [*Desk thumping*]

Sen. Helen Drayton: I thank you, Mr. President. [*Desk thumping*] Approval and implementation of this Financial Bill before us, would simply give effect to measures in the budget which were presented last year and certainly I do not have any major issues in principle. In fact, I am pleased to see that efforts are made to implement the items in the 2013 budget as quickly as possible. Some of these measures were geared to stimulate the business sector, and it certainly is very good that we are seeking to ensure that these are in place as early as possible.

In that vein, let me congratulate the Minister of Energy and Energy Affairs for the excellent energy conference—[*Desk thumping*] I understand it was very successful—and for his initiatives to stimulate greater interest in that sector, and that certainly speaks for the energy of, should I say, “youthishness”.

Now, regarding the NIS for self-employed persons, I certainly agree with the withdrawal of that from this Bill. It is an entirely new section in the Act, and certainly should be dealt with separately. Mr. President, as I went through this Bill I could not help but reflect on the remarkable ease with which our society takes for granted the largesse that was bestowed on us by nature in the form of very valuable natural resources. I thought about the great opportunities available to us to make this country a beacon of light in this troubled world. Here we are

implementing a range of increases in allowances and benefits for maternity, sickness, employment injury, among others, when all over the world Governments have had to either freeze any such measures or, in fact, slash them.

Recently on the news in Greece, people have had to go back as much as 30/40 years and are cutting down precious trees, because they cannot afford heating fuel in beastly cold temperatures to keep their children warm. We have seen fires and flooding that have made thousands homeless. We have seen, globally, elderly people are dying, patient care as deteriorated and generally hard times have fallen upon millions of people due to the combination of the poor economic climate, unemployment, drying up of nest eggs, bad weather, civil wars and strife.

Here we are putting a seal on a range of efforts to improve the living standards for citizens and in some cases even giving more. It is this contrast with the social and economic standards of billions of people, relative to ourselves which underscores how fortunate we are, and this is worthy of reflection by all of us, especially our leaders.

The Minister of Labour and Small and Micro Enterprise Development said recently that the country lost hundreds of man days in 2012. Employees have been paid for these days, businesses have suffered, yet all over the world people are fighting to keep jobs. The contrast also underscores how blind and even callous we are in undermining the harmony we have achieved over the past 50 years, and also our institutions of democracy which have served us in good stead. These contrasts, with the suffering of people regionally, like in Haiti, tell me how much we take delight in complaining; in creating problems for ourselves and for generating controversy after controversy, as a matter of course.

3.15 p.m.

In turning to measures in this Bill, we have to take care not to bleed institutions such as the national insurance. The Minister of Finance and the Economy said that the deficit in the scheme is manageable and, in terms of that deficit, it is one of the better funds globally. I have no doubt about that.

We have been informed that the problem of underfunding was compounded by low interest rates, the changing demographics whereby a smaller working population is providing for a larger and larger retired population. I agree with that statement, but it is not a complete statement and it is necessary to put these things on the table, more so due to recent events.

The deficit, as it is, is due to those factors, plus the fact that a 50 per cent increase in the pension allowance was granted, not on the basis of any objective criteria; not on the basis of any actuarial valuation; it was a decision that was made on a political platform. And that is important to note because the very fact

that the profile of the working population is changing; the fact that the population is ageing and social services have expanded, not contracted—and that was well demonstrated last week—those were all the reasons not to implement changes in the programme outside of objective criteria. So while I agree with the Minister, and when the Minister says the deficit is manageable, I think the statement should be qualified. It is manageable as long as politics do not undermine the NIS pension scheme. We need to note that so it will not be repeated.

Further, while it is accepted that someone has to take care of the vulnerable in society who cannot take care of themselves, every time workers and employers are asked to pay out more for contributions with respect to its core purpose for which there is no added value for these contributors in terms of pension, they are in fact paying a special tax as a lifetime contributor; and this happens not because of vulnerable people in society. It is so because of inefficiency in the system—the tax system as well—which allows able-bodied people to enjoy life at the expense of others. If anything is a travesty of social justice, it is a situation which exacts from honest and hard-working people lifetime contributions to NIS and they receive exactly the same pension, at the end of the day, as those who have contributed absolutely nothing.

Now, I agree, certainly, with bringing self-employed into the fold, but they should not receive benefits that are inconsistent with contributions they must make. So, Mr. President, in closing this statement on the NIB, let me say that I have confidence in the hon. Minister of Finance and the Economy, that he would review the matter of inequity.

The NIB controls funds which account for, I think it is something like 13 per cent of GDP, and I would also urge that the Minister examine the criteria for the appointment of members of the board. Now I know that the appointments are based on nominations by business associations, the trade union movement, as well as appointments by the Minister; but the law is silent with respect to any guidelines or criteria for persons appointed to what is a financial institution. Further, I think the Minister has noted elsewhere that that institution should be operating within an effective risk management framework. It should have a qualified experienced risk manager as well as internal auditor, both positions independent of the day-to-day management.

As we approve this Finance Bill, 2013 to give effect to measures in the budget, and given approvals in the sitting last week regarding the appropriations, it is timely to remind the Government of another commitment, and that is a commitment with regard to procurement legislation, especially as it relates to construction programmes in the budget.

Now, I will use its very words in its policy position and I recall that it said that the last amendment to the Central Tenders Board Act was done in 1993, and between 1993 and February 2012, although Cabinet has reviewed and considered the issue of procurement reform and has presented a White Paper as well as draft legislation to Parliament, Parliament itself has not considered or debated any amendment or new procurement legislation since 1993.

In spite of all this, it continues that procurement practices have often been suspect, and evidence within recent times has demonstrated possible instances of corruption and there have been calls, as well as recommendations, for reform of the procurement system. Those are the Government's words; those are not my words.

The 2010 People's Partnership manifesto, which formally and officially informs government policy, makes the following commitment to procurement reform:

- "Prioritise the passing of procurement legislation and appropriate rules and regulations
- Establish equitable arrangements for an efficient procurement system
- Ensuring transparency and accountability by all government departments and state enterprises."

Now, as we would recall, on June 22 last year, the Minister of Planning and Development laid in the House the report of the joint select committee, a committee that considered procurement policy framework for well over 18 months, and that policy document was tabled. On that occasion, the Minister said this:

"...we were committed to enlightened and improved procurement practices...we saw it as an opportunity to facilitate development and to ensure that corrupt practices would be hard-pressed to occur under an enlightened system."

But, Mr. President, all the major aspects of the Government's development programme are taking place outside of an enlightened system the Minister spoke about. The very system that it criticized back in 2010 is exactly what the Government continues to use.

This Bill before us is about implementation of the 2013 budget and, as I said previously, a major aspect of that budget is about development. So while the Bill gives effect to items in the budget, no mention has been made about enlightened legislation; about such an agenda to support the development plans in the budget. So it is in this context that I am making reference to this urgent matter.

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Last week, we heard about the seven point something billion dollars for the highway being built. Now, that translates to the cost of \$235.5 million a mile, inclusive of resettlement cost, close to wetlands. The last highway infrastructure was built for about \$90 million a mile. The Government is free to challenge my figures. In previous presentations by the Government on procurement, we heard about procurement affording the opportunity for green development. I do not want to anticipate the Government and I am not capable, certainly, of doing that. Suffice it to say, we may hear that all projects currently under way, the Government is ensuring quality, reliability under the current procurement regimes.

Again, I am in no position to dispute that. More than likely, that is so; but where is the legislation? I know it is not an easy exercise; no one would dispute that. So, what I ask is a commitment that the legislation will be tabled soon. Where is the parliamentary agenda that will tell citizens the date or the time frame you plan to table that legislation; not only because it was a promise by the Government, but because issues of corruption, real or perceived, are very much on the citizens' agenda.

Let me now turn to the benefits for the children. I want to thank and commend the Government for all its efforts regarding the care of children. No investment could be too large in that regard, especially children who are physically challenged. So, I certainly give the Government all the encouragement, and the Minister responsible for pursuing matters in that regard.

Regarding Clico, while we would never recover all the funds, as Minister Howai has said, it is a situation that will be repeated unless the laws are in place and there is a robust system of vigilance on the part of the regulator to prevent a repeat. Thus far, four years since the full manifestation of the Clico and HCU debacles, investors are really no better protected than they were back then. We await the agenda outlining when we could hope to see the new insurance and credit union legislation.

The Minister of Finance and the Economy has said a lot to boost the confidence. He has laid out very important strategies to improve the business client. I certainly commend him and the Government and I want to close by urging priority in the legislative agenda for:

1. procurement;
2. the amended Securities Bill as promised by the Government when we debated that Bill at the close of 2012;
3. the insurance legislation and the credit union legislation.

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

The Minister of Energy and Energy Affairs (Sen. The Hon. Kevin Ramnarine): Thank you very much, Mr. President. It is very rare that I speak before tea time, but I am grateful for the opportunity to address the Senate on developments in the economy as they relate to the energy sector of the country.

As is the norm with me, I like to start off with an international and global perspective. We start off with the very sad news of the events that transpired in the last two weeks in Algeria, where it is reported that a number of employees of various energy companies, including BP, Statoil, one Japanese company; all met their demise in what was a very terrible terrorist attack on a gas processing facility, not very different from the gas processing facilities that we have in the Guayaguayare and Mayaro areas. So, I would like to put on record on the *Hansard*, the condolences of the people of Trinidad and Tobago to those who lost their lives in the energy sector in Algeria.

3.30 p.m.

Mr. Speaker, as we look—I said, Mr. Speaker, sorry, Mr. President.

Sen. Singh: Signs of things to come. [*Laughter*]

Sen. The Hon. K. Ramnarine: Mr. President, as we scan the global picture, we see that Trinidad and Tobago really stands out as one of the best places in the world in the international energy business, to live, to do business and to invest. We look to South America and what is happening there, and in Brazil there is the ramp-up of production from the pre-salt. In Argentina, there was the expropriation of the assets of Repsol. I will come a bit more to that as I move on because there are implications for that for Trinidad and Tobago.

In Chile, they are importing LNG from Trinidad and Tobago. In fact, 35 per cent of our LNG cargoes now go to South America, where I am advised that the average price we are fetching is in excess of \$10 per MMBtu. So South America has now emerged as a market for our liquefied natural gas. I am always taken aback too when I read in the newspaper where people are saying things like we can no longer boast that we are the No. 1 exporter of LNG to the United States. My response to that is always, “So what?” We are exporting our LNG to some 19 countries around the world, inclusive of the United States, but in a smaller volume.

When we look at the northern part of the Americas, the United States itself has become the largest producer of natural gas in the world and the largest consumer of natural gas in the world simultaneously. To its north, Canada is supplying some two million barrels of oil per day to the United States, coming

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from unconventional tar sands. So what is happening is that the world has shifted, the world has changed. Whereas 30 to 40 years ago the centres of supply were in the East and the centres of demand were in the west, that has changed. The centre of supply is now moving to the West and the centre for demand is moving to the East, towards China and India.

We look at what is happening in Africa, and very exciting times for the African continent. Almost on a monthly basis, the Ministry of Energy and Energy Affairs plays host to delegations from the continent of Africa. As recent as a couple weeks ago there was a delegation from Tanzania here. They come to this country to see what we have done. They visit Point Lisas of course, they visit Atlantic LNG and they visit Petrotrin. This is as a result of major oil and gas finds in Tanzania, Mozambique and Kenya on the eastern side of Africa, and in Ghana and Angola on the western side of Africa.

As I said, the demand centres, the growth in demand, is coming from the East, mainly from China, of course, and India. We look at Japan which, as you know, is a resource-poor country, but very rich in intellect and innovation. As a result of the still partial shutdown of their nuclear power plants, the price of natural gas in Japan is in the high teens in 2012, approaching \$19 per MMBtu. So that is a global snapshot of what is happening in the world.

Mr. President, in doing my research for this debate, I thought it was necessary too to put on record— You see, many times when we boast about our energy sector, our friends opposite take credit for Point Lisas and so on. I believe that there are unsung heroes, mainly public servants, who have to be recognized. Fifty years ago, there was a commission of enquiry in this country. It was called the Mostofi Commission of Enquiry. The Chairman of that commission of enquiry was Dr. Baghair Mostofi, who was an Iranian national. I do not know if Sen. Al-Rawi could trace the roots.

Sen. Al-Rawi: Iraqi.

Sen. The Hon. K. Ramnarine: Sorry—but I do not know if you could still help us to trace what has happened to Dr. Mostofi and his family.

The secretary of that commission was a young man, Hamil Legall, who subsequently went on to become the Permanent Secretary in the Ministry of Petroleum and Mines. That Ministry of Petroleum and Mines was founded in 1963. The first Permanent Secretary of the Ministry of Petroleum and Mines was a young man by the name of Doddridge Alleyne. I have named a conference room after him in the Ministry of Energy and Energy Affairs. [*Desk thumping*]

I say these things because very often the people that we hold up as the heroes of the energy sector are the Ministers of Energy and the energy czars. I work in a Ministry and prior to working in that Ministry I worked in a private sector company. I could tell you that some of the best and brightest people I have worked with in my life are currently in the Ministry of Energy and Energy Affairs and I pay tribute to them. [*Desk thumping*]

I wanted to put on record that 50 years later we are the beneficiaries of the work of Dr. Mostofi. His recommendations included the strengthening and widening of powers of the then Ministry of Petroleum and Mines. His recommendations also included that we should seek to compress into one ordinance all the laws related to the energy sector. That gave us what we now call the Petroleum Act of 1969.

On Monday of this week many of you all would know that there was a major international conference at the Hyatt, the Trinidad and Tobago Energy Conference. I used to be associated with the organizers of that conference in a previous incarnation. I want to put on record that for the first time in the history of that conference, it was oversubscribed, almost 100 people had to be turned away. It is a reflection, in my opinion, of something that is happening in the economy in this country. It is a reflection of a return to confidence and a return to the buoyancy in the economy, and that was reflected in what we saw in that conference. [*Desk thumping*]

I want to again put on record that we had a very distinguished speaker at that conference in the person of the former President of Colombia, Alvaro Uribe, [*Desk thumping*] a very courageous man who transformed his country. He took very tough decisions to deal with extremist elements that were ripping his country apart. Today, Colombia has taken a path of growth and prosperity, and Colombia's oil production is on the increase, while countries around it have oil production going in the opposite direction. So we put on record our recognition that President Uribe was here, and he gave a wonderful speech at the Hyatt, which was well received. Also at that conference, I want to put on record, we had the Minister of Natural Resources and the Environment of Guyana, the hon. Robert Persad, and the Minister of Finance and Energy from Aruba, Mr. Mike de Meza.

As we look at what has happened in the year 2012 in the energy sector, there was a continuation of the decline in oil production. I want to commend my colleague, Sen. Dr. Lester Henry, for having the intellectual honesty—of course he is an academic and he must refer to facts and the truth—to state that the decline in oil production started in 2005 and continues to this day. We are doing

everything in our power to arrest the decline in oil production, and I will come to that later on. I will just add that the average oil production in 2012 was around 82,000 barrels a day; whereas the corresponding figure in 2011 was around 92,000 barrels per day.

When one disaggregates that figure, the majority of that decline is coming from the marine areas. There was actually a small increase in oil production on land. That decline in the marine acreage is coming mainly from a decline in condensate production, because we are simply producing less condensate, which is that liquid associated with natural gas, when natural gas is produced. So we are producing drier and drier gas and less wet gas.

With regard to gas production, Mr. President, there was a small decline of 1 per cent when 2012 is compared to 2011, and that again is because of a continuation of the maintenance works that the companies have been doing upstream.

With regard to some of the positives in 2012—I spoke about oil production, but we had a lot of positives in 2012. Coming to end of 2012, December 08 to be exact, we started to see a return to some degree of normalcy at Point Lisas with regard to gas supply, and that continues into January 2013. There is a high correlation between gas production, gas output in this country and economic growth.

I know our colleague, Sen. Dr. Lester Henry, referred to the first three quarters of the year being negative, but I have not seen any data on the third quarter. I do not know if he has seen data on the third quarter, but I have seen a reference in the *Guardian*, coming from the Central Bank, saying that the energy sector grew by 0.5 per cent, albeit small, in the third quarter of 2012. So there is the emergence, the start of what is being described as incipient growth in the economy being fuelled by both the energy and the non-energy sectors.

One of the slides that I was caused to put up in my speech—some of you might have seen the speech live on television—was a slide of what they call rig days. A rig days is a statistic that we use at the Ministry of Energy and Energy Affairs, and it is a proxy for upstream activity. In 2012, there were 2,788 rig days, and that was a 27 per cent increase on the previous year.

But more than that, I plotted a graph of rig days historically, and I juxtaposed on top of that a graph of economic growth. There is a very close correlation between rig days and economic growth in Trinidad and Tobago. Based on that and based on the fact that we expect over 3,000 rig days in 2013, that to me is

justifying the growth which is being seen by the IMF, which is being seen by the Central Bank, which is being predicted by Standard and Poor's and other persons like Dr. Ronald Ramkissoon. I think that the Minister's projection of 2 per cent growth—he may be conservative as a banker—to 2.5 per cent growth is well placed.

Mr. President, when we look back at the year 2012, we see that there were a number of successes. There were three finds in 2012, and that in itself is a reflection of activity, because oil does not find itself, you have to drill. There were three finds, the first being from Petrotrin, what they call their Jubilee find, and the second being from Bayfield in the east Galeota block, and the third in November from bpTT in what they call their Savonnette field. Those three finds collectively equate to 241 million barrels of oil equivalent, a significant addition to the country's reserves. [*Desk thumping*] Two hundred and forty-one million barrels of oil equivalent, which is converting one TCF of gas to a barrel of oil equivalent, by dividing by 6,000.

The signs are there that things are beginning to turn. The Ministry of Energy and Energy Affairs has commissioned an audit into the oil reserves of the country. Traditionally you know every year we expect the Ryder Scott Report. I was telling the people from Ryder Scott when they came to see us, that their company's name has now become a household name in Trinidad and Tobago. When the Minister of Energy and Energy Affairs goes to eat doubles in Aranguez, he is questioned by the doubles man about the Ryder Scott Report. So it has become a household name.

Sen. Hinds: [*Inaudible*]“—whether he doh get planass.” [*Laughter*]

Sen. The Hon. K. Ramnarine: We have commissioned an oil audit report, and I have the preliminary report on my desk, and the final report will be given to us next by the consultants, which we will of course share with the public. One of the things that I am committed to do as Minister of Energy and Energy Affairs, and I will put it on the record of *Hansard*, is to take this country into the Extractive Industries Transparency Initiative. [*Desk thumping*] As you know, this is a promise that was in the manifesto of the People's Partnership. It was something which the former administration had initiated under Christine Sahadeo. I believe she went to Paris and signed some document, and then they backtracked on the EITI.

Hon. Senator: That is typical PNM style.

Sen. The Hon. K. Ramnarine: They backtracked on the EITI. [*Crosstalk*] The EITI is slowly becoming the way of the world. Major multinational companies that are on the major stock exchanges of the world have to comply now with EITI protocols. So it could only enhance the reputation of Trinidad and Tobago and

make Trinidad and Tobago a more attractive investment destination, if we become full members of the Extractive Industries Transparency Initiative. That is something we remain committed to, and we are on target with regard to the requirements to enter in the EITI.

Also in the year 2012, we started work on the Galeota Port, which was a project of the previous administration that had been stalled. We “unstalled” the Galeota Port and it has commenced, and we expect that port to be completed some time this year. It is not just a port. Galeota could become a city because as you know cities have their genesis in ports. We have the port of Singapore. London is a port city. New York is a port city.

Sen. George: Port of Spain.

Sen. The Hon. K. Ramnarine: Port of Spain is a port city. Thank you, Sen. George.

Sen. George: Thank you very much.

3.45 p.m.

Sen. The Hon. K. Ramnarine: Galeota, we see is at the centre of a circle that includes Trinidad and Tobago’s deep water acreage, which I will come to just now, that includes Trinidad and Tobago’s shallow water acreage on the east coast. As you know, Mr. President, we have a tremendous amount of infrastructure out there on the east coast, and it is also central to Venezuela. It is central to Guyana, it is central to Suriname and it is central to French Guiana. One of the things that you learn when you go to the energy conference is that a lot of what is happening in French Guiana is being planned in Chaguaramas, in Trinidad and is being planned in Port of Spain.

In fact, Mr. President, the well that Repsol drilled in Guyana last year was planned from Port of Spain. So Port of Spain is becoming the Houston of the Caribbean and we expect that Galeota would become a significant energy services hub for this part of the Caribbean. So that is the vision.

Sen. Hinds: Yes.

Sen. The Hon. K. Ramnarine: As I have said, ports develop into cities.

Sen. Hinds: I am so impressed with that. So many promises that you all have made.

Sen. The Hon. K. Ramnarine: The port has started.

Sen. Hinds: Right.

Sen. The Hon. K. Ramnarine: The port has started. So, Mr. President, looking into the year 2013; 2013, as I said, rig days are expected to increase in the year 2013. Standard and Poor's has said that they basing their two per cent growth for Trinidad and Tobago on the fact that we have been able to stabilise the decline in oil and gas reserves. [*Crosstalk*] We have had the smallest decline in oil and gas reserves in 2012 and the way things are going we expect that our reserves may either decrease very slightly or increase very slightly in 2013. Looking at what is happening in the broader economy, Trinity is a company that I know—I do not know if many people know of a company called Trinity.

Sen. Hinds: Yes.

Sen. The Hon. K. Ramnarine: Trinity is a company that is run by Trinidadians, that is, owned in the main by Trinidadians, and I must say that they are very ambitious. By mid-February they will be listed on the AIM of the London Stock Exchange, and that, to me, is historic because here is a company that is based on Sutton Street in San Fernando that has the ambition now to list on the London Stock Exchange.

Hon. Senator: Sen. Al-Rawi, may hit them up for campaign funding.

Sen. The Hon. K. Ramnarine: They have raised some US \$90 million on the road shows and so on in Europe for which they intend to drill a number of—four exploration wells in 2013.

Mr. President, with regard to Petrotrin in 2013, we expect—as I recall, I answered a question last week on the cat cracker—we expect to bring the gasoline optimization project to an end. That project, of course, as I said in my answer to that question last week, marred by poor procurement strategies that date back to 2006 and we were feeling the ripple effects of that all the way into the year 2012.

Hon. Senator: They are talking about Mrs. Drayton here.

Sen. The Hon. K. Ramnarine: As we bring the gasoline optimization project to an end, the company begins to change its strategic direction and focus on the upstream. We all know—and our friend, Sen. Coudray is from that area—that there is a tremendous amount of potential left in Trinmar and it was a crying shame that for years that potential was left untapped. This year Petrotrin intends to start the reactivation of the South West Soldado field. The South West Soldado field is one of our more prolific fields in the Trinmar acreage, very close to the Venezuela boundary.

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From mid-February of this year we expect to start the reactivation of some 60 wells in the South West Soldado field that were capped some 10 years ago. That would bring on more oil production, and more indigenous oil production means better margins for our refinery and it means better economics for our refinery. We look forward this year, to the reactivation of the South West Soldado field. So there is a growth story in the energy sector. There was a tremendous amount of optimism coming out of the conference yesterday from those of you all who may have been around the conference and would have heard about the conference. The conference continues into today—today is the green day in the conference.

Mr. President, with regard again to oil production because we have to—as the Senator agrees with me—arrest the decline in oil production. I remember a statement being made in the other place when this Bill was being debated, that the seeds—that what we are doing today would not bear fruit until the year 2019. Well, that might be true of the deep water, it might be true of some of the bid rounds. I may not be around in Parliament in the year 2019, or I might be around, but I will live to see the fruits of the seeds that we have planted as a Government in the year 2012. [*Desk thumping*]

Sen. George: “Yes, man yuh going good, yuh going good.” [*Crosstalk*]

Sen. The Hon. K. Ramnarine: The Member for Diego Martin North/East, I think it was, in the other place—[*Interruption*]

Sen. George: Yes, man.

Sen. The Hon. K. Ramnarine:—said that what we are doing today, while all that is great and we have a successful bid round and so on, you would not see the fruit until 2019. [*Crosstalk*]

Hon. Senator: “Aah!”

Sen. The Hon. K. Ramnarine: Then he criticized us for having low oil production in 2012.

Sen. George: I hear you.

Sen. The Hon. K. Ramnarine: So if somebody was planting some good seeds—[*Interruption*]

Sen. Hinds: Pumpkin seeds.

Sen. The Hon. K. Ramnarine:—back in 2006—

Sen. George: Yes.

Sen. The Hon. K. Ramnarine:—we would have had some fruit in 2012. Right. [*Desk thumping and crosstalk*] So what we have to do now, and it came out in the conference that there were a lot of things that had to be done many years ago that were not done. We are now putting things in place—[*Interruption*]

Sen. Hinds: Pumpkin seeds.

Sen. The Hon. K. Ramnarine:—for the short, for the medium and for the long term. [*Desk thumping*]

Sen. George: Tell them! Tell them!

Sen. The Hon. K. Ramnarine: We are beginning to see signs of recovery in oil production and it is because BP's condensate is beginning to come back up and we are beginning to see positive signs coming out of Trinmar and we will see more when we reactivate the South West Soldado field.

Sen. Singh: Bad news for the PNM.

Sen. The Hon. K. Ramnarine: Also, Mr. President, in 2010/2011 Petrotrin completed the largest 3D seismic survey ever done on land in Trinidad. Doing a 3D seismic survey on land is a very difficult thing. It is much easier to do 3D seismic survey in water, because on land you have to deal with people's property; you have to deal with private mineral rights and so on. So these 3D seismic surveys on land employ a lot of people. There is one happening—there is a two-day 3D seismic survey happening right now in the Biche/Charuma area and it is employing hundreds of people. So this 3D seismic survey was done between 2010 and 2011—I fired the last shot—and that data has been processed and reprocessed and will inform a very aggressive drilling campaign in 2013.

Mr. President, one of the things that our colleagues next door could be faulted for is that for the last decade by and large we heard very little coming from them about oil. We heard a lot about gas, and nothing is wrong with that, but their energy czars, Prof. Julien and so on, were prefixed or fixated, of course, with natural gas, and very little attention was paid to the oil industry and oil production went into a decline.

Sen. Singh: They do not know him anymore.

Sen. The Hon. K. Ramnarine: Now, Mr. President—I think he is no longer in Trinidad. One of the things again that we did at the conference on Monday is that we promoted a land-based bid round because there is still a lot of state land acreage—not Petrotrin acreage—acreage belonging to the State that is unexplored

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or very little exploration has happened. We propose to put out three blocks, again in the middle of February, for a land-based bid round that would be jointly run by Petrotrin and the Ministry of Energy and Energy Affairs.

The last land-based bid round in this country incidentally, was in the late 1990s under the then UNC administration. That bid round led to the first discovery on land in 40 years. I want to put on record the name Mr. Wilson Lalla, who is from time to time a consultant with the Ministry of Energy and Energy Affairs and is really passionate about land and about land production—you know Mr. Lalla?

Hon. Member: Yes.

Sen. The Hon. K. Ramnarine: He is a very senior geologist of some 40 years. In fact, I think he was a contemporary of the former Prime Minister in Mona, Jamaica—very passionate about the fact that there is a tremendous amount of potential left on land. In talking to the senior geologist in this country, and I am telling you, Mr. President, I am 40 years old and I hold a master's degree in petroleum engineering and I have spent the last 15 years of my life in one way or the other in this energy sector. I want to say to the country that we have not even reached the peak of what this country could do in terms of oil production. [*Desk thumping*] We have not reached the peak and I do not buy into this peak oil theory at all. There are some people I know in Trinidad who like to talk about peak oil. I do not buy into peak oil. BP recently said in a report that peak oil is rubbish.

Sen. Al-Rawi: It is the UNC in Opposition.

Sen. The Hon. K. Ramnarine: So I believe that there is a lot left to be done. There is oil in the deep water. It is estimated that there are seven billion barrels of heavy oil left in this country in Trinmar and in the Guapo/Parry Lands area, and there is a tremendous amount of conventional oil that is left in the ground in places like Forest Reserve and so on.

We are bringing together all these pieces. The Government has recently appointed a Cabinet committee to review again the fiscal regime for oil and gas. That is because this is not something that is written in stone that you have to dust out every five years. It is because of the dynamics of what is happening in the world causes us to have to review that fiscal regime almost every year. See, we have put together a committee headed by the Permanent Secretary in the Ministry of Energy and Energy Affairs—all public servants—and we have included public servants, of course, from the Ministry of Finance and the Economy and the Board of Inland Revenue. We would be looking over the next six months at the entire fiscal regime.

The provisions that are in this Bill today deal specifically with the supplementary petroleum tax regime and I will come to that because there is a history behind the SPT that has to be told. But we have put together this committee and we would like that committee to report to us in six months in time for the Budget.

We will also be looking at the production-sharing contracts because by and large, we have not changed our production-sharing contracts in some time. Again, I would like to put on the record because there is a need to recognize, in my opinion, the work of public servants: wherever you go in the world and you tell them that you are from Trinidad and Tobago, Andrew Jupiter is one of the most recognized people in the energy sector in the country. [*Desk thumping*] He is considered an international expert on production sharing contracts and his expertise are available to the Ministry of Energy and Energy Affairs and to the Government.

Sen. Hinds: His expertise is.

Sen. The Hon. K. Ramnarine: Thanks for the grammar. [*Crosstalk*]

Hon. Member: The PNM had fired—[*Crosstalk*]

Hon. Senator: That is not true.

Hon. Senator: Anil Roberts was wrongly—[*Crosstalk*]

Mr. President: Shall we allow the Senator?

Sen. The Hon. K. Ramnarine: Mr. President, I come now to the deep water. As you know the deep water is something that we are very serious and passionate about at the Ministry of Energy and Energy Affairs. In 2012—I do not want to beat the drum too loud again—we recorded the most successful deep-water bid round in 14 years. [*Desk thumping*]

Hon. Senator: Beat it, beat it!

Sen. The Hon. K. Ramnarine: That momentum from that success I think is what overflowed into that conference on Monday, where almost 100 people could not get a seat in the Hyatt, and had to be turned away. As I said, we are not happy to sit on that success and to look at it we are going back into the deep water again. In April 2013 we will be going back with another deep-water bid round. The interest is now high. Because of the success that we have had in the last deep-water bid round, the entire world is very interested in what is happening in Trinidad and Tobago and we expect that we would have another successful deep-water bid round in this country.

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I am advised we have already put out blocks; there is a procedure, and what we do is that we put out blocks for nomination before we start the bid round, so we get an idea of which blocks may attract interest, and we have already begun to attract nominations for blocks. So we would be going back out in April of this year. Mr. President, those are some of the things happening in the year 2013. Bid rounds dominate the environment. We expect to see an increase in oil production from the activities in Trinmar from BP's condensate coming back on.

As we come to the provisions in this Bill, these provisions have been applauded by Standard & Poor's. They have said that this is the correct way that the Government has to take the country. When we look at our fiscal regime some of the international gurus are telling us that we are still not as competitive as Colombia. There was a time in this country when Trinidad and Tobago was probably the only game in town in the Caribbean. Now we have to compete very aggressively with the Colombians. We compete with Brazil, we compete with the west coast of Africa, that is generally our pond. It is important to understand that international capital—and Sen. Dr. Balgobin will agree with me—is not obliged to come to Trinidad and Tobago. International capital post 1989—with the fall of the Berlin wall and so on, international capital started to find other homes, Eastern Europe, the Caucasus, China and India and so on. So we have to become competitive. This is why we have gone into a constant review of this fiscal regime.

So, the SPT which is the provision in this Bill before us—the supplementary tax is a creature of the Petroleum Taxes Act of 1974. In 1974 the Petroleum Taxes Act was introduced because, you know, the events of 1973—and I do not want to go there—the Yom Kippur War and the Arab oil embargo and so on precipitated an oil boom in Trinidad and Tobago. What happened is that there was the introduction of the Petroleum Taxes Act, the Petroleum Production Levy and Subsidy Act and so on.

4.00 p.m.

The Petroleum Taxes Act introduced PPT (petroleum profits tax), but then in 1981, we had another spike in oil prices and the then Government thought that they would introduce another tax, and this was the supplementary petroleum tax. It was introduced—and the Minister of Energy and Energy Affairs in 1981 must have been Errol Mahabir—in 1981 at a time of very high oil prices that reached almost \$40—\$42 a barrel, which back then was, of course, very high. Oil production in Trinidad had also peaked in 1978, so the country was experiencing a super abundance of revenue and the then Government thought that they would cream off more of that money by introducing SPT which is a tax on gross income.

Of course, the world changed very quickly after that and we had the recession of the 1980s and the Government changed in '86. The new Government, the NAR Government, sought to stimulate oil production by introducing the Lease Operator/Farm-Out Programme, which, I think, everybody agrees was a good idea and is very successful. So the State employs thousands of citizens of Trinidad and Tobago and the lease operators are very consistent when it comes to oil production. So, to stimulate the lease operator sector another rate was introduced, a post-1988 rate was introduced. By and large, what we have had in the energy sector are two SPT rates, a post-'88 rate and a pre-'88 rate, and for many years the companies operating in Trinidad have sought to, have lobbied for those rates to be harmonized and this Bill before us harmonizes the SPT post-'88/pre-'88.

Now, the question may be, what is the loss to Trinidad and Tobago in terms of revenue from the reduction of SPT for some companies from 42 per cent to 33 per cent? The answer is that the hit is not that big because SPT is a tax from gross income, so if you reduce SPT there is more money available to be taxed by the PPT tax rate, which is at the bottom of the cash flow. So the hit on the country, while there is a loss in revenue, we think that loss would be offset by greater investment and reinvestment.

We have also sought in this Bill to incentivize drilling and exploration in deeper horizons, because the intelligence on the ground in the oil industry in south Trinidad would tell you that—would say to you, Mr. Minister, there is another oil province below 8,000 feet, and they are speaking about what they called the Deep Herrera in the Barrackpore area and east of Barrackpore, and they are speaking about reservoirs in what they call the Lower Cruse formations which are prevalent through south Trinidad and south-west Trinidad. So, the thinking is that we want to incentivize deeper drilling because there is a belief that those reservoirs are very prospective, and therefore we have introduced a 40-per-cent capital uplift for exploration in deep horizons.

Finally, the Bill introduces a new category of SPT which is special SPT which is a 25 per cent rate for new field development. So what that means is that that rate would only apply if you do something new, if you are developing a new field which otherwise would not have been developed at all. The Bill is also specific that that applies to small pools of oil, because again, the thinking, and this, again, the intelligence in the industry is that there is a tremendous amount of oil on the east coast in small pools which are rendered uneconomic for various reasons and uneconomic to large companies. So, all this is in an effort to stimulate oil production in Trinidad and Tobago and we have already seen the effects of what we have done in 2010, 2011 and 2012 with regard to the increased activity that we are seeing.

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So, Mr. President, there is one issue, which I think it is my duty to raise in the Parliament, because it is being reported in the newspaper, it is being reported in the international newspaper, and that is the issue of the sale of Repsol's assets in Atlantic—well the company is now called Atlantic. It is no secret that Repsol has had a very difficult last two years, internationally, and it is no secret why they had a difficult time. They have had difficulties with their assets in Argentina which have been expropriated. It has exposed them to a loss of income, a significant loss of income, because their WPF farm, as they call it, was very important to them, and the company has sought to restructure, and in that restructuring they are divesting certain assets.

Among these assets are their shareholdings in the four LNG trains in Point Fortin, and there are significant shareholders in those four trains. They have shareholdings around 20 per cent each in those four trains. They are also divesting their LNG assets in Peru. They are divesting a regasification terminal in Canaport, Canada; and they are divesting their shareholding in an electric plant in Bilbao, Spain, all in an attempt to restructure the company, to keep the company at investment grade. The international news has been abuzz, Bloomberg, Dow Jones, Weir, and so on, as to who are the potential companies coming in. I think there is an article in the *Guardian* today or the *Express* today, and the names that are being called are names like Sinopec of China and Shell. As you know, Shell is a company which is no stranger to Trinidad and Tobago. Shell had a long history and presence in Point Fortin. I believe it is 1974 that they left Trinidad and they left behind their refinery.

So, these are very interesting times and companies like that showing that interest in Atlantic LNG, it clearly sends a signal that there is confidence in Trinidad and Tobago, and I know my friends opposite do not normally believe a lot of what they say, because they know that—[*Interruption*]

Sen. Hinds: Of what you say.

Sen. The Hon. K. Ramnarine: Because they also know that this is a great place to do business; this is a great place to invest—[*Interruption*]

Sen. Hinds: Who? Who?

Sen. The Hon. K. Ramnarine:—and this is a great place to live. [*Desk thumping*]

Sen. Singh: “Except if you is PNM.”

Sen. The Hon. K. Ramnarine: It must be. I mean, it must be. Because, Mr. President, the companies in Trinidad—[*Interruption*]

Sen. Hinds: I have lots of respect for you, “eh”.

Sen. The Hon. K. Ramnarine:—the multinational companies in Trinidad would tell you that there is a long waiting list in those companies—[*Interruption*]

Sen. Hinds: Oh God!

Sen. The Hon. K. Ramnarine:—of expatriates, wanting to come to live in Trinidad.

Sen. Hinds: You all bad talk this country up and down.

Sen. The Hon. K. Ramnarine: So, Mr. President, there must be something good happening in the sector in Trinidad. I would also say that a lot of assets are changing hands in this country right now because of what is happening in the global environment, and that the NGC has been mandated by the Government, by the Ministry of Energy and Energy Affairs, to begin to “relook” its business model. Its business model was put in place in 1975. The NGC was formed in 1975 to transport gas from Amoco’s east-coast fields to T&TEC, and it has since evolved way beyond that.

I want to put on record my gratitude for the role that was played by Minister Howai when he was the chairman of the NGC. [*Desk thumping*] I think that would he would tell you that the time he spent in NGC has contributed to making his understanding of the economy all that better, because the NGC is a very central actor, Mr. President, in the economy of Trinidad and Tobago.

In 1974, very humble beginnings, I believe the first chairman was Mr. Ben Primus, and very humble beginnings, they had to be supported and so on, by the then Ministry of Petroleum and Mines with staff and all of that, and 35/38 years later, 2013, they are managing 1,000 kilometres of pipeline. That is a very significant pipeline network, and they also have an asset base of US \$5 billion which includes current assets [*Desk thumping*] of TT \$17 billion. This is public information. The accounts of the company for 2012, I believe, were laid recently.

So, with that platform, we believe that we have the seed to begin to diversify the economy and diversify the energy sector. The vision for the NGC has to be an expansionist vision that takes it out of Trinidad and Tobago, and we have therefore mandated the company to “relook” its strategic direction. The company is seeking to vertically integrate backward into the supply side; NGC does not own any gas reservoirs; they have to buy natural gas from BP, BG and EOG and BPH and so on. So, they are looking to vertically integrate backward, they are looking to vertically integrate forward, we are looking at investment opportunities around the world.

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Mr. President, there is an emerging market for LNG and CNG in the Caribbean. The NGC would like to play in that market. There are three conversations happening right now with multinationals in this country between them and the NGC for the total acquisition or the partial acquisition of assets. So we see the NGC as a vehicle for that growth and for that diversification, because diversification does not only mean diversification away from the energy sector, and I think that has been one of the fundamental flaws in the diversification argument, in that whenever we seek to talk about diversification in this country, we always believe we should put the energy sector in a leprosarium because we have to move away from energy. But maybe it is—[*Interruption*]

Sen. Hinds: That is what you all used to say.

Sen. The Hon. K. Ramnarine: Listen “nah”, I am trying to make an intelligent contribution here to the country’s highest court, [*Desk thumping and laughter*] the highest court in the land.

Sen. Singh: You would not get any assistance on the other side.

Sen. The Hon. K. Ramnarine: “I doh know who this is all yuh talking about.” [*Laughter*] But, Mr. President, Business School 101: growth comes from a marriage of strengths and opportunities. Growth comes from a marriage of strengths and opportunities. Right! SWOT analysis. What are our strengths in Trinidad and Tobago? Energy. What are the opportunities? We look around the region, we see an emerging gas market in the region; we look to Africa, we see they need help to develop the energy sector.

So, growth could come from a marriage of strengths and opportunities—[*Interruption*]

Sen. Dr. Henry: The threats and opportunities.

Sen. The Hon. K. Ramnarine: And we also look at the opportunities and threats, I agree. So the NGC is being poised to take part in that growth, and it is conceivable, Mr. President, that the day will come in the future of this country when the NGC—[*Interruption*]

Mr. President: Hon. Senators, the speaking time of the Minister of Energy and Energy Affairs has expired.

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes. [*Hon. G. Singh*]

Question put and agreed to.

Sen. The Hon. K. Ramnarine: Thank you.

Sen. Singh: Teach them! Teach them!

Sen. The Hon. K. Ramnarine: So, Mr. President, I was talking about growth and I said growth comes from a marriage of strength and opportunity, and from a corporate point of view, growth comes from a combination of strategies or single strategies. Companies could chose to divest the assets, get rid of assets that do not make sense and focus on those things that they are good at. Companies could determine that they would diversify their company; companies are driven by acquisition, some companies go around the world buying other companies.

Sen. Singh: BP.

Sen. The Hon. K. Ramnarine: BP goes around the world. BP in 1998 and 1999 bought Amoco, and if you read the history of why they bought Amoco, because there is a Harvard Business School case which I have read on BP's role in spurring the acquisition cycle of the late 1990s.

One of the reasons why BP went after Amoco was that Amoco held some very valuable gas reserves in a country called Trinidad and Tobago, and BP was beginning to change its company away from oil towards gas, and that change came about as a result of what Lord Browne then saw in 1997 at Kyoto, of a changing world, a world that would move towards gas. And I am saying it today so that the Parliament could hear, the world is moving very quickly towards natural gas in a very significant way.

Hon. Senator: Faster than the PNM.

4.15 p.m.

Sen. The Hon. K. Ramnarine: So BP went about acquiring Amoco, they acquired ARCO and so on. I am saying that the NGC could become to Trinidad and Tobago what Petrobras is to Brazil. Petrobras is almost as powerful in Brazil as the Brazilian Government; or Ecopetrol to Colombia. We heard the wonderful story of Ecopetrol that its value went from—I think a couple of US billion dollars when President Uribe took office, and it is now US \$100-plus billion, one of the most valuable companies in the world—Ecopetrol—creating tremendous value for the people of Colombia who are shareholders in Ecopetrol. And the NGC could become to Trinidad and Tobago what Petronas is to Malaysia.

So, Mr. President, the whole concept to me of the energy sector in Trinidad and Tobago approaching its autumn and approaching its winter is not relevant. I believe we have not even started to approach spring—[*Desk thumping*]

Sen. George: Four seasons, boy, four seasons.

Sen. The Hon. K. Ramnarine:—and there is a tremendous amount of opportunity out there, but it requires vision and will to unlock that opportunity.

Mr. President, I want to talk a bit about Tobago because Tobago has a significant role to play in the future of Tobago and Trinidad. Tobago is surrounded by what we call “prospectivity”. To its north-west is block 22, where you have 1.2 trillion cubic feet of proven natural gas reserves and the operator on that block is Centrica; Petrotrin has 10 per cent. To its east there are two deep-water blocks that are held by BP—this is, block 14 and block 23A, again very prospective. To its south is the Angostura field which has been in production now for over—going on 10 years. The NGC recently connected the Angostura field to Cove Estate in Tobago. Therefore, Tobago very soon will begin to generate its electricity from the T&TEC Cove Power Plant using natural gas. They are currently using diesel and it is being used of course as Sen. George knows because he was the former Minister with responsibility for Public Utilities, at a very high cost, because the diesel has to be shipped to Tobago and there is a significant cost to that.

So we expect to start—the power plant in Tobago has already been commissioned on diesel and it is working. We expect to start very soon the commissioning of the power plant in Tobago on natural gas. Once that happens, Trinidad and Tobago will be the only the second country in the world to generate all its electricity from natural gas. [*Desk thumping*]

Hon. Senator: Lower carbon footprint.

Sen. The Hon. K. Ramnarine: And these are things—exactly—lower carbon footprints. Where does that put us in the Caribbean? Our Caribbean brothers and sisters are buckling under the weight of high oil prices which has affected their balance of payments; it has affected their price of electricity.

If you read the Jamaican newspapers, as I do on a daily basis, and you see what is happening in Jamaica, the price of electricity in Jamaica is almost 10 times what the price of electricity is in Trinidad for domestic customers compared to Trinidad and Tobago. So we have one of the cheapest prices in the region here for electricity and we believe at the Ministry of Energy and Energy Affairs, at NGC, at Centrica and so on, that there is the possibility to replace all the power plants in the region to convert them from fuel oil and from diesel, which is very expensive, to natural gas. And what will drive this is economics, as economics drives the world; not necessarily politics but economics. I suppose that is a very materialistic view of history.

Sen. George: Like maths.

Sen. The Hon. K. Ramnarine: Exactly! I did not intend to go down that road. [*Laughter*]

Sen. George: “Doh go.”

Sen. The Hon. K. Ramnarine: But the spread between what we could export natural gas for in Trinidad and the price that could be realized in the islands make this trade very lucrative. It is because the MMBtu, the calorific equivalent of diesel and fuel oil, is somewhere around \$16, \$17, \$18 per MMBtu, if you were to convert a unit of fuel oil, a unit of diesel to its equivalent price in natural gas.

So that spread is what is driving the economics, and we have already been contacted by countries in Latin America because they too are feeling the pinch. Panama has intentions of converting to LNG so they will build a regasification terminal to receive LNG. Costa Rica has similar intentions and Guatemala. Of course there is the trade, the emerging trade in LNG coming from the United States which will also take up part of that market.

Yesterday, we heard about the plans from a company called Cheniere to export LNG from what used to be an LNG import terminal in the United States that will now become an LNG export terminal in the United States. What “ah” amazing world we live in! So if five years ago somebody were to say that Sabine Pass in Louisiana would be exporting liquefied natural gas they would have been declared mad and sent to St. Ann’s. But Sabine Pass, Louisiana is today preparing, through Cheniere and BG and so on, to export LNG. So the world is what it is, according to V.S. Naipaul. The world is what it is, and we simply have to understand how the world works. It is very important that we understand how the world works.

So, we have recognized as a Government that we have a responsibility to Caricom. We have a responsibility to Caricom as the leader, as one of the leaders of the Caribbean. In 1973, I was one year old, so forgive me if I do not accurately recall the events of 1973. In 1973 there was the Chaguaramas Declaration in Trinidad and Tobago where the Caribbean Community began to come together, and this year we commemorate 40 years in Chaguaramas and Trinidad and Tobago assumes the leadership in Caricom—assumes the Chairmanship in Caricom in mid-year.

So, therefore, it is only fitting that there be a Caricom Energy Ministers meeting in Port of Spain, and there will be a Caricom Energy Ministers meeting in Port of Spain on March 1, 2013 under the banner of COTED (Council for Trade

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and Economic Development), because we recognize, Mr. President, that we have a leadership role to play in the energy sector in the region. As a consequence of that, we have signed a memorandum of understanding, a memorandum of cooperation with Grenada. This was signed late last year. It is the belief that, of course, there is now a border defining Grenada's maritime area and Trinidad's maritime area, and it is the belief by many geologists that there is prospectivity for natural gas along that border. So it would only be fitting that given that (a) we are the leader in Caricom, we are one of the leaders in Caricom; and (b) Grenada is so close to us that we partner with the Grenadian Government—and I understand that they have elections very soon in Grenada—[*Interruption*]

Sen. Beckles: And Barbados.

Sen. The Hon. K. Ramnarine:—and Barbados—that we partner with the Grenadian Government to explore and develop natural gas reserves in those areas. Could you imagine what that would mean to those economies if natural gas were to be found?

Our Caricom brothers and sisters in Guyana—and their Minister was here this week, Minister Robert Persaud, was here—they have been searching for oil very aggressively over the last two to three years. They have not found oil in commercial quantities but they have found traces of oil, and it leads one to believe that the trend that started in French Guiana where they found a billion barrel oilfield—Tullow found a billion-barrel oilfield—that that trend continues into Guyana, Suriname and so on, and possibly into our deep water. Our best geologist believes that there are some two billion barrels of oil in Trinidad and Tobago's deep water. Our commitment, as the Government, as the Ministry of Energy and Energy Affairs, is to facilitate people who want to go after that oil.

So, Mr. President, I close by saying that our best days are ahead of us as a country. Trinidad and Tobago's potential is vast when it comes to the energy sector. We are exporting energy services to the world. A company from San Fernando, Tucker Energy Services, has a presence in almost every major energy-producing city in Americas. They control, I am told, 22 per cent or thereabout, of the wireline and logging business in Calgary; a company from Trinidad. We also have companies from San Fernando doing business in Africa.

So we are adopting the North Sea model in Trinidad where the British Government took a strategic interest in developing the export of energy services from the North Sea to the world. And today, we have the British companies like the Wood Group in Trinidad because they developed that competitive advantage

in that environment, as Sen. Dr. Balgobin well knows how competitive advantage is born. But I would say too that there is a competitive advantage in this country that I would like to put on the record, and I was mentioning this to Sen. Dr. Tewarie. We have, Mr. President, developed, coming out of the University of the West Indies, coming out of the University of Trinidad and Tobago, some of the best geologists in the world and I think that is something that we should be proud of—[*Desk thumping*] some of the best geologists in the world.

I am saying this not based on my experience, this is the feedback that is coming to me from international companies, that our geologists, and these are the young people, the young ones, I am stressing the young ones, these are young people who started in that Geoscience Programme, who started in the UTT in the last decade, they are being placed all over the world by BP, by BG, by BHP, they are being sent to Perth, Australia, and they are holding their own with the best in the world. So that to me is a competitive advantage in itself of which we must be proud.

I would also like to place on record my commendation for the work being done by the Minister of Tertiary Education and Skills Training to develop energy skills—[*Desk thumping*] because I only met him in a function—I could tell you exactly where I met him. I met him in a function in May 2012, and I simply told him, Minister there is a need for a drilling school in Trinidad because we have so much skills in this country, you have people who could teach people how to drill and so on, and he went out very quickly, and I think he is on the verge of procuring a used oil rig.

Sen. Karim: They have it already.

Sen. The Hon. K. Ramnarine: They have it already? And they are using the abandoned sugar factory at Brechin Castle. Is it Brechin Castle, Minister?

Sen. Karim: Usine Ste. Madeleine.

Sen. The Hon. K. Ramnarine:—Usine Ste. Madeleine, sorry—as the base for that drilling school.

Because of the efforts of the Minister of Tertiary Education and Skills Training, every time I meet an African Minister of Energy the first thing they want to know is how to get in contact with Minister Fazal Karim. [*Desk thumping*] First thing they want to know! And fortunately, Mr. President, the Ministry of Tertiary Education and Skills Training is located a few floors down from my Ministry, so what I simply do is that I tell my staff to escort them to see the Minister of Tertiary Education and Skills Training because African countries are sending their people here to train and we are saying to people in the Caribbean—[*Interruption*]

Sen. Al-Rawi: Ken Ferguson.

Sen. The Hon. K. Ramnarine: “Yeah”, and Ken Ferguson. I know he was the Mayor of San Fernando on your side and so on. Last night he won an award. Ken Ferguson won an award, because Ken Ferguson who runs Kenson Services in San Fernando is training Ugandans, in Uganda, on developing their skills for the oil and gas industry, and last night he was recognized for that. You know when the time arises to put politics aside, you put politics aside. He has made a contribution to the energy sector. [*Desk thumping*]

Mr. President: You will have to wind up now.

Sen. The Hon. K. Ramnarine: Yes, sure I am very cognizant of the time, Mr. President, I have been looking at the time there all the time. So I want to place on the record that we could also diversify the economy; diversification is many things: by making Trinidad and Tobago a hub for energy training, so that we become—[*Desk thumping*] Actually the late Lloyd Best also had that vision because he saw that all the ingredients were here in Trinidad to develop a hub: we speak English, the climate is ideal, the geology is very complex and we have every aspect of the energy value chain in Trinidad. So the perfect place in the world, Mr. President, to learn about oil and gas, to learn about energy is the Republic of Trinidad and Tobago. [*Desk thumping*] And that is something that we will be developing.

So Mr. President, I close by saying, I am very optimistic. For me, the glass is half full, not half empty. For me, our best days are ahead of us in this sector and we will all live to see the vision, that I just rolled out here for the Senate, realized in Trinidad and Tobago for the benefit of the people of this country. Thank you very much, Mr. President. [*Desk thumping*]

Mr. President: Hon. Senators, it is now going on to 4.30 p.m. I propose to take the tea break at this point and we will resume at 5.00 p.m. This Senate is now suspended until 5.00 p.m.

4.29 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Faris Al-Rawi: [*Desk thumping*] Thank you, Mr. President. Mr. President, I rise to make a contribution on the Bill before this Senate. It is the Finance Bill, 2013. Forgive me if I adopt a slightly unusual posture this afternoon, not wearing the sling that I ought to be wearing, but hopefully managing without it with not too much gesticulation.

Mr. President, the Finance Bill, 2013 is before us. As amended in the House of Representatives, it, in fact, came to our desk at one o'clock or 1.30 this afternoon. We, in fact—I am hearing a groan by my learned Leader opposite. We, in fact, were given a draft copy really because the time frame for the debate that is on today is at the end of the limit which we, as a Parliament, can discuss this Bill.

This Bill, of course, for those listening in the national community, is a Bill which is meant to put into law those promises made by the Government in its budget speech which, as we know, was assented to in the Bill on October 19, 2012. Mr. President, today is Wednesday, January 30, 2013 and we must finish this business no later than January 31. We had, put before us, a Bill with 18 clauses, which has been substantially amended by that Bill which was put before us at 1.30 today, and under Standing Order 48(2), we are discussing this by curtailing the time essentially to do it now.

Mr. President, we have seen a reduction from some 66 pages of Bill down to now 42 pages of Bill, and my learned colleague, Sen. Howai, the Minister of Finance and the Economy, glossed over, with a form of benevolence, the reason for some of the amendments to this Bill.

I wish to state, Mr. President, that this Bill, in the context of the rush which we are dealing with today, not only was replete with error, as has been demonstrated by the massive amount of amendments made in the Bill which we have, in fact, prepared for—and that Bill laid today—but contains some material provisions which are in need of much better inspection and attention. I wish to point out for the national community, Mr. President, that it is no benevolence on the part of the Government of Trinidad and Tobago that we are not considering today, amendments to the national insurance legislation which creates a compulsory system of self-employed contributors. The reason that we are not, in fact, considering that, Mr. President, is that the Bill, as presented into the House of Representatives and as laid before us to look at on January 23, is one which creates a provision for collection of taxes and contributions on a compulsory basis which requires a three-fifths majority.

So it is no benevolence on the part of the Government at all, and I wish to put it starkly on the record that they have removed the provisions for self-contribution. It certainly is not, for any better reflection, on the gross inequity which the Bill proposed in relation to an unequal amount of contributions which would have been gifted to certain people.

So, Mr. President, let us call a spade a spade. It is a rushed piece of legislation; it is badly created, and I would feel great shame knowing that there are eight attorneys on the benches opposite, led by the hon. Prime Minister, Kamla Persad-Bissessar, self-appointed Senior Counsel; the Attorney General; the Minister of Legal Affairs, and that this Bill, Mr. President, contains—
[*Interruption*]

Hon. Senator: Standing Order 35(5).

Mr. President: I do think, Senator, the remarks were not fitting for this Senate. I would really encourage you to withdraw it.

Sen. F. Al-Rawi: Mr. President, I will withdraw the fact that the Prime Minister has appointed herself Senior Counsel. If it is not reflective of the truth, I do not know how else to say it.

Mr. President: I just ask you to—[*Crosstalk*]

Sen. F. Al-Rawi: Sure. Mr. President, I am stating a fact. I mean no offence by it, so I withdraw then.

Mr. President: Please proceed. [*Crosstalk*]

Sen. F. Al-Rawi: So, Mr. President, the fact is that there are eight attorneys present on the Government Benches and that we have, basically, rubbish put before this Parliament. Mr. President, I am confident that there is no real reflection upon the material in this Bill. This Bill has 18 clauses, Mr. President. It deals with 14 pieces of legislation, and as I will point out in my contribution, I am absolutely confident that there has been no real inspection by any one of the Members of Government as to what some of the provisions in this Bill contain. That has already been evidenced by the withdrawal of clauses in this Bill which make for compulsory acquisition and do not have a three-fifths majority, but they can be demonstrated squarely, Mr. President, in the context of those provisions relating to the Companies Act.

But, Mr. President, before I get into the meat of the contribution, I wish to respond to a few of the contributions this evening and, in particular, I will start with the hon. Minister of Energy and Energy Affairs. I wish to compliment him on a very sober and reflective contribution. He clearly knows his industry well, however, Mr. President, some of what he said caused me some concern.

Mr. President, the hon. Minister of Energy and Energy Affairs said in his contribution that some five years ago, it could not have been contemplated that the United States, essentially, would have been able to export the amount of natural gas which it is now doing, and he reflected, indeed, upon the contribution

of Cheniere. Mr. President, I wish to remind the hon. Minister of Energy and Energy Affairs that Cheniere, as the world's largest exporter now of LNG, sat in Trinidad and Tobago and under this hon. Minister's Government—prior to him becoming the substantive Minister of Energy and Energy Affairs—made a contribution to the Government of Trinidad and Tobago which said: “Let us partner with the NGC. We, Cheniere, let us introduce the NGC into our business along the supply chain of the vertical integration”, that he was speaking about, and complimenting. “Let us integrate forward and backward”, using the terminology of my learned colleague. But, Mr. President, he did not reflect upon the fact that it was his own Government that refused Cheniere's offer, and this was in May 2010, coming forward.

So we have missed a golden opportunity to carry the NGC into a direction which would have certainty taken us along the Ecopetrol model, which my learned colleague professes to admire, and one which we have advocated as an appropriate model for vertical integration of services in Trinidad and Tobago.

My learned colleague, the Minister of Energy and Energy Affairs, also spoke to something which I found quite curious. He seemed to be advocating the inclusion of cooperation between Grenada and Trinidad and Tobago, specifically in relation to fields. It is perhaps fitting that he sits right next to the hon. Minister of Food Production, who is on record, Mr. President, as quoted in the newspapers recently as saying the following:

“I say let the 44,190 go independent if they wish...”

Forgive me, Mr. President, I quote from the *Guardian* newspaper, published on Sunday, January 13, 2013, and an article published by one Maxie Cuffie, entitled, “Tobago Love”. [*Interruption*] It says here, Mr. President:

“I say let the 44,190 go independent if they wish or, for that matter...”

Sen. Deyalsingh: Who said it?

Sen. F. Al-Rawi: This is quoting the hon. Devant Maharaj.

“let them join a federal relationship with Grenada and let Morgan Job be president. The result will make the African population of Trinidad a smaller minority by another two per cent. With the Tobago figure taken out of the 2000 census figures, the Indian majority will climb to 41.85 per cent while the African will slip to 35.04 per cent.”

Sen. Deyalsingh: Say something about that!

Sen. F. Al-Rawi: “These census figures that are being suppressed have serious implications for disbursement of funds for education, culture, regional development and other State realignments.”

Hon. Senator: What year is that?

Sen. F. Al-Rawi: A quotation of Devant Maharaj, made to the *South Asian Outlook* in November 2004.

So, Mr. President, I say this because it relates to the whole concept of coordination with our neighbour, Grenada, and there we have people in the United National Congress—in fact, my learned colleague sitting right next to the Minister of Energy and Energy Affairs—on record in what can only be an extremely sarcastic example of cooperation, no less sarcastic, Mr. President, in fact, than the hon. Prime Minister’s statements published in the media with respect to Trinidad and Tobago’s cooperation in economic partnerships in Caricom.

So, Mr. President, I encourage my learned colleague, the Minister of Energy and Energy Affairs, to reflect upon the words of his own Members of Government. In fact, Mr. President, the reason why I raised it is that I have great regard for the Minister of Energy and Energy Affairs, a man that knows the area of energy very well, but it seems to me that despite his best intentions to rewrite history, to forget that the United National Congress is, in fact, the only party to sing the song whilst in Opposition prior to May 2020 [*sic*], that oil and gas had run out—2010—in what my learned colleague referred to as discounting the peak theory, it is the Members of the United National Congress who have damaged the psyche and confidence in Trinidad and Tobago as to where our economic prospects lie in terms of oil and gas.

Another point that my learned colleague, the Minister of Energy and Energy Affairs forgets, is that in June 2010 we debated a Motion by the Government under the hand of one Mary King, Senator, as she then was, on the state of the economy, and the contributions made by Government then were, in fact, the type of segregation for leprosy that my learned colleague encouraged us we should not put energy into, because it was in those contributions by his very Government that the mantra was being sung that the economy needed to be diversified essentially away from oil and gas.

Mr. President, it was, in fact, the response of this side in reminding that the economy needed to be diversified upstream and downstream in energy, and that it was not a curse of oil, as it was referred to by Members opposite in that debate in June 2010. Mr. President, the hon. Minister of Energy and Energy Affairs surely

would recall that there has been debate in this Parliament and mention in every single budget coming forward from May 2010, as to the diversification in the energy sector as it relates to projects coming on stream, including Alutech's and Sural's contribution. [*Interruption*]

There are warehouses and platforms in this country that are 90 per cent built; 60 per cent built; millions of dollars of equipment ready to be put into effect utilizing the same gas which we are seeking to diversify right now, and yet there is silence on that, Mr. President; an attempt to almost rewrite our history.

So, Mr. President, though my learned friend, the Minister of Energy and Energy Affairs' words sound good, the fact is that the actions of his Government lead us to a different conclusion as to where we are going. Perhaps you can borrow the analogy of him being a good horse in the wrong stable, or suffering from some form of Stockholm Syndrome, Mr. President, where you fall in love with your captors, because a good man he is and he has kept people, which Ministers in his Government in the Ministry of Energy and Energy Affairs are on record as saying that they wish to dismiss for being PNM in loyalty, supposedly. So, Mr. President, we have got to do better. We have got to analyze the actions against the words.

5.15 p.m.

Mr. President, when I look to the concept of the content of this Bill, I wish to propose that we consider this Bill in the context of three limbs. Those limbs would be for me, the concept of procurement, as raised by my learned colleague, Sen. Drayton; that of the construction sector, as raised by the Minister of Finance and the Economy, himself, and indeed, Sen. Drayton, and that by way of example to the first point that I made that the Bill is ill-thought-out in relation to the Companies Act. I will start with the last one.

The hon. Minister of Finance and the Economy in this Bill is essentially bringing into legislation, provisions which were made by way of announcement in the budget statement made in October 2012. In that statement, the hon. Minister did not reflect upon the statements made by the Minister of Finance, prior; Mr. Dookeran, in relationship to these companies' penalties.

As you know, this particular Bill proposes at clause 16 to deal with amendments to the Companies Act, Chap. 81:01. And, it in fact proposes, I think it is three amendments; one, two three, four, five amendments in relation to the Companies Act. But it seems to me that no one bothered to tell the Minister of Finance and the Economy the true import and purpose of the Companies Act.

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Mr. President, I wish to do it this way. In clause 16, we have—forgive me. I am sorry, it is a little hard with the pain on this arm—[*Flipping through pages*]—first of all, a proposal in clause 16 of the Bill, that section 8 of the Companies Act be repealed. That is a minor one. It throws out the statutory declaration Form 31 that you file, when you are filing your Articles of Incorporation, but it says in clause 16:

“(b) in section 9—

(i) by inserting after paragraph (e), the following paragraphs:

‘(ea) the number of intended employees;

(eb) the main area of business activity;”

Now, those of us that know the Companies Act very well, and the intent and purpose of the Act being stated as to move away from the Companies Ordinance, Chap. 31, No. 1, under which old piece of law you had to specify in your memoranda and articles of association the exact purpose and power that you wanted to put.

Sen. Moore: [*Inaudible*]

Sen. F. Al-Rawi: It was to throw it away. That limitation where you were confined as a company to deal only with—Mr. President, I am hearing muttering from my learned colleague, if she has a question let her pose it; if not, stay quiet. [*Crosstalk*] What I am saying is that the Companies Ordinance—[*Crosstalk*]—from which we moved—are you hearing, Mr. President?

Mr. President: Proceed, Senator. [*Crosstalk and laughter*]

Sen. F. Al-Rawi: Yes. The companies ordinance from which we moved was a piece of legislation which limited a company—[*Interruption*]

Sen. Moore: Since when?

Sen. F. Al-Rawi:—To expressing power in respect of certain clauses, and if you did not have a power specified in your memoranda, you had to go to court and seek to amend the articles of your company then.

The inclusion of intended employees and the main area of business activity is a retro step, because very often it is impossible at that point, in your articles of incorporation, to specify the number of employees that you intend to put, and indeed, to limit yourself to the type of business that you are proposing. So these very amendments run contrary to the spirit of the Companies Act itself as stated in the *Hansard*, when that Act was being discussed in the Parliament to become the law that it is in Chap. 81:01.

Mr. President, we then have the provisions at section 461, for the removal of companies from the record. When you look to clause 16 (c), and the amendments proposed in relation to section 461 of the Companies Act, you will see that this registrar has the power to remove companies from the record but without limiting liabilities which directors would hold. That is very important when you factor the consequence of subparagraph (e), of clause 16—“e” as in echo. Subparagraph (e) proposes in section 516 that you delete the word “year” from that provision and you substitute the word “month”. Let us put it into context.

Section 516 of the Companies Act is the penalties clause for late registration or non-filing of documents. It allows the levying of a charge against people that have not filed their company’s documents, and you must do so annually or when an event occurs.

So every year you must file the Form 28 that is your annual return. If you change your directors, you file a Notice of Directors, form 8. If you change your registered office, you file your Notice of Change of Office, Form 4.

So subparagraph (e) says that you are to replace the word “year” with “month”.

When you look to the Companies Act as it is online, it really says “month”. What happened is that we changed it to “year” under Mr. Dookeran’s time, the Minister of Finance then, and now we are going back to “month”. But the old charge under subclause (e) was that you would pay \$100 per document, per year. We then changed it to \$500 per year. Now we are going to \$300 per month, per document.

Let me extrapolate that for people in Trinidad and Tobago. Big companies in Trinidad and Tobago, as you are well aware, have teams of people to handle their filings—if not accountants, attorneys, if not attorneys, in-house personnel. But the small companies in Trinidad and Tobago of which there is a vast number, it is individuals that are not cognizant of the law, who have the liberty to incorporate companies as we know they do because an individual can do it, those are the people that stand in arrears. What does subclause (e) of clause 16 mean?

Let me translate it, if you have not filed your annual return for your company in the period 2003—2013, a 10-year period, the calculation of fines at \$300 per document, per month, for year 2003 it is \$3,600; for 2004, it is \$7,200; for 2005, \$10,800—[*Crosstalk*—2006, 2007, 2008, 2009, 2010, 2011, 2012 the numbers increase up to \$36,000 giving you a grand total, which you are liable to pay in the case of one document for 10 years, of \$198,000, which you remain liable for—I

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am hearing my learned colleague, Sen. Moore, saying, “scrap the company”. But you are liable under this very Act for the amount of money that you did not contemplate that you would be. So having it deregistered by the Registrar of Companies is not going to help you.

Sen. Moore: It is going to help you.

Sen. F. Al-Rawi: How will it help you, Sen. Moore?

Sen. Moore: You want to talk to me?

Sen. Maharaj: “Yuh suppose to be talking to the Chair.” Direct your comment to the Chair.

Sen. F. Al-Rawi: Mr. President, I need no lesson on protocol in this Parliament from Sen. Maharaj at all, or any assistance.

Sen. Singh: She bringing out the “Ayatollah” in you and the—

Sen. F. Al-Rawi: The fact is “Saddam” would be more appropriate; Ayatollah is from Iran. So, the fact is that you are, for two documents, in arrears for 10 years, going to be exposed to \$396,000 for two documents. What are people going to do in that context? I think it must surely be an error to move from the \$500 per year, per document, to the \$300 per month, per document, because at least that would allow us the benefit of a manageable taxation upon the people. That is an example of why I think that this Bill is ill-suited.

Mr. President, in relation to procurement as raised by my learned colleague, Sen. Drayton, and in relation to construction because they are interrelated, the hon. Minister of Finance and the Economy has said that this Government intends to put into effect the PPP modalities—the public-private partnership arrangements.

Sen. Drayton has quite correctly pointed out that we have operations and PSIP spending under this particular Government without the benefit of public procurement legislation in effect. And whilst it is that somebody in the Government is creating legislation—hopefully not of the type that we have seen introduced by the Government to date—but whilst the Government is preparing that public procurement legislation, we have very low-hanging fruit that can be put into effect, and that is, of course, the implementation of the 91 recommendations in the Uff Report.

As you are well aware, and as the national community is well aware, the PNM Government commissioned a commission of enquiry into itself, essentially. There was full investigation at great expense to the taxpayers.

Sen. Deyalsingh: People with real qualifications.

Sen. F. Al-Rawi: There were people with real qualifications, as my learned colleague now reminds me, appointed by the Cabinet of Trinidad and Tobago.

Sen. Deyalsingh: Real doctorates.

Sen. Singh: [*Inaudible*] PNM, yuh forgetting [*Inaudible*]

Sen. F. Al-Rawi: The fact is that 91 recommendations stand on the table, made mention of by this Government, repeatedly, whilst on the campaign trail, in fact, appearing in their manifesto, appearing in a budget in 2010. What did they have to say? “We will put this into effect with urgency. We will ensure that this comes in with urgency.” It was part of the 120-day plan that public procurement would be put on the table—celebration in the first budget when Mr. Dookeran, hon. Minister of Finance as he was then, trumpeted, “Done!” But, it is only in fact, recommendation 56 of the Uff Commission which speaks to legislation. That leaves 90 other recommendations that are not being attended to.

So the hon. Minister of Finance and the Economy has said in this presentation of the Finance Act and, in fact, in October 2012, on October 01, when he delivered his budget speech, he specifically referred to again how this Government was going to drive this economy in terms of performance. He projected a 2.5 per cent growth in the economy—not upon energy services, to correct my learned colleague, the Minister of Energy and Energy Affairs, but on services and distribution. He specifically had to say, on October 01, 2012—and this is with your permission, Mr. President, I am sure at page 21:

“Our approach to achieving this objective will rely on three distinct strategies: strong law enforcement; sustained social intervention, especially for at risk youth and strengthening of the criminal justice system.”

He then went on to boast about, no murders in Laventille then. He then said at page 25:

“The private partners would undertake a number of activities associated with public procurement to design/build/finance/operate and maintain the capital asset to the specifications established by the Government. This Government will put processes in train in fiscal 2013 for several projects utilizing the PPP modality. These projects have already been reviewed by an internationally based consultant and I outline them here for the benefit of our private sector...”

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This was repeated today in his presentation on the Finance Act. But, in October 2012, the hon. Minister reflected upon one, two, three, four areas of PPP modality introduction, again featuring today.

Mr. President, he specifically, at the end, included:

“For the Ministry of Justice, four building complexes for accommodating High Courts in Trincity, Carlsen Field, Sangre Grande and Penal. [*Desk thumping*]”

That is as it reads.

5.30 p.m.

We all know, Mr. President, that the hon. Prime Minister in the budget contribution in October of 2012, the hon. Leader of Government Business in the Lower House in his budget contribution, the hon. Minister of Justice in her maiden contribution to this Senate on October 15, 2012, all spoke to the arrangements which prevail and the need for transparency in the public procurement exercise.

Mr. President, I wish to remind this honourable Chamber and, through you, the national community of my learned friend, the hon. Minister of Justice, Sen. Christlyn Moore’s contribution on October 15, 2012. She specifically—in reflecting upon the \$800-odd million allocated to the Ministry of Justice by the Appropriation Bill in 2012, it in fact being \$856,139,830—went through a checklist of projects that would be dealt with by her Ministry and, very importantly, in chastising a contribution made by my learned colleague, Sen. Cudjoe, she said that there was need for more measures, et cetera. My learned colleague had to say at page 148 of her contribution:

“Madam Vice-President, if necessary”—sorry, she was dealing at this point with the legislation and dealing with the Administration of Justice (Indictable Proceedings) Act. I will come back to this point in a short while, but she was dealing with the heading as she entitled it: “New courthouses.”

Mr. President, she was speaking about courts being in locations that are nearer to residential centres, and that being one of the main strategic intents of the Government, again featuring in this presentation today the construction and transparency issues. She says at page 149:

“Therefore, it is with these future legislative and systemic improvements in mind that the Ministry of Justice has begun work to construct judicial centres across Trinidad and Tobago. More specifically, the courts will be placed in Tobago, Trincity, Sangre Grande, Penal/Siparia and Carlsen Field.

Each judicial centre, where appropriate, will typically house four Magistrates' Courts and four High Courts, including adjunct services, such as probation and legal aid. The Ministry of Justice expects to turn sod for each of these courts during the fiscal year...;"

So we are in the centre of this debate right now, Mr. President.

My learned colleague, Sen. Moore, specifically, reflecting upon the Ministry of Justice, had to say that the Ministry of Justice has made considerable progress, at page 157, that there is:

"...collaboration and consensus"—being—"our watchwords—meaningful and lasting reform...the attainment of justice that is swift and certain at all times; justice of a superior quality; the provision of a superior quality service and efficiency; and justice that is restorative..."

Then she went on to reflect at pages 158 and 159. She dealt specifically with an issue which was then very hot and, that is, the BOLT arrangement that prevailed in the THA.

Sen. Hinds: Oh, yes, I remember.

Sen. F. Al-Rawi: She said, without going into any material there that is perhaps now sub judice with judicial review, leave to bring judicial review proceedings into that contract having been given—and I want to point this out. The Tobago House of Assembly published on its website [*Desk thumping*] all information relating to the project, notwithstanding, no compulsion or obligation on its part to do so. But my learned colleague, Sen. Moore, had said at page 158 she wishes to echo Sen. Cudjoe's sentiments and she quoted:

"'The bolt has hit the fan.' It is clear that she has a nuanced perspective of this matter, and perhaps ought to tell us with a bit more particularity: a bolt of what? [*Desk thumping*] A bolt of what has hit the proverbial fan? When we consider the Milshirv BOLT arrangement in particular, as opposed to BOLT schemes in general, we must ask certain questions. For example: why were there no requests for proposals with this particular BOLT that hit this particular fan? [*Desk thumping*] Why was there no site analysis plan for this particular BOLT that hit this particular fan; [*Desk thumping*] no design charettes showing in-depth analysis of the needs or wants of the intended beneficiaries, no cost benefit analysis, no feasibility study, [*Desk thumping*] no due diligence, no comparative conceptual analysis to see if this proposal was the best proposal? the BOLT did hit the fan."

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So, Mr. President, here we have the hon. Minister of Justice “peltin’ stone” like there is no tomorrow, figuratively, in terms of language, because she is a lady and would never do something like that literally.

Sen. Hinds: What? You did not [*Inaudible*]

Sen. F. Al-Rawi: Mr. President, the fact is, we had the hon. Prime Minister speaking about it in her contribution; the hon. Dr. Roodal Moonilal, Leader of Government Business speaking about it; my learned colleague, Sen. Moore speaking about it with serious thunder and desk thumping and applause. But lo and behold, in my research for this debate, I had cause to access the JCC’s website in the context of the statement that the Ministry of Justice has commissioned plans, plans have been dealt with, they are going to turn the sod, we are going to use PPP modalities and the phrases of justice needing to be a new kind, a transparent kind by this Government, what did I find on the JCC website? I was staggered.

On the JCC website there is string of correspondence for public scrutiny, specifically comprising six letters, five of them from the JCC, one from the Ministry of Justice. Five of them, one only being responded to, to say we will get back to you. But, Mr. President, the JCC which comprises the Association of Professional Engineers of Trinidad and Tobago, the Institute of Surveyors of Trinidad and Tobago, the Trinidad and Tobago Contractors Association, the Trinidad and Tobago Institute of Architects, all stood to remind the Government, the then Minister of Justice Herbert Volney, as to the need to pronounce upon the Uff implementation.

They reminded him, in fact, of the first Cabinet meeting held in Trinidad and Tobago after May 2010 as published in memory, easy to access on the *Trinidad Express Newspaper*, June 04, 2010, an article entitled:

“Volney to act on Uff’s UDeCoTT’s report

Minister of Justice Herbert Volney has been given the responsibility of developing an action plan over the next six weeks for the implementation of the 91 recommendations of the report of the Uff Commission of Enquiry into the Urban Development Corporation of Trinidad and Tobago (UDeCOTT) and the construction section.”

So there they are reminding the hon. Minister of Justice, then and now in fact, of the need to implement the Uff recommendations. There they are as well, speaking about the very judicial complexes which I have referred you to, Mr.

President. What was the complaint, Mr. President? The complaint as set out in the JCC's letter dated May 07, 2012 to the hon. Herbert Volney who was then Minister of Justice, specifically reflected upon the propose judicial centres and the design and procurement.

Now, Mr. President, I need to stop for a moment to say that there are four important areas that are associated with these judicial complexes. One is, of course, the Central Tenders Board legislation which governs procurement in this country; two is the handbook by the Ministry of Finance on Central Tenders Board operations; three is the Engineering Profession Act; and four is the architectural registration legislation in this country. If I am not mistaken, section 23 of the Laws of Trinidad and Tobago as contained in the Central Tenders Board Ordinance—section 27B(1) says:

“For the purpose of this Ordinance the Board shall have, subject to subsection (2), the sole and exclusive authority to act for, in the name and on behalf of, the Government and the statutory bodies to which the Ordinance applies in appointing consultants in connection with any project.”

And, Mr. President, the Government of the Republic of Trinidad and Tobago, Ministry of Finance, Central Tenders Board Handbook of Guidelines for Consultancy Services, specifically at page (iv) says and provide particulars as to procedures for hiring consultants:

“The Ministry/Department/State Agency requesting the engagement of the Consultant should have established the objectives for the...(RFP)...Terms of Reference (TOR) for submission...

...invite expressions of interest from prospective Consultants through a public notice...

An Evaluation Committee”—must be—“approved...”

Laws of Trinidad and Tobago, and what happens in this case?

Whilst my learned colleague, the Minister of Justice, is in a figurative sense huffing and puffing and throwing bolts around, no pun intended, what happens?

Sen. Hinds: “Gobar.”

Sen. F. Ali-Rawi: The Ministry of Justice obtains services of two engineers and one architectural entity, all from Houston. I am advised that a cost of \$3 million, perhaps US dollars—and, Mr. President, do you know what the spectacular thing is? No Central Tenders Board operation or inclusion, no advertising, no RFP,

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no scope of services. Nothing! Absolutely nothing! Then we have this Government here, coming to the Parliament to try to preach to people here, that they are following correct procedures and that they should be entitled to litigate upon issues of procurement, using the resources of the State. Here we have the Ministry of Justice,—the Ministry of Justice, Mr. President—adhering to absolutely none of the requirements of the law in Trinidad and Tobago. None! [*Desk thumping*]

So we have the architectural plans created—I have seen them in fact—run-offs of US courts. I had to take one of the architects who was giving advice to contractors who were going to build these complexes which sod is to be turned as the Government has announced in the budget just gone—I had to take one of the architects on a tour of the Hall of Justice, and when we looked at the plan and what the Hall of Justice is, and I explained to him the rubbish which he held in his hand, he was shocked [*Interruption*] because it was rubbish. It bore no resemblance at all to the workings of the Bar in Trinidad and Tobago. None! No workings to the workings—no resemblance or reflection upon the workings of the juries in Trinidad and Tobago, or the judge in Trinidad and Tobago, or the public gallery in Trinidad and Tobago in the Assizes, or even in the civil courts. Nothing!

Sen. Hinds: Are you serious?

Sen. F. Al-Rawi: And yet we have paid architects and I challenge the Minister of Justice right now, through you, to tell me that they have not paid for these services without Central Tenders Board operation, inclusion or advice.

Sen. Hinds: What?

Sen. F. Al-Rawi: I challenge the Minister of Justice now, through you, Mr. President, to tell me that I am mistaken and I will humbly apologize.

Sen. Hinds: She was not there for 25 years.

Sen. F. Al-Rawi: I would be apologizing because the public documentation, if that turned out to be an error, does not give us any form of reflection by way of answer from the Ministry of Justice that they have obeyed the laws of this country.

So, Mr. President, we heard the hon. Minister of Finance and the Economy tell us 18 months for the production of legislation, 18 months for the outfitting of rules and regulations. Do you know where that takes us to? This takes us to when this Government is out of office. [*Desk thumping*]

Sen. Singh: Dream on!

Sen. F. Al-Rawi: We have had by way of an approval, in this Parliament, \$208 billion of revenue for this Government. Two hundred and eight billion dollars including the budget in October.

5.45 p.m.

Sen. Hinds: Speak man! Speak man!

Sen. F. Al-Rawi: And what happens? Pelting stone, figuratively; lashing people, figuratively—*[Interruption]*

Sen. Hinds: Calling people “mangy dog”.

Sen. F. Al-Rawi:—suing people in reality; and it is “de kettle calling ah clean pot black”.

Hon. Senators: Ooooooh! *[Desk thumping]*

Sen. Hinds: Well said! She has not gone back to Lambeau since.

Sen. F. Al-Rawi: So, Mr. President, I cannot take any form of comfort that this Government is capable of showing the way, the truth and the light to anyone in this country, because there is another very spectacular example on the table and I hope that my learned colleague, Sen. Dr. Tewarie, will speak to this.

Sen. Hinds: Who, Goebbels?

Sen. F. Al-Rawi: What has happened to the Central Tenders Board inclusion in the \$1 billion worth of land that UDeCoTT would have been dealing with at Invaders Bay? Take a leaf—*[Interruption]*

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes. *[Sen. F. Hinds]*

Question put and agreed to.

Sen. F. Al-Rawi: Thank you, Mr. President. What has happened to the Invaders Bay project? Perhaps the hon. Minister will regale us with whether title has, in fact, been offered or passed to those successful candidates.

Sen. Deyalsingh: “Dey have ah deed?”

Sen. F. Al-Rawi: Whether they can, in fact, receive a deed of lease, some form of conveyance or disposition? How is that going to operate?

Hon. Senator: “Ask ah question!”

Sen. F. Al-Rawi: Because, Mr. President—famous line from the hon. Senator: “Ask ah question”. Duck and run figuratively! “Ask ah question, we will come back later.” We are sitting in this Parliament, this is the eighth time that we are doing substantive work since July last year and he wants a question. When will it be answered?

Sen. Deyalsingh: Answer the question on CAL.

Sen. F. Al-Rawi: So, Mr. President, we need look no further by way of good example than the THA. Publish on your website all the information and advice [*Desk thumping*] which relates to the project. Follow the PNM’s example in Tobago. Simple! Comply with the Uff recommendations because the judicial complexes comprise \$1.2 billion worth of development. Not small money of the US \$3 million—if that is the figure—in relation to architectural and engineering fees.

Mr. President, \$1.2 billion worth of investment! Add that to the \$1 billion worth of land being disposed of, and tell those successful candidates, who have worked hard in complying with the short RFP offered in the UDeCoTT Invaders Bay position, tell them, give them comfort, that they can get vested with some land. I challenge them to be able to do that openly so that you can truly encourage people to invest in the construction sector in this country, so that you can truly encourage people to believe in a transparent PPP modality. Or, if you do not want to do that, take another leaf from the PNM book and call a commission of enquiry into yourself.

Sen. Hinds: “Not dem! Dey wudn’t even go!” [*Desk thumping*]

Sen. F. Al-Rawi: But we do not need to ask a question, we do it in public. We publish it, Mr. President. This Government has a penchant when it suits them to publish advice which is privileged information. Yet, on important issues, the subject of expressed concern by people including the JCC and others, silence and hiding behind the veil of privileged advice.

Statements by the hon. Attorney General: Process is legal thus far. What does that mean? Mr. President, before I run out of time—what does that mean? Let me switch gears to the construction sector as reflected in this Bill. What does the clause that deals with the write-off of corporation taxes mean? Clause 9 of the Bill, page 38 of the Bill—sorry, the old Bill that I had which I prepared on—“...Income Tax Act is amended, Chap. 75:01”. Flip to page 40, we have here a very laudable intention that you give people concession for the construction sector investment. We are telling them, “Look, we will write-off taxes for you. Gains and profits.”

But, Mr. President, look at the language of this Bill: 45C—this is in paragraph (d) when it speaks to a new section 45B—after 45B, insert 45C. it says here—
[*Interruption*]

Sen. Hinds: Sub what?

Sen. F. Al-Rawi:—45C(1) at page 40 of the old Bill. It says that:

“...gains or profits derived from the initial sale of a residential house site, being part of a land development project, provided the owner of the land produces a certificate from the Minister with responsibility for housing in support of the claim for exemption.

(2) The certificate referred to in subsection (1) shall certify that—

(a) the land development project...

(b) the proceeds of the initial sale...”

I have focused on those words, Mr. President, because next to those words are my notes which are very simple notes—question mark, question mark, question mark. But what on earth is the Minister of Housing, Land and Marine Affairs required to do in giving this exemption?

Mr. President, the publications in the *Gazette* as to responsibilities of Ministers: the Minister of Housing, Land and Marine Affairs has responsibility for housing in the public sector essentially, but it is the Ministry of Finance and the Economy that deals with Town and Country Planning. The HDC—
[*Interruption*]

Hon. Senators: No, no, you are wrong. Ministry of Planning and Sustainable Development.

Sen. F. Al-Rawi: Mr. President, Ministry of Planning and Sustainable Development, forgive me.

Hon. Senator: Get it right!

Sen. F. Al-Rawi: The Ministry of Planning and Sustainable Development—and if I could pull things faster to my chest, because of my arm, I would, but the *Gazette*, Friday, July 06, 2012, it is, in fact, the Ministry of Finance and the Economy with Central Tenders Board, and in fact, Town and Country Planning comes under the Ministry of Planning and Sustainable Development. Right?

Hon. Senator: That is what we were saying.

Sen. F. Al-Rawi: So where does the Ministry of Housing, Land and Marine Affairs come into this? Where are the resources of the Ministry of Housing, Land and Marine Affairs to deal with this? How many building inspectors? How much division manpower does the Ministry of Housing, Land and Marine Affairs boast to deal with a certification for tax write-off perspective in respect of housing and land development? What does “land development” mean?

This clause, as proposed, totally ignores the fact that the vast majority of land development, in the broad sense, conducted in Trinidad and Tobago, is done in joint venture. So the owner of the land to whom you are giving the exemption is, in most instances, not the developer or the joint venture company that does it, because you are facing the stamp duty bounce if you do it that way, to put it crassly. So you are giving the owner of the land the exemption, the developer who is expending all the money and who is paid usually in the tripartite agreement—the owner, the developer and the purchaser—when you are subdividing. This is material that you would be familiar with, Mr. President. Usually, in that tripartite deed, the land developer, who is spending the real money for tax purposes, gets no benefit under this law. So how are you encouraging the development in the construction sector? How? It reeks of lack of attention and understanding into the construction industry.

Sen. Hinds: If your name is [*Inaudible*] or Michael [*Inaudible*].

Sen. F. Al-Rawi: Mr. President, who, in Trinidad and Tobago, now has all of the resources ready? Who? Does this include the Minister of Housing, Land Marine Affairs, who has no business in this business, his certification for projects that are bought over and that have stalled? Walk through Trinidad and Tobago, Mr. President, you will see housing projects which have stalled. What happens if somebody comes along and buys the project over and starts the construction at a date after? What genuine effort of relief does he receive? Those are low-hanging fruits.

But most respectfully to my learned colleague, Sen. Howai, who is an ex-banker, who is still a banker in his DNA, surely—and I mean this most respectfully—he could not have attended the legislative meetings when this Bill was drafted. He could not, Mr. President, because the practical workings of the construction industry and land development bear no reflection to who is required to get the greatest relief here or genuine stimulus here. Nothing! [*Desk thumping*]

He could not have attended the LRC or the Cabinet when it approved the inclusion of a compulsory buy-in for national insurance which any two-by-four lawyer or two years in Parliament would know that you need a three-fifths majority for. [*Desk thumping*] He must know that! He could not have attended those meetings

when the inequality for which there is a prohibition in sections 4 and 5 of our Constitution, where people in similar circumstances are to be treated similarly, came up in contravention in the national insurance provisions. It was no benevolence on the Government's part to withdraw those provisions; it was boldfaced lack of shame. It could not stand, it is unconstitutional. "Cyah happen". Not passing "Go".

Sen. George: "Yuh bawling, yuh bawling."

Sen. F. Al-Rawi: Yes, I am bawling. I am vex!

Hon. Senators: Aah! Tell them that! [*Desk thumping*]

Hon. Senator: "Cool yuhself nah."

Sen. F. Al-Rawi: I am vex, Mr. President, because you could call me a fool but do not treat me as a fool.

Sen. Ramlogan SC: "Dat is de man who talk bout decorum, yuh know!"

Sen. George: "Oh god, oh god, doh go down dey."

Sen. F. Al-Rawi: Mr. President, I have great regard for my learned friend, hon. Attorney General, who has just graced us with his presence. He was researching in the library too.

The fact is, the Ministry of the Attorney General, the Minister of Legal Affairs, his Ministry, the Ministry of Justice, the Office of the Prime Minister which has charge and responsibility under the *Gazette* for constitutional matters, for heaven's sake, \$51 billion worth of revenue passing through your hands as a Government, and you cannot get the legislation right to bring it to this Parliament?

Mr. President, this Government has got to do better.

Sen. Hinds: "Can't."

Sen. F. Al-Rawi: They cannot keep coming at the last minute, bringing ill-thought-out legislation for the Opposition to fix for them, and when the Independents pass two "bouf" on them, to call them "PNM" too.

Sen. Beckles: "Dey hurry to call dem PNM."

Sen. F. Al-Rawi: So, Mr. President, the fact is: do some work, Government of Trinidad and Tobago. Do some work, Executive! Hon. Minister of Justice, tell me I am wrong, and I will apologize.

Hon. Senators: “Yuh wrong. Yuh wrong.”

Sen. F. Al-Rawi: Tell us what has happened with UDeCoTT and Invaders Bay.

Sen. Maharaj: “Ask ah question.”

Sen. F. Al-Rawi: “Tell us where we going.” Mr. President, at least read your *Hansard*. Remember the history, talk to the man six inches away from you, as my learned colleague, the Minister of Energy and Energy Affairs, could have done with the Minister of Food Production, who is very comfortable today whilst people marching outside his Ministry—farmers in this country; travelling to Guyana, he is, through you, Mr. President, to find land to grow and get farmers to grow produce for the food basket in Trinidad and Tobago, crash and burn all the good work by Sen. Bharath in food.

Sen. Beckles: “Yeah, true!” [*Desk thumping*]

Sen. F. Al-Rawi: Farmers marching outside for land and “he cyar” even meet with them. I find it reprehensible, Mr. President, and that is why I am upset [*Desk thumping*] because there is work to do!

Sen. Hinds: You have to complain to Sat Maharaj. “Only Sat could fix dat!”

Sen. F. Al-Rawi: Government has got to ship up—[*Interruption*]

Sen. Beckles: “Or shape out!”

Sen. F. Al-Rawi: I am saying ship up, pull their partnership together.

Sen. Hinds: Both.

Sen. F. Al-Rawi: There are some people that say that the partnership sank in the Buccoo Reef. [*Laughter*] They have got to pull themselves together and do better.

For heaven’s sake, for the last time, my learned friend, the hon. Attorney General, is sitting where the Leader of Government Business normally sits and he is a gentleman that listens.

Sen. Ramlogan SC: Who?

Sen. F. Al-Rawi: “Publish your legislative agenda, nah. Publish it nah.”

Sen. Hinds: A legislative agenda!

6.00 p.m.

Sen. F. Al-Rawi: “Big plans as to what legislation coming and going, we doh have a clue. I get a Bill at 1.30 today on my desk to look at; 1.30 today!” You could pull section 48(2) of the Standing Orders all you want, we as Senators are required to pay attention to the business of the people. We are required to have

full and frank disclosure to make intelligent commentary on our Bills, and they cannot keep hiding material to their chest. [*Desk thumping*] This will not stand in the context of a Government that owns section 34. [*Desk thumping*]

Mr. President, there is a lot that this Opposition Bench has to say this evening.

Sen. Beckles: “Yeah. Yeah, man.”

Sen. F. Al-Rawi: My learned colleagues, Sen. Deyalsingh, Sen. Beckles and Sen. Hinds are going to continue, the baton is being passed to them. Reflect over Carnival, Government, get your act together and let us get on with the people’s business.

I thank you for the opportunity to contribute. [*Desk thumping*]

Sen. Dr. Rolph Balgobin: Thank you, Mr. President, for blessing me with the opportunity to say a few words on the Finance Bill, 2013. I have noted what has been said in the debate so far, and I would like to take a slightly different tack given what has been said.

I would begin with the observation that I think that we are actually as a democracy maturing nicely and progressing well. I say that in the teeth of significant opinion to contrary, but I am drawn to pick up where my colleague, Sen. Al-Rawi left off in his observation, that the UFF Commission of Enquiry produced a voluminous document with many, many recommendations and we would probably, as a society be the healthier and the wealthier, certainly more efficient and less corrupt, for their rapid adoption and implementation. But I was minded to consider that the UFF Commission of Enquiry, to my recollection, was not something that the Government willingly acceded to. My recollection was that the Government of the day bowed to considerable public pressure, in appointing a commission of enquiry into the construction sector.

Sen. George: Did they? Did they?

Sen. Dr. R. Balgobin: And I am minded that we see the same thing with the incumbent, with the present Government, which had bowed to considerable pressure when we looked at the—well, gymnastics as it were of Dr. Wayne Kublalsingh in asking for or allowing an independent review; again, bowing to public pressure. So, Mr. President, I am of the view that far from seeing a degradation in the quality of our democracy we are, in fact, witnessing a transformation—a transformation in our governance.

Finance Bill, 2013
[SEN. DR. BALGOBIN]

Wednesday, January 30, 2013

We, now in Trinidad and Tobago have unprecedented oversight. It is a fact, citizen activism is at a level at which it probably has not been, if ever, certainly in the last 20 years. The media for good or ill, is alive and well, and very keen to investigate and publish their findings. We may not look so good right now, but I am firmly of the view that we as a society are travelling to a good place. It is in that context that I wish to make a short contribution on this Finance Bill. While there are significant areas that present opportunities for fine tuning and for amendment, my preference is to look this afternoon at the intent of the legislation, and tie that into what the specific provisions and recommendations are.

I will begin as they say “at the end” in looking at the provisions relative to the Companies Act, and notwithstanding Sen. Al-Rawi’s contribution, I found some things in there to feel pretty good about. I certainly am of the view that nothing is wrong with changing the penalty from yearly to monthly to ensure compliance. My hope—and perhaps the Minister of Finance and the Economy may disabuse me of this suspicion—is that this is not a revenue-generating attempt by the Registrar of Companies. I would say that—I would come back to that in a moment. I would say that my belief is that mechanisms like these are very good for compliance and are to be encouraged.

However, I will make the point that I have made here before to the hon. Minister of Finance and the Economy, and that is to say that the Registrar of Companies is virtually impossible to deal with; that the majority of small businesses—well small businesses make up the majority of the business stock in Trinidad and Tobago, and small businesses will find it extremely difficult to get past the Registrar of Companies on an ordinary day. For those of us, myself not included, but for those present or listening who practise law, one can understand why the legal profession would feel a sense of gratitude, for the existence and operations of places like the Registrar of Companies, simply because only a lawyer can navigate what happens inside there.

If we want to impose these kinds of penalties, we simply must modernize the operations of the Registrar of Companies. I believe there is still only one office in Port of Spain. I stand to be corrected on that score. It cannot be that you have to “pinball” around the island to go to this office to file your declarations; you are rebuffed because you did not fill out a form properly and then you have come back. If you are charging people monthly, then you are talking about really costing people money, if they have not filled out a form properly and must leave and return.

So, I am minded to contemplate whether, for example, the Electronic Transactions Act does not permit for us to engage with the Government, electronically—I thought that was the intent—and whether, in fact, some of the operations of arms of the State such as the Companies Registry could not be, in fact, put online. I make this point in the context of what else obtains in the governance landscape in Trinidad and Tobago. A great example would be the Integrity Commission which has just written, I believe all of us, a nice letter. I have highlighted a little section there, quite useful, if I may just refer to it. It says:

The prescribed forms...

Which these very, very difficult forms [*Sen. Dr. Balgobin flips through pages he is holding*] to fill out, because of how much data they require and then when we are done, we are expected to repeat that in some unrelated spaces in a whole other form. Here is what they have to say:

The prescribed forms...

Which would be these—[*Sen. Dr. Balgobin holds up a sheaf of pages*] can now be obtained online by accessing the Commission’s website.

So far so good:

The forms obtained at the website can be completed electronically and forwarded to the Commission as described below.

So far so good:

Note that forms should not be sent electronically. [*Laughter*]

Sen. Deyalsingh: Are you serious?

Sen. Beckles: Yes. He is. He is.

Sen. Dr. R. Balgobin: So then, with dismay I put this aside and beneath it, however, there is hope. There is an email authorization form. So I say “ah”, perhaps this was a form letter and, in fact, modernization has come. Not to be. At the base of the first paragraph it says, and I quote:

Please note that at this time the Commission does not accept electronic filing of the declaration of income, assets and liabilities and statements of registrable interest. However, please sign this authorization here so that we can communicate with you electronically. [*Laughter*]

—instead of threatening you by registered mail. So, I found that quite interesting, because if you look at these forms, for example, and how we interface with Government, it is very possible to develop a software solution which allows someone to fill out one part of a form and have it populate the related part. Why is it that we waste all of this time engaging with the State in such inefficient ways?

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I am also minded to note that today I received an iPad. I felt very happy when I got it because two years ago almost exactly, I was sitting here on an iPad. I think the *Newsday* or somebody took a photograph of me and I think some people in the public domain appeared to suggest that I was in breach of some sort of House rule.

In fact, I remember someone was making a contribution and someone from the parliamentary staff came over here very quietly to whisper to me, “Senator, could you please not so obviously be looking at your iPad, it is showing up on the television camera.” So, I trusted, Mr. President, rightly so, in your infinite resource and sagacity; and I ignored the request, completely. I continued to use my iPad happily, in the fervent and firm belief that you—as all right-thinking Senate Presidents—would recognize, that we are, in fact, in the 21st Century and are not operating here in a medieval space.

So, here we are trying to grapple with questions of efficiency and effectiveness and we are always talking about competitiveness and productivity. Well, it involves being more efficient in terms of how we deal with Government, and too often too many of us have to take an entire day to go and get something done with the Government, whether it is a passport or a driver’s permit or an ID card, or go to the Registrar of Companies or whatever. What these things do is impose transaction costs on our economy for no clear benefit.

Recently, I went to renew my driver’s permit and was told by the person—the line was quite full, there was one person in it, me. The person took their time and did their thing, and then said I must line up by the cashier. So, I said, “Where is the cashier?” The cashier as it turns out was next to them. I stepped to the side in front of the cashier. Then they said, “No, you have to step back until the cashier calls you.” I looked left and I looked right but, there was not anybody else in the line, there was not anybody else around but they would not serve me until I stepped back. So, I stepped back and then the cashier called me, then I stepped forward. I paid my money and away I went. I was ever so grateful.

We cannot continue to deal with citizens like that if we want to have an efficient economy. That is what encourages me so much in this legislation, because we are beginning to establish performance standards inside here, when we say if you apply for a VAT registration you must get it within—if you apply for a BIR number, you must get it within a particular period of time. This is very, very commendable; very, very commendable, and we ought to do it really for all of the things that citizens have to do in dealing with the State.

There are many people, for example, who apply for firearm user's licences, and have no idea where their applications are, and there are very many other things that people apply for, and there is no sense of where in the process these applications are, how long this is going to take and so on. So I make those comments to say that what I am seeing in this legislation is encouraging and I am very happy to witness it.

My other comment, Mr. President, relates to clauses 14 and 15 of the Bill, and just to say that there is an opportunity here to define who a returning resident might be because I have seen people who have gone abroad to study, labelled themselves "residents" and come back and claim.

6.15 p.m.

What is the purpose of this really? I know that there is a set of existing provisions in place which we are merely amending, but there is a good opportunity for us to ask ourselves: is it that we are trying to create a facility for students abroad, who have purchased things, to bring them back when they are coming, or is it that we are trying to attract skilled nationals who have emigrated and we now wish for them to return?

Mr. President, when I looked at clause 9(c), (d) and (e), while I can identify with or relate to some of the things that Sen. Al-Rawi was saying, from a strategic perspective, I was very encouraged to see this kind of provision put forward. Clause 9(c), for example, and the amendment to section 43, takes clear cognizance of the fact that \$450,000 today probably would not build a board house. So we are looking here at not just house building, but the nature of householding. It is encouraging to see the levels raised and I am very happy to see any action by Government that encourages house building and an increase in the housing stock.

I am mindful of the recent experience that we had in the Ministry of Housing, Land and Marine Affairs where a woman who was homeless with, I believe, three children appealed to the Ministry of Housing, Land and Marine Affairs for housing. I do not know if it is the Minister of Housing, Land and Marine Affairs or the head of the HDC who intervened and offered them an apartment at Mon Repos. What happened next a comedy writer could not conceive of. The offer was rejected on the basis that the apartment was in a "bad" area and I believe that the phrase used, if not the sentence, was: "I do not want an apartment, I want a house."

That is precisely the kind of self-interested selfishness that we have grown citizens in this country accustomed to: "Do not worry, we will feed you. Live how you want, when you get sick, we will take care of you. Spend your money, we will build a house for you." So these values of frugality and self-reliance are not there, we are eroding them.

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And so I felt very sad for whoever was in the HDC or the Ministry Housing, Land and Marine Resources at the time because I felt, well, if you are dealing with someone who is standing in a place where the laws of gravity are operating differently, how do you communicate? If you are talking to a Martian, do you have some sort of universal translator that allows you to understand them and allow them to understand you? Why have we got to this place where people have crises, some of them manufactured—not all—but some of them manufactured so that they can avail themselves of a government property?

So, I encourage private house building and I am very pleased to see it and I want to encourage people to take mortgages and to build their homes and reduce this reliance on renting and paying somebody else's mortgage for them because a householding citizen is a more responsible citizen. If the Government gave you a property, you are far less likely, in my view, to be responsible. You did not build it, you got it. Yes, it is yours. Yes, you may feel a sense of ownership—[*Interruption*]

PROCEDURAL MOTION

The Minister of Works and Infrastructure (Sen. The Hon. Emmanuel George): Mr. President, I beg to move that this Senate do now sit until the conclusion of the business at hand.

Question put and agreed to.

FINANCE BILL, 2013

Sen. Dr. R. Balgobin: Thank you, Mr. President. And so let me turn quickly now to clause 10 and I will say that, of course, this is sensible as we try to ring-fence the Clico investment fund and to make appropriate arrangements to ensure that it and the institutions that deal with it enjoy the relevant tax exemptions.

On that matter, I would encourage the Government to be extremely careful in dealing with the liquidation of any assets owned by Clico or CL Financial or any of the other asset-holding entities within that group, simply because we are living in an environment where anything you do generates controversy and allegations of corruption.

At present, we have a situation where people are asking about the sale of the malls and the hotel, the Holiday Inn Express, and I would like to invite the Minister of Finance and the Economy, at some point—I am more than happy to give way—to clarify this process so that we make sure that the people of Trinidad and Tobago, who bailed out Clico, well the group, are clear on what is being done; how it is being done; and why it is being done. Yes, I can file a question, but I do not see why I should.

Sen. Howai: I will deal with it in the wrapping up.

Sen. Dr. R. Balgobin: Then I am more than happy to accept that and encourage that. I also think here that making people clear is one thing, but I feel that I am also here concerned about the public reaction to the offering of contracts. Every Government that we have had for the last 20 or 30 years, there are always allegations of corruption when contracts are issued. Mr. President, the problem that I have with that is that we are rapidly making it easier to do nothing. We are making it easier to do nothing.

I remember when I was small, my parents had some wooden plaque, I do not know if Confucius actually said it, but it said:

“Confucius say, ‘Man who do very little make very few mistakes.’”

How have I come to live in such a time—[*Interruption*]

Hon. Senator: “Well dey do little and dey make plenty mistake.” [*Laughter*]

Sen. Dr. R. Balgobin:—where anything that is done, anything that is done is challenged to, in some respects, an unhealthy beating? It is not good for our democracy and for our society for us to be going down that road.

I have looked at some of the noises being made and I am concerned that some of the noises made about contracts have as much to do with self-interested elites in this country as anything else. If it is that we have self-interested elites in this country, who are accustomed to getting state contracts and, all of a sudden, you are widening the pool; so they do not say anything when they are getting a big contract; nobody says anything, but when somebody else gets a contract, it is a problem. [*Crosstalk*] It is corrupt, it is racist, it is—and, you know, we should have very low levels of tolerance for that.

That is why I am so anxious for the public procurement legislation to come forward because I am hoping that we have mechanisms inside of there to recognize spurious allegations quickly and dispense with them.

Hon. Senator: Indeed! Indeed!

Sen. Dr. R. Balgobin: When an untrue allegation is made in this society, it is repeated so often that it becomes like truth. [*Desk thumping*] It must be, Mr. President, the “sapatay” clay or we have a sticky wall; but when we pelt mud at something, man, it sticks—[*Interruption*] [*Desk thumping*]

Hon. Senator: Bound to.

Sen. Dr. R. Balgobin:—and that cannot be how we develop a society. It is unhealthy and it has reached unhealthy proportions.

Hon. Senator: “Resmi was mud.”

Hon. Senator: “Resmi was mud. Section 34 was mud.” [*Crosstalk*]

Sen. Dr. R. Balgobin: I think that there is an opportunity for rational—
[*Interruption*]

Mr. President: Senators!

Sen. Dr. R. Balgobin: Thank you, Mr. President.

Hon. Senator: Distracting the Independent Senator.

Sen. Dr. R. Balgobin: Well, I do not mind just stopping and letting them finish. It is not a problem. Are we all done?

Mr. President: Senators, if we would listen to Sen. Dr. Balgobin in silence. Thank you.

Sen. Dr. R. Balgobin: Are we all done? I am very grateful. I think that one of the unintended consequences of this kind of mudslinging is that we take organizations that have a chance at developing international competitiveness and being globally relevant and succeeding in the global marketplace—and I will tell you something, Mr. President, companies in this country face global pressures far earlier than companies in large economies that can play in a domestic market for years before they ever cross water. We do not have that luxury here. We do not.

So when I listened to the laudable contribution of the Minister of Energy and Energy Affairs—and he is talking about building energy companies in Trinidad and Tobago, [*Desk thumping*] which is a piece of work that we have been doing here—we have been generating quality people who have gone on to staff and, in some instances, create quality companies for many years, and that effort has spanned Governments. I am pleased to see the acceleration and the focus that the Minister has placed on it.

When you take companies like those and call them corrupt; [*Desk thumping*] you call them “tief”, they become embroiled in precisely the kind of dialogue that is destructive; it is not constructive; it does not improve their competitive ability, not an iota. What happens then is that companies in countries like this, afflicted with some of our behaviours, develop the wrong set of competences. They develop competences in political management; mudslinging; preemptive strikes; and these are not things that help them export better. And we need to earn foreign exchange; good news or not from the energy sector, the rest of the economy has to play its part.

I felt that what the Attorney General said to the media on the weekend I identified with. In a sense, how much of some of this mudslinging is motivated by other things. I do not know if it is politics, I do not know if it is sour grapes because “I did not get the contract”, but we need to have a rational conversation about election financing—a rational conversation. It cannot be that a supporter of any political party, to support that party means that you cannot bid on a contract; not in a small economy and a small society. We are bound to “bounce up” the issues and that is true for both major political parties in this country. So I think that—[*Interruption*]

Hon. Senator: Like the COP and the TOP.

Sen. Dr. R. Balgobin: —well the TOP is now at the bottom of the ocean. I look at, for example, news on SIS and these contracts they have received. I looked at the contracts. The biggest was given to them by the last Government. Now that is not to say that the company is or is not corrupt. I cannot speak to that. [*Crosstalk*] I think that we need to be careful and mindful when we issue these things because it cannot be healthy for us to be calling each other thieves. Stop that! Stop that!

Do you know, Mr. President, that for all the crosstalk here, I have lived a fair—I am still fairly young; I am in my forties—but I have sat as an Independent and “seen dem here and dem there and the same talk, the same allegations;” nothing is different and so where are we going? Nowhere good? We must be going somewhere good and so we must amend our approach; amend our behaviour to make sure we reach where we want to go.

6.30 p.m.

In that regard, and my final word would be this: I looked at clause 10(c), and I wish to recognize the efforts of the Government in giving an uplift on expenditure for training. I hold very firmly to the view, notwithstanding the efforts of my very competent Minister Karim, that there continues to be a significant mismatch between the education and the economic systems in this country. It is something no doubt he is trying to repair, but there is a significant mismatch.

We continue to be short on knowledge, skills and ability. For all of our efforts we still cannot find a good plumber, a good electrician, a good mason. You cannot find a good woodwork man. What happens is that you pay them sometimes and they disappear. In a small country I do not know how they do it, [*Laughter*] but they disappear. “Yuh cyar find a good roof man, yuh cyar find a good cupboard man.”

Okay, so that is on the skills side. But guess what? In corporations as well, we are having to pay, and I say we are having to pay because I am a businessman. I am involved in the corporate sector, and I can tell you that graduates from our education system need significant training and development when they graduate. I do not know that they think so. I think they think, “I have my papers, bring me money.” Something is wrong. We need to pay attention to attitude adjustment training in our schools, and not wait until they reach in the workplace. It is in the schools that we have to do it. In our headlong rush to create a secular society, wisdom, spirituality and philosophy have vacated the centre. So we are sharpening people’s intellectual capabilities, but we have loosed considerably our moral or ethical moorings.

I applaud the idea of an uplift, to encourage the companies that receive the graduates from our education system, to continue the work of training them, until the efforts of the Ministry of Tertiary Education and Skills Training find more traction and change the mindsets of the people who are coming through the system, because it does impact our productivity. Many of our institutions—we are such an educated society—are suffering for quality people who are not just trained, but have the right attitude.

This has implications for NIS. The issue with NIS is not the contribution level. An employer can afford to pay it, if the people are productive. If the people are not productive, it is a burden. If the people are productive the employer can earn enough to pay it, and so the issue of a floundering NIS or one that can run aground at some future point does not arise. So I am extremely encouraged to witness that provision.

I have to say, defects notwithstanding, I am pleased with a piece of legislation that at least attempts to translate strategy into operation and drive us forward. I think with the contributions made by my colleagues here we can amend this together, fine-tune it and make it better so we can all benefit from some kind of progression, which is so very necessary in a developing society.

Mr. President, I thank you.

The Minister of Trade, Industry and Investment and Minister in the Ministry of Finance and the Economy (Sen. The Hon. Vasant Bharath): Thank you, Mr. President, for allowing me the opportunity to speak on this Bill, an Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters.

As we all know, essentially this Bill gives legislative legs and life to the measures that were introduced by the Minister of Finance and the Economy in the budget 2013.

I would like to basically address just a couple of points, before I get into the substantive part of my contribution, one essentially made by Sen. Al-Rawi, who was not just Napoleonic in posture but in tone as well today. He spoke with regard to the issue of the fines. In conferring with the relevant public servants, I was informed that in 2012 the fines were actually reduced from \$100 a month to \$500 a year, but because of a significant fall-off in compliance it was felt, upon the recommendation of many organizations like CFATF and FIU, that in order to enable a greater degree of compliance the fine should be raised and done on a monthly basis to ensure that the returns were done on a timely basis. So that was really the reason. But the number is a number, whether in fact it is too high is something I am certain the Minister of Finance and the Economy could have a look at during the course of this year. As you know it could change on an annual basis.

The other issues that Sen. Al-Rawi raised, which were with the Ministry of Justice and construction, I am sure that Minister Moore and the Minister of Finance and the Economy would be far more adequately able to respond.

Sen. Balgobin raised an issue of the Registrar General's Office and the ability to file returns online. Senator, I just wanted to inform you that in fact the entire process for registration and incorporation was only implemented on the single electronic window about two months ago. So you can do an end-to-end registration and incorporation on an online basis, and the module for filing of the documents will be in place in the second quarter, again through the single electronic window.

Sen. Dr. Balgobin: This year?

Sen. The Hon. V. Bharath: Yes, yes, of course. We have started the process. You spoke at length about the need to be able to bring e-services to the citizens. That is in fact the plan, that we are going to start hosting far more services on the single electronic window which would allow citizens of the country not to have to come into Port of Spain, to any government office, but they could actually do it all online. So the filing of returns will be online from the second quarter of 2013.

Another point that you raised, Sen. Balgobin, was the service delivery times. As you have rightly said, we have now incorporated in the VAT Act as well as the National Insurance Board Act service delivery times. It is the first time in the

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history of this country that we have now implemented or enshrined in law service delivery times. The intention is to do more of those, not really as a penalty against public servants, but simply to ensure that they understand the level of urgency required. It is a significant culture change, and I will talk about it a little later on. [*Desk thumping*] It is part of the ease of doing business that we have spoken about over the last six months.

Another issue I will speak about in more detail is the issue of returning residents. The rationale really is to encourage those of our residents and nationals who have lived abroad for more than five years to come back and contribute to Trinidad and Tobago, rather than building another country elsewhere. These are really some of the points I wanted to speak of, just at the outset.

But I wanted to concentrate significantly, Mr. President, on the contribution made by Sen. Henry, because it is not the first time he has spoken at length on the macroeconomics of our economy. One thing I would say about Sen. Henry is that he is consistent, [*Laughter*]

Hon. Senator: Not repetitive?

Sen. The Hon. V. Bharath:—in that he never fails to disappoint with his flawed—I would say flawed—and implausible economic arguments. So that many of his bewildered colleagues who were looking on—and I have said before—nodded in gratified incomprehension, not having a clue of what he was saying. [*Laughter*] In fact, at times, I wondered whether he knew what he was saying.

When I looked at his colleagues in the front row, it reminded me that as a child looking on from the back seat of my father's car, I used to see the cars in front with these little toy dogs, toy animals, nodding away like this. [*Minister Bharath nods*] I think they had zebras and other animals kind of nodding away. I saw them this afternoon, going like this, [*Minister Bharath nods*] and it reminded me, [*Desk thumping*] it brought back the imagery of that time, which was a very happy time, I must say, in my life. [*Laughter*]

This is the last point I am going to make on this. On a serious note, as I said, this is not the first time Sen. Henry has stood in Parliament and spoken about the macroeconomic situation of Trinidad and Tobago in a manner that he would have expected people would have believed. I only hope that this discourse does not happen in his university classrooms, because a number of university students coming, who may have been listening or may be listening to that sort of level of discourse, might actually want to believe it. I hope and pray that he is not taking plums and turning them into prunes at the University of the West Indies. [*Laughter*]

Mr. President, I am amazed at the audacity and effrontery, quite frankly, and I want to be serious, when Senators on the other side—and in many cases because Sen. Henry is the lead speaker as far as the economy is concerned—speak about the economy but forget that we were delivered in 2010 by the PNM to a certain point, where in fact they abdicated their responsibility of running the country. The ship of State was on the rocks. The merry band of sailors abandoned ship, so to speak, not for the first time. We know that it was not for the first time. In midterm they abandoned ship. In a sense, when the tough got going, the not-so-tough also got going, but in the opposite direction.

When one looks back, and Sen. Henry spoke today about when we came into office what we inherited, the facts are there. What we inherited was a significant number of debts that they left behind that could not be paid. We spoke about Clico today, and Sen. Henry also said that if you pump enough money into anything it should be okay, referring to the fact that \$19 billion has been paid into it. But what he neglected to say was that the PNM Government, after having signed the memorandum of understanding and having done nothing, and they cannot dispute that—having done nothing essentially for 18 months—had actually put \$5 billion into Clico. But again, those funds were never managed efficiently or effectively. So the \$5 billion essentially went to pay commissions to agents, as well as continuing to pay the very high interest rates that Clico was paying at the time. So there was no management of the \$5 billion, so the \$5 billion went straight through the system without having any effect.

When Minister Howai was referring to the fact that nothing was done, he was referring to that eighteen-month hiatus, not when Mr. Dookeran came into office and started to manage the process. A lot of credit for what has happened with Clico, in terms of it being resolved, is down to Mr. Dookeran who started the hard work. [*Desk thumping*]

6.45 p.m.

Mr. President, we also inherited a significant VAT refund bill that they had left behind over \$2 million. Contractors were owed over \$600 million. We had over 132—look I have them here—negotiations, 49 of which were in dispute, that this Government settled since 2010; 132 negotiations. [*Desk thumping*]

So, when—they speak about where we came from, that is actually where we came from. We came from a long way behind the eighth ball, so to speak. In the last two and a half years, Mr. President, this People's Partnership Government has altered the economic trajectory of Trinidad and Tobago. One only has to look at the macroeconomic indicators that Sen. Henry likes to talk about, and let us compare them.

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In July of 2010, just two months after we got into office, the inflation rate was at the highest that it had been for 27 years. It was at 16.2 per cent; the highest since 1983, 27 years, 16.2 per cent. Today, the interest rate as a matter of record is 7.2 per cent.

The Heritage and Stabilisation Fund that they like to talk about was at \$3.2 billion, it is now \$4.7 billion, an increase of almost 30 per cent in two and a half years. [*Desk thumping*] At that rate in another two and a half years we would have saved more than they saved in the entire time that the HFS was in existence at the end of our term, at the end of 2015. The import cover was 13.1 months when we came into office. Today it is 14.3 months. Foreign exchange reserves that Sen. Henry spoke about was \$9 billion, today, it \$10.28 billion Mr. President. Unemployment, also, 6.8 per cent when we came into office, today, 5 per cent; what is deemed to be full employment.

When one looks at all the macroeconomic numbers that Sen. Henry likes to talk about, we are way ahead of curve, we have improved on every single number, every single indicator. [*Desk thumping*] And you know what? [*Crosstalk*] They are talking about how much money has been spent in the last two or three years; \$294 billion they spent. In the debate last week they were talking about the Government coming back for the supplementation variation Bill. In the eight years that they were in office from 2002—2010 they came back 17 times; 17 times for more money, 17 times, spent \$294 billion.

You know, I happened to be reading, and I guess it is public knowledge, I just wanted to remind the population that when Lee Kuan Yew came to Trinidad and Tobago in the early '60s, do you know what he said? He said that we would be hampered in our development process because of our Carnival mentality. That is what that Government did for 40 years, they adopted a Carnival mentality.

Sen. Hinds: You sounding like Sat Maharaj.

Sen. The Hon. V. Bharath: They adopted a Carnival—nothing is wrong with Carnival, let me just put that on the table. Nothing is wrong with Carnival, but there is a time and place for everything.

Sen. George: That is right.

Sen. The Hon. V. Bharath: There is a time and place—and the Government adopted a Carnival mentality. Today, Mr. President, after a short two and a half years having inherited negative growth of 3½ per cent when we came into office—in fact, the 2009 [*Crosstalk*] it was first time in 17 years that this country suffered negative growth.

Mr. President: Senators, I am having difficulty hearing Sen. Bharath. Can we listen to him in silence? Thank you.

Sen. The Hon. V. Bharath: Mr. President, as I was saying, it was the first time in 2009 that this country suffered negative growth, 17 years of positive growth before, negative growth of 3½ per cent. We are now seeing the possibility of one per cent growth in 2012, which would mean that we have clawed our way back by 4½ percentage points; 4½ per cent from 2009 through to 2013.

Of course, as the Minister of Finance and the Economy has said both Standard & Poor's and Moody's have affirmed the ratings for Trinidad and Tobago that BAA1 and A-. But in addition to that, there are other signs of growth in Trinidad and Tobago. In 2012, the Stock Exchange in Trinidad and Tobago grew 21 per cent. It was the fifth largest ranked stock exchange in the world as far as growth was concerned; the fifth. [Desk thumping] Mr. President, just hot off the press—[Interruption]

Sen. George: Yes, listen.

Sen. The Hon. V. Bharath:—CSO retail sales:

The Central Statistical Office of the Ministry of Planning and Sustainable Development announces the release of its bulletin on the index of retail sales for the third quarter 2012. The index is an important indicator of movements in the retail trade and it shows that at all sections, levels increased by 14.1 per cent between the second quarter and the third quarter of last year. When deflated by the retail price index the volume of sales by retail establishments increased by 14.9 per cent in the same year.

14.9 per cent in the same year; [Desk thumping] if that does not indicate and point to increased economic activity, I do not know what does. So I want to take an early opportunity to congratulate both Minister Howai and Mr. Dookeran for steering the ship of State—[Desk thumping]

Sen. George: Well done! Well done!

Sen. The Hon. V. Bharath:—with some very steady hands Mr. President. [Crosstalk] Let me say, they say that “God really is Trini” and I think he is because he knew exactly what he was doing on May 24, 2010. [Desk thumping and Laughter]

Sen. George: Nice one. Nice one. [Crosstalk]

Sen. The Hon. V. Bharath: So, Mr. President, in speaking about managing the economy well, I just wanted to briefly speak about VAT because it impacts on inflation, and of course when the Prime Minister announced that we would remove value added tax on most basic food items in Trinidad and Tobago, I know many on the other side scoffed.

Hon. Senator: Yes.

Sen. The Hon. V. Bharath: In fact, many on other side who are normally calm and collected, got very heated under the collar. I see them smiling. [*Crosstalk*] But you see they do not have any sympathy for those who are most disadvantaged in our society.

Hon. Senators: “Ohhh.”

Sen. The Hon. V. Bharath: So that is why they were very critical about those are disadvantaged in our society in having this temporary relief as far as value added tax is concerned. There are many outside, in fact, who have been in the trade for many, many years. I have the permission of the person whose letter I am going to read here. It is a letter from Mr. Balliram Maharaj. Many of us in this Chamber would know who he is, a past President of the Supermarket Association. I will skip the intro, and he says:

When it was announced that the implementation of VAT removal would be done on November 15, 2012 I felt that this was not only ambitious but a mission impossible feat to accomplish.

In fact, Mr. Maharaj held a press conference to say more or less the same.

On November 15 by midday, I had to reconsider my views as there were only very minimal hiccups which I believe that as soon as clarification is gotten will be completed in a few days. Most important and impressive was that the Customs Department had implemented the VAT removal on items as well. This was a phenomenal achievement.

Over my experience for the last 40 years whenever suspensions on duties on certain items such as sardines, for example, were to be implemented the exercise took as long as up to three months. We are sometimes quick to blame when things go wrong, but never find the time to give praise when things go the right way. I take this opportunity to congratulate you, Mr. Minister and your technical staff—[*Interruption*]

Hon. Senators: “Awwwh.”

Sen. The Hon. V. Bharath:—including your entire team, which was involved in the challenging mission [*Desk thumping*] for the time in delivering.

I also want to take this opportunity, Mr. President, to thank all of those who were involved in the VAT removal and it includes the Supermarkets Association [*Desk thumping*] and many other stakeholders who stayed up many, many long nights to be able to make sure that this matter was done. [*Crosstalk*]

I shall not read the other part of letter that congratulates myself, Mr. President. So, that was a resounding success and it has now resulted as I have said, in fact, the Central Bank of Trinidad of Tobago contrary to what Sen. Henry said, shows very clearly. It says that:

“The latest...data from Central Statistical Office (CSO) released by the Central Bank yesterday showed that headline inflation slowed to 7.2 per cent...

This slowdown in the rate of food inflation for December partly reflects the impact on the removal of value added tax on November 15, on several food items...”

Sen. George: “Awwwh.” [*Desk thumping*]

Sen. The Hon. V. Bharath: So, clearly Sen. Henry has not read the latest report from the Central Bank—[*Crosstalk*] He is clearly shopping at wrong supermarkets, Mr. President.

Sen. George: He must be shopping in Tobago.

Sen. The Hon. V. Bharath: You know, Mr. President, when one compares, and we come back to the macroeconomic picture, the growth rates predicted for Trinidad and those of the G7 countries, I want to read just for information purposes: in Germany 0.9; France 0.3—these are actual growth rates for 2012—the UK minus .2; the Euro area in general, minus .4; Brazil, 1 per cent; Netherland, minus 0.5; Finland, 0.2; Sweden, 1.2 and Switzerland, 0.8, you can see that we are ahead of even the G7 countries as far as our growth in 2012 and our projected growth for 2013. [*Desk thumping*]

Why am I taking the time to highlight this information? The simple reason is that, I see my role as Minister of Trade, Industry and Investment as first of all creating the enabling environment for the private sector, both locally and internationally.

Secondly, to encourage investments, both locally and foreign direct investment, and of course, to extend our trading reach to existing countries in terms of increasing the number out of items that we trade in, but also to other countries.

When one looks at what is taking place across the world, one then has to be very careful in terms of who we deal with and what types of investments we must look for, because we have got to be very focused in understanding what we can and cannot do in Trinidad. For far too long—and Sen. Henry is quite correct—previous Governments have tried but they failed miserably because there has been a lack of focus. They have tried to do everything and as a result they have achieved very little.

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We are very focused on what we need to do. We are very focused on the markets that we are going after. We are very focused on the types of industries we want to attract into Trinidad and Tobago. That is why it is very important for us to understand what is happening in other parts of the world.

In the eurozone we all know that many of the countries in Europe are seeing very bad times. Many of them are on the brink of bankruptcy; Portugal; Ireland; Greece; that was spoken of before, where unemployment rates are 25 per cent; in Spain 26 per cent unemployment rate, in fact, amongst the youth in Spain it is 57 per cent—57 per cent unemployment amongst the young people in Spain. The United Kingdom is now rethinking its position in the Euro, and in fact, Prime Minister David Cameron announced that there is a possibility of a referendum on the—[*Interruption*]

Sen. Singh: On the EU.

Sen. The Hon. V. Bharath:—yes, on the EU—whether in fact, the United Kingdom should stay within EU market. In the United States which traditionally has been our biggest market, they have just gotten over this issue of the fiscal cliff. For those who may not know what the fiscal cliff is, it is a situation where you have a coalescing of higher taxes going to be charged where from 2001—2003 there was a rollback of taxes in the Bush administration. And coupled with deep-spending cuts, which was part of the arrangements for the debt ceiling in 2011. You now also had the situation where in 2012 the United States was downgraded for the first time in its history as far as its long-term sovereign debt is concerned.

In Japan—Japan is tottering, Mr. President. The reason I talk about Japan is that I know that the Minister of Energy and Energy Affairs is looking at selling LNG directly to the Japanese market, amongst others. They are tottering, again on the edge of bankruptcy, between negative growth and marginal growth. Of course, they have a very tenuous relationship with China at the moment which makes it even more difficult. We know what is happening in the Caricom region with high debt levels and low tourist arrivals and low economic activity generally.

7.00 p.m.

All of these things impact—even the BRIC countries of course, which we know also have been downgraded—on our ability, not just to export to those markets, but our ability to attract investors and investments from those markets into Trinidad and Tobago. The reason, of course, is that people are far more circumspect and judicious with regard to where they place their money today,

because of the risk versus return factor. People are now looking, not just at how much return they could make on their money, but they are looking at the risks involved; they are looking at how easy it is to do business in a market, and because the world has become smaller in terms of the removal of barriers to do trade, it makes it far easier for someone to sit on a computer anywhere in the world and conduct business anywhere else.

So, what is it about Trinidad and Tobago that we must do to make ourselves attractive and competitive to an international investor, or even a local investor, because there is still \$6 billion of local money sitting in our banks? There is still, whether we like it or not; whether we accept it or not; a difficulty in getting foreign exchange in Trinidad and Tobago.

Sen. Al-Rawi: Well said.

Sen. The Hon. V. Bharath: These are all issues we must confront. We cannot hide from that. We cannot run from them.

So, therefore, Mr. President, what must we do in the first instance to ensure that we can attract those investment dollars to Trinidad and Tobago? Money has no more boundaries. Traders and trading have no boundaries. And this is why, Mr. President, we have spent in the Ministry of Trade, Industry and Investment the last six months looking at the whole issue of ease of doing business. It was said earlier on by the Minister of Finance and the Economy that we are ranked No. 68 in the world as far as ease of doing business; and I have made the very bold comment early in my tenure as Minister of Trade, Industry and Investment that we would move Trinidad and Tobago into the top 10 of that ranking.

We also know that linked to the global competitive index in which we are ranked again, not very high—in fact, in the low 80s at the moment. So what are the factors that contribute to ease of doing business? I want to take the time to read this out because it impacts on so many people in Trinidad and Tobago:

1. Starting a business—the first parameter, the first indicator;
2. dealing with construction permits;
3. employing workers;
4. registering property;
5. getting credit;
6. protecting investors;

7. paying taxes;
8. trading across borders;
9. enforcing contracts; and
10. resolving insolvency.

I come back to what I said earlier on, we understood very clearly that we could not do all of it at the same time and if we attempted to do so we would not do any of them. So we decided to tackle what we thought were the most important ones and the ones that we can do quickly. We started with starting a business.

Currently, Mr. President, it takes 43 days to set up a business in Trinidad and Tobago, from incorporation right through to getting the approval, and we are ranked No. 71 in the world out of 185; a construction permit takes 297 days, according to the World Bank, and we are ranked 101. To register a property takes 162 days and we are ranked, out 185, we are ranked 176 in the world. Trading across borders which is essentially clearing a container in and out of the ports of Trinidad and Tobago, according to the World Bank, takes about 19 days, we are ranked No. 75 in the world. And this one will surprise you, because it did surprise me, enforcing contracts in Trinidad and Tobago, according to the World Bank, takes 1,340 days. One thousand, three hundred and forty days! Mr. President, that is almost four years—[*Interruption*—]and we are ranked 170 out of 185.

Hon. Senator: To do what? To do what?

Sen. The Hon. V. Bharath: Enforcing contracts. And the other one that relates directly to trade, burden of customs procedures, ranks 126 out of 142.

Now, Mr. President, if and when an investor wants to look at an investment destination and they look at these numbers and they look at Trinidad and Tobago falling under these categories—[*Interruption*]

Hon. Senator: “Dey eh coming.”

Sen. The Hon. V. Bharath: There are very few people. You would have to be extremely brave and courageous to come to Trinidad and say I am going to come to Trinidad and set up a business, it is going to take me almost a year to get a construction permit, or if I have a problem it is going to take me four years to resolve the contractual details, Mr. President. So, we set about in a very focused manner looking at some of these indicators and how we could deal with them.

Mr. President, let me give you some of the changes that we have made with regard to starting a business process, and the Minister of Finance and the Economy mentioned some of them earlier on, but, essentially, what we have done

now is we have moved from a situation where it took 43 days to start a business and incorporate a business, down to committing that we would do it in less than three days. In less than three days. [*Desk thumping*] And we have done so, Mr. President, under clause 16(a) of the Bill, by removing the requirement for a statutory declaration to accompany the articles of association under section 8(3) of the Companies Act.

In other words what we are doing is we are removing a lot of the bureaucratic steps that we felt that were actually not necessary. In fact that was essentially just of nuisance value.

The second area, Mr. President, which is even more transformational, is contained in clauses 6(d), 9(e) and 12(a) of the Finance Bill, and this is where we have now enshrined in the legislation a service delivery standard for the NIB and for the Board of Inland Revenue, which says that by law now and within a fixed time frame of one working day they must offer up, after the receipt of application, after one working day they must provide the certification. So we have enshrined that in the law, in the legislation, to ensure that we show that there is a certain level of urgency that is demanded with regard to these matters.

Mr. President, the second area that will create transformational change is the rationalization of the payment system in Trinidad and Tobago, and in December, actually December 19, last month, 2012, I laid in this Parliament, the Exchequer and Audit (Amdt.) Bill, and that Bill, Mr. President, will facilitate the payment to Government and by Government of moneys through electronic transfer of funds. So, no longer does a citizen have to go to an office in Port of Spain and make payments to any government office with regard to Customs and Excise, they can pay Government over the Internet, through a debit card or a credit card and through the electronic—[*Inaudible*] [*Desk thumping*]*—the Exchequer and Audit (Amdt) Bill.*

Hon. Senator: Easy technology.

Sen. The Hon. V. Bharath: The third area, Mr. President—and that matter will be debated very shortly in the Parliament—is the rationalization of trade facilitation environment in Trinidad and Tobago, and it relates to an amendment to the Customs Act.

Again, Mr. President, that matter is to be debated imminently in Parliament, but what it does essentially, it allows for the first time customs data to be shared with all public bodies, so that no longer, as is the current system, a customs broker must enter his information on the ASYCUDA system and wait for the information

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to be processed by Customs and returned to him. He then takes that physically and goes to the Ministry of Trade, Industry and Investment, the Chemistry, Food and Drugs Division, the Trinidad and Tobago Bureau of Standards and the Animal Quarantine and Plant Quarantine. Five agencies he must go to physically and get this document stamped, then he takes that document back to Customs, endorses it and then he takes it to the port.

And that is what takes the time in this process. After this Customs (Amdt) Act is done, Mr. President, what would happen is that as the information is input into the ASYCUDA system, simultaneously, it will be shared with all of the public bodies electronically, endorsed electronically and resubmitted to the person who submitted it in real time, sitting in the comfort of his office or his home. So, no longer would he have to go through that physical process of taking it from government office to government office to have these documents stamped and returned to the port.

Mr. President, in addition to that, we are also introducing in the customs legislation, the requirement for an advance manifest, so that prior to the vessel arriving it would be mandatory that a manifest is provided and, of course, that minimizes or manages the risk issue so that prior to the vessel arriving if there are any issues as far as security or risk is concerned, our customs will be alerted. And in addition to that, Mr. President, not that it is coming in the legislation, but just to alert you, we have started the process of introducing scanners at the port [*Desk thumping*] so that there will be less requirement to have containers unstuffed once those scanners are implemented, and we expect that to happen in the second quarter of 2013.

I wanted to just deal very briefly with the issue of the returning residents that Dr. Balgobin raised, and essentially, Mr. President, what we are attempting to do is to encourage those of our nationals who are living abroad and who are contributing to the development of other countries to come back to Trinidad. We could only do so, of course, if we implement a number of measures. We are dealing with the issue of crime; we are dealing with the issues of health in Trinidad and Tobago and many other issues that act as hurdles, but as far as trade and industry is concerned, we want to ensure that we make their passage back to Trinidad and we make their decision a lot easier than it is currently.

So, we are amending the Customs Act, 78:01, the VAT Act, 75:06, the Motor Vehicles and Road Traffic Act, 48:05 and the Miscellaneous Taxes Act, 77:01 to allow those of our nationals who have been living abroad for a period of more than five years to return to Trinidad and Tobago and to bring with them a motor

vehicle which will be exempt from VAT (Value Added Tax), as well as duties, and we have also increased—just to let you know, Mr. President, that prior to this amendment, the legislation allowed returning residents to bring back a motor vehicle, but he must have owned the motor vehicle for a period of time, in fact, 12 months prior to returning so that he would be exempted from the duties and taxes. We are now saying, a returning resident who has satisfied the criteria—and there are several criteria in terms of age, and you must be over 18, you must have resided abroad for more than five years and so on—is allowed to bring back a car with full exemption of duties and taxes.

Also, we have raised the value on his/her household effects that can be brought back from \$100,000 to \$250,000 to take account of increase in value of these items over the last five years or so. Anything above \$250,000 will be taxed at a special tax rate of 10 per cent.

Another matter that I just want to touch on briefly that I had spoken about in my budget debate, was to encourage commercial leaseholders to take up leases through the Teck and to encourage the business community generally, we have now taken to Cabinet—I have taken to Cabinet a Note which Cabinet has approved to now increase and to offer lessees the ability to have leases that extend to 99 years on commercial leases.

Hon. Senator: From thirty.

Sen. The Hon. V. Bharath: So they have moved from 30; we are giving them the option to move to 99 which gives them greater security, greater comfort, the ability to take that 99-year lease to the bank and use it as collateral and so on. So, that is something that many of the [*Desk thumping*] tenants on our estates have been asking for, for many years, and so we—although that is not part of this particular Bill it was approved by Cabinet last week.

So, Mr. President, I am saying all of this because I am giving this honourable Senate an indication of the work that we have been doing over the last six months to try to create the enabling environment and also to give us a competitive edge over many of our competitors who are doing as much, or much more than we have been doing over the last three or four years. In fact, many of our competitors, many of them are our Caricom neighbours, have left us behind already in many aspects. A good example is that the Jamaican Port Authority; they have already started the expansion of their port to take into account post-Panamax vessels coming out of the expansion of the Panama Canal in 2014.

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So, we are playing catch up in a number of instances, Mr. President, but the fact is that we are working as hard as we can to be able to highlight and focus in on those areas where we feel that we can create a competitive edge. And both the Ministry of Trade, Industry and Investment and the Ministry of Planning and Sustainable Development have identified certain areas that we feel that as a country we can compete and we can excel in: financial services, ICT, tourism, the creative arts sector, agricultural sector, food and beverage essentially, the maritime sector, sport, and downstream energy services.

7.15 p.m.

I want to talk, Mr. President, about just two of those areas today because the others do not really—there are no measures in this Bill dealing with the others, but they just deal with two of them.

Financial services—the Minister of Finance and the Economy had spoken about it earlier on. But when one looks at the potential of that sector, Mr. President, it currently employs about 50,000 people directly and many more indirectly—contributed last year \$13.1 billion to our GDP which was essentially 25 per cent of the non-energy GDP.

As the Minister of Finance and the Economy would have pointed out earlier on in his presentation, in September 2012, we developed the Financial Support Services, which is essentially an organization that will encourage and assist the financial services sector in setting up middle and back office functions in Trinidad and Tobago for both national and regional and, hopefully, at some point in time, international firms. We have already attracted Scotiabank, Royal Bank of Canada and the Pan American Life Insurance Group, the company that recently purchased ALGICO, which recently signed a memorandum of understanding with us.

Mr. President, just to give you an indication of what measures we have had to put in place with regard to financial services, really, essentially, under the current legislation, if an employee provides a service to an employer, that service is VAT free. However, if a separate organization is set up, which is contemplated in this case because essentially what would happen is that this organization would be placed in a free zone area supplying services to a company or its parent company, in the territory which is Trinidad and Tobago, and that, under our normal legislation—our existing legislation—would attract a VAT charge of 15 per cent, which will essentially nullify the efficiencies that they would be getting by putting their shared services in one area.

So the value added tax needs to be zero rated essentially, and it would apply really only to companies that are licensed under the Securities Industry Act, the Cooperative Societies Act, the Financial Institutions Act or the Insurance Act.

The other area and, of course, we have defined those services, and I think the Minister mentioned—I will just talk about some of them: processing of wire payments, reconciliations, collections from delinquent customers, internal legal advice, human resource management services, creditcard processing and a few others, but not limited to these, Mr. President.

There is also a restriction currently on capital allowances that these companies can attract in the free zone under the Income Tax Act and there is really no reason why that should happen because under the Corporation Tax Act any income that is derived in the territory attracts capital allowances. Therefore, we are amending the legislation to ensure that these companies can claim the proportion of capital allowances related to the amount of trade they do in the customs territory.

Thirdly, the apportionment of expenses has not been dealt with previously under 24(4)(a) of the free zones Act. So it is silent on that and the new legislation will deal with it through 24(5)(c) which would apportion these expenses using the value of services provided to the customs territory as a proportion of the total value. So we are having to make sweeping changes, essentially, to ensure that we can, not just keep the clients that we have here now, but encourage more. As the Minister mentioned, the plan is to roll out at least nine of those or to attract at least nine financial institutions to Trinidad.

We are also hopeful that organizations such as the Pan American Life Insurance Group, when they start off with their Caribbean operations in Trinidad, once they could see the efficacy of the operations the efficiency of the operations, the value of placing them in Trinidad and Tobago, they would bring their Latin American, Central American back office and middle office also to Trinidad.

Now, what we are doing here, Mr. President, is building a brand new industry; one that has really never existed before; one where we have a feeder directly from our tertiary education institutions, directly into this new sector; one where someone could go in to a tertiary institution and say: “Look, I want to do this because I know that I have a ready avenue, an opportunity in a brand new sector that is developing.” That will keep a lot of our young graduates in Trinidad and Tobago because those are the kinds of jobs that these people would be seeking when they go away.

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So we are matching immediately—I think Dr. Balgobin talked about matching skills with the marketplace. [*Interruption*] Yes, this is a very good example of creating the market and matching it with the skills to suit. In fact, it is very much the same that we were doing with agriculture, where we were creating opportunities for 50 new graduates out of agriculture every single year, that the Ministry is placing in the private sector and in the public sector, giving them the opportunity to understand that there is a ready market for them as soon as they are qualified.

The second area I wanted to just briefly talk about was the area of the creative arts sector, which has generated much discussion over the last three months since the Ministry indicated that we were looking to create a creative industry— [*Interruption*]

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. E. George*]

Question put and agreed to.

Sen. The Hon. V. Bharath: Thank you, Mr. President, and I thank my colleagues also for the opportunity. Mr. President, we recognize in Trinidad and Tobago that we have a very creative people. They are not just creative, in fact, we have a natural genius that we have found to express in very many ways—sometimes not the most productive of ways—but we have a native genius amongst our people and we must find avenues and opportunities to channel that genius. It cannot however be, Mr. President, if it is that we are serious about using the creative arts as a form and a real form of diversification of the economy, we cannot continue to just pay lip service year after year and continue to give the industry grants or handouts, so to speak.

We must be in a position to determine that if we are going to diversify away from oil and gas into these sectors—and creative arts is determined to be one of them—when I talk about creative arts, I talk necessarily about film, fashion and entertainment. Let me just say at the outset, there are many aspects and facets of creative arts that do not fall under this rubric. I am talking here about culture necessarily and I am talking about heritage and so on, where it is a longer term goal in terms of maybe commercializing them if that is possible. Government funding will have to continue in those areas because they are part of our heritage.

But there are certain aspects of creative arts, Mr. President, that other countries in the world have commercialized. They have commercialized them and what it has done by commercializing them, is attracted private sector money to these sectors. If you are going to be successful and if you are going to grow any sector, you must be in a position to make it attractive enough to get private sector money coming into it.

There are many artistes in Trinidad and Tobago, across the gamut that I just spoke of, who have struggled continuously and never really made it at the end of the day. They are struggling, doing two and three jobs, trying to fund, what is essentially a hobby of being an artiste. I will give you one example.

Many, many years ago—and I have given this example at the consultations we have held recently with the stakeholders in that sector—I am talking about 15 odd years ago, a young lady was working with me as an export representative servicing the islands. She was very good at her job, but she did not really like it. She would come in most mornings, her eyes swollen, clearly had not been sleeping and eventually I asked, “What is the problem?” She said, “You know, really my love is for acting. I really love acting so when I leave here in the evening I go and I practise or I have a show and so on.” She said, “You know, I am just torn, I do not know what to do because I cannot make a living from acting, but I need this job.” So I said, “Fine,” and we continued. Another few months went by and then it came to a head. We had another discussion and she said, “You know, I do not think I can carry on; what do you think?” I said, “If you really love it go and do it.”

Fifteen years later, that lady is somebody we probably all know, her name is Cecilia Salazar, who is a well-known actress in Trinidad and Tobago; but had Cecilia Salazar been living in the United Kingdom or in the United States, she would have been a very wealthy actress.

In Trinidad and Tobago we just do not have the opportunities available for our young people to get involved and to succeed and make a genuine living out of it. Therefore, if we are to encourage young people to follow and want to become involved, we have got to create the opportunities for them. That is why, after many years of clamouring for several incentives, this 2013 budget introduces certain measures. For example, we have now increased the amounts that can be deducted from a company’s chargeable profits, which is where you sponsor activities in the creative arts sector, from \$2 million to \$3 million.

We have also ensured that there are a number of items that the sector has been clamouring for. We have now made them duty and VAT free, so that they no longer going to attract VAT or duty. I just want to give you a summary or a synopsis of some of them: film cameras, lenses, camcorders, camera support equipment, monopods; a lot of technical names here, Mr. President, grip equipment, lighting equipment, production support equipment, make-up and make-up tools, broadcast equipment—a whole host—editing equipment, sound recording and sound mixing equipment, production vehicles, which are actually grip trucks and trailers, tapes, CDs, DVDs, flash memory cards, film stock, film canisters.

Mr. President, up until now, all of these items attracted duties and value added tax. We have now removed the duties and value added tax on this whole range of products.

Similarly, the fashion industry: we have some very, very talented fashion designers in Trinidad and Tobago. At the top of my tongue come the names of Claudia Pegus and Meiling and many other very talented people; but we just do not have the back-up facility.

I was hearing some stories when they came to the consultation where they have orders for designer clothes, but they are unable to fulfil it because we do not have the manufacturing capacity in Trinidad and Tobago to be able to do it, simply because we have never really thought of these things as industries. We have never created the enabling environment to allow these people, not just to start up and to grow, but to flourish; and we have got to now start thinking of these on an end-to-end basis so that we can create the excitement and the aura so that young people would want to get involved in these areas.

Of course, we have got similar incentives for the fashion industry where we have, again, 150 per cent tax write off against any sponsorship up to a maximum of \$3 million, and several incentives with regard to materials, packaging materials, cosmetics, machinery parts and so on, and a similar type of arrangement and similar incentive for the entertainment industry.

So we are very serious, Mr. President, about the diversification of the economy into these areas. Sen. Henry, when he was speaking had said, they have tried and they have not been very successful. We expect that, with the focus that we have, in the areas that we have selected, Mr. President, that we would be very successful. I have chosen deliberately to take on four of those directly under the Ministry of Trade, Industry and Investment.

7.30 p.m.

I want to assure the national population and all citizens that I will personally be involved in ensuring that we bring home those investments. That is how important it is, not just to me and to the Ministry of Trade, Industry and Investment; that is how important I believe it is to the citizens and to the development of Trinidad and Tobago.

Mr. President, I mentioned Lee Kuan Yew talking about Trinidad and Tobago as having a Carnival mentality, but I just want to conclude with a quote from him in his book called, *From Third World to First*.

You know, Mr. President, having visited Singapore and having visited South Korea, it pains me to see that these two countries basically have come from nothing; South Korea from the rubble of the Korean War—the civil war. Singapore really was a swamp fifty years ago, and both of them today—and Minister Karim having studied in Singapore—both of these countries today, Mr. President, are economic powerhouses, the best in class in many different aspects: health, education, airline services, ICT, eGov Services, as Dr. Balgobin was talking about. South Korea is the biggest shipbuilder in the world.

So there is a lot we can learn from them. But I want to just quote from Lee Kuan Yew 51 years ago, Mr. President, 1961. This is what he said:

“We had to create a new kind of economy, try new methods and schemes never tried before anywhere in the world because there was no other country like Singapore. After pondering these questions and problems and the limited options available, I concluded, an island city-state in Southeast Asia could not be ordinary if it was to survive. We had to make extraordinary efforts to become a tightly knit, rugged and adaptable people who could do things better and cheaper than our neighbours. We had to be different.”

Mr. President, in Trinidad and Tobago, if we are not to allow the world to leave us behind, we have to be different. All of our citizens, all of our public servants, all of the private sector, everyone, has to understand that it cannot be business as usual.

Many people would have thought that it was rather harsh when I insisted on enshrining in legislation the service delivery periods for one day for the National Insurance Board and one day for the value added tax. The fact is, Mr. President, I can guarantee you that six months from today we would have forgotten that in Trinidad and Tobago we used to take 43 days to set up a company because it would become the norm that it would be one day. That is the type of culture we need to encourage in Trinidad and Tobago, across all sectors.

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Mr. President, I want to end by just referring to this document called “Fulfilling the Promise”. When I spoke earlier on about the macroeconomic issues—the macroeconomic indicators I talked about—where we have excelled and where we are ahead of many of the G7 countries, these are the microeconomic issues, “Fulfilling the Promise”, too many for me to go through at this point in time, but in every facet of our economy and every facet of life in Trinidad and Tobago, we have delivered to the people of Trinidad and Tobago many of the things we have said we would deliver, in a very short space of time: housing, education, social services, security, trade and industry, and many, many, many more, Mr. President, I recommend that any of our citizens who want to see what this Government has been doing the last two-and-a-half years, this makes an excellent read.

Mr. President, we have taken some very tough decisions in the last two-and-a-half years—very tough decisions, indeed—but I believe that the worst is behind us. Our economy is strong; it is resilient and it has been placed on a very sound footing by our two Ministers of Finance: Minister Howai and Minister Dookeran, and we could only expect the best to come. As Minister Ramnarine said, the best is yet to come. Growth is ahead of us. The groundwork has been done, Mr. President, and we are creating, as I have mentioned, the enabling environment to attract investments both local and foreign. The rest, Mr. President, is up to us.

Mr. President, I thank you very much. [*Desk thumping*]

Sen. Terrence Deyalsingh: Thank you, Mr. President, for allowing me the opportunity to speak on the Finance Bill, 2013 and, curiously, as amended in the House of Representatives, an amendment which my colleague, Sen. Faris Al-Rawi spoke to earlier.

Before I get into my debate, Sen. Rolph Balgobin spoke about “sapatay” clay sticking, and I have a feeling not many of us know about “sapatay” clay. Sapat is a little village near Preysal, good for clay and that is where it is. But the “sapatay” clay, notwithstanding, I want to direct the first part of my contribution squarely to the Minister of Finance and the Economy, and the analogy I would like to use to talk about an aspect of the national insurance scheme, has to do with what happened around Port of Spain and this building that we are standing in right now.

Mr. President, you may have noticed when you came in that the glass at the front of this Chamber was broken. Apparently someone in their wisdom, during the course of last night, broke several panes of glass around Port of Spain; a

couple banks: Scotiabank; I think Standards and also the front doors of the Parliament building. I think Sen. Christlyn Moore is hearing this for the first time. That is the point I am going to make because the glass was fixed. Mr. President, I am speaking especially now about a concept called maladministration and the Minister of Finance and the Economy, admittedly, has inherited a situation existing at the NIB which needs his urgent attention. It is not of his making but we all have a duty here to attend to that situation, and it has to do with the operations of the National Insurance Appeals Tribunal.

Mr. President, my information tells me that from a low of 41 cases before the tribunal in 2001, that the number of cases now before the National Insurance Appeals Tribunal—established under the National Insurance Act, section 60, where the tribunal is appointed by the President but reports to the Minister of Finance—that there has been an exponential growth in the number of cases standing before that tribunal for adjudication. It is a problem that has been growing slowly over the years but has been exacerbated in recent years.

That maladministration, Mr. President, leads to a great deal of injustice to small, faceless people. What do I mean? You have people—and this Bill speaks about maternity grants and so on. You have people who have paid contributions into the national insurance scheme over the years and when you look at the benefits that they are after, Mr. President: sickness benefit; maternity benefit; employment injury benefit; employment injury medical expenses; employment injury disablement benefit; invalidity, these are people who are working for a weekly wage. They may have fallen off a scaffolding, broken a leg, maybe cannot work for the rest of their lives, or incapacitated for months. People on maternity leave—a young lady paying her NIS over the years is now pregnant, looking forward to her maternity benefit; retirement benefit, people reaching whatever the compulsory age is now—60?

Hon. Senator: Sixty-five.

Sen. T. Deyalsingh: Sixty-five—paying their contributions over the years; want to retire. Retirement, the sunset of your life, you should be enjoying life. Survival benefit, funeral grants, those are the types of grants that I am speaking about, and very often in this Parliament we speak in billions of dollars, hundreds of millions of dollars as if money means nothing.

We say the PNM spent X billion dollars; we will say you have spent X billion dollars, but I am now talking about sums of money in the hundreds of dollars, maybe \$1,000, \$2,000. These are small sums of money that are important to a

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small, faceless person in society. That is why I use the analogy of the broken glass of the Parliament's doors this morning, which Sen. Christlyn Moore did not know about. The only reason I know, hon. Senator, I had a nine o'clock meeting in the Parliament building. So I came in here at nine, I saw the broken glass. I came back at lunch time; there was already a glass company stripping out the broken glass. At the tea break, Mr. President, I went downstairs; no more broken glass. The facade is back up as new.

Somebody in the Parliament, whose responsibility it is, took it upon themselves to do their job. Why can not public bodies that deal with faceless individuals, who do not go to Lalla fete because they do not have \$1,000 to spend; do not go to South Cancer—you would not see them in the social pages of any of the newspapers because these people are at home with their broken legs waiting for maternity benefit.

You would not see Bansrath Algoo; you would not see Arthur Neptune in any of these fetes. There is a big fete in the Hyatt next week; US \$500 for a ticket. You would not see Meena Solomon in that fete, because Meena Solomon has been waiting for her appeal to be heard for years. You would not see Paulette Thompson-Marshall, nor Kumar Remac.

The point I am making, the Minister of Finance and the Economy has it within his power—because he wants to amend the Act to increase benefits—to speak to that National Insurance Appeals Tribunal and let them get their act together, and please see about the little people's business. Because what are we talking about? In this document we have here, as amended in the House of Representatives—look at it: Table 6, basic survivor pension, class one, for a child: \$34.34. But we pass budgets for \$50 billion. We talk about projects for X-hundred million dollars, whether it is PNM or UNC. But somebody going before an NIB tribunal to get \$34.34 has to wait years, and the regulations which govern the National Insurance Appeals Tribunal, regulation 15, says it must be heard within 15 days.

This brings me to the point that hon. Senator Vasant Bharath was speaking about. Is there any sanction for the NIB not giving you a certificate within one day, or the BIR? And if there is no sanction, where is the incentive or disincentive to apply the law?

Class 16: dependent orphan—\$495.84. This is in the Bill before us today. I will be remiss in my duty as a parliamentarian—we will all be: Government, Opposition, Independents, if we do not prosecute this issue, as hon. Sen.

Baptiste-Mc Knight did last week, in prosecuting the case of a 108-year-old pensioner waiting for her benefits. It should not reach a stage in this society where we have to name and shame. It should not have to be a name and shame issue to get public authorities to do their jobs and to treat innocent, faceless people who cannot pay US \$500 to go to a fete, who cannot go to South Cancer fete or Blood Bank fete, or buy a costume to get their—[*Interruption*]

Mr. Singh: Or WASA.

Sen. T. Deyalsingh: Or WASA fete—to get their \$34.34. That is the analogy with the broken glass because that broken glass today was important to somebody to have it fixed. I would hate to think that that broken glass was fixed only because it is Parliament; only because Members of Parliament come here.

I urge all public bodies—all public bodies—please treat people with the respect that they deserve.

7.45 p.m.

Another aspect which the hon. Minister, Vasant Bharath, could look into, has to do with immigration and the passport office. On Frederick Street, you have two offices: one at the Moonan Building and one on lower Frederick Street on the opposite side of the road.

If you want to get something done you have to go to the Moonan Building, but then you could only pay by coming out of the building, walking down Frederick Street, if the rain falling, well “crapaud smoke your pipe”, cross “de” road, go in another line, pay, and then go back there. That type of injury has to stop and get your machines there.

Sen. Singh: Who they renting the building from?

Sen. Al-Rawi: Moonan.

Sen. Singh: I will miss out on that one. [*Laughter*]

Sen. T. Deyalsingh: So I leave the issue of maladministration alone, but just to close by saying, maladministration of this type does not always mean a deliberate attempt to do something wrong.

Sen. Al-Rawi: Correct!

Sen. T. Deyalsingh: Maladministration could be an omission to act, not responding to a letter, not treating people with courtesy, and, very often, maladministration leads to injustice to small people. I think, collectively, we have

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a duty to raise the issue as I am raising today in this very emotional state. I am emotional. I would not cry but I am emotional. I urge the hon. Minister of Finance and the Economy to crack the whip on the National Insurance Appeals Tribunal—dispose of these cases. [*Desk thumping*] As I said, the problem is not of his creation but he has the responsibility now.

Mr. President, continuing along the national insurance vein, the report coming out of the National Insurance Board shows that, currently, to pay one beneficiary his expectation it takes about five workers, and we may have that now, we may have that pool of workers. But as the hon. Minister would know, coming out of the actual report, very soon, by the year 2040 I believe, or 2060, we would only have 1.7 persons working to pay that one retiree. That is a very troubling sign, and the Minister did not inherit that. That figure is not of his making that has to do with external factors.

Just for elucidation, in 2010 it was 5.4 employed persons to pay one retiree. In 2020 it is expected to drop to 3.8; 2030, 2.9; and so on, down to 2060 it is expected to drop to 1.7—now that is a dangerous trend. What is causing that trend? Unemployment? Low birth rates in Trinidad? The trend is, the more the society becomes developed the less babies we have. That is a trend and we are not immune from that trend.

Sen. Singh: That is why the HPV is important.

Sen. Al-Rawi: It is.

Sen. T. Deyalsingh: I have no problem with it, to be honest. However, some of that could also be due to workers leaving the formal economy and joining the informal economy, selling snowcone or nuts, so you probably would have more snowcone vendors, more nuts vendors and they are not caught in the national insurance scheme.

However, what is puzzling is this: the figure shows that the total number of contributors declined by 28,000 in 2009, while the number of beneficiaries went up by, I believe, 5,000. So you have less people in the pool paying national insurance but more people in the pool who want benefits and who are entitled to benefits.

In 2010, the number of people in the pool paying declined by a further 15,000 and the number of beneficiaries went up again by 10,000. This is an alarming state of affairs, and as the Minister said in his opening, it is something inherent in all schemes like this all over the world, whether Social Security in the United

States or national insurance here. That is a truism. However, how do we manage that? And what was the impact of a campaign promise of \$3,000, payable, without considering the implications of that? For that, the Minister has to take responsibility.

He cannot take responsibility for birth rates, I exonerate him from that, but he has to take responsibility for putting the national insurance scheme in some of the current trouble it is in because they now have to pay out a campaign promise. What was that campaign promise based on? What did the then UNC base that campaign promise on? Did they consider the negative fallout and the solvency of the scheme? That is the problem. But what are we doing now? The Minister postulates that he would increase the contribution rate from 11.4 per cent to 11.7 per cent, and then to 12 per cent. That is a tax. It is a tax. So the solution is a tax to cover an election campaign. For that, the Government has to take responsibility.

What the Government could also be looking at is increasing employment. Again, I call on the hon. Minister of Planning and the Economy to please tell us, from his perspective, what is the unemployment figure in Trinidad and Tobago because I have visited his site and all I see is up to the second quarter, 2010. I know the Central Bank has their figure, but I want the figure from the official CSO figures. What is the true state of unemployment? Is it 5 per cent? Is it 6 per cent? Is it 7 per cent?

While the hon. Minister is at it, tell us what is happening to our census report. Census was taken when in 2011? We are now two years later, we need that. How can you plan an economy if you do not know how many people you are planning for? How can you spend your fifty-something billion dollars if you do not know what the population density is in Moruga? How can you spend fifty-something billion dollars if you do not know what your birth rates are—whatever? Where is the census? We have been given various reasons over the past year and a half. We did not expect the data within 2011, but surely by now.

It is no use blaming the PNM and the CSO, because I have the data here to show that we invited Statistics Sweden to fix the CSO since 2004, and that work has been ongoing. So what is the true state of play at the CSO? The Ministry of Planning and Sustainable Development seems to hold its cards very close to its chest when it comes to figures or opinions as to the validity of the Central Tenders Board to give away a billion dollars of land. We need to get information.

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Mr. President, responding a bit to Sen. Bharath's contribution, which was a very good contribution; and we were talking about the ease of payments. I want to draw his attention to the Electronic Transactions Act. On the—[*Interruption*]

Sen. Singh: It is coming up. It is coming up.

Sen. T. Deyalsingh: May I finish?

Sen. Singh: [*Inaudible*]

Sen. T. Deyalsingh: Thank you.

Sen. Al-Rawi: Is it on the Order Paper?

Sen. T. Deyalsingh: Is it on the Order Paper? Where is my legislative agenda? You say it is coming up; I have to take your word that something is coming up. Is it coming up the same way the Tobago House of Assembly Bill came up, which you had to withdraw?

Sen. Al-Rawi: It cannot be coming up, it was proclaimed on January 16.

Sen. T. Deyalsingh: That piece of legislation was proclaimed on January 06, 2012: Parts I, II, III and IV. On January 18, Part VII was proclaimed. Question: what is happening to Part V which deals with electronic authentication service providers? What is happening to Part VI which deals with intermediary telecoms? What is happening to Part VIII dealing with consumer protection? What is happening to Part IX dealing with contravention and enforcement? What is happening to Part X which deals with miscellaneous provisions?

We have seen this Government bend backwards to early proclaim other pieces of legislation, and I will stop there on that. We have seen the Parliament go through hoops to fix early proclamation. Where is this? Why this cannot be proclaimed?

Sen. Al-Rawi: Why the partial proclamation?

Sen. T. Deyalsingh: Yes, exactly. Why the partial proclamation of a piece of legislation which is not a criminal Bill? Electronic transactions; why a partial proclamation?

Sen. Al-Rawi: "Is the same clauses we told them they had problems with."

Sen. T. Deyalsingh: But we could partially proclaim other pieces of legislation, early, then tell the President do not proclaim the others by January 01. We could have the country running through hoops, rings of fire, for convenience, but a piece of legislation like the electronic transactions, we cannot seem to get it right.

Mr. President, I now deal with the Income Tax Act. The honourable Minister of Finance and the Economy wants to amend some pieces of legislation to deal with the Income Tax Act. I just want to remind the hon. House and the public, through you, Mr. President, on October 10, 2011, the then Minister of Finance, hon. Minister Winston Dookeran, in his budget presentation spoke about the implementation of transfer pricing principles. From that date to now, a year and four months, we have heard nothing further.

Mr. President, in preparing for this debate today I had to go and educate myself as to what transfer pricing is, what it means, and, if you would permit me to maybe talk to the citizens out there, to explain what transfer pricing means, the implications for tax revenue and so on. If I could use the analogy, in my own layman's term, I am not a tax expert, this is how I understand it. If I have a car to sell I could sell it to my son for what I paid; so I bought it for \$10, I could sell it to my son for \$10. If there is some law that says I have to pay tax on the profit, I made no profit; it is a sweetheart deal. However, if I sold it to hon. Sen. Vasant Bharat—[*Interruption*]

Sen. George: He would not buy it.

Sen. T. Deyalsingh:—and I say, “Okay, I doh know you. Yuh not meh family, I will sell it to you for \$15”, therefore I will make a profit of \$5. I am therefore liable to pay tax on that profit. That is what is called an arm's length sale. Transfer pricing is based on the principle that we are dealing at arm's length, no sweetheart deals, and that you pay your taxes based on the profits that you earned, based on the real market value of the thing you are selling or transferring.

With the growth of the multinationals, worldwide, multinational corporations, that have offices all over the world—and you now reach the point where some of these MNEs, multinational enterprises, do not even have a head office in a particular country. That is important. They may base HR in one country, they may base finance in another country, production in another country, so what you have are cross-border transactions, divisions selling services to another one, buying products and services from another one and taking advantage of that type of non-arm's length transactions.

I want to draw attention to the recent case in England, where Starbucks and other companies have been caught not paying their fair share of tax. On the 20th of eleven [*sic*]—[October 10, 2011], it was postulated by the then Minister of Finance that we are going to engage in transfer pricing principles based on OECD guidelines, and that is a good thing.

It is something the Manning administration was looking at and was going to implement under the revenue authority. It is beneficial to us. Why? Because 40 per cent of our revenue and 80 per cent of our foreign exchange come from these multinational enterprises in the energy sector doing business in Trinidad and Tobago.

8.00 p.m.

We need to implement the transfer pricing policy to trap that portion of taxes which are ours and to make sure they adhere to arm's length transactions, but it goes more than trapping those taxes from the MNEs operating in the energy sector. You also have MNEs operating outside the energy sector in Trinidad and Tobago, in food, in construction. So the actual impact is more than the 40 per cent of GDP and 80 per cent of foreign exchange. If the Minister could, in his wrap-up, alert us, what is the state of play with the 2011 suggestion or promise of his predecessor as to transfer pricing. What is going on with it? Is he still wedded to it? Are we ready for it? Have we recruited the people to man the office?

We need to have people trained in transfer pricing to understand it because what happens in transfer pricing, the inland revenue will have to step in and say, okay, company A, that transaction, we are going to question it and we are going to determine what the price of that transfer was and we are going to base your tax liability based on our suggestion. So there are standards, there are measures. So I am just asking the hon. Minister in his wrap-up to tell us what is the true state of play with that.

Mr. President, I now turn to matters dealing with energy. When the hon. Minister of Energy and Energy Affairs made his contribution, he made reference to a question posed to him by myself in the Senate last week—whenever—having to deal with the continuing inability to bring the cat cracker back up to scratch.

Sen. George: Last Friday.

Sen. T. Deyalsingh: Last Friday. In his contribution, he basically admitted that as of November 30, 2011, the cat cracker was not back up working, and this is in light of a statement both he and the Minister of Finance and the Economy made in their budget contributions in response to my contribution, when we were given the assurance by the Minister of Energy and Energy Affairs that the cat cracker will be up sometime in November. We did not want a firm date. He gave us November, we accepted that. Here we are, two months later, and the cat cracker which is a main source of revenue is not back up working, but the hon. Minister of Energy and Energy Affairs sought to put the blame, again, on the PNM. But what he forgot, in his answer, he admitted that he fired Chicago Bridge and Iron—[*Interruption*]

Sen. Singh: Why?

Sen. T. Deyalsingh:—and that they have their own people now doing the upgrades. We did not hire them. I did not hire them. Sen. Al-Rawi did not hire them. You hired them.

Sen. Singh: The PNM!

Sen. T. Deyalsingh: You determined when to shut down in April 2011. You determined the scope of works. You determined in 2011 that it was an original four-month shutdown.

Sen. Singh: [*Inaudible*—2006!

Sen. T. Deyalsingh: You said the hon. Minister in his answer said the initial shutdown was four months. We are now a year and change later. What is happening to my cat cracker? Why are we still spending money to import gas? Why are we incurring those costs still? That has to do with the handling of the economy as far as energy is concerned.

Mr. President, the Minister of Finance and the Economy, when he was coming to the close of his presentation, spoke to return to growth and incipient turnaround. If you would permit me to just quote a few headlines in some recent newspaper clippings. November 2012, *Business Guardian*:

“RBC CEO Suresh Sookoo: Local business confidence falling.”

This is just a mere three months ago. I quote, and Sen. Dr. Balgobin made the point, which was agreed to by Sen. Bharath, that foreign capital is not obliged to come to T&T. Those were both their words, foreign capital not obliged to come to T&T. This is what Suresh Sookoo is saying:

“Attracting foreign direct investment (FDI) is now more difficult,…”

This is not November 2009. This is November 2012.

“And local business confidence is falling due to concerns over inflation, skilled labour shortage, low returns on investment...and government’s failure to moderate spending,…”

That is his take, but the last time I checked the PNM database, he was not on it.

Business Guardian, December 2012. Headline—[*Interruption*] Sorry? Check again? Are you saying that Mr. Suresh Sookoo is a PNM?

Sen. George: “You saying that.”

Sen. T. Deyalsingh: You said that, Sir.

Sen. George: I never said that.

Sen. T. Deyalsingh: “Manufacturers EIL, National Canners complain of:

- No economic growth • Labour shortage • Declining productivity”

December 2012, *Business Guardian*: “2013 not promising for export markets.”

Sen. Singh: Who said that?

Sen. T. Deyalsingh: Aleem Khan. You want me to check the PNM database for him too?

Sen. Singh: Check it here. Check it, yes.

Sen. T. Deyalsingh: He says:

“Next year”—meaning now—“2013 is not looking good for T&T’s major export markets, Central Bank Governor Jwala Rambarran has said.”

Mr. Aleem Khan is writing the article, quoting the new Governor of the Central Bank. What impacted this, Mr. President? Lower supplies of natural gas and petrochemicals: crude oil production fell by 13 per cent, natural gas output was lower by 6 per cent when compared to the same time in 2011.

The *Guardian*, “Repsol: bpTT production flat”. This is the type of economy that we are now saying we are seeing incipient growth. But when it comes to energy, I was absolutely flabbergasted, shocked, taken aback, by hearing the hon. Minister, Kevin Ramnarine, speak about energy. He spoke about oil and gas, he forgot when they were in Opposition, they opposed every single energy initiative put forward by the PNM, inclusive of Point Lisas in Couva. They opposed, opposed, opposed. Fourteen years—[*Interruption*]

Sen. Singh: What about the last 10 years? Talk about the last 10 years.

Sen. T. Deyalsingh: I will tell you about now. Great! Let me tell you that.

“US \$850 plant from Mitsubishi to help ease fuel subsidy.”

And at the end of the article, it says:

“Ramnarine said: ‘The target start date for the project is the first quarter of 2014. However, we believe that could be reduced to the fourth quarter of 2013.’”

This is a major, close to US \$1 billion project. He has given us an estimated start time of possibly the first quarter of 2014 and the fourth quarter of 2013, but we cannot get the cat cracker back up yet. Same type of assurance.

Sen. Singh: Malcolm Jones was in charge.

Sen. T. Deyalsingh: Tell me who was in charge now. In April 2011, the Ministry of Energy and Energy Affairs invited what we call expressions of interest, with a deadline date extended to May 06, 2011. Five proposals: one from Methanol Holdings (Trinidad) Limited; one from Integrated Chemicals Services Limited; one from the Celani's group; the fourth one, a consortium of Mitsui, Saudi International Petrochemical and Daicel Chemical Industries; and a fifth one, a partnership between SABIC and Sinopec.

If you will recall in April of 2011, or 2012 I believe, the Sinopec/SABIC deal was sold to this country as a done deal, but then you had this squabble between the former Minister of Energy and Energy Affairs, Carolyn Seepersad-Bachan and her successor, hon. Sen. Kevin Ramnarine, over the price of gas.

One person saying one thing on the price of gas—*[Interruption]* Blame Malcolm Jones for that. The SABIC people wanted a 36 per cent discount on gas. However, we now see that the Mitsubishi Group has possibly won out over the other four contenders. What is the fate of the other four? What is the price of gas promised to Mitsubishi? Are the other four projects on hold? Are they done?

I want to ask the hon. Minister of Finance, when he says a start-up in the first quarter of 2014 or possibly reduced to the fourth quarter of 2013, start-up does not mean a shovel with a bow and they dig some soil and they put up a plaque. That is not start-up. He has to tell this country on what criteria is he basing that projection. He has tell us what is the gas price negotiated. Are we going to run into the same confusion over gas prices that we ran into with the SABIC/Sinopec deal? We want to know what is the process for allocation of that gas tranche? Was it via an RFP which this Government does not know about, as Sen. Al-Rawi spoke about the Ministry of Justice—request for proposals? Was the gas price determined on an RFP? Was it determined on an expression of interest? Or was that bid an unsolicited bid? Did they advertise internationally and locally so that transparency would reign? Who are you going to blame for that now? Are you going to blame Chicago Bridge and Iron? Yes? That is the response from the hon. Senator, yes.

Sen. Singh: Are you against the project?

Sen. T. Deyalsingh: We are not against the project. We are just looking at the process and the procedure with which you bring things of importance to the people, like the Tobago (Amdt.) Bill. [*Desk thumping*] It is the process. That is what we are after.

The hon. Minister of Energy and Energy Affairs, again, spoke about the gas line to Tobago. He spoke about the Cove project in Tobago as if that was a UNC project. Let me remind—[*Interruption*]

Sen. Singh: He never said that.

Sen. T. Deyalsingh:—that was a project of the People's National Movement. You have a 12-inch gas line running from Angostura to Cove, but let me remind the Government that when they were in Opposition and the former Prime Minister, Mr. Patrick Manning, spoke about sending gas up to the Caribbean, to Martinique and Guadeloupe, do you remember what your response was?

Sen. Al-Rawi: Tell them.

Sen. T. Deyalsingh: No! You objected, objected and objected to the piping of gas from Trinidad to Martinique and Guadeloupe. [*Desk thumping*] And the Minister of Energy and Energy Affairs has the audacity to come here today and talk about piping gas.

Let me tell you about that 12-inch gas pipe. That was a vision to make the Caricom region produce electricity not dependent on diesel. We are talking about a leadership position, that was the leadership stance, that the Patrick Manning administration took,—[*Interruption*]

Sen. Al-Rawi: That is right.

Sen. T. Deyalsingh: [*Desk thumping*]—to take our gas, pipe it up, so that our island neighbours do not have to rely on diesel which is much more expensive to produce the same amount of energy as gas.

Sen. Al-Rawi: It is the same theory he is speaking about today.

Sen. T. Deyalsingh: He also spoke about gas. I want the Minister of Public Utilities, if he is here, to tell us why it is the Cove Industrial Estate in Tobago is not accepting the gas that the NGC has been willing to supply them two months ago to fire up the Cove Industrial Plant, to stop using diesel. Tell us why. What is the reason for not accepting the gas from the NGC? What is the reason? Tell us. [*Crosstalk*]

8.15 p.m.

But let us talk about that 12-inch gas line again. The hon. Minister of Energy and Energy Affairs spoke about sending gas up. This was a project started by the People's National Movement; the 12-inch gas pipe from the Angostura gas export platform. That gas line of 12 inches diameter was built to accommodate 125 million cubic feet per day of gas—125 mmcf; millions of cubic feet per day. Cove Industrial Estate can only take 10, it was not built only to supply Cove.

Sen. Al-Rawi: That is right.

Sen. T. Deyalsingh: It was also built to go up to Barbados where they would take 30. So 10 for Tobago, 30 for Barbados, that is 40, it still leaves you with an excess of 85. Do you know why? It was meant to go up to the Eastern Caribbean seaboard to Martinique and Guadeloupe. We borrowed \$183 million to finance that, and if we do not operationalize that 12-inch gas line soon, we cannot amortize that debt.

Sen. Al-Rawi: Correct.

Sen. T. Deyalsingh: Who are you going to blame for that?

Sen. Singh: Ken Julien.

Sen. T. Deyalsingh: Whilst you blaming PNM, blame us for global warming one time, “let us done the story”.

Sen. Singh: We are in a lot of hot air, that is why.

Sen. George: “Yuh doing that too?” [*Laughter*]

Sen. T. Deyalsingh: But you oppose the gas line, blame us for the melting of the glaciers—[*Crosstalk*]

Hon. Senator: “He taking de ting to make a joke.”

Sen. T. Deyalsingh:—but that is the vision that successive PNM administrations have always brought to energy diplomacy.

Sen. Al-Rawi: Specificity!

Sen. T. Deyalsingh: Always brought! We spoke about the Cheniere project. The hon. Minister of Energy and Energy Affairs spoke about Cheniere as if he invented Cheniere or discovered Cheniere. Let me remind the Government that that Cheniere deal was handed to this Government on the proverbial silver platter and they sat on it and they sat on it, and Cheniere left in total frustration.

Sen. Al-Rawi: They told them no, no commodities exchange.

Sen. T. Deyalsingh: What Cheniere was going to do, they would have partnered with their financiers, and that is why we are standing in this building here today. They always ask: well, what you have to show for it? This building, this complex was supposed to be that financial complex that successive Ministers have spoken about, both the Minister of Finance and the Economy and the Minister of Trade, Industry and Investment. They spoke so proudly about an international financial complex, but when Mr. Patrick Manning said it, “No, not a good idea”, but it is a good idea now, and Cheniere took up their bags, packed up and left. But it was Cheniere, Mr. President, who warned Trinidad and Tobago, as late as five years ago, that the United States will be a net exporter of shale gas.

Sen. Al-Rawi: And they said let us be your partner!

Sen. George: You could see the future.

Sen. Al-Rawi: They said so, Sen. George.

Sen. T. Deyalsingh: Cheniere told the Government of the day, which is this Government, that the United States was going to be a net exporter of gas.

Sen. Al-Rawi: May 2012, they told them and they told us.

Sen. T. Deyalsingh: They wanted to partner with us, and would bring in their financiers to market our commodity, but you kissed them off, but the Minister of Finance and the Economy speaks about Cheniere.

Sen. Al-Rawi: Missed the biggest boat.

Sen. Singh: Minister of Energy!

Sen. T. Deyalsingh: Minister of Energy and Energy Affairs, sorry. [*Crosstalk*]

So when I hear about plans of this Government, I am really, really taken aback. The hon. Minister of Trade, Industry and Investment spoke about Jamaica getting ready.

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. F. Al-Rawi*]

Question put and agreed to.

Sen. T. Deyalsingh: Thank you, Mr. President. “Yuh know”, manners is lost on some people in this Parliament, but anyhow we will leave that so.

We spoke about Jamaica, hon. Minister of Trade, Industry and Investment, Vasant Bharath, readying themselves for the post-Panama expansion—
[*Interruption*]

Sen. Al-Rawi: Panamax.

Sen. T. Deyalsingh:—canal where bigger ships will be coming into our waters. I just want to remind the population, again, when we raised the issue—when the People’s National Movement raised the issue of moving the port to accommodate the said ships, you all objected. Objected! Objected! Objected! That is the history.

Sen. George: “You go ahead [*Inaudible*] Vision.”

Sen. T. Deyalsingh: We as a society will not progress if we keep on rubbishing policies when in Opposition, and just en passant like the Caribbean Court of Justice, and when you are in power, you change your mind. [*Crosstalk*] You flip-flop! You flip-flop! You flip-flop! Whether it is on Alutrint, whether it is on the Caribbean court—by the way, was the Caribbean Court of Justice not promised for our 50th Anniversary of Independence celebrations last year? [*Desk thumping*]

Sen. Al-Rawi: “Easy ting! We doh know what we were saying.”

Sen. T. Deyalsingh: Mr. President, I do recall that there was a promise made to partially bring the Caribbean Court of Justice to Trinidad as a 50th anniversary present.

Sen. Al-Rawi: “The AG said we talking nonsense.” Because of the treaty.

Sen. T. Deyalsingh: When we said it could not be done, we were rubbished. Where is my Caribbean Court of Justice? Where is it?

Hon. Senator: On Charlotte Street.

Sen. T. Deyalsingh: So, Mr. President, those are my few thoughts. I want to urge the Minister of Finance and the Economy, again, to please attend to the backlog of cases standing before the National Insurance Appeals Tribunal—
[*Interruption*]

Sen. Al-Rawi: “Put ah cash machine in the immigration.”

Sen. T. Deyalsingh: “Put ah cash machine in the immigration office in Moonan Building.” Let us develop a culture of treating citizens and I have the names—I have called out some names. As I have said, you would not see these names on the cocktail circuit, but these people are no less deserving of good service as we were of good service today when the glass was broken.

I want to reiterate that point. If the Parliament’s glass could be replaced in one day because somebody deemed it important, why should we treat our faceless, nameless citizens who do not appear on the cocktail circuit with any less respect?

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

Sen. Corinne Baptiste-Mc Knight: I thank you, Mr. President, for the opportunity to enter this debate because there are two areas on which I would like to seek clarification. They were both mentioned by the hon. Minister of Trade, Industry and Investment.

The first concerns the registration on annual returns to be filed with the Companies Registry. I seem to recall that there was an amnesty that was declared up to December 31, that covered penalties due on returns that were delinquent for whatever number of years. Now, if this is a fact, I find it difficult to understand the explanation given for the change from \$500 per annum to \$300 per month on the basis of the lower rate of \$500 per annum not encouraging people to file on time because, in fact, this \$500 per annum rate would not have kicked in until January 01, 2013.

I assume that I just did not understand that explanation so that I would be grateful if, in wrapping up, the Minister of Finance and the Economy would just clarify that area for me.

The next area that I have a little difficulty understanding relates to the matter of treatment of returning residents. Now, clause 14(1) says that returning residents will pay a special tax of 10 per cent on that portion of the c.i.f. value that exceeds \$250,000. But one of the conditions is that these household effects should be in the person’s possession for less than one year. I find it a little difficult to be able to have people who you say are away, resident for more than five years, but they are only allowed the duty free concession on that portion of their household effects that they own for less than one year. That is 14(1A)(c).

Now, in addition to that, when we turn to clauses 15(b), 6(ca) and 6(cb), 6(ca) says:

“Where the cif value exceeds two hundred and fifty thousand dollars, the goods allocated to the excess would attract the respective rates of customs duty and value added tax.”

Now, I thought that that referred to the 10 per cent in 14(1) but then 6(cb) says:

“The normal rates of customs duty and value added tax shall be payable on that”—same—“portion of...household effects...”

So that I think that it is important for us to have it clear exactly what is the tax regime that is being offered to these returning residents because, as the Minister said, this can have a positive or negative effect on someone who is thinking of coming back home, having to dispose of goods that are in possession for more than a year and then having to pay duty on everything in excess of what is basically about US \$40,000 and about £30,000. It leaves me a little concerned.

These are just the two areas that I would like to have some sort of clarification on. Thanks, Mr. President. [*Desk thumping*]

The Minister of Planning and Sustainable Development (Sen. The Hon. Dr. Bhoendradatt Tewarie): I thank you very, very much, Mr. President, Members of the Senate. I would not speak pointedly to the clauses in the Bill because that has been dealt with by the hon. Minister of Finance and the Economy and also the Minister of Trade, Industry and Investment. But, I do want to respond to some of the issues that have been raised by way of information and clarification.

So, I want to begin with this issue of the census report and indicate that it is true that the census was done beginning January 2011. The normal time to complete a census report, if you look at all the information that is available over the several decades, because the census takes place usually about 10 years apart, is about two years, and I want to indicate that that census report is now ready and available—sorry, it is ready and at the printers and will be available in a few days.

8.30 p.m.

In fact, we are going to be having an official launch of the publication of the census report on February 19. So, that is the information on the census report. [*Desk thumping*] We hope that as we do the census we will also be able to present our website for the CSO. The CSO has been charged with that responsibility and we have also given them the mandate to make sure that all information in the census is available online, so that it will be a public document in every way, and easily accessible to anyone who wants use it. We will use that opportunity as well to populate the website, so that we can have much more current and up to date information.

The problem with the website is a problem with the website. It is not a problem with CSO not doing its work. There is an issue of lag time for the unemployment figures and I have explained that on at least three occasions in this

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Parliament. The lag time is a period of two quarters and it developed precisely when the census exercise was initiated, and significant resources had to be deployed to make sure that the census exercise was done, and done properly.

This was not in my time as a Minister, but it was during our time as a Government. Since then what happened was that the ability to engage the work that requires entrapment of the data just could not be done with the same facility. So, it might have been, I would admit, a management problem at the level of the CSO, but we have since met with the head of the CSO and with the Governor of the Central Bank. There is going to be a collaborative attempt, now that this work is over, to try and catch up, to recoup and to have up-to-date data on things like employment. The inflation data has always been up to date. These things, we can vouch for their accuracy. There is no interference whatsoever in the CSO. The CSO does its work. The only thing that the Ministry does is try to demand that they meet their time objectives, their deadlines, so that we have all the information current.

There might be other issues but, basically, I think that the CSO is meeting its obligations; they were able, on the basis of the data that they have, to do a human development atlas for the entire country, which was made available to members of the public. That atlas basically outlines human development information and data, for the population in 14 municipal districts in Trinidad and, of course, in Tobago. The data is very valuable because it shows in a comparative way, what the situation is of the population in each of those areas.

For the record, the latest unemployment figures that we have for the last two quarters that have been submitted, have been 5.8 for the latest one which was in 2012 and 5.2 in the quarter before. So, the unemployment figure is just under 6 per cent and is not likely to be increased in any significant way over time, given the state of the economy and the sense of what is happening in the unemployment sector, and what is happening in terms of employment.

There were some other issues raised relating to that. Sen. Deyalsingh mentioned that Statistics Sweden was invited by the Government of Trinidad and Tobago under the People's National Movement in 2004. I do not know if that is so. I take his word for it. What I do know is that Statistics Sweden was never contracted until the year the 2011. Okay, and they were contracted under my watch. It involved the Ministry of Public Administration which is usually the execution agency for these kinds of administrative and transformational things in the public service.

They have since been fulfilling their contractual obligations and we expect a report at the end of February of this year. What are they doing? They have done and completed a demand study, that is to say what do the people who use data want in terms of the provision of data. So they have done that. Then they have tried based on that, to do a supply study which is that if this is the data, that the data using community wants, how do you supply that data? So they have completed that study.

They have done a third part which is: what is the ICT system that you need to connect the supply of data to the demand for data, and have a repository that is accessible to those who need to have access to it, and public information that is also available to the public? So, they have done that. And what is the software that you need to make these things possible? That has also been done. The remaining part to be done involves what the necessary skills are. What are the skills sets that you need if you have an up to date functioning system to make sure that it runs on a sustainable basis? I imagine that that will be included in the report that they give to us at the end of February. I am hoping that it will be on time.

The other issue that was raised here today, which I feel it is important to answer, is the issue of procurement. Parliament is well aware and this Senate knows quite intimately, that there was a joint select committee. We reported, both Houses agreed, and basically a policy was adopted by the Parliament of Trinidad and Tobago. That policy, once adopted, goes to the CPC and the Attorney General's office so that it might be turned into legislation; that process was followed.

We quickened the process, we tried to quicken the process by seeking support from the Inter-American Development Bank, and getting a consultant to work with the policy in order to do the first draft of the legislation aligned to the policy. That was done and the matter was sent to the CPC. That matter is now before what is called the Pre-legislative Committee. So, there is some redrafting going on and ultimately it will come to the Legislative Review Committee, and following that acceptance at that level, it will come to the Parliament of this country.

I am hoping that we will be able to do that by the end of March of this year, that is to say the first quarter. I am not promising because it is not in my control. It is under the control of the parliamentary drafting process and ultimately the legislative review process before it comes here. What I can say is that we have done everything possible to facilitate the expeditious movement to legislation stage and ultimately bringing it to Parliament.

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The legislation as far as I am aware is faithful to the policy agreed by Parliament which involves all the issues that Sen. Drayton raised, the labour issues, the local content issues, the greening issues, all those critical things that were part and parcel of the legislation, not to mention the basic issues like accountability, transparency and matters like that. Okay. So that is where that is. I remember those as the more important issues that were raised as questions.

The third one was the issue of the land at Invaders Bay. I will not go into any great detail. The two issues that were mentioned had to do with transparency in the provision of information. There was a request by the Joint Consultative Council to the Permanent Secretary of my Ministry, for information on legal advice given on the matter of Invaders Bay. That legal advice was first of all internal from the Ministry and secondly, it was from the Attorney General's office, that advice was provided. Questions were asked in the Parliament and those questions were answered.

The JCC asked for the advice that was given by the legal entities in my office and by the Attorney General's office. On the basis of the law, the Ministry through the Permanent Secretary, replied and we got legal advice in order to do this. It may well be that we may provide the information, but I think it is important to honour what the letter of the law says on this matter as a matter of principle. If the principle is not honoured and the letter of the law is not honoured, we do not know in another circumstance which may not be as easy to resolve what it will imply and, therefore, it is important to honour the letter of the law, the principle that is involved, and if any alternative position is taken, that will be done after the proper procedure under the law is followed.

The other issues that he raised had to do with what is the state of the negotiations and so on. Well, negotiations are ongoing and I do not feel that that is a matter that I should be talking about in public, when I am not involved in the negotiations and there is a committee that was charged by Cabinet with that responsibility. When they report to me, Cabinet will know and then the whole world will know. So, basically, that is the position.

I try to honour my obligations as a Minister in this country, with a commitment to everything that I said in my oath of office, and I do that faithfully and I do it in the best interest of the country. It is not my responsibility to tell the Members of the Opposition everything they want to know.

Sen. George: Indeed. [*Desk thumping*]

Sen. The Hon. Dr. B. Tewarie: My responsibility is to conduct the Government's business properly and to look after the interest of the citizens, and to work within the law in order to do my job, and that is what I do. [*Desk thumping*]

There are some other issues that I want to address having to do with issues that came up in the debate on the Bill itself before the Senate, and I will speak to those issues one by one. I will not elaborate in any great way. I will simply speak to some of those issues, because I feel it is important to speak to them.

8.45 p.m.

I want to speak, for instance, to the issue of construction and the construction sector and the construction, more specifically, of buildings in this country because the approvals take place at the level of Town and Country Planning in the Ministry of Planning and Sustainable Development.

The first thing that I want to say is that what we have done at the Ministry of Planning and Sustainable Development, through the Town and Country Planning office, is that the acting director and the two assistant directors have pulled together information on all the state land in Trinidad and Tobago, to look at how these might be best used in the interest of the country, involving private sector participation and involving projects that might be beneficial to the country. That is something that is ongoing. Therefore, we are making every effort to see how we can stimulate the sector by using publicly-owned land with privately-owned money and, therefore, investment in public lands.

The second thing that we are doing is that we have, with the help of Town and Country Planning, pulled together all the major projects that are private-sector driven in the country, that is to say the private sector owns the land and the private sector is investing its money, therefore, it wants to work with us to facilitate that development and to do it in the right way.

We have pulled a lot of these in and we are working with them. Several have been approved. I do not want to make announcements on behalf of people who are investing their money and, therefore, what I will say is that several have been approved. Over the next few months you are going to see them coming to fruition. Commitments have been made on timelines and others are in the pipeline and what we are doing is, instead of having them make their proposals and Town and Country Planning telling them it is not approved for the following reasons, we are asking them to come and work with Town and Country Planning to the point where you get the approvals, you meet the requirements and conform to what Town and Country Planning feels is desirable. You argue through your case, et cetera, and you get your approvals.

We are also doing that, not only with people who want to build malls or who want to have extended investments in certain things, but with people who want to build buildings. This is very true of the city of Port of Spain. If you walk up

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Frederick Street, close to the Town Hall, you will see a building now in construction. The sod was turned around September of last year and it is now under construction on Frederick Street. It is going to be a seven-storey building. A year ago, two years ago, they would not have approved a seven-storey building in Port of Spain on Frederick Street. I do not know for what reason, but that is how it used to happen. If you go to Grey Street after the carnival, again you will see another building starting to go up. I was there recently with the owner trying to facilitate the process after approvals had been granted, trying to make sure that the building goes up.

There are other buildings like that that are going to be going up during the course of the year. These are all private investments. So the Minister of Finance and the Economy's incentive announced in the budget are beginning to have some effect and, for his financial incentives to have some effect, it is important for the Town and Country Planning office to facilitate that process or else the buck will stop with the lack of approvals and all the incentives in the world are not going to work. So these things have to work hand in hand and it is important to understand what is involved in government issues.

The Minister of Finance and the Economy mentioned that for the private/public initiatives, the big ones, if it is a road or some other project involving Government and private sector, that we have created an institution that is multi-institutional, that will allow for the fast-tracking of approvals just as we have done with investTT for the approval of investments as they come into the country, where you have a number of institutions that can together make the decisions in a rapid way. We are proceeding to do things like that.

I do want to mention one more thing in construction because we are going to take to Cabinet a recommendation that in certain areas of the country, beginning in the urban areas, where people have established homes and established buildings on the same plot of land, we are going to allow multi-family dwellings, which means to say that they can expand their units easily with simple approvals on the same plot of land.

That is going to have a significant effect on a number of things, including construction, but it will also have a significant impact on other things, which is the more effective and efficient utilization of lands and the creation of opportunities for multi-family living, that is to say, extended family living; but it will also give people the opportunity to be entrepreneurial, to build units so that they can rent, et cetera, on their own land. They do not have to do anything except borrow the money or use their money in order to expand what they have. We are going to make it easy for people.
[Desk thumping]

I say this in the context in which Sen. Deyalsingh talked about performance and sanctions. He was talking about people waiting on small amounts of money in terms of pensions and in terms of NIS benefits, et cetera. He was talking about the fact that there is a callousness about the way we deal with our citizens and I think that that is true. This is something that I have talked about with the people in Town and Country Planning, for instance.

I have said to them: we behave as if the people who come to us are not our citizens and that they do not have the right to use the land that they own to suggest to you how they might build a building in which they might live and that we take this thing so callously and we tell them no, you cannot do that, but we do not make the effort to show them what they can do with the land that they have.

It has to do with the culture that has evolved over time and you cannot blame me as a Minister or the Minister of Finance and the Economy as a Minister, or this Government as a government for a culture that has evolved over X number of years. [*Desk thumping and crosstalk*]

I think the way to deal with this is not to blame the public servants either.

Hon. Senator: Exactly!

Sen. The Hon. Dr. B. Tewarie: It is a culture that has evolved and the only way you change that culture is to create new structures in order to change the behaviours from what they were into what you now require them to be in terms of service to the citizen; service to the population and service to the people. That is what we are trying to do in many of the things that we are doing.

One of the things being done in Town and Country Planning now is that in each geographical division, they are dealing with the issue of backlogs. In addition to whatever work that they are doing, they are dealing with the issue of backlogs. I hope that this will take place at a rapid rate. I do not want to say to the public what we have discussed in meetings in terms of our objectives; but I think we have objectives to meet; we have deadlines to meet and I hope to see these people in Town and Country Planning who have done significant work over time and who I know can do work better and who can do more, I hope that we will be able to come to the country and say: we have no backlog. [*Desk thumping*]

I just want to deal with one matter before I close and that has to do with the issue of diversification that was raised. I want to talk about this in terms of how it has been evolving. Remember, we came to office with a manifesto with seven pillars and out of that manifesto we developed the medium-term framework

linked to five priorities. So you had seven pillars; you had five priorities and the thrust of the medium-term framework was diversification on the basis of clusters and on the basis of geographical spread. So you had the growth poles on one hand and you had a number of clusters that were identified.

The clusters were many. There might have been 14 or 15 clusters in the medium-term framework and the Economic Development Board worked with those clusters. They also worked with the growth poles as geographical areas and they made recommendations that we should try to deal with six clusters only; and that we should diversify how we were thinking about each growth pole. On the basis of that, we had a consultation with the population. That included labour; that included civil society; that included business; and that included government agencies. Many of the Ministers here in Parliament, in the Senate and in the House of Representatives, participated in that. They gave of their time; they came, they made presentations. The institutions under their charge made presentations also and people, whether they were from labour or civil society or business, gave their frank views and they told us what we were doing right; what we were not doing right; what we were doing wrong and we listened.

On the basis of that, we asked them: how do you think we should proceed from here? And they said what we should do is to bring smaller units represented here today around the individual clusters and to work with the Ministers in charge of the individual clusters to make sure certain things happened. We took their advice and we engaged them and we then followed that up with another meeting. Again, many of the Ministers here participated in that meeting, and many of the labour union leaders came, many of the private sector people came and many of the civil society representatives came. On the basis of that, we identified groups that were linked to clusters and ministerial leadership based on the individual clusters.

Sen. Bharath mentioned the clusters. I will just quickly mention them. What happened at the consultation is that instead of six, there was agreement that there should be seven and, on the basis of that, we ended up with seven clusters: finance, ICT, marine industry, food security, energy services, tourism and creative industries.

Those clusters are now ready to move; ready to move in the sense that we are looking at the best ways to find synergy; the best things to look at in terms of investment intervention; and we are also looking at the locations.

There are investors coming here quite frequently. On February 18, I will meet with one. Other Ministers will meet with that person. Other investors have been coming here over the last two or three weeks. We have not been advertising these things because until they really become an investment project, it is not yet an investment; but if people leave their homes far away and spend their money and

come here and they spend two or three days with you; and they go to see where the investment might take place; they go through all the agencies to try to work out all the details, these are serious people. These are not fly-by-night operations. These are serious people who are interested in investment and they are coming and we are trying to link those now to the seven clusters in which we are involved.

I want to say that a lot of things are going on in the government and there is something called gestation time and you need to understand that that is a critical part of the challenge of development.

The hon. Minister of Energy and Energy Affairs talked about the port in Galeota. There is another port being developed in La Brea.

9.00 p.m.

There is a study on the rationalization of ports which the IDB is going to fund, so that while we are developing the ports, we are also looking at what we should do with the ports of Trinidad and Tobago, given that the world is changing. Not just in terms of the Panama Canal, but in terms of the shift in movement of economic activity from west to east. What are the implications of that; what are the implications of growth and development in Latin America; what does Trinidad and Tobago's location and the rationalization of the port system in the country mean for us in terms of development? All these things are going on in a very, very serious way. Of course, this is being done in collaboration with the Ministry of Transport.

I said that I would close shortly, but not before I say this. It has to do with the manner in which Sen. Henry made his contribution, in which he talked about the fact that we talk about things and they do not materialize. He said that, "You talk about big projects and they do not materialize." He talked about diversification taking place under a PNM administration sometime in the past, in the sense that we now buy local chickens, we now buy certain local foods, et cetera. I want to say something about this.

The world today is very different from that world that we are talking about. The achievements of that time were achievements for that time. That was the period of import substitution, where you could lock out your economy and determine where you were going to deal with the imports that you did not want to have anymore, and you could protect your industry and you could build it. So we built a poultry industry like that. We did other things like that, and all power to the Governments of the time that facilitated this. It was an important part of our development and our history, but you cannot do that today.

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Whatever you are doing, you cannot protect it from anything. You have to go and compete with the world. If you are doing ports, you have to do it better than anybody else, or else the ships are going to go elsewhere. You want a cluster that has to do with food sustainability, it has to be more competitive than any other place. You “cyar” protect it from anything. You want to go into marine services, you have to do it better than anybody else. You have to have something that is different, something that attracts them. That is the way it is. It is a different world.

Diversification today is not about import substitution, it is straight competitiveness. You have to start with that as the No. 1 issue. What is required is really creativity, innovation and collaboration, which is the theme of our *Medium-Term Policy Framework*. You cannot do it without that. And by collaboration I do not even mean only inside the country, I mean in the region, in the world you have to do that. This is where we are going. The reason I am saying this is that there seems to be a strategy to suggest that the Government, first of all, does not know what it is doing. Secondly, it is inept; thirdly, it is not doing anything, nothing is happening. [*Desk thumping*]

Sen. Hinds: Could not have put it better.

Sen. The Hon. Dr. B. Tewarie: There seems to be a suggestion that somehow what is happening is just happening by guess.

Sen. Hinds: Oh yes.

Sen. The Hon. Dr. B. Tewarie: I want to say to you that nothing could be further from the truth. [*Desk thumping*] We are working within a framework. There are things happening that will yield results. There are buildings going up now that will come to completion. Whether they are police stations or hospitals, they are going to come to completion. There are initiatives being taken that are going to make a big difference. I did not even talk about Chaguaramas and what we are doing there, and how we are expanding on what we have already done there.

There are things that are happening in some of the growth poles. In the southwest for instance, the Minister of Works and Infrastructure spoke in another debate about the highway and what it would imply. There are things going on there. What do you think would happen in the southwest growth pole, if you have a situation in which you are developing the port, you have the highway coming through, you have Mitsubishi there and you have two or three other investments close by? What do you think is going to happen to that area which is already quite buoyant? [*Interruption*]

“Yeah”, what about what we are doing at the university? I was talking to the people in Town and Country Planning a couple of days ago asking them where they had gone with that, because I was worried about the fact that around the university was so crowded and if you are going to deal with an education city, what is going to happen. Then I heard the hon. Minister of Tertiary Education and Skills Training speak here so lucidly in the other debate that we were involved in last week.

So I went back to them, and I asked, “You know, I heard that you got about 200 acres of land, what is happening there?” They said that they were about 80 per cent finished with the whole development strategy for that area. There are 585 communities in Trinidad and Tobago and plans are being developed for all of them. There are 14 regional districts in Trinidad and one in Tobago, and plans have been developed for all of them. All of that is being integrated now in a national spatial data strategy.

I met with the people today in a round-table session, and they outlined how they were going to do their business, what they were going to do, how long it was going to take. That is related to land-use plan and policy with physical development decisions. We have not had a physical development plan since 1984, we are going to get one this year, [*Desk thumping*] just like we are going to get the land-use policy and the national spatial data strategy. All of these things we are doing, but it takes time. These things involve research work. They involve intellectual work. They involve consultation. They involve engagement of people. They involve bringing large numbers of professionals together.

I am amazed at what the National Planning Task Force, which has been meeting for just over a year now, has been able to do in that time. The kind of people they have brought together, the dedication that they have given to the task, the commitment to doing top quality work, their insistence on talking to people to make sure that they get the feedback from the people, and then their ability to translate this into written documented work. This is serious work. This is for the whole country. This is for Trinidad and Tobago. This is for the next 10 years and the next 20 years. This is the work that we are doing.

At the same time, we are building the police stations, we are building the roads, we are building the hospitals and we are doing things like extending the pipelines, dealing with wastewater rehabilitation, all of those. Those are very big things for the country. You are dealing with a country in which the infrastructure is collapsing around us. We are really into a serious phase of development here. The impression that somehow we are not doing anything is absolutely and totally false. [*Desk thumping*]

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I want to say that there are few regimes that have governed this country. It is very difficult to compare, because if you are on the outside, you see one thing, if you are on the inside you see another, and I grant that. But there are few regimes in the history of this country that worked from individual to individual, Minister to Minister, team to team in the Ministries as dedicatedly and as hard as the people sitting on these benches on this side. [*Desk thumping*] The results are going to show.

I want to say, not only are we going to do the census, but the week after we are going to present to the country the national performance framework. We have identified 48 measures for the country, because that is manageable. We have identified 20 results that we want to achieve in that performance framework. We will also have a performance report, just like we did with the PSIP during the budget. We are going to have a performance report on the performance of the Government in 2012 on the five priorities that we said we would pursue in Trinidad and Tobago. You are going to get this the week after the 18th. It is ready this week, but I think to put it out now in this season, I do not think it would gain the currency that it is. [*Interruption*] The PR is the substance. The PR in that instance is the substance. [*Crosstalk*] The PR in that instance is the substance.

Mr. President, I thank you for giving me the opportunity to say a few words here today. I hope that Sen. Drayton is satisfied with the explanation on the procurement issue, and that Sen. Deyalsingh is satisfied with the fact that we are in fact going to present the census report. I have tried to locate the answers that I have given in some context, and I also tried, you might say, to embellish some of the issues that are related to the things that are being pursued in this Bill, which really have to do with creating the context for development and growth to happen, as well for jobs to be created in this society.

Thank you very, very much.

Mr. President: Before you start, Sen. Hinds—hon. Senators, I have been advised that dinner is ready. What I would like to suggest is that you file out individually, so long as you do not reduce us below a quorum, and we will continue with the business of the Senate in the meantime.

Sen. Fitzgerald Hinds: Mr. President, thank you very kindly for this opportunity. As I listened to Sen. Tewarie, I was reminded of the words of one of my favourite artistes in this world, Bob Marley, who in a song spoke about “fleeting illusions to be pursued, but never attained”. I heard Sen. Tewarie virtually crying for the last hour, pleading with us, in “Goebbelsian” style, trying to convince us on this side and in this Chamber about the wonders, and the beauty and the hard work of his Government, now just about three years in office.

I must ask Sen. Tewarie why then did the people reject the UNC, reject your Prime Minister and reject all that you have done? [*Desk thumping*] I know some of your colleagues have explained in strange terms, some of them. You are too wise to do that. But they rejected you; they rejected all that you have said. And the people of Trinidad and Tobago are waiting, waiting with their fingers to reject you similarly when the time comes. [*Desk thumping*]

Sen. Dr. Tewarie: We will see.

Sen. F. Hinds: Minister Tewarie spoke about what we now have is a culture. I cannot quarrel too much with that. I am not a sociologist, but I will not quarrel with that, and it is a culture that had evolved. That was his way of saying euphemistically that the PNM was to blame for everything that now exists. It is a euphemism, and we understand that.

But I will tell you something, Sen. Tewarie, you spoke of the concept of evolution. Yes, it is also changing under your watch for the worst. People are saying that this is the worst and most corrupt government we have ever seen since our independence, and it is changing for the worst. It is changing. [*Desk thumping*] I told you before, we have a situation now where the lowest in the society in terms of intellect and otherwise, the ordinary common people—not the lettered people like you, not the well-fed, merry looking, chunky-cheeked people like you, who are eating well—are feeling a sense of justification, some of them told me. Sadly, unfortunately, they are even feeling a sense of justification for some of the wrong that some of them get involved in because they see the Government, people in suits and ties, lettered people, doing some of the most obscene things that they could imagine. They feel a sense of justification. The question of moral leadership is what is lacking. That is what you have to understand. So with all the fanciful things you just told us what you did not speak of is the important concept of moral leadership.

9.15 p.m.

Mr. President, I told Sen. Tewarie earlier today on the margins, during the tea break, that he must be a very embarrassed man, and he looked at me—I was quite shocked—to ask me, why would I say that? The answer was easy, I told him, “because your Government is an embarrassment”. Well, that is the truth. This is an embarrassment.

Mr. President, Minister Tewarie spoke about diversification; immediately I remembered his Cabinet colleague, Minister Cadiz, the Minister of Tourism. Two and a half years ago he told this country, I think from the floor of this Parliament,

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that he anticipated in his wild jubilation no doubt, they having just come to office, that in two years this country would be fully diversified—the economy would be totally diversified. That is on the public record coming from one of your colleagues, and now the Minister here today, Sen. Tewarie, wants to tell us it is a process and it will take so long, and it is in gestation, and all of these fanciful things.

Sen. Beckles: Excuses! Excuses!

Sen. F. Hinds: Wonderful in words, beautiful in concept, beautiful in principle but ugly in this Government's practice, very ugly. Because for the three years, I can assure him, he is no longer close to the ground, you know, he has not been for many years. They have been flying around in helicopters having a ball; they “doh” know the reality on the ground.

There has been tremendous suffering in this land, and when he speaks the way he did again today—and I imagine that there are people in the society who cannot imagine the things he is speaking about in his glib and fanciful language—that people are wondering what is Minister Tewarie speaking about; we are suffering. It is a fact, without apology. When you look at the development model that this Government has pursued you would see that it is skewed towards south and central Trinidad and Tobago, and I am not surprised. Because for many years since I have been in this Parliament, I have heard many speakers of the UNC and their previous incarnations speak untruthfully about skewed development favouring Port of Spain and the East-West Corridor. So from that, I know as a truth, that they came to government, they came to Parliament with a predisposition that there was some kind of imbalance that they had to fix.

So, you will notice, Mr. President, if you drive south and central the roads are as smooth as their puffy cheeks, well fed as they are; buildings apace all over south and central. It is a fact that they are moving government offices and state institutions from the city elsewhere. They are doing it and I filed a question—
[*Interruption*]

Sen. Singh: Where would you build in the city?

Sen. Ramlogan SC: “The city is congested, boy, wha wrong with you?”

Sen. F. Hinds: Yes, you see the hypocrisy? You see the hypocrisy?

Hon. Senator: Tell us.

Sen. Beckles: All right, they are listening, that is good.

Sen. F. Hinds: Mr. President, can I proceed? Today has been quite a calm day. I am in a calm mood. Shall we continue in that vein?

Sen. Singh: [*Inaudible*]

Sen. Ramlogan SC: “I doh know what wrong with he. He born in south and like he eh know where south is.” [*Crosstalk*]

Sen. F. Hinds: “But you could do what you want, you leaving a paper trail.” Mr. President, what Sen. Tewarie did not tell us is that there is a human element to all of this, much like the 360 radar coverage that a previous administration put around this country to secure our borders and to secure our space from drugs and guns.

At the end of the day, the individual or individuals, who is or are responsible for monitoring the activities within our borders, it is easy for them, like coast guard officers or customs officers to turn a blind eye if the moral compass is not well set. If the moral compass is not well set then it would render all the expensive technology, radar system, OPVs and all of that, absolutely valueless. But the Minister fails to address the question of moral leadership and moral rectitude and uprightness.

Sen. Dr. Tewarie: I did not realize that that—[*Inaudible*]

Sen. F. Hinds: It is not a matter that they want to deal too much with, I understand that. The mere mention of those words troubles them. He concluded, roughly, by talking about all the serious work that they are doing and they have been having discussions with business and with labour; that is not new to us. It was our administration—and this is not an idle talk, the records would show—we pulled together the best minds in this country and spent years developing a blueprint for the development of Trinidad and Tobago known as Vision 2020. [*Desk thumping*] Same principle, nothing unusual about that.

What is interesting, as he cries today, wanting us to buy into it, this Government, the Government that he belongs to, flatly rejected the development programme known as Vision 2020; they could not help but see it as a PNM thing.

Sen. Ramlogan SC: “You sure Dr. Rowley buying into that? I never hear him mention that once.”

Sen. F. Hinds: Well as for the Attorney General who is trying to distract me, I will come to you shortly. Let me continue. Mr. President, I want to treat, very marginally, with some of the things that Minister Bharath had to say. I cannot

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remember all of them, but he spoke, glowingly, about the economy, and if you are not mindful, watchful, if you are an unwary soul you would be taken in by his glib offerings today. So I am not going to tell you my own thoughts, I will quote the Central Bank Governor, Mr. Jwala Rambarran, when he addressed the Chamber of Commerce on December 19th—just over a month ago—2012. I quote:

He “...indicated he is hopeful of growth of 2.5 per cent in 2013. This however is dependent on private sector investment and the implementation of Government’s projects as announced in Budget 2013.”

It means that if the Government does not do the things that they promised in budget in 2013, then this could never—as I said in the words of Bob Marley, it “will remain but a fleeting illusion, to be pursued but never attained”. [*Desk thumping*] May I continue?

“He indicated that while the first half of 2012 was characterized by weaker global activity and an escalation of financial stress in the Euro area, incoming data since September suggest that global GDP might be stabilising, albeit slowly, and that financial risk aversion seems to be easing following further policy actions by major central banks.

The Central Bank revised its projection for 2012 economic growth downwards from 1.5 per cent to one per cent in light of longer than expected plant maintenance by energy companies, industrial action at Trinidad Cement Ltd which had a negative effect throughout the manufacturing and construction sectors, continued inadequate investment from the private sector to stimulate the economy...”

The engine room for that inadequate investment from the private sector is simply caught in the concept of confidence. The confidence is not there.

So, Minister Tewarie could say what he wants. At the end of the day platitudes from the Parliament floor would not change it. People just have to have confidence, which they do not have, and if they do not possess confidence then, again, a fleeting illusion to be pursued and never attained. And the Governor continues:

“and the failure of government spending to rise to the occasion.”

Very important. Sen. Henry the economist, I am not an economist; I am guided by him as an expert. He made the point last week when we did the supplementation and variation debate, and he made it again today, en passant, that the Government is indeed spending a lot of money. We have had three budgets

since they came to office—\$51 billion; at that time that was the largest in the history of Trinidad and Tobago, coming from people who condemned the previous Governments for profligacy and overspending. They budgeted \$51 billion on the first take, \$54 billion the next time around. Am I correct? Then a further \$51 billion or so, altogether, running a bill of some \$160 billion or \$162 billion—budgeted.

So they are indeed spending and spending lavishly, but what are they spending on? What do we have—*[Interruption]*—yes, and all they chime in response is PNM debt. So they met \$165 billion of PNM debt. “Yeah!” So, since then all they doing is paying debt.

Hon. Senator: “PNM did Resmi too or what?”

Sen. F. Hinds: Yes. The International Monetary Fund—*[Interruption]*

Sen. Singh: *[Inaudible]*

Sen. F. Hinds:—so to conclude he is saying—*[Interruption]*

Sen. Cudjoe: “Tobago Milshirv do that.”

Sen. F. Hinds:—the Governor is saying that they are spending but they are not. Sen. Henry made the point again last week, Mr. President—you would recall that they had budgeted \$7.7 billion in deficit, and I remember the previous Minister of Finance and the current Minister of Finance and the Economy taking great pains to tell us in this place, and telling the citizens of this country, who are paying close attention, that when you have a budget deficit that in itself is not a problem. You can run, quite properly, a deficit financing. It is not the amount. It is not the fact of deficit financing; it is what you do with it, and once you use it for productive efforts and endeavour, then it, beginning as a deficit, will generate income which will eventually offset the deficit in the first place.

So he came back here last week to tell us that they had revised the deficit figure downwards by some \$2 billion or \$3 billion, something like that, and the point had to be made to him. If you told us that you were running a \$7.7 billion deficit, and you would use that to generate economic activity, to stimulate the economy: building, construction, improve manufacturing, and all of these wonderful things to kick-start the economy into a position of growth again, and you revise it downwards, do not come to tell us you saved money. It is admission of your failure to carry out the plan that you told us you had with the deficit financing in the first place. But they believe that the citizens of this country “schupid”, if I may put it in those very banal terms.

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Mr. President, clearly they are spending on non-productive activity, because we are not getting the growth, we are not getting the confidence in the economy, interest is still—we are in a low-interest environment, so where are we going? At the same time, a lot of the expenditure—and this is what is happening—is moving from the State bank balances to private bank accounts; so the money is moving from the State to private bank accounts, so much so that some of their friends traversing the seas and getting into trouble in New York and Miami with the US authorities for what is known as financial—let me get the right name for you, Mr. President. I do not want to misquote; “fraudulent business transactions”. Matters are being investigated in New York as we speak. [*Interruption*]

Private bank accounts are getting fat as the transfer takes place. Some of their friends, big jobs. We are not as crass as some of my friends on the other side have in the past been, so I would not call the name, I will just use the initials, SR. She is earning \$42,000. The daughter-in-law of a senior Minister, not qualified for the position, and they must not provoke me otherwise I will say what SR means.

Sen. Singh: Say it! Say it!

Sen. F. Hinds: Yes, I will come back to this.

So, Mr. President, there is where we are and Minister Tewarie cries. Some of that money, no doubt—and this is why we need campaign finance legislation and regulation in this country. Some of that State money has been used to run expensive campaigns in this country up to very recently. I came to this Parliament and pointed out to you, Mr. President, that the Penal/Dibe Corporation— [*Interruption*]

Sen. Singh: Debe.

Sen. F. Hinds: Debe, “Deebe”, please forgive me.

Sen. Singh: Dibe is in Long Circular.

Sen. F. Hinds: Yes, my apologies.

Sen. Singh: You did not come on that—[*Inaudible*]

Sen. F. Hinds: That corporation estimated the repairs of the Siparia market for \$36—they did their own evaluation for \$36 million. When the three bids came in for that project, SIS, their favourite friend and company, was one of the bidders. Those who evaluated the bid, and I quoted from the documents before you in the budget debate. Let me remind you, Mr. President.

When they looked at the documents proffered by SIS for that contract, they found that up to 2009 the company was almost bankrupt, but from 2010, suddenly the company was very buoyant, very able, and they managed, you would recall, I told you with facts and figures, to give the contract for \$51 million to the said SIS. *[Interruption]* It was the same SIS which name or whose name was called in terms of assisting a former chief secretary in Tobago with a house.

Sen Cudjoe: He was not a former chief secretary.

Sen. F. Hinds: A former—

Hon. Senator: Candidate.

Sen. F. Hinds: Sorry about that, a former candidate, an aspirant for the office; the same SIS who assisted in developing a house for the Prime Minister in Philippine. That is a fact. *[Desk thumping]*

Sen. George: Rumour.

Sen. F. Hinds: “Yeah”, the Prime Minister admitted it in Tobago. She tells Mr. Jack you and I are in the same position. So I hear Minister talking about rumour, it “ain’t” no rumour. *[Interruption]* “It ain’t no rumour.” Real!

Sen. George: Rumour-mongering.

Sen. F. Hinds: So we have to watch what they are spending on, and no doubt a lot of the expenditure too is going on merely consumption items and nothing productive to justify the deficit financing.

This Government, as for the public debt, again, I am not an economist but I understand we are now in the region of about 56 per cent of GDP in respect of our public debt. That is to say that about 56 per cent of what we earn each year is now to be spent on financing borrowing debt. We are in a bad position and it is getting worse.

I read an article about the same kind of situation in Jamaica where the author was saying, the Government of Jamaica has Jamaicans living in a fool’s paradise. That is what they are trying to do to us, telling us things are beautiful and fine and it rotten to the core. *[Desk thumping]* Rotten to the core! So we are not taking that, and we are here today to discuss, Mr. President, an Act to provide for the variation of certain duties and taxes—*[Interruption]*—and to introduce provisions of a fiscal nature and for related matters.

Now, this affects Trinidad and Tobago, so as I mentioned Tobago let me just say I thought Tobago sent Trinidad a powerful message over the last few weeks.

Sen. Cudjoe: Thank you.

Sen. F. Hinds: And I want to join the long lines of decent citizens to congratulate every man, woman, boy and girl in Tobago for their prayer and for their resounding participation in the democratic process to reject the filth of which I have just spoken, and with that I exclude Sen. Moore. “I ain’t congratulating her for several reasons”, which I should leave for another time, but she does not form part of my congratulatory tone on this occasion. She did not distinguish herself, but I will come to that in another place, Mr. President.

Clause 3 of this Bill speaks of the Special Reserve Police Act being amended by inserting after section 17 the following section, the side note says, “Duty allowance” and we now have a 17 based on this amendment, 17A which reads:

“Notwithstanding any other provision in this Act or in any other written law, the President may by Order, grant a duty allowance to members of the Special Reserve Police.”

Well, I am sure that the Special Reserve Police officers would be quite happy to know that finally it has come to the House after big announcement in the budget. But this simply, Mr. President, permits officers of the Special Reserve Police force—sorry, service, under the Special Reserve Police Act, to be able to enjoy that \$1,000 allowance that the Prime Minister just gave to regular police officers approximately two years ago in her usual exuberance, without deep thought. Of course it is more money and every officer is grateful for it and they deserve it, they work very, very hard and they do a lot for this society. Very often underrated and underestimated, but we have maintained that that \$1,000 allowance does not improve their gratuity nor their pension packages.

We would have felt that if it was done in the normal way through the CPO it would have formed part of their arrangement such that they would have had by virtue of the increase of \$1,000 a month, improved gratuity and improved pension; that is not the case. I think it is more so for the SRPs, but it was the Prime Minister’s gesture, and once she did it, the SRPs say we are entitled because we work along with our regular colleagues, and quite properly so, and the prison officers say we take risk in the jail, we need it too, and the fire officers say so too.

So, you have a whole avalanche of expectation as a consequence of the Prime Minister’s penchant for just saying things for political mileage and without deep and serious thought about proper governance in this country. Wildness, really, Mr. President; could not resist that. “Couldn’t resist that!” [*Interruption*]

Hon. Senator: Never said that.

Sen. F. Hinds: “Quite recently in Tobago too, you know, she get on a platform and start to promise all kinds of things”; things that you cannot deliver. We were promised that we would be part of the CCJ as our final Court of Appeal since August of last year. I have asked the question to the Parliament, to the Government, where is that? Plenty promises, but that is another matter.

Mr. President, the SRPs play a very important role in Trinidad and Tobago in terms of managing, they supplement the regular police service that is why they are called supplement, they are precepted and so on, under the Supplemental Police Act and they play a very important role alongside their so-called regular colleagues. But we are having a serious problem with crime and I am happy that they would be given this \$1,000. It may boost their morale. May! And I hope that we can get some more energy and effort out of them.

The Minister of National Security told this country—and I have the headline somewhere here, [*Laughter*] some time ago. He told this country that he was going to recruit before last Christmas 5,000 Special Reserve Police officers as his crime plan, part at any rate. He advertised and the youngsters of the nation who were interested appeared at different locations, I think the Police Training College, where, as you know, I was a police instructor, I am familiar with the terrain very well, and I could imagine the scenario. Thousands of young people came looking for jobs.

Sen Beckles: Thousands and thousands.

Sen. F. Hinds: Thousands and thousands, looking for a job and wanting to serve their country in those ways. The Minister got so exuberant, so excited when he saw the crowds by the following day he told the media, “It eh go be five again I want 10,000 by Christmas.” I am sure he has not recruited 300.

I saw some new officers around the city doing their best, but sadly, sadly, in order to try to keep his wild promise for Christmas—10,000; moved up from 5,000—10,000—they put these officers out on the street and I was sadly advised that they were not even thoroughly trained in some cases. Not even trained in the use of firearms. So you put them out there in blue and grey, with basic training, without firearms training, to work alongside regular police officers, to do patrols all in difficult areas, areas that are known to be difficult across Trinidad and Tobago. That is recklessness.

As a police instructor, I cannot imagine that you would send someone in some of those areas to patrol night and day without a firearm. So if a gun fight ensues, what is that individual to do? It is recklessness, and that is the kind of “vaps” that comes from the Cabinet of Trinidad and Tobago on a weekly basis.

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The Minister, it appears, he goes to bed, he boasts of rising at about 3.00 a.m., starts his meetings at 4.00, looks as though he has pajama energy. When he gets up in the morning he gets a “vaps” and he tells you something else. So when it was not 10,000 untrained SRPs, it was corporal punishment; and when it was not corporal punishment, it was more jails; and then most recently he wants to precept, I think, 1,000 or so soldiers, and to establish more army camps all over this country. Absolute wildness; creating more confusion and mayhem than you would imagine.

But I am convinced, Mr. President, this Government is not serious about dealing with crime. They pretend that. The *Daily Express* of Wednesday, January 16, 2013 in its editorial on page 12, under the rubric, “Criminals getting away with murder”, began by saying:

“At 12 per cent, the detection rate for murders in Trinidad and Tobago has actually doubled.”—so they think—“But this still means that only about one in nine murderers is ever arrested, with fewer than that being convicted.”—
[*Interruption*]

Sen. George: It is better than when you were there.

Sen. F. Hinds: “Nor can the police even claim that this improvement is due to better detective work, since it may well be that the ‘detection’ is explained solely by an increase in domestic murders, which had gone up during the three months of the...State of Emergency.”

That ill-fated state of emergency in 2011. [*Interruption*]

Mr. President, that is an introduction to something that we are quite familiar with. With all of the money this Government gave the Minister in the last budget, I think, \$4 billion; he asked for—\$3 point something—\$3.4; he got \$4 billion. It was the first time that ever happened, but he is a jefe in the Government. And with all other bits of expenditure since they came to Government, with all the “vaps” and with all the talk, the detection rate has not gone to an appreciable level at all.

Hon. Senator: Who does cut your hair when you go there?

Sen. F. Hinds: And they criticized an attempt to bring a Mastrofski team to Trinidad to attend to the technique—[*Interruption*—the investigating technique, the forensic techniques that the police should have in a modern society to properly detect crime. They were very condemnatory of those—Mastrofski, Mastrofski, they made a chorus out of it.

Sen. George: “Take care you ent bite your tongue.”

Sen. F. Hinds: But right now no such training is taking place inside the police service, and I have said here before, truthfully, officers of the police service with whom I am personally familiar, have told me that some of the training they got during those Mastrofski years revolutionized the way in which they solved police work and the way in which they effected it.

Sen. George: It brought down the level of crime?

Sen. F. Hinds: In fact—I am hearing mumblings from the Minister of Works and Infrastructure, whose barber has been very unkind to him. [*Laughter*] “Barber mash him up. Barber owe you money.” [*Interruption*]

9.45 p.m.

He is distracting me. You hear him? [*Crosstalk*] We understood the need to provide training, resources and techniques. We have seen the homicide squad, what used to be a homicide squad, become a human homicide bureau. It was expanded and they received some very specialist training. We introduced forensic science into the equation as well. [*Interruption*]

Sen. George: “You bring down the level of crime?”

Sen. F. Hinds: And by the time we left office the records would show that the figure, the murder figures, we had started to get on top of it. That is a fact.

Sen. George: That is not true. That is not true.

Sen. F. Hinds: That is the fact. I am not going to quarrel with you. I am not going to quarrel with you.

Sen. George: You misleading the Senate. That is not true.

Sen. F. Hinds: That is a fact.

Sen. George: It was five something.

Sen. F. Hinds: That is all right. That is all right.

Sen. George: That is not true.

Hon. Senator: Talk about detection figures “nah” man.

Sen. F. Hinds: You better count the hair on your head.

Sen. George: At least I am going by the barber, but you need one. [*Laughter*]

Sen. F. Hinds: I am a beautiful and proud “Rastaman” without apology. [*Desk thumping*] I am not a crazy baldhead like you.

Sen. George: Manning humble you “doh”.

Sen. F. Hinds: “Uh-hmm.”

Sen. George: “Yuh playing man now.”

Sen. F. Hinds: So, Mr. President, we have a problem—[*Interruption*]

Sen. George: “Well, you play man dey.”

Sen. F. Hinds:—and the murders are continuing apace. We had more in 2012 than we had in 2011. And we know that the 2011 figure was actually suppressed with a three-months or so, or six months—was six months or three months—state of the emergency being imposed in breach of people’s rights and freedoms as a crime fighting tool. Serious crimes are on the way up, and by now, today is January 30, by now we have more than that number of murders in Trinidad and Tobago.

I was at a function last week Wednesday I think, it was at NAPA and I spoke to an 11-year-old, a beautiful citizen of this country, a young Chinese boy. I saw the glint of happiness and joy in his little eyes as he participated in the cultural events that we witnessed. About two hours after we left the venue, I received a call from a friend who told me as the boy’s father and mother were travelling across the city—or getting out of the city, someone suddenly and without explanation, inexplicably, let me put it that way, fired a shot into the car and the bullet fortunately, though horribly unfortunately in a sense, went through the boy’s left cheek and exited through the right.

Sen. George: That did not happen when you were there?

Sen. F. Hinds: Six inches more, higher, and we could have had the casualty, the death of a little fellow. Mr. President, I am not saying that the Government is the cause of that or is the cause of crime, what I am saying is that under this Government crime seems to be proliferating. [*Desk thumping and crosstalk*]

Hon. Senator: That is not true. [*Crosstalk*]

Sen. F. Hinds: Mr. President, I am not convinced that this Government is serious about dealing with crime, I am serious. I am told only today, and Sen. Beckles will develop the point, that the US Government offered this Government, as we speak, important equipment to deal with interdiction of firearms coming into this country and this Government has not responded. [*Desk thumping*] There are people in this society who believe that the Government is a crime.

Sen. George: You were a Minister in that Ministry.

Sen. F. Hinds: There are people in the security services who have opined to me, and I am just the bearer of bad news—“look, let me doh put this one on Hansard, eh.”

Sen. George: You were the same person not talking when you were the Minister. “You talking now when you are in Opposition. Yuh is something else, yes.”

Sen. F. Hinds: But they have serious concerns about elements of this Government, me too, without apology—*[Interruption]* I am not convinced. *[Interruption]*

Sen. George: I am not convinced about what you are saying either.

Sen. F. Hinds: You will never be, you need to go to your barber—*[Interruption]*

Sen. George: You too. You need a barber more than anything else.

Sen. F. Hinds:—and demand your money back. It would be hard to spoil a fellow like you, but like he did. *[Laughter]*

Mr. President, I am being tormented by the Sen. George. Could you protect me please? *[Crosstalk]*

Sen. Singh: He is merely commenting on—

Sen. Abp. Burke: “You only tormenting yourself.”

Sen. F. Hinds: Mr. President, clause 8 of this Bill—*[Interruption]*

Sen. Abp. Burke: That is right, talk about the Bill, forget the crime.

Sen. F. Hinds: “Yeah, yeah, you doh worry.” Clause 8 of this Bill deals with the question of rearranging the definition of hired cars, and it is designed to permit vehicles that are eight seaters to be licensed as motor cars, taxis for purposes of hiring by the public.

Mr. President, you will recall that when they came into office, again, the same Minister, he was the Minister of Works and Transport at the time, in another burst of pajama energy, suddenly announced to this country that he would license PH cars and there was uproar in the society. People expressed deep concerns, notwithstanding the fact, that there are areas where you would not get home without a PH car. But the argument was very simple, rather than level down, you should level up. Why not let them do what the law requires, let them pass the tests and their rights of passage for hired drivers, the taxi drivers and let them be so licensed.

Sen. George: What did you do?

Sen. F. Hinds: That was not the approach of this Government, it is about disregarding and disrespecting the law and breaking down standards. They never seek to level up. They always try to go to the lowest common denominator. Whatever is permissible, whatever the society will accept, they will do.

Sen. George: You chose to do nothing.

Sen. F. Hinds: You hear the Minister saying we did nothing. Let me just remind the Minister, and a lot of young people would not recall, but I am old enough to recall and you too, Mr. President, that it was in 1981 that the PNM Government established the Priority Bus Route in this country and introduced the Maxi-Taxi. [*Desk thumping*] a form of mass transport. Before that it did not exist; you had to come down the highway or come down the Eastern Main Road—
[*Interruption*]

Sen. George: “He shifted, he talking about PH.”

Sen. F. Hinds:—you understand. [*Crosstalk*]

Sen. Beckles: You just said we did nothing and he is reminding you.

Sen. F. Hinds: He said we did nothing. I was pointing that out to him. What do they do? Mr. President, I fear, I say, and I have a thousand examples—look, there is nothing noble about this Government. Anything they do there is a sting in the tail, there is a catch.

Let me give you an example. You would think as a parent or a grandparent that for a Government to decide to give laptop computers to Form 1 students, that on the face of it is a good thing. If it did not come from them, I may have thought it was a good thing. But I am not unaware that that was not so much for the benefit of the children, because today, two and a half almost three years later, those laptops have not been integrated into the whole teaching and learning process—still not the case.

Those bright youngsters, technologically—savvy youngsters, all of the security systems that they put in to stop them from getting on Facebook and getting on strange sites, they have walked through those and I understand it is mayhem in the schools, and it is only games and pornography. It is not achieving the objective that they came to Parliament, spending about \$85 to \$90 million a year. It is not achieving it. They know that but they will do nothing about it, Mr. President, because it allows some of their friends to procure and supply hundreds or thousands of laptops. It is a contract. [*Crosstalk*] It is a contract—

Sen. George: You did not hear Dr. Balgobin earlier on that the St. Lucians want to do the same thing and they want our help.

Sen. F. Hinds: We told them, what you needed was to have laboratories in the schools, sufficiently equipped and the teachers sufficiently skilled and trained so that the children could still have the benefit. Today, it is not that. Most of them are being misused, those computers, and the Form 3, Form 4, Forms 5, 6 and 7 students in those colleges, they are saying in amazement, we are the ones who have to do projects, SBAs and what have you, we are the ones who should be having this. We are the ones who are in greater need. We do the research, we need to have the laptops, but the youngsters there are abusing them, playing games.

In some schools they still do not have sufficient electricity outlets to charge up the computers when necessary. And they know all of that, but the imperative of getting a contract for their friends; and that is just one of the examples I use to tell you. I gave you one earlier with the Siparia market. You would think that it was a noble idea to repair the market, okay, vendors would benefit, customers would benefit. But that is not the UNC's primary concern. It was to give SIS inflated contract for \$51 million. [*Desk thumping*] That was it.

Sen. George: That is not true.

Sen. F. Hinds: There is nothing. Let me quote Bob Marley again: Anything that comes from this Government is "ignoble" rather than noble, "ignoble".

Sen. George: Not true.

Sen. F. Hinds: I am tired of hearing the Minister you know, but let me continue.

Sen. George: I am going by the barber just now.

Sen. F. Hinds: So, we know that we have to regulate the private hired vehicles. We know there are problems with it. There are people who use "T" registered vehicles to transport people and the private hired cars, and we know if there is an accident the insurance company balk at paying money because it is not being used for the purpose that it was insured. Many times we have clients, those of us who practise and do a few running down actions, who are victims of that kind of thing and they cannot get any insurance coverage or compensation. So we know that there is need, but the Government must do better than what they are offering here. We also have to wonder—this movement to six and eight seater vehicles and so on, what are they getting to? Is it that someone of their friends has just gotten a licence from the Ministry of Trade, Industry and Investment to import a certain number of those vehicles and they are laying tracks, so to speak, if I may use a colloquialism, "They laying tracks for 'gouti to run". That is what I expect from them, nothing else. [*Crosstalk*]

Sen. George: You really have nothing to say, that is why you are saying it. You really have nothing to say.

Sen. F. Hinds: I know. I know. In the face of all of this you still heard them today shouting from across the other side that the PNM did not do anything in this country.

Mr. President, last week when we discussed the supplementation and variation of appropriation Bill we saw where the Government came to the Parliament an increased certain heads of expenditure to the tune of \$3.4 billion. All of that taken up in government activity; and I told you earlier they budgeted so far \$165 billion, and the people of this country cannot see where all of that went. Cannot see where it went. We are facing a declining manufacturing sector. The Governor of the Central Bank said so, all the records show that, an increased public debt.

The Minister of Energy and Energy Affairs spoke today in very—“ah mean if you listen to them, ah tell yuh, yuh will get taken in, yuh know”. When he was finished today, I mean I started to wonder if the facts and figures in front of me are dubious and questionable.

Hon. Senator: They are.

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. F. Al-Rawi*]

Question put and agreed to.

Sen. F. Hinds: Thank you very much my good friend, thank you very much colleagues for the extension of time. I should make use of every moment of it.

We are faced as well, Mr. President, with declining oil and gas production; over 50 per cent decline “eh”, in the last few years. The Minister of Energy and Energy Affairs spoke here, as I said, in glowing terms about the successful bid round of 2012. But he did mention truthfully, perhaps for the first time, that whatever finds that they had last year—and he put it at—he said we had about 241 million barrels in oil finds, discoveries—we would not enjoy any income from that until about 2020. So the question must be asked and remains, what will happen to us in the intervening period?

In the budget debate, last week in the close of the accounting debate, in this Finance Bill today, nobody has told us anything about increasing output in the manufacturing sector. Nobody has proposed any formula to give us any comfort about how we will survive between 2013 and 2020; nothing about growth in the

non-oil sector. I want to tell the Minister, which he by now must know, that a find is different from production and production fell in 2012 in the month of November to as low as about 78,000 barrels a day. [*Interruption*]

Sen. Ramnarine: It went back up in December.

Sen. F. Hinds: It went what?

Sen. Ramnarine: It went back up in December.

Sen. F. Hinds: It went back up in December.

Sen. George: Do not give him any information, let him stay in ignorance.

Sen. F. Hinds: You keep on clutching at straws. It is all right.

Sen. George: Do not give him any information. Let him stay ignorant. [*Laughter*] “Doh give him no latest figure.”

10.00 p.m.

Sen. F. Hinds: The Minister of Finance and the Economy—oh no, it was the Minister of Energy and Energy Affairs who told us that there is a big growth story that we must celebrate. He said Galeota will become the hub and cities develop around Galeota, so I imagine he is telling us we will find a city of Galeota at some point. And he spoke about planting seeds, and when he said that, of course I wondered to myself whether it was pumpkin seeds and cucumber seeds. All that would lead to is a beautiful house in Mount St. George, which, in any event, the people of Tobago rejected.

Mr. President, before I close, corruption is certainly anathema to economic growth and the development of any nation.

Sen. George: When you discovered that?

Sen. F. Hinds: We always knew that.

Sen. George: When the PNM discovered that?

Sen. F. Hinds: Last Sunday, the *Express* ran a story: “\$232 million contract for SIS”, the same SIS of which I spoke earlier. That same SIS not only benefited from this \$232 million contract with NIPDEC, it also benefited from a \$70 million contract. It was awarded a \$70 million contract at WASA; beat out another company. I think the company is TOSL. I raised the matter with the Minister of the Environment and Water Resources in this Parliament and he glibly dismissed a serious allegation of bid-rigging at WASA as a computer glitch.

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Well, if he thinks it is finished, he is wrong because we might very well be on our way to court. Someone who tendered is saying that there was bid-rigging in WASA in a \$70 million contract which the same SIS got. That same SIS I told you about—go ahead.

Sen. Singh: I just want to indicate to the hon. Senator that no contract was awarded to SIS in that matter—no contract.

Sen. F. Hinds: So what was the problem that led—I will give way again. What was the problem that led to the company disbanding the arrangement? What was the problem?

Sen. Singh: There is a process called the analytical hierarchical process and that was breached, externally, so therefore it was a document provided through Google documents, and it was breached so that therefore the whole process was interfered with, and Deloitte & Touche has a report on that matter.

Sen. F. Hinds: So at the end of the day, SIS did not get it?

Sen. Singh: But I indicated that to you already.

Sen. F. Hinds: “Uh-hmm, uh-hmm.”

Sen. George: Wrong information again.

Sen. F. Hinds: They got it! They got it, and they are now pulling it back, just like the NP contract. [*Crosstalk*] Early in the life of this Parliament, Mr. President, I filed several questions here to unearth the fact that the Prime Minister of this country was taking up residence in a place in Pasea, Tunapuna, at the home of a friend, Mr. Gopaul—[*Interruption*]

Mr. President: That was dealt with. You cannot raise it at this time.

Sen. F. Hinds: Yes, but I am making the point. They cancelled that \$40 million contract. When the light of integrity was shone upon it, they cancelled it, and that is what is happening with this contract for \$70 million in WASA. “Yuh tink we taking that?” [*Desk thumping*]

Sen. Singh: Never awarded—[*Inaudible*]

Sen. George: Grasping at straws.

Sen. Singh: Never awarded!

Sen. F. Hinds: Yes. So, Mr. President—[*Interruption*]

Sen. George: You have nothing to say so you just—

Sen. F. Hinds:—SIS has been a real good friend, but what amazed me most of all is the Attorney General who, having heard about some deal in Milshiry concerned with the Rahael family—the Attorney General jumped in. Asha Javeed of the *Trinidad Express* contacted the Attorney General on January 26, and she raised this SIS contract at NIPDEC for \$232 million, and before having all the facts, before even conducting a proper investigation, the Attorney General jumped into a defence mode to tell Asha Javeed as follows. Let me tell you. He says, and I am quoting him now, because the complaint was that SIS got this contract and there was a breach of the process at NIPDEC. In fact, the Chairman at NIPDEC admitted that in the very article that I made reference to in the *Express*. He is quoted as saying:

“The large majority of contracts awarded has not necessarily changed hands, whether it is prisoner transport”—hear the Attorney General, ‘eh’—“construction, or financial consulting. But the issue of who contracts are awarded to must be seen as a power play by desperate commercial interests that are seeking to protect and preserve their monopoly on lucrative work in the State sector. This group is seeking to shut out small players...”

He is calling SIS a small player, and from the facts that I revealed to you a minute ago, “SIS ent no small”. SIS was small in 2009, but not since this Government came in power—[*Interruption*]

Sen. Ramlogan SC: Who gave them the \$125 million contract? Who gave them that? The PNM!

Sen. F. Hinds: May I continue? I am quoting you—[*Interruption*]

Sen. Ramlogan SC: Quote the part where the PNM gave them that contract.

Sen. F. Hinds: “and newcomers to protect their turf. You hear no complaint when they get a contract but you hear a cacophony when anyone outside of their circle gets anything,’ Ramlogan told the *Express*...” [Interruption]

Hon. Senator: “He cyar even pronounce it.”

Sen. F. Hinds: Mr. President, I just want to ask my colleagues if this sounds like a fair, and balanced, and unbiased Attorney General in this country.

Sen. George: Yes, he is.

Sen. F. Hinds: He jumps straight in defence, but when it came to Milshiry, without facts, before the file got to him or the Minister of Finance and the Economy, before it reached on the Internet—[*Interruption*]

Sen. Ramlogan SC: Mr. President, that matter is before the court and the hon. Senator knows better than to comment on a matter before the court. That is sub judice. I will ask him to desist.

Mr. President: Yes, Senator, I will have to ask you to refrain from going into matters that are sub judice.

Sen. F. Hinds: Mr. President, I am not a silk like my learned friend. I did not have the opportunity to put my hand in the cookie jar and take one.

Mr. President: Senator, you will have to withdraw that remark. You will have to withdraw the remark.

Sen. F. Hinds: I withdraw that.

Mr. President: Thank you.

Sen. F. Hinds: I am not a silk like my friend, but the concept of sub judice is particularly straightforward. The statement—[*Interruption*]

Mr. President: Senator, I have already ruled on that.

Sen. F. Hinds: I know you have—[*Interruption*]

Mr. President: Let us proceed with your contribution.

Sen. F. Hinds: I am proceeding.

Mr. President: Thank you.

Sen. F. Hinds: But I am just saying to you, Mr. President, I did not think that what I said was sub judice because it was not intended, nor could it have the effect of influencing the mind of any—[*Interruption*]

Sen. Ramlogan SC: “You cyar give your opinion to the Chair’s ruling, man.” You know better than that. “Come on, man!”

Sen. F. Hinds: Mr. Attorney General, just keep quiet. Stop shouting.

Sen. Singh: “Ah fine yuh getting cranky.”

Sen. Ramlogan SC: “Yuh getting cranky because PNM give SIS a contract?”

Sen. F. Hinds: Mr. President, can I have your protection?

Mr. President: You do have my protection, Senator, but please proceed and finish your contribution.

Sen. F. Hinds: Thank you, Mr. President. And the Attorney General goes on and dismisses the concerns about that contract as small talk. That is the conduct of the Attorney General.

So, Mr. President, in conclusion, we are here today to discuss very serious matters where, of course, certain pieces of legislation, as we have defined and described, are to be amended to effect certain taxes and other related matters. This would mean, Mr. President, that the Government would, in some cases, collect more revenues, and my concern is what are they doing with them?

Mr. President, the question of proper economic management has eluded this Government, and notwithstanding all the platitudes from Sen. Tewarie, the Minister of Finance and the Economy, confidence remains at an all-time low in the economy for local investors.

Sen. George: That is not true!

Sen. F. Hinds: There is decline in production in the non-oil sector, as I have demonstrated. We are now being told to hope that there is an increase in the production in the oil sector—in the petroleum sector—and, Mr. President, we are not impressed, but as responsible Members of the Senate and on this side, we are prepared, as always, to give this Government critical support after we place on record our concerns in the interest of the people of Trinidad and Tobago.

Mr. President, with those few words, I wish to thank you. [*Desk thumping*]

Sen. Dr. James Armstrong: Thank you, Mr. President, for allowing me to contribute on the Bill, an Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters.

Mr. President, I would try not to be too long, but I would like to start first with where Sen. Tewarie left off. Mr. President, I have found that very often we come here and we keep raising the same issues over, and over, and over all the time— [*Interruption*]

Sen. George: Very true! [*Desk thumping*]

Sen. Dr. J. Armstrong:—and it seems as if we are not making much progress. Some of what I am going to say tonight I have mentioned over and over again. Some other speakers earlier raised some of the same issues. I would try not to belabour the point, but I want to mention the issue raised by Sen. Tewarie about procurement. That remains, for me, a very critical issue.

I appreciate the point that the Minister made, that there were delays; there were some difficulties, but I have experienced in this Senate, where certain bits of legislation have actually been fast-tracked because it was considered to be critical,

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to be important, and the concern that I have is that given the amount of money that is being spent, procurement legislation is critical. We have to bring that forward and treat it with the same urgency that we have treated some of the other bits of legislation. So enough said on that.

The other issue that the Minister raised—and some other Senators raised tonight—was the issue of Invaders Bay. Again, my concern is that without proper procurement legislation, I have some serious concerns about that. It has not only to do with what we might do with Invaders Bay from a development point of view, it really has to do with the fact that it becomes a procurement issue because it is very, very expensive government land, and that is the problem that I have with it. So that, again, it is something that I have raised on a number of occasions, and we keep talking about it.

The Minister also talked about changes taking place in the Town and Country Planning Division, and I am very heartened by some of the things that you raised, Minister, because for very long, Mr. President, in the Town and Country Planning Division in Trinidad and Tobago, it was really an institution that, more or less, told you what not to do, and very often did not assist you in actually developing a property or assisting, really, in jump-starting the economy.

If I hear the Minister correctly, I think what he is saying is that there is going to be a new focus whereby state lands—maybe private lands—would be identified and there would be some sort of collaboration in which this division would play a significant role, along with other sectors, other Ministries, other institutions, in developing these lands, and that is proactive. I like that. That is very good, and we should have been doing that a very long time ago.

There is one concern that I have about that, anyhow, because the Minister referred to state lands as well and, again, that is where I will have a concern because if it is state land, it is state resources, our money. We need to have proper legislation to govern that type of transaction. So whereas I like the idea, I am extremely concerned that we are going to identify state lands and get involved with the private sector—I “doh” know who—and have some sort of development taking place in which we do not have appropriate legislation to monitor that.

10.15 p.m.

Mention was made of a seven-storey building that is being constructed on Frederick Street, I think, the Minister said. Again, I think that is a very good idea, because I think that in many respects the density in Port of Spain is much too low. Now some people mentioned here tonight, when I think Sen. Hinds, raised some issue about moving out of Port of Spain and developing the south—again, something that disturbs me, really. We can build more in Port of Spain.

As the Minister said, for some reason it was not customary to build structures in that location with such density. It seems, if it is that the policy has changed, then there are lots of options, lots of possibilities for Port of Spain.

I once said that the way in which things were going in Port of Spain, I described it as one day becoming a very beautiful corpse and I think it has reached that stage and what we are now doing as I said on occasions, is that we are now putting the final nails in the coffin.

What we need to be doing with Port of Spain is not to be moving some of these Ministries, but in fact to be making use of some of the vacant space that is there. I believe that we need to decentralize as well. So I can understand that that has to be done, but then that has to be planned.

I would also prefer to see—and in the Bill there is reference made to concessions with respect to commercial buildings and parking space. If you have concessions for commercial buildings, I am not sure how much more of that we can accommodate in Port of Spain the division would have to determine that. Maybe that can go somewhere else. But then why not also include, at some point, concessions in a similar manner for residential development, where an investor can be given that sort of concession.

I like the idea of allowing families to add to their homes. I have actually lived in a number of cities in North Africa where in fact that is the structure of the settlements and housing and so on.

I think what we need to be also looking at is extending that benefit for investors to put housing in Port of Spain as opposed to commercial buildings, the reason being that you would then bring life back into the city. I think we can accommodate easily. If even it is 20,000 middle-income families—40,000 it can be accommodated in Port of Spain.

Sen. Dr. Tewarie: We have to solve crime in east Port of Spain first.

Sen. Dr. J. Armstrong: Well, maybe if you do some of these things, that would be—all right?

Hon. Senator: Parking.

Sen. Dr. J. Armstrong: I do not have a problem with the parking arrangements and the concessions being offered for parking; that is fine.

I think, also, Mr. President, again, when I talk about coming here and it is the same thing over and over and over again, one of things that I have been doing really is trying to track what the Government is doing, how the Government is spending money—and it is a vast amount of money. The Government is spending a vast amount of money.

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In fact, not just this Government, in this country we have spent vast amounts of money. This is a relatively wealthy country. The question is, what did we get for all that money that we spent? Being involved in the Parliament, I have been really trying to track what is happening, and I see a problem there. I have listed a number of things—and again, we keep talking about it, we keep talking about it; tonight we talked about it.

Mr. President, I have a document that I got some time ago from the Ministry of Planning and Sustainable Development, and it is the medium term plan which I welcome that, because for a long time we were going along with the manifesto and then we got a medium term plan. In the medium term plan it talks about growth poles, and every time we talk about growth poles and growth poles and growth poles, and we know where they are. The question is, what is really happening in terms of the foundation, the prerequisites to really achieve those objectives? And that is where I am getting lost.

The Minister is saying well, “No, no, no, we are doing this and we are doing that and we are discussing with investors.” I do not like when I hear that, this discussion that is taking place with investors and it should not be in the public domain, especially if we are using state resources. Put it in the public domain. Let us know what it is that is going on; what it is you are planning to do; how much money you think the Government might wish to invest.

I heard the Minister for information saying some time ago that there is a need to publicize what the Government is doing and I am waiting to hear. So that with respect to that growth pole thing—the clusters—it is in your documents. You have a lot of—I have all kinds of things written in here. It is on my desk. I review it almost every other day. I read the papers, I go and I look. So that these are all nice glossy documents. I am very impressed. But, what I find difficult is that I cannot determine of all these things that we are talking about, these growth poles and these clusters and diversification and creative industries.

There was a lot of work done on creative industries. But, I am not getting a sense of exactly what it is. All this money that we are spending, over \$50 billion, what I would really like to see, is in the same way that I have all of these documents setting out what the Government plans to do, than I get another glossy document at some point saying, “ah ha” this is where we are at. These are the arrangements that we are having, these are the discussions taking place. Also, if we are interested in the P3 arrangement or the PPP arrangements—again, it is something that I strongly support. But if you are interested in P3 arrangement,

then it means again, state resources, and we have to come very early, put it on the table, not simply for the people to know, and not simply for the private sector, in terms of the companies and so on to participate, but also for the population to participate.

I think if these things are packaged properly, the population in general can participate. I have been involved in a number of projects where that had been done. We did it in Jamaica, in the tourism sector. They have changed the policy now. But there was a time that in Ocho Rios—developing Ocho Rios; put together packages, sent them to the embassies, within two weeks oversubscribed. So that these kinds of investments, it should not simply be external investors coming in, but, I think all middle-class, people who can, you know, have a little extra to invest should also be able to participate.

If the Ministry of Planning and Sustainable Development is doing what the Minister has indicated, then I think that is what you need to be doing, and when you package these things, put it in the public domain. Let us know what is happening. If even we cannot participate actively in the investment, people want to know how the money is being spent.

So I think you have a problem really, if you are doing all these things and if some groundwork, some discussions taking place, some planning taking place, you are not doing enough in terms of getting it out there.

There is another problem that I have. I think it was Sen. Hinds who spoke about Vision 2020. We cannot spend too much time planning, planning, planning, planning. The same time that “we planning,” you have to be pursuing development. I appreciate that. But, one of the problems that we have had in this country and in a number of countries is that every time the regime changes, you just throw out everything. Just throw everything out the window and you start to plan again. So we are forever planning, planning and you do not know what is happening.

When I came back to Trinidad, I think it must have been 2001, around there, I remember I was asked to sit on something called an interim national physical planning commission. “Yeah.” Azad Mohammed and Deborah and they, “What are you doing?” “Relaxing, retired.” “No, no, no, you got to come and work on this.” I went down there religiously, working—national service—Halcro plan. Regime change, you throw it out. Right, relax for a while. A PS called, “Whey you doing?” “Relaxing.” No, no, no, no, come and help us, Vision 2020.” I was involved in that three, four years. Good. The problem that I had with that is that we were doing that but it was not being followed. That upset me.

Sen. George: It was not being followed at all.

Sen. Dr. J. Armstrong: So that upset me. But then again, it was the basic material involved, and I will maintain, was valid information. So even if you did not like a policy or whatever, take that and run with it. The only time—as I said to Minister Karim—I saw that being done was a document that you shared with us. I am tracking that as well. I think you are having some success, but what scares me is that if you are very successful, we are going to run into a problem. It would take some time to develop that point. But I know you are training a lot of people at the tertiary level and so on. Somebody mentioned the mismatch.

Sen. Karim: Sen. Dr. Balgobin.

Sen. Dr. J. Armstrong: Who was it?

Sen. Karim: Sen. Dr. Balgobin, yes.

Sen. Dr. J. Armstrong: So that as you become more successful, we may very well be creating a problem. But I have a lot of ideas on that that I would leave for another time.

The other thing that I want to quickly mention, Mr. President, has to do with doing business and I think Sen. Bharath spoke about that. All the achievements made with respect to reducing the time in which you can establish a company and so on, came down, if I remember correctly, from 43 days to three days. That is fine. That is good information. But what I want to know is really; how many companies have been established, where are these companies being located, what is the investment, who is investing? That is what I want to know.

10.30 p.m.

Sen. Bharath: This is legislation that brings it into play.

Sen. Dr. J. Armstrong: Sorry?

Sen. Bharath: This is legislation that allows that to come—[*Inaudible*]

Sen. Dr. J. Armstrong: So from the 43 days to the three days—[*Interruption*]

Sen. Bharath: Will now be enforced—[*Interruption*]

Sen. Dr. J. Armstrong: So even at 43 days, the companies were not being established?

Sen. Bharath: No, they will be.

Sen. Dr. J. Armstrong: Oh, okay. So that is another issue that I wanted to touch on, Mr. President.

Mr. President, I want to conclude by mentioning, again, this business of north/south, Port of Spain versus central. I heard some very unkind things being said about Tobago, read by Sen. Al-Rawi. We are going down a very, very slippery slope. We have to stop it.

Hon. Senator: I agree.

Sen. Dr. J. Armstrong: This is the Parliament of Trinidad and Tobago, and there are people who are supposed to be very, very responsible, making all kinds of wild statements.

The Minister of Energy and Energy Affairs spoke tonight about oil and gas, and the fact that we can expect good things. I want to mention that when I hear economists talk about how well we have done—and, again, Sen. Bharath spoke about that tonight, the ratings that we have internationally and so on, and one of the things that I have always felt is that economists in this country, it is difficult to mismanage this economy. I mean, it is difficult not to get a triple A rating in this environment. What wealth have we created really? What hard work have we done to really create wealth in this country? It fell in our laps. We have not done any serious work in this country to create wealth. We have it—[*Interruption*] Sorry?

Sen. George: Do not let the unions hear you saying that.

Sen. Dr. J. Armstrong: What hard work have we—no, seriously, think about it. I have said before I have worked in some countries where you have done serious work, hard work, and you cannot find the money to implement. “You cyar move because it is there and you cyar find the money.” We are washed with money here. I do not see what that has anything to do with what the unions feel or what they have to say about it.

We ran into a lot of money here on occasions, and if you go and you ask the average person and they understand really, development, and say, “Are you feeling better? Are you doing better? Marginally?” We really should have done much, much better. I am saying that to say that we have enough to go around. We have enough to share. Do you know what our problem is? Greed! Individual greed! That is the problem that is really destroying us in this country—greed. That is what is destroying us. So now we start to talk about north/south, Port of Spain/central, Tobago/Trinidad. That is going to destroy the niceness, and I have always said, in this Parliament, this is one of the greatest countries in the world.

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As I think, again, Sen. Balgobin spoke about a woman with three kids.
[*Interruption*]

Sen. George: Yes!

Sen. Dr. J. Armstrong: She was offered an apartment and she said, “I want no apartment. I want a house.” You realize the mentality. But, our Governments have a similar mentality you know. “Yah!” You seem puzzled, Sen. George.

Sen. George: Yes, I want to [*Inaudible*]

Sen. Dr. J. Armstrong: The mentality is, we have this money and we do not really have to account for it. We could spend it, and if people are taking some, no big thing. We did not work for it. We do not really have an appreciation of it, and that is destroying the fabric of this country.

Mr. President, I want to end by making an appeal; you see all this talk about north/south, east/west, Tobago/Trinidad, stop it. “Elections finish in Tobago; people decided.” If you look at the blogs going around—I unsubscribed to that thing and then it came back again. I am seeing some serious people involved in that, serious people, and the venom, the hatred that we are seeing there, they have to stop that. I have worked in too many countries where that sort of thing destroyed a whole country.

I am really hoping, Mr. President, that Sen. Tewarie can plan and organize the thing in such a way that we have an appreciation of what we have, the wealth that we have in material terms, the culture that we have, the differences or the different cultures, that is where we have our strength and we are using it to weaken the society.

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

The Minister of Justice (Sen. The Hon. Christlyn Moore): Mr. President, thank you for the opportunity, once again, to address this honourable Senate. It would be remiss of me, of course, to not begin this contribution by saying congratulations to the newly appointed bench of the Tobago House of Assembly. It was a victory that came at the end of a long hard war, it was victory that was earned fairly, it was a righteous victory and they deserve the congratulations. [*Desk thumping*] However, it might be a good time to sound a warning.

Bill Clinton, former President of the United States, said recently in an address on January 09 to a crowd of his party supporters, that they must not patronize the passionate supporters of their opponents by looking down their noses at them, and

this is an admonition that bears repetition and it is relevant today in the THA context. This is not the time to patronize the passionate supporters of your opponents, some 11,000-plus of them—[*Desk thumping*—]—by looking down your noses at them.

The trouncing that it was has resulted in an Assembly that has no Opposition. This is a time for caution. This would be the wrong time to look down the nose of your opponent, because you see, Mr. President, these 11,000 people, who, through no fault of their own, are left without a voice in the Tobago House of Assembly have concerns that continue to resonate, and these concerns find themselves squarely on matters that engage us in the Fifth Schedule of the THA Act. These matters also find a home in the relationship that must be forged or re-forged, defined or redefined, between the Tobago House of Assembly and the central government.

For my part, as the Minister of Justice, and I am certain that I speak for all Members of the Government, the Government is eager and anxious and willing to ensure that the relationship between islands is not divided, even though the results of the election suggest that such a division exists. There can be no division between the islands because the voice of 11,000-plus people must be heard and the relationship between the islands must be preserved. [*Desk thumping*] In this regard, I trust that the highest ideals of democracy and the highest ideals of governance will show themselves to be evident in the operation and governance of the Tobago House of Assembly.

That being said, this might be an opportune time to remind that concerns continue to exist and accounts are still required, and 11,000 people who have not found a voice in the Assembly continue to demand answers in certain arenas. This is an opportune time to remember or to remind that finances and the spending of money continue to be a cause for concern for 11,000-plus people on that island. [*Desk thumping*] This is an opportune time to remind that matters of land use, land ownership, land tenure and land title, continue to be pressing questions for 11,000-plus people resident on that island. This is an excellent time to remind that the continuing decline of the tourist industry affects many more than 11,000-plus people on that island, and all these matters I remind are firmly planted on the Fifth Schedule as areas of responsibility of which the Assembly alone has control.

Mr. President, it is not my intention tonight to belabour the Senate, but I could not avoid hearing the articulations or perhaps inarticulations of my friend, Sen. Fitzgerald Hinds, with regard to matters of distinguishing oneself with reference to my good self. It is easy to be swayed by the utterances of the Senator. He does wax philosophical, he is quite engaging—[*Interruption*]

Sen. Ramlogan SC: Entertaining. He is entertaining.

Sen. The Hon. C. Moore:—entertaining, comedic, eloquent. Quite a character for which we are all grateful.

Sen. Ramlogan SC: He is a colourful character.

Sen. The Hon. C. Moore: It does assist in whiling away the time.

Sen. Ramlogan SC: “Yes, aw!” Indeed!

Sen. The Hon. C. Moore: Nonetheless, we have to recall, we must recall, that it would not have been the first time that assertions were made by my friend and no doubt in good faith, and these assertions were subsequently questioned. I mentioned that in the context that in this honourable Senate, with the protection that it affords, it is oftentimes a difficult temptation to resist to spew something that might be remote from truth. [*Desk thumping*]

Mr. President, I found that if you say it with a straight enough face, and if you say it loud enough and often enough, it rings in the public domain as a fact, when what it is, is a pretty lie. [*Desk thumping*]

Sen. Ramlogan SC: “yes, yeah.”

Sen. George: It is true. He is a past master of it, actually, Sen. Hinds. He is a past master of it.

10.45 p.m.

Sen. The Hon. C. Moore: In this regard, I wish to remind—because I do not want to caution without evidence—of a story reported on October 18, 2012 in the *Trinidad Express* where my friend, on the opposite side, alleged that certain members of the ADB board had quit because of certain—that they were being harassed, he alleged there was racism, he alleged that they had walked out. Not three days later, the President General of the All Trinidad General Workers’ Trade Union, Mr. Maharaj, issued a statement saying that he was unaware as to where the Senator would have gotten that information and he denied ever speaking to him. In fact, he asked for an apology since my friend had, perhaps inadvertently, told—[*Interruption*]

Sen. Al-Rawi: Mr. President, I am so sorry, on a point of order. I am trying not to disturb my friend, but Standing Order 36(1), it was not raised in this debate. I do not what my learned colleague is speaking about.

Sen. The Hon. C. Moore: Let me clarify.

Sen. Al-Rawi: Or about a previous debate. If she could link it, Mr. President, I will have no problems.

Sen. George: She has!

Sen. Singh: Give her a chance to make the link.

Sen. The Hon. C. Moore: Perhaps again, my friend, Mr. Al-Rawi, was either out of the room or otherwise preoccupied, but Mr. Hinds did mention quite pointedly my failure to distinguish myself, and my simple point was that Mr. Hinds, erstwhile as he is, could not be and must not be one to comment on one distinguishing oneself. [*Desk thumping*]

In this regard, and to support that particular point, the evidence on the record is and as reported in the media—national and internationally—is that he had made an unfortunate remark attributed to a particular gentleman who had then publicly disavowed the statement. [*Desk thumping*]

Sen. Ramlogan SC: It is the credibility of what he says.

Sen. George: He regularly does that.

Sen. The Hon. C. Moore: So that again, one ought not to throw stones when one lives in a house of a particular material.

Sen. Ramlogan SC: Glass, pure glass!

Hon. Senators: “Ooooh!” [*Desk thumping*]

Sen. The Hon. C. Moore: Having said that, one could not help but notice the—and I would hazard to describe it at a standard that is even higher than verbal diarrhoea, I would suggest that it is more of a loquacious erection that is constantly—[*Interruption*]

Hon. Senators: “Ooooh!” [*Desk thumping*]

Sen. Al-Rawi: Standing Order 34(5), Mr. President. Is my learned friend willing to bring a Motion on Sen. Hinds’ conduct?

Sen. Singh: “Nah, nah, is not his conduct!”

Mr. President: She is not referring to his conduct quite frankly.

Sen. The Hon. C. Moore: “Nooo!”

Sen. Ramlogan SC: It is a description on what he says!

Sen. George: “Yuh know he upstairs listening, yuh know!”

Sen. Singh: “Yuh see, he has oral orgasm!”

Hon. Senator: Standing Order 34(5) does not exist! [*Laughter*]

Sen. Ramlogan SC: 34(5) does not exist.

Sen. Al-Rawi: Mr. President, I am sure you understood me.

Mr. President: It still does not apply. [*Continuous laughter*]

Sen. The Hon. C. Moore: Mr. President, the interruptions do not bother.

Sen. Al-Rawi: Mr. President, Standing Order 35(4), please. I do not think that the word “erection”—[*Interruption*]

Mr. President: Overruled. I do not see anything with that.

Sen. Ramlogan SC: Of course not, man!

Sen. Al-Rawi: That is offensive, Mr. President.

Sen. Ramlogan SC: “How dat is offensive about an erection?” [*Continuous crosstalk*] [*Laughter*]

Sen. The Hon. C. Moore: Mr. President, continuing. There appears to be a very firm aim of my friend, Sen. Hinds, targeted squarely on the SIS, and again, I remind, Mr. President, that of the allegation that has been made by my friend that this particular company has benefited from the largesse of this Government. But it is convenient that while he mentions that this company was on the verge of bankruptcy, he omits to inform that they were the beneficiary of a \$125 million contract under the PNM.

Sen. Ramlogan SC: Under the PNM! [*Desk thumping*] PNM and SIS!

Sen. The Hon. C. Moore: So that it is clear that the root of the SIS is birthed out of my friend’s loins. [*Desk thumping*]

Sen. Ramlogan SC: “Yeah! The roots of the SIS buried in PNM soil.”

Sen. George: Yes, man, birthed! [*Laughter and crosstalk*]

Sen. The Hon. C. Moore: And you know, again, it is very, very attractive when an untruth is repeated, when a misleading statement is repeated, and it is repeated with a straight face, it obtains currency in the national society in the public domain, but, again, one must be cautious. One must be cautious!

Sen. George: Cautious of the PNM!

Sen. The Hon. C. Moore: Constant repetition with a straight face does not make something that is not true, true.

Sen. Ramlogan SC: That is true. [*Desk thumping*]

Sen. The Hon. C. Moore: But you know, again, as an attorney, my friend certainly must be aware of this basic tenet of our esteemed profession that you do not quote matters in part. You do not pick out the one sentence in an article that seems to suit you, but forget that the entire body of the article does not support your case, again, perhaps, bending towards disingenuity. And I refer to the article that my friend, Mr. Hinds, quoted from. This would be the article entitled “POWER PLAY” published by the *Trinidad Express* newspaper from which my friend quoted. In that very article—the very article that my friend quoted from—is the phrase, or is the sentence:

“Under the PNM administration, SIS had won a \$150 million contract...”
[*Desk thumping*]

Sen. Ramlogan SC: PNM and SIS! PNM contractor!

Sen. Al-Rawi: No discrimination! None at all!

Sen. Ramlogan SC: PNM contractor!

Sen. The Hon. C. Moore: It continues:

“a \$150 million contract for roads and drainage works at the Tamana Intech Park...”

Sen. Ramlogan SC: A hundred and fifty million dollars for SIS by PNM!

Sen. Abp. Burke: “But we didn’ know that! But he didn’ say dat.”

Sen. Ramlogan SC: “Dey wasn’ bankrupt then?”

Sen. The Hon. C. Moore: After \$150 million, this is the company that my friend’s party funded but he conveniently describes to us now as a “bankrupt”. So that, you know, one must be cautious of the source of information. Even when information is delivered in an erstwhile Chamber such as this, perhaps the temptation is one that is too great so that caution is thrown to the wind because the statements are protected by privilege.

Now, I want to mention as well the cautions given by Dr. Armstrong with regard to the division or possible divisions in these our lovely islands. I want to echo that caution because, again, listening to my friend, Sen. Hinds, it is easy if you are a casual observer, or an accidental listener, to be fooled into thinking that Trinidad and Tobago is in the middle of some sort of race war. That is a sentiment that is to be deplored, we are to remove from it as far as we possibly can, and Sen. Hinds, although it may be his stock-in-trade, perhaps it is time to restock. [*Desk thumping*]

Sen. Ramlogan SC: “Yeah, yeah, yeah!”

Sen. George: Very elegantly put! Very elegantly put!

Sen. Singh: He has a monochromatic diet.

Sen. George: Yes.

Sen. The Hon. C. Moore: Because, again, the persons who feed on the diet that Sen. Hinds sells are not all as discerning as those of us who sit here. They get bits and pieces from the national media, they do not hear the entire contribution, and sometimes the context is lost in the rambling, so it is quite easy to be befuddled by the confused ramblings that sometimes emanate. But again, Mr. President, I want to admonish that we treat with the utterances, particularly those that has come from Sen. Hinds this afternoon, with the greatest of caution. [*Desk thumping*]

Sen. Ramlogan SC: “Pong ah salt. Take it wit ah pong ah salt.”

Sen. The Hon. C. Moore: I want to return, if only briefly, to matters concerning Tobago and how we chart our destiny forward. In as much as I have echoed that this is a time for collaboration and a time for cooperation, it is also a time for great maturity. Too often in our societies winners gloat over spoils. This is going to entrench divisions in our society, particularly in the case of an island that has chosen, via the recent election, how it wishes to be represented. Going forward in a responsible fashion dictates that the doors of dialogue remain open, and if necessary, that the doors of dialogue be forced open. This is not a time to entrench ourselves in the politics of the matter, because 11,000 people do not have a voice. [*Desk thumping*]

So it will call for great maturity, something I am confident that the Tobago House of Assembly, as currently constituted, will possess. I am confident because, at the end of the day, the House is after all stocked with Tobagonians—a notoriously, pragmatic, practical and competent bunch. So that I am confident that the necessary moves in the right direction will be forged and the necessary ties will be made.

At the end of the day, it does not lie in the mouth of Sen. Hinds to question where I lived, how I lived, or why or if I have not gone back, because it surely must be a matter of public record that he no longer lives in his home community of Laventille. [*Desk thumping*] It must be a matter of record that he is in a gated community for a particular reason. [*Desk thumping*]

Sen. Singh: That is right.

Sen. Ramlogan SC: “Yeah, yeah! He cyar go Laventille!”

Sen. The Hon. C. Moore: It is also a matter of public record that he held the post of junior Minister in the Ministry of National Security. [*Desk thumping*]

Sen. Ramlogan SC: Yes, and murders astronomically rose!

Sen. George: That too!

Sen. The Hon. C. Moore: So that this latter matter did not influence his ability to return home as I am sure he yearns to do. So that the matter of my residence and my continued residence does not lay in the mouth of Sen. Hinds— [*Interruption*]

Sen. Ramlogan SC: “He is ah bourgeois rasta, yuh know. Living in ah gated community.”

Sen. The Hon. C. Moore:—nor does it lay in the mouth of a Trinidadian to be quite frank. [*Desk thumping*]

Sen. Ramlogan SC: “Only Rastafarian to be living in ah gated community in de whole Caribbean!” [*Laughter*]

Sen. The Hon. C. Moore: So on that note, Mr. President, I am grateful for your indulgence, and I am grateful to the Chamber, for allowing your indulgence. I thank you. [*Desk thumping*]

Sen. Penelope Beckles: Thank you very much, Mr. President. I think everybody might have omitted to talk about the fact that I think we have all received our iPads today. I am not sure if Sen. Moore was using hers but— [*Interruption*]

Sen. Moore: This is an old one.

Sen. P. Beckles: Well, the new one is—Mr. President, I just want to say that I know last week you indicated to the Senate that today, the iPads would have been distributed. I must say that on behalf of the entire Senate, [*Desk thumping*]—I hope my colleagues have no objections—to thank you and the Speaker and all of those who would have been responsible for the initiative of a paperless Parliament, and it certainly will force—I saw a number of Senators taking tutorial classes including myself. [*Laughter*] Including myself! I am sure it would certainly help us to perform a lot better and to use the opportunity to do a lot more research.

Finance Bill, 2013
[SEN. BECKLES]

Wednesday, January 30, 2013

11.00 p.m.

Mr. President, I do not know if the policy—now that we all have our iPads, I assume that the policy of being able to access the iPads during our contributions—can I assume that that is now going to be the case?

Mr. President: And to be standard.

Sen. P. Beckles: A standard. Thank you.

Sen. Deyalsingh: Best policy the President ever had.

Sen. Al-Rawi: True.

Sen. P. Beckles: Well, thank you kindly, Mr. President.

Sen. George: And I will now return to my paper.

Sen. P. Beckles: Sorry, I did not hear you.

Sen. George: And I will now return to my paper. [*Laughter*]

Sen. P. Beckles: And I will now return to my paper. [*Laughter*] Minister, I have not quite gotten there yet.

Hon. Senator: [*Inaudible*]

Sen. P. Beckles: Well, actually, I have a copy of the Bill before me. I just wanted to probably give a few comments on my colleague before, and to join with her and the many others who have congratulated the Chief Secretary, the hon. Orville London and the other 11 persons who were successful last week Monday, in the Tobago House of Assembly election.

I noted the concern of the hon. Minister of Justice, as it relates to the issue of the consequences of an overwhelming majority, no Minority Leader and the temptations that can come the way of those governing having regard to the victory. Personally, I think there are two lessons to be learned. One is that it is quite obvious that when the framers of the legislation passed that legislation, there was no contemplation of a House of Assembly without an Opposition, because the legislation clearly does not take into consideration a situation like that. We know in Trinidad we have had 18-18 and we have had 17-17-2. I recall and probably Minister Coudray recalls, I think it was in the Siparia Regional Corporation where you had—was it 4-4?—that matter actually ended up in court.

Hon. Senator: We had 36-0 already in—[*Inaudible*]

Sen. P. Beckles: Sorry? Yes, and in Mayaro, you had 3-3. I was actually present in Siparia when they had to pull from a jug, right, and draw lots. That also happened in Tunapuna, if I recall correctly.

The point is that as we develop, and as we advance and as we progress, the pieces of legislation initially passed may not always contemplate those situations, but the truth is that we have seen it happening from time to time, and we cannot always be perfect, but the point is, as we pass other pieces of legislation, we have situations which should make us a lot more cautious.

Having said that, I mean, I am not a Tobagonian, but I feel pretty confident that even though the TOP may not have won any seats, I think that in a situation such as a 12-nil, a lot of people are going to be very vigilant. I think a lot of people are going to be looking very closely at the performance of the THA, as they have done from time to time. I think that the Tobagonians would certainly put in place certain checks and balances, to make sure that the Assembly is aware of its responsibility to all Tobagonians. Having said that, I am also fairly confident that the Chief Secretary and the other 11 elected candidates, together with those appointed, would do a very good job in running the Tobago House of Assembly.

I also listened to her concerns in relation to statements that are made from time to time, by politicians about each other, and about other members of the public who from time to time are not present to defend themselves, and that is not exclusive to any one party as may have been suggested by my friend who spoke a while ago.

One of her comments was that the recently concluded election in Tobago was a war. It is unfortunate that an election in a country as small as Tobago could have had the description of a war, because that means clearly, that a number of things took place that would have resulted in certain persons being wounded. When people are wounded, they tend to blame other people for almost everything that has transpired. I read some of the descriptions of persons on the campaign trail, whether it be from one side to the other side, and in a small country like Tobago, one wondered what would have happened following the election, the kind of things that people said on the platform.

I think we need to be careful about suggesting that it is only one side from which that kind of behaviour came or could come. I think as the hon. Minister referred to the necessity for us to be mature, at least for a particular maturity at this point in time. I think maturity in politics is something that we should always strive for not just now, but at all times. Let us hope that as we go to the local and the general elections, that we have all learnt lessons from the experience in the THA. Let us hope that the local and the general elections would not acquire the description of the word "war".

Mr. President, having said that, there are a couple of areas in this Bill I would like to deal with. The first is the—I was having some discussions with the hon. Minister—actually, Minister, I did not quite complete my research, but I did get some help, and that has to do with the amendments to the Retiring Allowances (Legislative Service) Act. I thank your technical person, for giving me some very quick assistance; we had not completed it.

I want to say that if we go to the legislation, the legislation first of all “refers to legislator” as a person who—

“(a) is an elected member; or

(b) not being an elected member, is the holder of a specified legislative office;”

Then, Minister, the Schedule refers to Specified Legislative Offices, as:

“Minister.

Members of the Executive Council.

Member of the Legislative Council.

President of the Senate.

Parliamentary Secretary.

Speaker of the House of Representatives.

Deputy Speaker.

Leader of the Opposition.”

Now, when I looked at the Explanatory Note, I realized that what was stated that:

“...the Bill would amend the Retiring Allowances (Legislative Service) Act, Chap. 2:03 to provide firstly for a retiring allowance to paid, with effect from November 21, 1996, to any person who has served as a legislator for periods amounting to an aggregate to not less than five (5) years,...”

Of course, the figure that they talk about is:

“...all retired legislators who served Trinidad and Tobago for periods amounting in the aggregate of not less than five (5) years should receive a retiring allowance of not less than \$3,000.00”

Now, where I had the concern was, there had been a few amendments and those amendments took place by Act No. 17 of 2007; Act No. 21 of 2007 and Act No. 4 of 2008. Now, whilst this particular legislation would have dealt with persons five years and less, so that you now at least have a \$3,000 pension. Your technical person pointed out to me that in 2008, they removed the section that

dealt with people between the five years and the eight years categories. So, it means that—if I understand it correctly—originally the persons between five and eight years would have gotten 25 per cent. As it stands now, five years and less is, \$3,000—[*Interruption*]

Hon. Senator: Five years and more.

Sen. P. Beckles:—five years and more, \$3,000, so that would take it up to almost nine years, whereas prior to 2008, those between five and eight years would have actually been 25 per cent. There has actually been—I really cannot say if that was intentional.

Sen. Ramlogan SC: “One of de categories is gone?”

Sen. P. Beckles: Yes. It means that—if I could give you a simple calculation, okay. For example, let us say a Minister, earning \$33,000 a month, one-sixth would be \$5,500, that is with the five years. With the eight years, it would have been \$8,250; or if you take it at the yearly salary, it would be \$396,000, with the five years at one-sixth, it would be \$66,000 and at the eight years, it would have been \$99,000. So, it means that there is substantial loss.

I am of the view that that deletion had to be one in error, because I cannot see how that substantial amount of money would have been deleted. It was pointed out to me—so that I do not know—now, that I know it was actually changed in 2008. Actually, it appears as though a lot of people are not even aware of that. Certainly, I am not aware of it. So, at some point in time it is something that would need to be reviewed because it means that persons who would have served between five years and nine years would lose a substantial amount of money. I think they are not even aware of that.

Mr. President, having said that, the other issue that a lot of people always seem to be afraid to talk about is the fact that in the Schedule Senators are not covered. Now, some might say I am declaring an interest, but I have served as a Member of Parliament from 2001—2010. So, in terms of what the legislation is, I think I could consider that I am in a fairly good category, but there are a number of persons who have served in the Senate, and who will serve in the Senate for a considerable period, and would not benefit at all because the legislation does not at all cover Senators.

Hon. Senator: Does not cover what?

Sen. P. Beckles: Senators. Right. Therefore, because I just read—[*Interruption*]

Hon. Senator: [*Inaudible*] [*Laughter and crosstalk*]

Sen. P. Beckles: Well, Mr. Attorney General, if I might just read the Schedule for you again.

Sen. Ramlogan SC: Go ahead.

Sen. P. Beckles: If you are a Senator and a Minister.

Sen. Ramlogan SC: “Ah know. Ah know.” [*Crosstalk*]

Sen. P. Beckles: The Schedule says:

“Minister.”

Sen. George: “Is we to ketch.” [*Laughter*]

Sen. P. Beckles:—

“Member of the Executive Council.

Member of the Legislative Council.

President of the Senate.

Parliamentary Secretary.

Speaker of the House of Representatives.

Deputy Speaker.

Leader of the Opposition.”

You know, Mr. President, I think it was last year we were giving kudos to former Sen. Horne, who spent somewhere between probably 15 and 20 years in the Senate and left without anything at all. There are a number of Senators who would serve because they do not fall under this Schedule.

Now, you know some people argue, Attorney General, that a Senator is not elected, right? You know that is an argument and, therefore, should not be— [*Interruption*] Sorry?—entitled to anything. As a matter of fact, there are some people who are of the view, that the Senate should be totally eliminated, and that in our constitutional reform, the Senate should be totally removed. Well, I guess that is for another time.

I just want to make the point to recognize people who served and served well. I do not think—and I have made this point before that, you know, people do not realize that there are a number of politicians who genuinely give up their professions, some lucrative, maybe some not so lucrative, and there are number of persons who serve in all Governments, who serve with distinction, and who are genuinely interested in the advancement of Trinidad and Tobago.

11.15 p.m.

It is very strange that as politicians sometimes, in terms of legislation and terms and conditions, for several reasons, we are probably fearful to deal with those situations because of the perceived backlash. For example, a simple thing like maternity leave for [*Interruption*]*—*well paternity leave in your case*—*female Members of Parliament. When legislation was being passed, that was not even considered.

So, hon. Minister of Finance and the Economy, I do not know if that may be able to be dealt with today because that would probably require a much more substantial amendment. I am referring to the one specifically to deal with the issue of the five and the eight years; but also, at some stage, because the amendment to the schedule is one that could be done through regulations. It is not one that has to be done necessarily by Parliament. Attorney General, is that so? I think so, but one can look at it.

Having said that issue as it relates to*—*then I want to move to my other point, which is the issue of the Litter Act. Mr. President, the Litter Act, the amendment to that Act, says that clause 5 of the Bill would amend section 24(9) of the Litter Act, Chap. 30:52, to increase the fine from \$50 to \$500. The persons who are liable to payment of the increased fine include persons who deposit litter in public places; drivers depositing litter from a motor vehicle or trailer; and persons transporting on a motor vehicle or trailer, any material which is likely to fall or blow off; and an owner who fails to provide a receptacle, on a bus or taxi, for litter*—*section 3(b). [*Interruption*]

I probably believe that this is one of the most important pieces of amendment in this section. It is moving the fine from “a fixed penalty for an offence shall be fifty dollars”, which is what exists at present and it is going to \$500. It is a substantial jump. In my humble view, probably we need to increase it even more. Maybe on another occasion that would happen.

I am sure we are all concerned about this whole question of littering in Trinidad and Tobago. Sometimes it is just too painful, when you come into Port of Spain or San Fernando. It really does not matter.

Hon. Senator: Or when rain falls.

Sen. P. Beckles: “Yeah”, and when rain falls. [*Crosstalk*] When I looked at this increase, I thought that there was a lot of commendation that needs to be given for it. I just want to say that*—*Minister Tewarie talked a while ago about culture and it seems as though we just seem to have a culture of wanting to litter.

Finance Bill, 2013
[SEN. BECKLES]

Wednesday, January 30, 2013

In doing this research, I looked at some other countries. The cities that are cleanest in the world are Calgary in Canada, Adelaide in Australia, Honolulu in Hawaii, Minneapolis in USA and Kobe in Japan. The cleanest country in the world is Singapore.

I just wanted to share this information because, in Singapore, they made the selling and importing of chewing gum illegal since 1992 and the fine for chewing gum is \$5,500. The country is described as being remarkably clean. [*Interruption*] There is a fine of \$350 for not flushing your toilet; and for dropping a cigarette butt, the fine is \$300. For eating and drinking on the train, the fine is \$500, and women are not even allowed to breastfeed on the train, which is a little extreme.

The question is: how did they get to this stage? In Singapore, they said that you would find at least 400 to 500 plain clothes police officers simply just continuously roaming, so the chances of you getting away is very slim. Of course, the other issue has to do with the speed with which these matters are dealt with.

Mr. President, Bermuda recently passed legislation and their fine is \$5,000 for littering, and if there is a subsequent offence, the fine is \$25,000. In Dubai, the fine is \$1,000 if you are caught chewing gum or spitting something called “paan juice”, which is from the betel nut.

I looked at a recent development in Britain where they have a fixed penalty offence in a number of their boroughs. They actually collect—well, in England, they say that some nine million drivers throw litter from their cars and it cost the Government \$863 million per year to do the cleaning up.

Now, the reason why I brought those figures is because, I do not know if we have really calculated what it cost even to clean in the limited way in which we clean. In England, they now have what you call a fixed penalty ticket and when you look at the boroughs and regional corporations on their websites—you can go and ask all the questions: where can I pay it—and they will tell you, by credit card, by this, by that and, if I challenge it; all of it is there. I know that we have Minister Coudray, who was in local government, and probably knows a lot more than myself about this.

We talked a while ago about why is it that things really do not work in Trinidad and Tobago. And I took a little time to run through some of the legislation and I realized that a lot of it is right here, but for some strange reason we just do not seem to implement it. I looked, for example, at the ones to do to derelict vehicles and I saw where all the legislation is there.

Chap. 30:52, if a person:

“(1) Without prejudice”—and this is section 9—“...for an offence committed under 3 or 4...where any derelict vehicle is left or caused to be left in any public place in such circumstances as to cause, contribute to or tend to the defacement thereof by such derelict vehicle, the local authority may give notice to the person so leaving or causing the same to be left requiring him within twenty-four hours of such notice to remove the derelict vehicle so as to restore the public place to a condition...”—of safety.

Then it talks about if you fail to comply. It talks about what the local authority can do in moving. It talks about recovering cost. Then the question we ask ourselves is: how is it that you can go throughout the length and breadth of Trinidad and Tobago and see all of these vehicles there and everybody is asking who is the owner and who should move it?

But the legislation is all there. It deals with trees hanging. I am asking myself: is it because the fine is too small? Is it because the corporations do not have the resources? One gets the impression as though we just either do not have the resources; we do not have the will. Something is wrong, but it is not that the legislation is not here.

One of the things we need to do, of course, is these empty lots where people just use it to throw stuff. We need to find a way where we pass legislation where, those persons, you attach those fines either to their land tax, their leases are not renewed, but something has to be done. We cannot just put our heads in the sand and say that we cannot deal with it because there are many other countries now that are taking it very seriously, and you are realizing that it is only if you police the system very aggressively and you deal with it on a speedy basis—

I remember I went to Dubai a couple years ago and Dubai is a place where the fines are also very, very high and the taxi driver was asking me how long it takes to pass legislation. I told him: well, in some instances it could be a night, like tonight I guess; and in some instances, it is years. He said: “Well, you know, the king makes a pronouncement in the morning and it is passed in the morning.” Dubai is as clean as you can get.

We have to ask ourselves: what will it take us to have a clean country? What will it take us to have a sense of pride that we do not throw things out of the window and we encourage our children to throw things out of the window?

Sen. George: We have to outlaw Juicy Fruit.

Sen. P. Beckles: Outlaw Juicy Fruit? Mr. President, on a serious note, it is not just the responsibility of the citizen, but I also believe that in passing legislation, we also have to make institutions liable for a number of things. For example, if you are having a fete, people should be required to have bins; you should be required to have toilets; you should be required to have washrooms; you should be required to clean up places. It should not be a question where the only focus is on the issue of safety.

You have a fete and it is costing you \$50,000 or \$75,000 in fees for an inspector, a sergeant, 40 constables. That seems to be what the major concern is and there is no concern really whether or not, on the next day, we have not damaged whether it is our stadiums, our courts or whether or not the place is clean. That is something we need to look at. Some countries have looked at litter courts. In Australia, they have actually developed a court that looks at, not just environmental matters, but planning matters and that has actually dealt with the situation.

Mr. President, if it is that we are serious about this issue, we know very well that if we are going to give people these fixed penalty tickets and we are going to be serious about policing—I know the Minister talked about 147 litter wardens, but we really need a lot more than that. Under the Environmental Management Authority, there are provisions for environmental police, but I know that, in most instances, we have never crossed more than 30. It is something we need to deal with in a very, very urgent way.

Mr. President, sometimes we wonder what causes, not just viruses, but certain diseases that from time to time will come into Trinidad and Tobago. We now have a situation in the courts of Trinidad and Tobago where there is this outbreak of chicken pox in the prison and no prisoners are being brought to court. As a matter of fact, I went to court yesterday and everybody is in a panic, no prisoners, and they are talking about sanitizing. The police officers are afraid to handle the prisoners; people are afraid to go in the courts where prisoners are being brought and it is a whole panic situation.

Hon. Senator: Tuberculosis.

Sen. P. Beckles: Quarantine, yes. Well, the point is that whether or not they are bringing prisoners who may not have it, the fact is the police officers are panicking. Everybody is panicking, and that is not unexpected. So that it is a matter that really calls for us to deal with as a matter of urgency.

I just want to say it is a good start in terms of the fines. I really hope that we will put other systems in place, particularly in terms of local government; that the municipal corporations will get more resources, more litter wardens.

You would recall that, for example, for Christmas, we had the situation in Diego Martin where you had garbage all over the place and nobody seemed to want to accept responsibility. They were saying that the public, every Christmas, that is the time they throw out the fridge and the stove and everybody cleans up. The truth is that happens in many corporations, many boroughs, many cities. If you know that is the case, then you have clearly to employ more resources. Do not just say they do it. If you know that they do it, then you put systems in place so that you avoid a situation because then it becomes a health hazard. The corporations then have to find more money which, very often, they just do not have.

11.30 p.m.

Mr. President, the last area I want to deal with is the issue of the amendment to the Customs Act. The Explanatory Note says that this Bill is to amend the Customs Act, Chap. 78:01 in a manner detailed. When you look at the Act, it is clear that the intention is that the exemptions, as it relates to vehicles that are going to be coming into Trinidad and Tobago, what they have done is clarified certain areas. I think they have made it a little more specific where you now have a situation where the persons bringing in the vehicles have to be able to prove that they are the registered owners, prove probably the length of time that they have owned the vehicles. It is a change from what exists right now. Right now you have a two-tier system where, depending on the age of the vehicle, some may get more exemption than others.

As I understand it now, in the Bill there will be total exemption, once you can establish that you have been living there for more than five years and you have met certain criteria. My only caution is that it means clearly customs needs to be beefed up, because the kind of resources that are needed to ensure that there is proper policing of this piece of legislation, I am not certain that Customs, as it is presently constituted, has sufficient resources.

Mr. President, as I understand it, some time ago in the late 1990s, a decision was given where the Customs personnel were to get no more staff, customs officers, until a strategic plan was done. The figure, as I am just told by my colleague, is that you have some 500 officers short in customs. And you have people complaining when they have to go sometimes for simple packages, whether it is a barrel, whether it is some package that somebody has sent, people tell you about going two days, three days, four days in order to retrieve that package. Sometimes the customs officers bear the brunt of the criticisms of the members of the public, and in some instances it is really not their fault.

Unlike the police service, the prison service and the fire service, while the service commission has special criteria for the selection of those persons, that is not the case as it relates to customs. There is a situation where most of the people that go to work in customs, go almost at the age of 40 years, whereas in the police and most of the other professions, they go in their early 20s.

Hon. Minister, I am advised that there are regulations before you to treat with the recruitment of officers for customs. I hope if that is the case, that this is a matter which can be dealt with, with some urgency. People complain continuously about the services there, and as I understand it, it is really because they are severely understaffed.

There is the customs building that is completed. I am not sure what the problem is as to why they are not able to occupy that building, but for those of us who have visited the port we would know that the conditions under which they work are really terrible. If that building is completed and ready, one can only hope that very soon they would move over there, and then we would be able to build some state-of-the art storage shed, as it is called, for the improvement of the working conditions, as well as for the customers that visit that facility.

Mr. President, I know that the Minister spoke about reducing the time for the opening of containers and for persons who have brought in goods to Trinidad and Tobago, moving from probably some two to three weeks to a few days. I am aware, and it was in the public domain, that the American Government, the United States Government, offered to this country second-hand scanners that might not only deal with security issues, but probably improve the whole issue of the clearing of containers. I do not know whether that offer was accepted, but I am sure we are all aware that in purchasing scanning equipment, it could take anything like one or two years to complete your tendering process and to actually have your orders fulfilled.

One can only hope that the Government has accepted the offer from the American Government—I do not know if the Minister is aware of that—so that we can eradicate this problem of people waiting sometimes weeks and months for their containers, and also the issue of persons who, because of the Government not having the kind of modern equipment, have been able to abuse the system by bringing in drugs among chicken and among other parts.

At the end of the day, my information is that we are looking at something like—I do not know if I am correct—but, Minister, is it about \$8 billion in revenue from the port authority? Is that a correct figure?

Sen. Howai: Yes.

Sen. P. Beckles: Yes, if that is the case then you are looking at a substantial amount of revenue that is brought to Trinidad and Tobago, so clearly it is the kind of situation that warrants some sort of urgent attention.

Mr. President, at the end of the day, all the amendments that we have addressed today some of them would have been in the making for some time in terms of the consultative process. I know that the Customs (Amdt.) Bill was laid in the Parliament some time ago and it has lapsed. That would also treat with some of the concerns that I have raised and some of the things that the Minister has said, and would probably go a long way to comforting some members of the public, as it relates to issues of security and issues of cutting down the lead time for when you go to collect your items at the port.

Just by way of closing, I spoke about the whole issue of consultation. I must say that while I understand this was a mantra of the Government, when I looked at their manifesto, for virtually almost everything they referred to, they talked about the issue of consultation. A number of the pieces of legislation we are amending today, whether in relation to the SRP, whether in relation to the increase in public assistance, in relation to the customs and even the retirees benefit, all would have been as a result of consultation.

While I know that this is not strictly speaking to deal with the Bill, it is important for me to mention the concern I have had in relation to the school vaccination programme that was initiated recently. I say that as a female. Sometimes there is a concern that when we implement these policies and practices, the rights of women and girls are not given the kind of importance that they should be given. I am sure, knowing the Minister of Health as I do, that this is a very important and probably necessary policy, but when you look at what is being said I think the issue is one of consultation and communication. I have seen where he has said that the issue of putting out a press release, advertisements and informing people, that a little more would be done. One can only hope probably after that has happened, that people would recognize there is some value actually in the process.

Mr. President, I look forward to the responses of the hon. Minister of Finance. As I close, I do wish everyone a safe and happy Carnival 2013. [*Desk thumping*]

Sen. Subhas Ramkhelawan: Mr. President, I welcome the opportunity to speak on this Finance Bill, 2013.

Finance Bill, 2013
[SEN. RAMKHELAWAN]

Wednesday, January 30, 2013

It is not often that I have had the pleasure to speak on matters of finance, investment and the economy at the back end of the debate, and so it is always the case that I have spent my powder—not a Carnival term—by the time we get to this stage of the debate. I am fortunate today to have been able to keep my powder dry, and also to ruminate upon the various contributions that have been made in specific areas with regard to this particular Bill.

I feel very favoured that tonight I am able to speak after my colleague, Sen. Bharath, who often comes speaking immediately after me, to try to put maybe a damper on many parts of the contribution factual that I have made, as opposed to some of his particular pieces of contribution. In fact, today I heard him speak to the capital market or the stock exchange growing by twenty-something per cent. I did ask him what was the source of his information. I asked him to verify the source of that particular piece of information, being as I am rather close to that aspect of the market.

Mr. President, when I heard all the contributions, one word came to my mind, it is “nationhood”. How do we as young country build a nation, sometimes from disparate parts, finding ways to bring ourselves to come together and to build our nation and to push it along in the right direction. It is not only the economy or finance and investment, even though that is a large part of the equation, but we need also to be able to weave together the politics and the society of the day, in order for us to build up on this young, vibrant nation that we have that is Trinidad and Tobago.

I say this because we have examples of what I would consider to be very worthwhile projects that we pursue at times, that could be, if not fully derailed, delayed in the quest to build and expand the economy. The Point Fortin highway is an example where, with the best will in the world, political, there has been some delay and some derailment because of civil society and the actions of members of civil society. I am saying this just to make the point that we have to strive to create harmony and harmonization in order to prevent some of the delays that push us back on the road to development.

The Bill has addressed and seeks now to give legal force to a number of policy areas that were discussed and fully articulated by the hon. Minister of Finance and the Economy in his debate contribution some four months ago.

11.45 p.m.

While we have done well, in terms of some of the areas in shoring up the more disadvantaged persons in our society, that has not come without cost. Today, we have a situation where subsidies and transfers now make up some 50

per cent of the overall expenditure of the Government. Certainly I do not believe that that is sustainable situation. The resolution for such a situation must come in two ways: one, the cutting back of expenditure or two, the growing of the economy.

The cutting back of expenditure in terms of social transfers is really not an option for us. I have seen first-hand the suffering of many of citizens particularly those who are aged and who have not built the means by which they can take care of themselves in later life. Therefore, it is good and it is proper that any government seeks to find ways to ameliorate the suffering and the tensions that would occur in this particular grouping.

But having said that, if we continue the way we are going we would find ourselves unable to finance these expenditures, and therefore, while we cannot cut expenditures we must find ways, creative and new, to grow our economy. It is in a sense Hobson's choice, we have no choice. We cannot cut back expenditure. We cannot stand by and watch those who are weak and disadvantaged suffer. We also have to ensure that our citizens find it within themselves to become strong contributors to the nation, where at the end of the day each and every one of us who is able-bodied and capable must be able to say that we have given more to the country than we have received.

That is where the challenge comes in, in terms of finding that right equation, that equation that balances to ensure that we can continue as a nation to provide and give support to those who are in need, and at the same time we can stimulate, invigorate, motivate those who are able-bodied to contribute and build the nation to its maximum level.

I believe it was Sen. Bharath who quoted from the book by Lee Kuan Yew, former Prime Minister of Singapore, and also referred to by Sen. Penny Beckles, that in the creation of a new economy—and I am quoting Sen. Bharath—try new methods and schemes in order to be better and cheaper than our neighbours. I think that is what he said.

Therefore, we must challenge ourselves, if we are caught in Hobson's choice where we must grow the economy and grow the economy quickly, we must embrace new ideas for the growing of the economy.

So, it is in that context I want to speak to some of the areas that have been, not only articulated in the budget debate by the hon. Minister, but the legislative framework to give force to some of these policies and ideas that have been contemplated and are being put into place.

Finance Bill, 2013
[SEN. RAMKHELAWAN]

Wednesday, January 30, 2013

I want to speak to some of the issues that have cropped up in the debate. Over and over today we have heard the question or the issue of corruption or possible corruption in contracts. This is not a new invention. This has been with us, these accusations and counter accusations, real or imagined, have been with us for a very long time. It does not really matter which is the administration that is holding the reins of government, but what we do know and we have heard and I am sure you have as well, Mr. President, we have heard these counter-accusations many times over.

I believe that when you listen to the ordinary man on the street, to our citizens in every nook and cranny of this nation, there is a concern about the issue of corruption and the perception that it exists in our nation to a great degree.

We have to find ways in this honourable Senate to ameliorate some of these concerns that arise, and I do endorse in this context the acceleration of new procurement legislation, but that in and of itself is not going to essentially solve the problem. A major issue that we have is not just the passing of laws, but the ability to enforce laws.

So, we need to find ways to train, to develop, to school our law enforcement agents in the areas of detection of this thing which in essence is white-collar crime. It is easy, see, as I have said before, it is easy to hold somebody who has taken a car, who has stolen a car, but it more difficult, extremely difficult, certainly in our nation, to find perpetrators to detect in respect of white-collar crime, in respect of fraud, in respect of corruption and corrupt activity.

So I want to say again on this matter, that apart from procurement and putting in that infrastructure, it is very important to train our police force to be able to handle and deal with some of these areas that have been rearing their ugly heads in our society.

While I congratulate the Minister on being able to put in place legislation which I expect would be passed, to make sure that additional allowances are paid to our reserve police officers, I think we need now to look at training, not only of reserve police officers, but the entire police force to deal with this question of corruption in our society.

Some have argued that corruption and leakage in the society could result in upwards of 20 per cent haemorrhaging in terms of the payments for goods and services and the procurement thereof. If that is the case, it is a very, very significant amount and it is something which we must seek to address.

There is another area that I think might have some bearing on this matter of perceived corruption, as I have said real or imagined, the question of procurement and the question of, what I would like to call, party financing and the relationship of party financing which may lead to this question and this perception of corruption within the society, and in terms of the procurement of goods and services for the public.

Now, this question, Mr. President, of party financing has come up on several occasions. When I first came to the Senate, as a younger Senator, it was first brought to this Senate by the then coordinator of the Independent Bench, and then the most senior Senator on the Independent Bench, Sen. Deosaran as he was. A Motion was debated and an undertaking was given by the administration at the time to take certain actions. That never came about. Subsequently the matter of party financing, another Motion, a private Motion, has come to the Senate but has not as yet seen the light of day.

We have to become more serious about addressing this matter of white-collar crime and the perceptions of corruption by addressing some of the root causes. One of the areas that crops up from time to time, and it is not peculiar to Trinidad and Tobago, it is a phenomenon that is raising its ugly head throughout the world—in some places much more endemic than it is perceived to be in Trinidad and Tobago, but nonetheless it is finding a way through the system, the political system, and that has implications for haemorrhage and leakage in the public coffers.

So I want to appeal to the Government to consider, apart from procurement in addressing this question, bringing to this honourable Senate legislation which will deal with the whole question of party financing. It is felt, Mr. President, by many of our citizens that he who pays the piper calls the tune. Therefore, it is important to see those who are making substantive contributions into the various party coffers to ensure that there is nothing amiss in the process.

[SEN. DR. JAMES ARMSTRONG *in the Chair*]

We have seen in many other jurisdictions that a clear framework has been set for addressing the question of party financing. Really, at the heart of it is the limitation of contributions to a political party by any one group or grouping acting in concert. Not only the extent of contribution, but another important factor is the extent of transparency and disclosure in those contributions.

I believe if there is full panoply of measures, legislation and enforcement it would go a long way to addressing the perception or the reality of corruption within the various successive administrations for the nation. I put this for

consideration for the Government to consider very carefully as we go along in this particular term. Mr. Chairman, or Mr. Presiding Officer—and I must say that you look rather sartorial and regal in that position.

Hon. Senator: It has to do with his grey hair.

Sen. S. Ramkhelawan: Mr. Presiding Officer, we have heard from time to time many naysayers about our economy. Indeed, on several occasions I have expressed concern about the state of the economy, and more so about the policies that we need to put in place in order to get our economy right because, as I have said before we cannot continue to increase our expenditure with a concomitant increase in revenue. We cannot afford to generate additional revenue by eking out new taxes for which there is no corresponding growth in the economy, and that is the linkage. Those are the links in the chain. If we do not get all those parts humming and singing and working in harmony, we are going to find ourselves being disconnected: expenditure going this way and revenue going this way and neither of the two shall meet. And if that is the case we are going to find ourselves ratcheting up the level of debt that we will carry.

12.00 midnight.

This Bill brings me to the other point that has been raised here and in other places. It was raised today by Sen. Hinds, and I believe it was raised by Sen. Henry, and that is that there are times that you need deficit financing as a means of stimulating the economy. That is true. But I do want to congratulate the Government for limiting the extent of the deficit that occurred in the 2012 financial year, from \$7.6 billion to the figure which I heard the Minister mention in the order of about \$3½ billion, and I think considering all the factors this is a good thing.

There are times when you need deficit financing. This probably was not the time, because had we as a nation borrowed immediately, we would have been sitting on a whole pool of funds to fund the Point Fortin highway, but we would not have been in a position to carry out the works, as I mentioned before, when the politics of the day and the administration found itself somewhat disconnected with the will of parts of the society, resulting in delays and resulting in the inability to utilize funds, which would have had to be borrowed lying idle, in a sense, because they could not be utilized for the particular project. So, congratulations to the Government on the management, if I may say so, or coming in with a reduced deficit from \$7.6 to \$3.5 billion, or three point something, as the case may be.

Now, I want to speak to what I referred to earlier in the contribution by Sen. Bharath, and Sen. Bharath spoke about what I think many of us consider here in Trinidad and Tobago to be the gold standard of a small-island economy and its development in the form of Singapore. We also need to devise a bold vision. We also need to devise creative means of re-igniting our economy. Of course, I do not necessarily share the views of Sen. Armstrong, who happens to be you presiding in the Chair at this point in time. I do not share the view that we did nothing to generate growth in this economy, or to have the wealth that we have in this economy. That has been done by successive administrations working at it to be first mover in many areas.

It ought to be known that we were among the first movers with regard to LNG, and we would have benefited from that in many subsequent years. We were the first mover, and it is only several years ago that we realized that we have now fallen behind in the game of molecules and the utilization of molecules in the sphere of gas. So there are others who have caught up with us.

It is not that we had more gas than anybody else. Of course not; our reserves of gas at best would have been less than 1 per cent or far less than 1 per cent in the world reserves order. Our reserves have been much less, but it is the utilization of those resources and the effective utilization of those resources at that point in time that gave us this competitive edge against the rest of the world, and that competitive edge has now been lost.

I want to go back to that question. So that we have seen measures; we have seen measures where fiscal incentives a new fiscal regime, has been put in place for oil and for gas. That has generated benefits, because for several years in our bid round we were not successful, we had no takers, and therefore we must be doing something right now that we have takers and, if I recall properly, the hon. Minister of Energy and Energy Affairs would have given us the information that in five out of the six areas there were successful bids, or there were at least two bids in five out of the six areas that were out for bid.

Again, that suggests that we are doing something right. But we have to—I believe, apart from the regime and so on—think, as I say, out of the box and we have to think in the context of creating this new economy by trying new methods and new schemes. So that here we are sitting on the shoulder of a country at its shortest point, seven miles away, with the largest reserves of oil in Latin America, and I am advised that Latin America has 20 per cent of the world's oil reserves and this country has 80 per cent of that 20 per cent.

Yet still, when we look at the gold standard, as Sen. Bharath keeps speaking about, Singapore, what he did not say is that they had a creative way of tapping into, identifying and tapping into what they called a hinterland. So here was this country described by Sen. Bharath as swamp and mosquitoes—I do not know if he said mosquitoes.

Sen. Bharath: No.

Sen. S. Ramkhelawan: Swamp. He said swamp. Several years ago at the same time, around the same time, both our countries were getting our Independence, and our economies were at about the same place. We were about US \$700 million or US \$800 million and they would have been a bit more. But now, what is the situation? Now, 50 years later we are striving to achieve a GDP of about US \$24 billion, US \$23 billion, US \$22 billion and, on the other side, we have a country that was similar to us 50 years ago with a GDP of US \$150 billion. So we started at the same point; we started at the same point.

Sen. Bharath: We were better off.

Sen. S. Ramkhelawan: And my hon. colleague says we were better off.

Sen. Singh: Before this we had Lock Joint in place. We were collecting—
[Inaudible]

Sen. S. Ramkhelawan: All of those good things that he is saying, so maybe I will have to be persuaded by him. It is not often that he would make a very strong persuasive argument as he is doing now for me to be persuaded. But if we were better off then it means that we have fallen further behind over the period of time.

Sen. Singh: They have moved further ahead.

Sen. S. Ramkhelawan: Now, this is no accident when you study this. Here is a country that has no molecules of gas in the ground—[*Interruption*]

Sen. Singh: Not enough water.

Sen. S. Ramkhelawan:—but has been able to develop an extremely strong petrochemical industry by piping gas from an adjacent country, a nearby country, Malaysia.

Sen. Singh: And water.

Sen. S. Ramkhelawan: And my colleague is saying water as well, but we will leave water for environment and water resources.

Let us deal with energy. Here is a country that has not one drop of oil; not one drop of oil of its own, and refines one billion barrels of oil as opposed to us refining maybe one million as opposed to 150,000 barrels of oil.

So, here we are a country with 100 years of experience, and actually one of the first movers in oil as well, and therefore when some of my colleagues say to me and when some of the experts say to me, that five years ago we were seven years behind, well now in 2013 how many years are we behind in terms of our creative thinking and visioning?

So I am making the point, Mr. Presiding Officer, that it is not only the fiscal regimes that are important, but there is something else that is missing. For example, carrying the argument forward, why is it that we cannot tap into and be a refiner for our neighbours? They have refineries in other places, they are piping oil to other places and I am sure the Minister of Energy and Energy Affairs—two places with 150,000 barrels of refining capacity. Here we are, shortest point, seven miles away; seven miles away. Why is it we are not thinking in this; again to quote Sen. Bharath, try new methods and schemes—and sometimes in Trinidad we prefer not to use the word “scheme”, but try new strategies. *[Laughter]*

Sen. George: Try new approaches.

Sen. S. Ramkhelawan: But, if we keep doing the same thing over and over, we are going to be caught up in the race as we are now and we are not examining and exploring the options that are around us. That is the point that I want to make. Not just fiscal regime in petroleum!

And I applaud the Government for doing it, for creating some success, but what we are doing, in the management jargon, we are pursuing business intensification rather than expansion and diversification in the area. And I want to talk again, I want to talk about diversification, because we have spent a lot of time imagining that diversification means moving to the other end of the road from what we can do very well. That is not necessarily so.

We have spoken several—many are the times that the Minister of Energy and Energy Affairs and I have had conversations about, really, what is it that is required to get to end-user manufacturing from energy, from oil, from gas? And that end-user manufacturing really speaks to getting raw materials where you can manufacture so many other things. Getting from—getting to polyolefin, getting to polypropylene, getting to polyethylene. And there are steps from methanol to take us to that—essentially, plastic resins, Mr. President; essentially, plastic resins and other forms that could be created.

What is it that we need to do? Are we going to go down and continue the road of more of the same LNG, or is there a bend in the road where we will have to start talking about—and that bend is here upon us, where we would have to start

talking about for every molecule of gas that we produce we need to get higher value out of it. And the road to that—at least in theory, because it is not an easy road—is to ensure that we put the capital in place to convert one molecule of gas into resins, into plastics and so on. And why? Because I think it was the Minister of Energy and Energy Affairs, the hon. Minister, who would have said, if not today at some earlier stage, that our employment, whereas the economy of the country, half of it is energy; 50 per cent of our GDP is oil and gas; employment from that sector is about 3 per cent of our workforce.

12.15 a.m.

We need to get that ratio up, and the only way to get that ratio up is to get that molecule down the pipeline, further down the pipeline so that you build higher sustainable employment by adding value along the chain.

As I said, those are not easy questions, but I remember in school when I used to write exams, that you get more points by answering the hardest questions. You never got all the points for answering the easy questions. Answer the easy questions first and then make sure that you get to the hard questions. Make the sure points, by all means, good strategy, but to get that passing grade, to get that distinction you have to answer the hard questions, and that is where we are now. Are we now prepared and capable to answer those very tough and hard questions about how we are going to transform the economy, in particular, energy?

I want to turn away from that to one of my favorite topics in terms of thinking outside of the box and that is the capital markets. For years we have made excuses about the capital markets. We have camouflaged, deliberately, the performance of the capital markets by saying that we have grown the number of issues, the number of bonds in issue and so on, and so forth. The cold hard fact as I have stated before, is that the capital markets, certainly the securities industry, in total might be earning less than a \$100 million and any self-respecting bank in this country is earning close to a billion dollars—the large banks. And so the expectation of growth in this area has not taken place.

I say again that we talk about being the gateway to Latin America, but we have never had the keys and we have never made efforts to find those keys that will open the gateway that will allow us easy access. And this is not only in goods, but it is also in the area of financial services and the capital markets.

Why is it at this point in time that we have such an extensive surplus of liquidity in the system where people can no longer find avenues to invest? It is a matter of deep concern to me that we are making available to importing traders of

goods, all of the hard currency, but what we are not making available and providing access to, is for those people who wish to invest abroad. If you invest abroad in hard currency the returns, whether by dividends, capital appreciation or otherwise, come back to Trinidad and Tobago because you are the owner of the capital and you are building returns on the capital. We have created a society which it is almost impossible to break this noose where, if you look at where the foreign currency is going generated by oil, all of which or most of which going into the coffers of the Government and then being dispensed to traders and importers of goods, but at the same time we are not seeking to build an understanding and the learning in terms of the capital markets.

So look at the gold standards. Sen. Bharath spoke about the achievements of the gold standard that is Singapore in the transportation sector. Of course, I have spoken about the petrochemical sector and so on. How did that happen? How did that happen? It did not happen only with foreign direct investment. It happened in a partnership of local capital, albeit small at the beginning, in marriage with, and in partnership with capital from outside. Look at our history. Our history is in the main areas. In the main areas what has been our history?—foreign direct investment. And even when we got to a threshold and a point, and that point where we got a point, where we could get to that partnership, it did not happen. These are the issues.

[MR. PRESIDENT *in the Chair*]

So when we start to think about these things, how do we—and I go back, how can we do things better and cheaper than our neighbours? How can try these new methods and schemes? These are the issues. And the issue, if it has to be addressed, and I want to put it in the domain of the hon. Minister of Finance and the Economy, that here we are in the middle of the pond, the doorway to Latin America needs to be opened on the one hand. And on the other hand we have an Economic Partnership Agreement—we, as part of Cariforum, have an Economic Partnership Agreement with the eurozone.

Mr. President, this agreement, we are coy and we are afraid to open up our financial services sector to Europe. [*Crosstalk*] I ask the question and we ought to ask the question in this new thinking, why are we? All of the big players of Europe who wish to come here to invest are already here. But if we have a two-way route where we could go into Europe there would be benefits. There is a financial services clause in the EPA which has not been triggered. In fact, we have not even ratified the EPA here. So where is this [*Interruption*]—where is this new thinking and this new vision that we as a nation ought to embrace? Where is it?

Finance Bill, 2013
[SEN. RAMKHELAWAN]

Wednesday, January 30, 2013

[*Crosstalk*] So, I want to posit that if Singapore is the gold standard, we are neither silver, we are neither bronze, we are some levels below that and it is time that we pull ourselves up by our boot straps in order to lift ourselves to an even higher threshold. [*Crosstalk*]

We speak to the question of the higher vision. I believe that our future is bright but it is often that our vision is blurred and we have to find ways to take off those blinkers in order to move forward. But there are certain things with regard to capital markets that I wanted to raise here. I have often had some brief discussions with the hon. Minister of Finance and the Economy. I applaud the approach that has been taken in order to find a substantial solution to the Clico fiasco. We need now to build on that in terms of the first stages of expansion of our capital markets. I am aware that there are other areas apart from energy that we need to put on our capital markets.

Utilities: what are the utilities that we have on our stock exchange? In well-developed markets you have utilities on your exchange. Well, water is not in a position as yet to be on the exchange.

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. E. George*]

Question put and agreed to.

Sen. S. Ramkhelawan: I thank Sen. George, because I noted that he was cutting into my speaking time in any event. [*Laughter and desk thumping*] So I thank him for allowing me through you, Mr. President, this extra 15 minutes. But we were talking about this higher vision, this new vision, these new strategies and new schemes. Why is it in the utilities, we have just built out TGU, Government owns a substantial part of it, list it. You have US \$3billion sitting in the banks earning 0.1 per cent. You have a surfeit of liquidity. You have to create—we have to create investment avenues for these funds to be invested and generate higher returns.

So I appeal to the Minister to look beyond his 20 per cent or 25 per cent listing of First Citizens and start thinking about what should be the unrolling agenda over the next two years and what is it beyond First Citizens. To be the regional capital market, it is not good enough only that we have one of the major banks, albeit Canadian bank, headquartered in Trinidad and Tobago. We should

get a second bank and we should get the third bank here that is what starts to build momentum. What is it that we can do to get them here is the question. They are all over the Caribbean. Why do they not have their domicile here?

Word in the market is that there is a large chunk of one of the petrochemical companies, some 37 per cent, up for sale. Why is it that we cannot bring that to market so that our local investors can invest in methanol directly? These are some of the questions that we have to ask ourselves, because if we do not find the answer we will never get to gold standard. That is the point that I am trying to make. It is not that I am being critical of the Government; it is that I am trying to put some ideas on the table that we can investigate and see how they fit into our initiatives for growth, because as I say again, Mr. President, failing growth in our economy, we are going to find ourselves with a ballooning debt. And while we have been fortunate, because most people in this honourable Senate believe that God is a Trinidadian—[*Interruption*]

Sen. Cudjoe: He is a Trini-Tobagonian.

Sen. Moore: Thank you.

Sen. S. Ramkhelawan:—you will have the situation where one day—[*Crosstalk*] if you do not—you know the saying, Mr. President, “God will help those who will help themselves” and if we sit here and wait for it to happen something—one day we are going to get the backlash. I am old enough in the tooth to remember the days when oil was 30 and it was projected to go up to a 100, and it moved from \$30 per barrel to \$9 per barrel and it kick-started a recession in Trinidad and Tobago where we had 13 years of consecutive decline; 13 years of consecutive decline. And really, you know, you have to admire the capacity and the tenacity of citizens of Trinidad and Tobago to take that pain for 13 consecutive years and still continue as a young nation to build and nurture a more cohesive society. That is why we are fortunate. In other places that would not have happened.

12.30 a.m.

I will turn away from capital markets and, as I said, I congratulate the Minister in terms of the Clico Investment Fund, and as a solution. But we have other things happening. We have trade—not looking outside. We have the direct sales of properties which are indirectly under the purview of the Government, and I want to encourage the Minister, as I already have, to think in terms of creating property funds where a wider proportion of the society can invest in something and participate in commercial property that will generate benefits. I have spoken to him already and I hope that he would take notice of the proposals that I have put to him for consideration which will further develop the capital market.

The gold standard, Singapore, and all of those countries, did not develop simply by trade sales; they developed by creating participation of the wider public in the investment opportunities in their countries and we should do it in Trinidad and Tobago.

Much of the Bill was centred on the natural insurance scheme, and I want to raise a couple questions in respect of the national insurance scheme and the National Insurance Board. I think it is important that we establish, beyond the shadow of a doubt, that the contributions that are being made into the fund are sufficient to make the payouts and the payments that will be required of us, going forward, and I ask, through you, Mr. President, the hon. Minister of Finance and the Economy, in his closing remarks, to give us some explanation of how the fund is going to be properly funded to meet the expenditures for the long term.

I am concerned about that, as I am equally concerned that going back to our transfers and subsidies, we have to implement urgently, systems, saving plans, long-term savings plans, so that our citizens are in a better position to take care of themselves, and this can only happen with, what I will call, compulsory savings plans. Look at the history of a lot of the developing countries that have been successful. Look also at your gold standard and you will see that there is a compulsory savings plan where each citizen has to put into that plan, savings, part for subsidized housing, part for pensions, as you go along. I think that is most important.

I want to step away from that and commend the Government in terms of the growth in the Heritage and Stabilisation Fund; at last count of which I am aware, it was in excess of TT \$26 billion, and I think that has grown. I think it is important, though, that we have a look at the management of that fund. The management of that fund, as it has grown to such a level—and it is our most important nest egg—must be strengthened.

It is not good enough to say that persons who run smaller institutions, such as banking institutions and securities institutions, and soon to be insurance institutions, must be fit and proper to carry out the job of investment and managing those pools of funds. It is also important—because we have not said it in the Heritage and Stabilisation legislation; we have not said it there, but I think it is most important that it be made very clear that the persons who manage these size of funds must have the credentials, must have the discipline, must have the know-how to manage these funds. I want to bring that to the attention of the hon. Minister of Finance and the Economy. If it is not so, let us get it so. What we do not want to have are surprises as far as these matters are concerned.

There are three major funds that we carry—single funds, that is: the national insurance, over \$20 billion and we must make sure that those funds are not subject to systemic risk; the Unit Trust Corporation, over \$20 billion, and we must make sure that those funds are also not subject to systemic risk. I want to say, with regard to the Unit Trust Corporation, some time ago in a previous incarnation of the then UNC Government, there was a policy in place to divest the Unit Trust Corporation. That has not seen the light of day and I want to encourage the Minister of Finance and the Economy, not only for the building of the capital markets, but also to get a clear view on who are the owners of these funds. Dust that policy framework out; have another look at it and put the UTC in its rightful place within the context of the capital markets. That has not been done. The third fund is the heritage and stabilisation, and in all of them we must at all times have the best management and the most capable minds to manage, essentially, what are the affairs of the country. And I so remind the Minister of Finance and the Economy.

There are other things that I wanted to speak about, but I will leave them for today; matters of gambling which have been properly addressed. I wanted to speak about our education system, but I will leave that for another day, and I wanted to speak a bit about health, but I will leave that, again, for another day, and I will spare you any further torment at this point in time.

I would want to say, in concluding, just a few words on the environment. We are seen by the world as the highest polluter, per capita, in terms of carbon dioxide emissions. But we do, on the other hand, have an energy industry. We do have a programme for oil extraction.

I want to encourage the Minister of Energy and Energy Affairs, as well as the Minister of the Environment and Water Resources, to look for ways where in sequestration of carbon dioxide, we can also use it for enhanced oil recovery, and kill two birds with one stone. Clear policies and clear programmes, with definitive timelines, would help. Let me end in saying that—*[Interruption]*

Sen. Ramnarine: That was a very good point raised here by the Senator. That is actually now—we have commenced a feasibility study on that between the NGC and Petrotrin, on the carbon sequestration and enhanced oil recovery.

Sen. S. Ramkhelawan: Well, I am pleased to hear that that is happening and I hope to see it come to some fruition very soon.

Let me end by saying that I am guided by that old spiritual song, Mr. President, and I have reminded you of it before, that we as a nation, there are too many symptoms of fractiousness taking place in our society, and we need to find

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a way to weave all those strands together: of the economy; of the politics and the society. And I am reminded of that old spiritual song which I sang many years at Presentation College, San Fernando, that we should stand together for what we believe and work for what must be done and love each other in all that we do, till all our people are one.

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

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Mr. President, I think I can begin by saying that the debate has been very educational. A number of things have come up and a number of insights have arisen out of the discussions and, certainly, there are one or two things that we on this side will take back with a view to addressing as we move forward, and I am sure that, in a sense, the society as a whole would benefit from it.

If I may be allowed to, perhaps, try to answer some of the questions which had arisen—there were quite a number of them, but I would try to deal with some of them. The issue of the retiring allowances, first; this was amended by a special majority in 2008. So it means that there was a clear understanding that there was an attempt to remove some proprietarial rights that existed and, perhaps, it may have been intended, I do not know. But nevertheless, I hear the point that was made and I think that it is worth looking at again, and I shall take the matter up with the Leader of Government Business with a view to seeing how we might be able to address the questions that had been raised.

With respect to the demographic changes that we are seeing happening with the National Insurance Board, I think, Sen. Deyalsingh, you had raised quite a number of issues in respect of NIS. Yes, in fact, I think Minister Prof. Tewarie, when he produces the census it would show that our population has not really grown, which is a really serious issue for us. [*Interruption*] So “yeah.” I think, Sen. Deyalsingh, you have to get a bit more proactive in seeing—[*Laughter*]—how you might be able to assist in dealing—[*Laughter*] You have to be part of the solution. If you are not part of the solution, you are part of the problem. [*Laughter*]

Sen. George: “You might want to get up to design a package too, eh”. [*Laughter*]

Sen. The Hon. L. Howai: A set of fiscal incentives.

Sen. George: Yes, a package of fiscal incentives.

Sen. The Hon. L. Howai: Before I get to the National Insurance Appeals Tribunal, there were a few other things. Yes, you know, a number had been raised like \$34 or \$44—I cannot remember—in terms of a NIS benefit. The minimum NIS benefit, I was told, is really on the current maternity benefit, at \$96 a week. That is actually going to go up to \$120 this year and \$144 next year.

The other benefits—monthly benefits: \$400 for a widow or widower; will go up to \$600—this is on a monthly basis—child from \$400 to \$600; orphans from \$800 to \$1,200, and per parent, from \$200 to \$300. I think there are some attempts being made to deal with the issue which you had mentioned, and there will be some increases but, of course, we have to balance it with where the fund is in terms of its current level of funding as a whole.

With respect to the National Insurance Appeals Tribunal, actually, when I first took up office I got letters off and on and I thought, well, okay it is probably some kind of one-off issue that needed to be addressed, but then they kept coming, and then I realized, well this is not just a problem to be, you know, passed on to somebody else. In fact, I did arrange to meet with the Chairman of the National Insurance Appeals Tribunal and I did meet with the NIB concerning the matter, with a view to seeing how we can address this situation.

What I have done, based on that meeting and based on the feedback that I have received, is that I did ask the permanent secretary to prepare a terms of reference for us to have, maybe some kind of a consulting group come in and take a full look—comprehensive look—at what is happening with the appeals tribunal. There seems to be a number of areas of weaknesses. It is not just a question of probably putting in one or two additional persons to hear cases. It would probably require a lot more than that. So we are actually going to do a full review to see how best we can streamline the operations, in addition to strengthening the capability of the Appeals Tribunal. So that is something that is in process. It will probably take a little while to get done, but it is something that we are attempting to deal with.

There was an issue relating—[*Interruption*]

Sen. Deyalsingh: Would you give way?

Sen. The Hon. L. Howai: Sure.

Sen. Deyalsingh: Thank you for giving way, hon. Minister. Do you envisage that might include amendment to the National Insurance Act, especially section 60 which deals with the appointment and constitution of the board? If that is the case, it is going to take long again. I am just throwing that out.

12.45 a.m.

Sen. The Hon. L. Howai: At this stage I cannot say. We are now going out to have someone take a full look at it for us, a comprehensive look. When that is finished, that would probably take about three or four months to get done, and once we have that report in hand, we would then be in a better position to say what changes. So it is just something that we have now started, at least I have now started to attend to.

There was an issue about 15 days. They are supposed to give a judgment in 15 days. I asked for it to be checked, but I was told that there is not that requirement, there is a three week—

Sen. Deyalsingh: Three weeks.

Sen. The Hon. L. Howai: Yes. NIB has to advise the Tribunal within three weeks whether it has reconsidered its decision which gave rise to the appeal and there is another 21 days—the National Insurance Appeals Tribunal gives 21 days' notice of the hearing to the appellant. So that is the situation that we have right now. Perhaps as part of the review we can see what standards we want to put in place to speed up the process.

Procurement legislation, well, Sen. Tewarie, dealt with that. With respect to Clico and what they are doing with respect to sales of assets—that was raised by Sen. Dr. Balgobin—and normally we would use, for example, when we sold or Lascelles, we had used Union Bank of Switzerland (UBS) as the advisors who had dealt with all the processes with respect to sale.

With respect to the malls and so on that are being currently considering for sale, Ernst & Young are the advisors and they are the ones who are handling all the processes, because we wanted to make sure that any bids that came in had to go to Ernst and Young, so they will control the process to ensure that there is equity and fairness in terms of how the matter is attended to.

There was an issue with respect to returning nationals and the amendments which we have made for repatriation of personal effects. I mean, Trinidad and Tobago has a significant brain drain. The reason why the population is staying the same, and I am surmizing, there is probably a significant movement of nationals out of Trinidad and Tobago and a significant number of them are probably very well qualified and we need to bring back as many as we could.

Sen. Baptiste-Mc Knight made a very perceptive observation concerning a couple of the changes or a couple of the clauses in the proposals that we have here, relating to I think the furniture: you must own it for less than a year. In looking at it and thinking, reflecting on the points that were made, I think there is a

point there that perhaps we may need to revisit in the future because I do not think the intention would have been that you should own the furniture for less than a year. I think you should own the furniture maybe for more than a year. So perhaps that is something we may need to look at in the future in order to make the legislation effective.

There was a point about customs. I think someone made the point about 55 people retiring or something like that. Yes, the matter is with me now, because, again, that was one of the issues that was flagged quite early. When I got in we started to work on it and we have some legislation drafted and when we are coming with customs amendment, perhaps, we might be able to address that particular issue that you had raised, Sen. Baptiste-Mc Knight. I will have to see how we can do it, in order to perhaps reflect what I think might have been intended with respect to the furniture that is being repatriated.

Some of the points were raised by Sen. Al-Rawi with respect to the adjustments to the Companies Act. One of the big issues that have come up with respect to, I think, it was section 516, is that, it is certainly not a revenue generating measure, but what had happened is that, well, two things: one, that it used to be, I think, a fine of \$1,200 a year and then it was changed to \$500. What the Registrar General was observing is that once the fine was reduced there were actually more breaches than had occurred previously and that they felt was heading in the wrong direction and we needed to address that.

There was another issue which is that, with the changes in the anti-money laundering legislation and with the requirements of the FATF and so on—in fact, a number of people tend to set up shell companies and do all kinds of things. One of the things we want to do is to make Trinidad tighten up the regulatory framework as far as some of those things are concerned. Those are some of the issues that had driven the thinking that we should penalize it as far as possible in order to make sure that people adhere to the requirement to complete all their filings, particularly where there are changes of directors and so on, as early as possible.

We did agree to a reduction based on the representations made by the other side in the other place. So it has been reduced. It was originally \$500, we did reduce it to \$300. There remain some concerns about compliance and we need to continue to press to ensure that enough attention is paid to that.

There was the issue of the Ministry of Housing, Land and Marine Affairs becoming involved in certifications, but I am told that that actually—this is in relation to the tax benefits for residential housing. I am told that actually HDC has been doing this since 1979, which is about 34 years now, and that they have a process in place by which this is done. So we need to address that particular part of it.

Sen. Al-Rawi: Three projects managers for sixty sites, with thousands per site.

Sen. The Hon. L. Howai: Okay, so I take the point, and therefore we will need to address that. Certainly from the point of view of the process, it has been around for more than 30 years. There were a couple of issues relating to, I think, the transfer pricing. That is something that, yes what I said in the last budget is that we are going to take a more comprehensive look at our tax legislation.

I think over the years we have been making changes. We have been tinkering with it and we have a very disparate set of measures that we need to streamline a little bit more. In the meantime though, with specific respect to transfer pricing, we did have one training programme a few months ago on it, which was conducted by the World Bank and I have asked the IMF—I have asked them to assist with the whole process of the tax review for me and I have put that as one of the issues for them to address during the course of the coming month. So I expect that it will fall under the overall framework of work that they would be doing.

The Heritage and Stabilisation Fund: we are a bit delinquent with the Heritage and Stabilisation Fund. The 2007 Act, from my looking at it, says that I should have reviewed this after five years which would be at the end of March.

So I have started that process and I have received the reports and I am just doing some final reviews, so I expect by the end of March that I would have completed the work. In fact, I have something that perhaps could be brought forward but I would prefer to do a little more consultation over the next few weeks before I actually bring it forward to this honourable House.

So those are some of the questions. Perhaps there were a lot more that came up during the course that I have not been able to address—[*Interruption*]

Sen. Ramlogan SC: Respond to those with merit. [*Laughter*]

Sen. The Hon. L. Howai:—“Yeah” but, I certainly tried to address as many as possible. I always walk my attorney. I prefer if they have silk. [*Desk thumping and laughter*] [*Crosstalk*]

Sen. George: Go back to sleep. Go back to sleep now.

Sen. The Hon. L. Howai: But, certainly, I want to say that, yes, there has been a lot of criticism of how things have been going with the economy. I think the economy—Trinidad and Tobago’s economy is strong and it is certainly a lot

better than most economies throughout the world; many other economies throughout the world. [*Desk thumping*] And it is being affirmed, as I said at the start, by Standard & Poor's and Moody's. So I do not need to go into that. I think we all know where Trinidad and Tobago fits, when you compare us with so many other parts of the world.

So with those short words, Mr. President, it is almost 1.00, so I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. L. Howai: Mr. President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to: That the Bill be read a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Public Utilities (Sen. The Hon. Ganga Singh): Mr. President, I beg to move that this Senate do now adjourn to Tuesday, February 19, 2013 at 1.30 p.m., at which time we will be dealing with an Act to amend the Exchequer and Audit Act, Chap. 69:01.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 12.58 a.m.