

*Leave of Absence*

*Wednesday, January 15, 1997*

**HOUSE OF REPRESENTATIVES**

*Wednesday, January 15, 1997*

The House met at 1.31 p.m.

**PRAYERS**

[MR. SPEAKER *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members, I have received communication from the Member for Port of Spain North/St. Ann's West (Mr. Gordon Draper) who has asked to be excused from today's sitting as he will be out of the country.

He is excused.

**PAPERS LAID**

1. The Provisional Collection of Taxes (No. 2) Order, 1996. [*The Minister of Finance and Minister of Tourism (Hon. Brian Kuei Tung)*]
2. The Provisional Collection of Taxes (No. 2) (Amendment) Order, 1996. [*Hon. B. Kuei Tung*]
3. The Supreme Court of Judicature (Amendment) (No. 3) Rules, 1996. [*The Attorney General (Hon. Ramesh Lawrence Maharaj)*]
4. Report of the Auditor General on the accounts of Agricultural Development Bank of Trinidad and Tobago for the year ended December 31, 1995. [*Hon. R. L. Maharaj*]

*Paper 4 to be referred to the Public Accounts Committee.*

**ORAL ANSWERS TO QUESTIONS**

**Carenage Community Centre**

**1. Dr. Keith Rowley** (*Diego Martin West*) asked the Minister of Community Development, Culture and Women's Affairs:

- (a) Is the Minister aware that the Carenage Community Centre was constructed in 1995?
- (b) Could the Minister indicate the date on which the contractor handed over the facility to the Government?

- (c) Could the Minister further indicate whether the Carenage Community Centre will ever be made available for use by the Carenage community and, if so, when and under what conditions?

**The Minister of Social Development (Hon. Manohar Ramsaran):** Mr. Speaker, the Carenage Community Centre was completed on October 30, 1995. The contractor handed over the centre to the Ministry of Community Development, Culture and Women's Affairs on November 30, 1995. It was officially handed to the Carenage community on December 15, 1996 and would be managed by a board comprised as follows:

- two central government representatives selected from social services ministries and such representatives are to possess a highly visible presence in the community;
- a senior officer from the Ministry of Community Development, Culture and Women's Affairs;
- one representative of the relevant local government authority;
- one representative of the private sector;
- one person representing each of the following community interests: sport, culture, women, youth, religion and village council; and
- the manager.

The representatives of the respective interest on a board will serve for a period of two years. The board of management would be responsible for:

1. the administration and control of the complex;
2. the formulation and modification of rules and regulations which would reflect the needs and aspirations of the catchment population in accordance with the policies enunciated by the Ministry of Community Development, Culture and Women's Affairs; such rules or modification thereto are to be submitted for the approval of the Minister with responsibility for community development before they become effective; and
3. the prudent management of, and accounting for funds allocated by the state or state agencies and also funds generated or obtained through the complementary effort of the board.

**Dr. K. Rowley:** Mr. Speaker, could the Minister indicate to this honourable House what were the problems which resulted in the Carenage Community Centre being locked for one year? The Member said that Government took delivery of this community centre on November 30, 1995. Why was it not utilized for one year? The Minister also said that a board will be appointed. Could he indicate to this House whether such a board has been appointed?

**Hon. M. Ramsaran:** Mr. Speaker, I would not answer that question at this time. If the hon. Member wishes to ask another question I will be willing to oblige. *[Interruption]*

**Mr. Manning:** Mr. Speaker, I draw to the attention of this honourable House the great discourtesy in the statement just made by the hon. Minister. This is what Parliament is about. *[Desk thumping]*

### Overseas Travel

2. *The following question stood on the Order Paper in the name of Dr. Keith Rowley (Diego Martin West):*

Could the hon. Prime Minister state the destination and the expenses incurred in official overseas travel during the period November 6, 1995 to November 20, 1996 by:

- (a) Ministers and Parliamentary Secretaries;
- (b) Persons accompanying Ministers and Parliamentary Secretaries?

**The Attorney General (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I am asking for a deferral of one week with respect to question No. 2 because the details for the reply are now being compiled. The reply will be ready within that time.

*Question, by leave, deferred.*

### Carenage Government Primary School

3. **Dr. Keith Rowley (Diego Martin West)** asked the Minister of Works and Transport:

- (a) Is the Minister aware that the construction of the Carenage Government Primary School formed part of the development programme as at the last quarter of 1995?

- (b) Could the Minister indicate the exact nature of the work which has been done on this project in 1996?
- (c) Could the Minister indicate how long it will take to have the school completed?

**Dr. Rowley:** Mr. Speaker, I hope the hon. Member for Chaguanas does not rise because I have not asked him any question. I would like to see the Minister rise to answer the question.

**The Parliamentary Secretary in the Ministry of Works and Transport (Mr. Chandesh Sharma):** Mr. Speaker, the Minister is aware that the construction of the Carenage Government Primary School forms part of the 1995 development programme.

In 1996 the tenders were revisited. It is to be noted that the original accommodation was for 840 students and it has now been reduced to 640 students. Tenders were evaluated and recommendations made and sent to the Central Tenders Board. An award is expected to be made shortly.

The school is expected to be completed 10 months after an award has been made.

**Dr. Rowley:** Mr. Speaker, could the Member tell this honourable House the basis on which the size of the school has been reduced? Did the Member say it was reduced by 200 students from 840 to 640, after a delay of one year from the development programme? Could he say why it was reduced?

**Mr. C. Sharma:** Mr. Speaker, I would be prepared to make that information available to the Member at the next sitting of the House.

**1.40 p.m.**

### Coast Guard

**4. Dr. Keith Rowley (Diego Martin West)** asked the Minister of National Security:

- (a) Does the Government intend to repair or refurbish either or both Coast Guard vessels, TTS Barracuda and TTS Cascadura?
- (b) If the answer is in the affirmative could the Minister indicate whether the job is to be done locally or abroad and, if so, when?

**The Minister of Public Utilities (Hon. Ganga Singh):** Mr. Speaker, this honourable House is advised that the Government intends to undertake limited repairs to Coast Guard vessel CG 6 TTS Cascadura only. Repairs to the CG 6 TTS Cascadura are to be done locally, since the work proposed to return the vessel to a functioning capability is viewed as being well within the capacity of the local shipyard and will cost significantly less than a full refit, especially if the Coast Guard undertake to complete as much of the work as lies within its capacity.

Government will also procure two new fast patrol boats for delivery in approximately two years, and will undertake a programme of repairs to nine smaller Coast Guard vessels (patrol launches) on an urgent basis over the next 12 months. Moneys have been allocated in 1997 for equipping the Coast Guard, including the refurbishment of one sea vessel, the purchase of vehicles and equipment, and making a down-payment for the purchase of sea vessels and an aircraft.

**Dr. Rowley:** Am I to understand from the statement that it is the Government's intention to retire the other vessel mentioned in the question?

**Hon. G. Singh:** Mr. Speaker, the repairs to the other vessel—the TTS Barracuda—have been deferred at this moment.

### **Common Entrance Examination (Investigation)**

**5. Mr. Fitzgerald Hinds** (*Laventille East/Morvant*) asked the Minister of Education:

- (a) Could the Minister indicate whether any investigation was ever carried out into the allegations of massive corruption in the 1996 Common Entrance Examination?
- (b) If the answer to (a) is in the affirmative, could the Minister indicate when this investigation was carried out and by whom?
- (c) Could the Minister also indicate the full findings of the said investigation?

**The Minister of Education (Dr. The Hon. Adesh Nanan):** Mr. Speaker, an investigation was carried out into the allegations of irregularities and fraud in the 1996 Common Entrance Examination. The investigation was carried out by the Fraud Squad over the period September, 1996 to December, 1996. The report of the investigation has not yet been received, but it is expected in February, 1997.

**Mr. Hinds:** On what basis did the Government find that the Fraud Squad was the most competent authority to investigate the Common Entrance Examination corruption?

**Mr. Speaker:** That is not a suitable supplemental.

**Teachers  
(In-service Training)**

**6. Mr. Fitzgerald Hinds** asked the Minister of Education:

Has the Government discontinued the practice of releasing teachers for the purpose of pursuing in-service training courses with a view to improving themselves and thereby enabling them to make a better contribution as teachers?

**The Minister of Education (Dr. The Hon. Adesh Nanan):** No, the Government has not discontinued the practice of releasing teachers for the purpose of pursuing in-service training.

**Mr. Hinds:** So, is it not the case that the Prime Minister, the leader of your Government, told this nation rather recently that the Government has discontinued this practice and does not intend to extend such scholarships?

**Mr. Speaker:** That does not really follow from the question.

**Town and Country Planning/Lands and Surveys Divisions  
(Relocation of)**

**8. Dr. Keith Rowley** (*Diego Martin West*) asked the Prime Minister:

- (a) Is any consideration whatsoever being given by Government to the physical relocation of the Town and Country Planning Division and the Lands and Surveys Division?
- (b) Is it now the intention of the Prime Minister to place these two divisions within the portfolio of the Minister of Housing and Settlements?

**The Prime Minister (Hon. Basdeo Panday):** Mr. Speaker, Cabinet agreed at the meeting of November 7, 1996, that the Lands and Surveys Division of the Ministry of Agriculture, Land and Marine Resources will be housed at the head office of the Ministry of Housing and Settlements, at 44—46 South Quay, Port of Spain. The physical relocation of the Town and Country Planning Division of the Ministry of Planning and Development is not under consideration at this time.

In answer to part (b) of the question, on December 14, 1995, Cabinet appointed a committee of ministers to review the assignment of functions to ministers. The recommendations of the committee were the subject of discussions in Cabinet and inputs have been made by permanent secretaries and by the Organization and Management Division of the Ministry of Public Administration and Information.

A final decision regarding the reassignment of functions to ministers has not yet been undertaken.

**Dr. Rowley:** With the relocation of the division to the building housing the Ministry of Housing, is it to be interpreted in any way that the division, having gone to that building, would fall under the jurisdiction of the Minister?

**Hon. Panday:** It would appear to me that the answer was absolutely clear, and it said, if I may read it again for the hon. Member, Cabinet agreed at this meeting of November 7, 1996, that the Lands and Surveys Division of the Ministry of Agriculture, Land and Marine Resources will be housed at the head office of the Ministry of Housing and Settlements, at 44—46, South Quay, Port of Spain.

**National Insurance Board  
(Interministerial Committee)**

**9. Mr. Kenneth Valley** (*Diego Martin Central*) on behalf of Mr. Martin Joseph (*St. Ann's East*) asked the Minister of Social Development:

- (a) Would the Minister please state whether the Interministerial Committee, which he told this House on July 12, 1996 was established to investigate the operations of the National Insurance Board has completed its investigation?
- (b) If the answer is in the affirmative, would the Minister advise what were the Committee's findings and recommendations and whether they are being implemented by the National Insurance Board?

**The Minister of Social Development (Hon. Manohar Ramsaran):** Mr. Speaker, I would like to inform this honourable House that the Interministerial Committee, established to investigate the operations of the National Insurance Board has completed its investigations and has submitted a report outlining its findings and recommendations to Cabinet.

The main findings of the Interministerial committee are as follows:

- i. The need to strengthen the investment capability of the NIB.
- ii. The need to improve NIB's administrative efficiency in areas including:

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- the registration procedures
- the method of payments; and
- enforcement of compliance by employers.

The Committee's main recommendations were accepted by Cabinet which decided that the Attorney General cause to be prepared the necessary orders to provide for:

- i. Amendment of the National Insurance Act, Chapter 32:02 to expand the investment capacity of the Board.
- ii. Implementation of the administrative improvements to the National Insurance System, namely, improvement of registration procedures, method of payment and enforcement of compliance by employers.

**1.50 p.m.**

A first draft order of the legislative amendments to the First Schedule of the Act has already been completed and the other drafts are being prepared. Internal preparations are also taking place at the level of the National Insurance Board to facilitate prompt start-up on completion of the legislative procedure.

Thank you.

**Public Assistance and Welfare  
(Protection of Persons)**

**10. Mr. Kenneth Valley** (*Diego Martin Central*) on behalf of Mr. M. Joseph (*St. Ann's East*) asked the Hon. Minister of Social Development:

Would the Minister please state what steps the Government intends to take to protect pensioners, persons on public assistance and welfare and persons below the poverty line from the increases in the cost of living associated with the depreciation of the Trinidad and Tobago currency?

**The Minister of Social Development (Hon. Manohar Ramsaran):** Mr. Speaker, at this time up-to-date specifics are not available to ascertain whether the depreciation of the Trinidad and Tobago currency is associated with the increases in the cost of living. However, the Ministry of Social Development continues to be concerned with the plight of the socially disadvantaged and has incorporated in its programmes some means of protecting those persons on old age pension, public assistance and those persons living below the poverty line.

In this connection, provision has been made in the 1997 Estimates of Expenditure for an increase in the old age pension from \$356.15 to \$420.00. This is in recognition of the fact that many old age pensioners have little or no other sources of income or support, and are likely to be hard-pressed because of their limited purchasing power.

In addition, earlier this year the Old Age Pension (Amdt.) Bill 1996 was approved in both the Lower and Upper Houses. The amendment provides for greater efficiency in the disbursement of this grant and will enable a greater number of needy senior citizens to benefit. The implementation of the Old Age Pension (Amdt.) Bill, 1996, with the intended effect of improving the efficiency in the disbursement of these grants will enable a greater number of needy persons to benefit. Consideration is also being given to an adjustment in the income ceiling of old age pensioners.

A review of the social welfare system is also envisaged in 1997 with a view to ensuring that an acceptable level of assistance is provided to the recipients of public assistance and that a more rehabilitative approach is adopted in the execution of social welfare services. With regard to the latter, the intention is to ensure that holistic intervention is provided to clients as well as to promote self-sufficiency among recipients of public assistance.

Consistent with this approach, the Ministry would continue to administer rehabilitative programmes, such as the micro-enterprise and the training and development grants. Grants to a maximum of \$2,500.00 are disbursed to recipients of public assistance and other needy persons for engagement in income-generating activities, as well as programmes which would enhance their employability. These grants are disbursed via the social welfare system. Other persons who can access this type of grant include:

- victims of domestic violence;
- youths who have left or are preparing to leave residential institutions;
- recipients of the SHARE programme;
- probationers.

The expansion of the Social Help and Rehabilitative Efforts (SHARE) programme to cater to 8,000 persons is also proposed for 1997. SHARE currently targets 6,400 needy persons who are not eligible for other financial assistance programmes administered by Government.

The Ministry has also expanded the social safety net to include persons with disabilities. It recognizes that persons with disabilities are a vulnerable group whose well-being must be safeguarded, hence the provision of a disability grant. This grant is equal to the quantum of the old age pension grant and is given to persons 40 years and over, who are visually and hearing impaired, or mentally and physically challenged beyond the ability to earn a satisfactory income.

The Ministry of Consumer Affairs, through special sector groups which have been established, has succeeded in reducing prices of certain foodstuff. Also, the reduction of the common external tariff by five per cent should impact in reducing prices further.

I thank you, Mr. Speaker.

### **Homeless Persons (Report on)**

**11. Mr. Kenneth Valley** (*Diego Martin Central*) on behalf of Mr. M. Joseph (*St. Ann's East*) asked the Hon. Minister of Social Development:

Would the Minister please advise on any progress in the Government's efforts to reduce the number of homeless on the streets of Trinidad and Tobago?

**The Minister of Social Development (Hon. Manohar Ramsaran):** Mr. Speaker, this honourable House is advised that this Government is committed to a holistic approach towards the removal of homeless persons on the streets of Trinidad and Tobago. Hon. Members would, however, be aware that the problem of social displacement is an age-old one which cannot be addressed by "quick fixes". Social displacement reflects deep socio-economic issues and affects both developed and developing societies. Moreover, the socially displaced population is a diverse one which requires varying strategies and which also requires the involvement, support and commitment of a wide number of agencies and, of course, the national community.

Accordingly, the Government of Trinidad and Tobago is currently seeking to put things in place to address social displacement on two levels. On the one hand, efforts are being made to provide for adequate accommodation to facilitate the immediate movement of such persons and, on the other, steps are being taken to ensure the permanency and long-term success of Government's actions.

With these factors in mind, the following actions are currently underway:

- (i) the refurbishment and expansion of the Riverside Plaza Walk-In Assessment Centre to be completed in April, 1997; moneys have been

disbursed to the St. Vincent de Paul Society to undertake the necessary work; this would ensure additional accommodation for at least 48 persons. This facility is pivotal to the execution of the holistic plan as it would be a main venue for the assessment and evaluation of non-mentally ill socially displaced persons;

- (ii) the Ministry hosted a Sensitization Seminar on Social Displacement in January, 1997;
- (iii) initial activities towards the development of standards to be employed by the NGOs involved in the programme; and
- (iv) the establishment of time frames for the implementation of other facets of the holistic plan.

In terms of the more long-term sustainability of the programme for social displacement, the Task Force on Social Displacement which was inaugurated on October 1, 1996, is recommending the establishment of a permanent co-ordinating agency which would direct, supervise and monitor all efforts at the rehabilitation of the socially displaced.

I wish to inform this honourable House that the holistic plan for addressing social displacement involves the movement of such persons through specified paths of rehabilitation depending upon their various needs. The paths include:-

- (a) The removal of socially displaced persons from the streets by involuntary means in the case of the mentally ill and voluntary measures for the non-mentally ill. The latter will commence upon completion of refurbishment work at the centre.
- (b) Assessment and evaluation either at the St. Ann's Hospital in the case of the mentally ill and the Assessment Centre in the case of the non-mentally ill.
- (c) Substance abuse rehabilitation which would take place at Rebirth House, HEAL and New Life Ministries. These centres can immediately accommodate twenty-five (25) persons.
- (d) Social skills rehabilitation for the non-mentally ill drug free.
- (e) Work skills rehabilitation and involvement in work programmes including farm projects and sheltered work programmes.
- (f) Relocation programmes including temporary accommodation at hostels, low cost units and return to family units.

(g) Long-term care of the elderly at existing senior citizens' homes.

Thank you, Mr. Speaker.

**Mr. Valley:** Mr. Speaker, I think the Member answered a part of the question by dealing with those persons already on the streets. But the question talks about, "to reduce the number of homeless on the streets." I wonder whether the Minister can give any insight on the programmes on the preventative measures that his ministry expects to put in place to prevent persons from getting on the streets in the first place.

**Hon. M. Ramsaran:** Mr. Speaker, the question is to reduce the homeless on the streets. Nowhere did I see anything about preventative measures.

**Mr. Valley:** I have a second supplemental, Mr. Speaker. I wonder whether the Minister would say whether there are any other major obstacles—now that the major hindrance on the previous attempts to remove the homeless from the streets is now a senior member of the Government—that would prevent his Government from dealing with the problem.

**2.00 p.m.**

**Hon. Manohar Ramsaran:** I wish at this stage to mention publicly that I think this problem of our socially displaced should not be treated as a political football and I do not wish to engage in any political activities at this time.

### **Mausica Folk Performing Theatre (Construction of)**

**12. Mr. Jarrette Narine** (*Arouca North*) asked the Minister of Works and Transport:

Would the Minister indicate why the construction of the Mausica Folk Performing Theatre, which began in 1995 was stopped and whether construction would be resumed?

**Parliamentary Secretary in the Ministry of Works and Transport (Mr. Chandresh Sharma):** Mr. Speaker, construction of the Mausica Folk Performing Theatre was stopped in 1995 with the closure of that year's Unemployment Relief Programme. At that time approximately three per cent of the work was done. The construction of this facility in 1996 was not programmed to be undertaken, as the following matters had to be dealt with:

1. Threats of litigation for encroachment on land of a nearby resident.
2. The availability of land for parking on other developments and the finalization for the design of the superstructure.

It is to be noted that in 1997, a review would be undertaken with the hope of completing the project.

**Mr. Narine:** Is the Parliamentary Secretary aware that there is a five-acre plot of land for parking on the recreation ground? Is the Parliamentary Secretary also aware that the land dispute has already been settled? Is the Parliamentary Secretary aware that there was 25 per cent instead of three per cent completion of that structure for the Mausica Folk Performing Theatre?

**Mr. Sharma:** Mr. Speaker, I have noted the Member's contribution. I will address it at the next sitting.

#### **Lopinot Community Centre (Construction of)**

**13. Mr. Jarrette Narine** (*Arouca North*) asked the Minister of Works and Transport:

Would the Minister indicate when construction of the Lopinot Community Centre will be completed?

**Parliamentary Secretary in the Ministry of Works and Transport (Mr. Chandresh Sharma):** Mr. Speaker, this project is 95 per cent complete and would be completed in the first month of resuming the Unemployment Relief Programme.

**Mr. Narine:** Is the Parliamentary Secretary in the Ministry of Works aware that two rooms took one year, and it is still not completed and that it will be completed this year under a UNC administration? Two rooms took one whole year.

#### **Arouca Police Station (New Building)**

**14. Mr. Jarette Narine** (*Arouca North*) asked the Minister of National Security:

Would the Minister state whether a new Arouca Police Station is to be built and, if so, when will construction begin?

**The Minister of Public Utilities (Mr. Ganga Singh):** Mr. Speaker, this honourable House is advised that a new Arouca Police Station is to be constructed on a parcel of land situated at the intersection of the Priority Bus Route and the Eastern Main Road, Five Rivers, Arouca. A fundamental sum of \$1.5 million has been provided for the construction of the station, which is to commence later this year.

**WRITTEN ANSWER TO QUESTION**

**Common Entrance Examination  
(Performance in)**

**7.** *The following question was asked by Mr. Fitzgerald Hinds (Laventille East/Morvant):*

Could the Minister of Education indicate the performance in respect of the first 100 places in the Common Entrance Examination in terms of the various educational districts in Trinidad and Tobago for the years 1992, 1993, 1994 and 1995?

*Vide end of sitting for written answer.*

**DEFINITE MATTER  
(URGENT PUBLIC IMPORTANCE)**

**Freedom of the Press**

**Mr. Patrick Manning (San Fernando East):** Mr. Speaker, I seek your leave to move as a definite matter of urgent public importance on Standing Order 12(1), the denial of the freedom of the press at state-owned International Communications Network (ICN). The matter is definite Mr. Speaker, because a memorandum dated January 10, 1996 has been written from the Head of News and Current Affairs to the Acting Chief Executive Officer of ICN, in which the disappointment of the board and the shareholder has been expressed over the alleged unbalanced coverage of views, in that, they consider that the side of the shareholder has not been fairly and adequately presented. Secondly, a spurious argument that because a particular matter involving TTUTA is *sub judice*, that TTUTA's views on the issue should not be aired. Mr. Speaker, this has been translated into a ban on TTUTA's President, Anthony Garcia, from appearing on that television.

The matter is urgent, because contrary to what the national community has been led to believe, a report appeared in the *Guardian* this morning that at least two members of the board—and they have been named in the report—continue to press for censorship as indicated in the memorandum which I have just read.

More than that, Mr. Speaker, the approach of this memorandum, at Trinidad and Tobago Television/ICN, becomes that much more dangerous in light of the Prime Minister's public statements in a book that he has written, that he has no problem with the communist method of political organizations which, as you know, Mr. Speaker, involves censorship of the press.

**Mr. Speaker:** I am sorry to disturb the Member, but in presenting that, you know that you need to confine yourself to what you sent to me.

**Mr. P. Manning:** Yes, I was seeking to do that Mr. Speaker. The matter is of public importance because it violates one of the fundamentals of the Constitution of Trinidad and Tobago, that is, that there should be free press in your country, but more than that, the public's right to know is being prejudiced by the directives that have been given at ICN. I so move, Mr. Speaker.

**Mr. Speaker:** I have considered the request for leave as made by the honourable Member, and I am not satisfied that the matter should be made the subject of an emergency debate, and that it therefore does not qualify.

**Mr. Panday:** May I enquire the name of the book which was referred to by my Friend, I would like to read it myself. Do you have the name of the book, or will you withdraw that false and malicious statement?

**2.10 p.m.**

**Mr. Manning:** Mr. Speaker, with your leave, the hon. Prime Minister has put a question to me. There is a book called *An Enigma Answered—A First Volume of Speeches*.

**Mr. Panday:** I never wrote that book.

**Mr. Manning:** Mr. Speaker, it happens to be a collection of the speeches by the hon. Basdeo Panday.

**Mr. Panday:** Why did you not say that?

**Mr. Valley:** He does not even write his speeches!

**Mr. Manning:** If it is that the hon. Prime Minister is now saying that the speeches he gave were not written by him and, therefore, do not reflect his views, then that is an entirely different matter, Mr. Speaker.

**Mr. Panday:** I forgive my learned Friend, Mr. Speaker. He said I wrote the book. I forgive him.

**Mr. Speaker:** It is extremely good to see the Leader of the Opposition and the Prime Minister enjoying themselves like this.

**LA FORTUNE/HERMITAGE  
(BYE-ELECTION)**

**The Prime Minister (Hon. Basdeo Panday):** Mr. Speaker, Mr. Daryl Biswarop Rohit Ratiram who was elected councillor for the municipal electoral district of La Fortune/Hermitage in the Penal/Debe Regional Corporation having died, his seat was declared vacant on October 23, 1996 in accordance with section 27(1)(e) of the Municipal Corporations Act, No. 21 of 1990, which states as follows:

“27(1) Where a person elected to a corporate office—

- (e) dies or, by writing under his hand, addressed to the Mayor of the Council of which he is a member, resigns his seat on the Council;

his office is thereby rendered vacant.”

The bye-election to fill the resulting vacancy was not held earlier because the Elections and Boundaries Commission was engaged in activities relating to the Tobago House of Assembly election which was held on December 9, 1996. In setting the date for holding the bye-election in the electoral district of La Fortune/Hermitage in the region of Penal/Debe, care was taken to allow the Elections and Boundaries Commission adequate time to put its administrative mechanism in place for the conduct of the bye-election. The Commission's considered view was that a minimum of five weeks—exclusive of Saturdays, Sundays and public holidays—between the issue of writ and polling day should be allowed, and that was taken into consideration.

His Excellency the President of the Republic of Trinidad and Tobago has signed the requisite Order and has proclaimed a period of electoral registration. The Elections and Boundaries Commission has accordingly proceeded to take the necessary legal steps enabling the required electoral registration notices to be posted in the appropriate places.

I have, in accordance with the necessary legal requirements, advised His Excellency the President that the holding of the bye-election for the vacancy in the electoral district of La Fortune/Hermitage in the region of Penal/Debe due to the death of Councillor Daryl Rohit Ratiram on October 23, 1996 should take place on Monday, March 3, 1997.

**Mr. Manning:** Mr. Speaker, just by way of clarification, with your kind leave—

**Mr. Speaker:** There really is no need for there to be debate on a statement.

**Mr. Manning:** I am not debating it Mr. Speaker.

**Mr. Panday:** I will answer him, Mr. Speaker. If I can answer I will, he knows that.

**Mr. Manning:** Mr. Speaker, I thank you for your very kind indulgence today. I would like to ask the hon. Prime Minister whether the inability of the Elections and Boundaries Commission, as he puts it, to hold the bye-election before was communicated—because they were tied up with the Tobago House of Assembly elections—to the Prime Minister by way of correspondence. If so, is he prepared to lay that item of correspondence on the table, please?

**Mr. Panday:** I am not aware that communication was made by letter. In fact, what we were doing was to exercise common judgment and decency to ensure that the Elections and Boundaries Commission had adequate time.

**Mr. Manning:** You lie on them again. All right.

**Mr. Panday:** Mr. Speaker, just for clarification. I said the Elections and Boundaries Commission had advised that a minimum of five weeks between the issue of writ and the polling day should be allowed and that was taken into consideration.

#### **FIRE SERVICE (AMDT.) BILL**

Bill to amend the Fire Service Act, Chap. 35:50 [*The Minister of National Security*]; read the first time.

#### **FREE ZONES (AMDT.) BILL**

Bill to amend the Trinidad and Tobago Free Zones Act, 1988 [*The Attorney General*]; read the first time.

#### **PROVISIONAL COLLECTION OF TAXES (No. 2) ORDER**

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. Speaker, I beg to move the Motion standing in my name:

*Whereas* it is provided by subsection (1) of section 3 of the Provisional Collection of Taxes Act, Chap 74:01 (hereinafter called “the Act”) that where proposals for general or supplementary appropriation of public funds are made to the House of Representatives and are embodied in an Appropriation or a Supplementary Appropriation Bill, the President may, for the purpose of

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raising revenue to meet the expenditure specified in any such Bill, by Order, provide for the imposition of a tax or the variation of an existing tax and from the date of the publication of the Order in the *Gazette*, the tax as imposed or varied shall be payable:

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

*And whereas* the Provisional Collection of Taxes (No. 2) Order, 1996 was made under section 3 of the Act, whereby provision was made for the imposition or variation of taxes in the written laws mentioned in the said Order to the extent and in the manner set out therein for the purpose of raising revenue to meet the expenditure specified in the Bill entitled “An Act to provide for the Service of Trinidad and Tobago for the year ending on the 31st day of December, 1997”:

*And whereas* it is expedient to confirm the said Order:

*Be it resolved* that the Provisional Collection of Taxes (No. 2) Order, 1996 be confirmed subject to the modifications.

Mr. Speaker, the modifications that are now being placed before the House today are certainly different from the ones that were forwarded with the Order Paper last week because there has been one inclusion of a tax that had been omitted and there has been a general tightening of the wording used.

So that the resolution that I referred to today—

**Mr. Valley:** Mr. Speaker, if the hon. Minister would give way. As I came into the Chamber today, there was a document on the table. Is the Minister saying that the document which was circulated to and studied by Members is now superseded by this document?

**Hon. B. Kuei Tung:** Yes.

**Mr. Valley:** Mr. Speaker, if that is so, I think the common thing to do, which courtesy dictates, is to give us some time to look at this document, which is dated January 15; I got it when I arrived here today. I have not even looked at it as yet. It would be extremely difficult to debate a document which we have not even seen.

**Mr. Speaker:** Again, I would simply indicate that this is something which could be raised in the debate, but under Standing Order No. 24, the Speaker does and could, in fact, give leave to amend, before it starts, and this I have granted.

In fact, if you look at it, most of the resolutions are the same.

**Mr. Manning:** We do not know.

**Mr. Speaker:** Well, the whole point is that he is simply presenting it, which he is entitled to do, and you could raise those very issues at a later stage.

**Mr. Valley:** Mr. Speaker, if the Minister would point out in his presentation clearly the variance from the one to the other, that could be a compromise.

### **2.20 p.m.**

**Sen. the Hon. Brian Kuei Tung:** Mr. Speaker, I will undertake as we go along to indicate where the change has been made. You will recall that in my budget statement I dealt with fiscal measures which included a number of things from which I would like to highlight a few:

Re-introduction of an employment allowance to encourage job creation;

reduction of the common external tariff by five per cent in respect of certain goods;

deduction of the tax on interest payments made by mutual funds at the point of distribution rather than at the point of source;

taxation of marketing business at the rate applicable to companies under the Corporation Tax Act instead of the higher petroleum profits tax rate;

changing the basis upon which fees are charged for the grant or renewal of certificates to clubs carrying on gambling activities. Fees are to be based on the number of gaming tables and other gaming devices used, rather than the level of membership in the club;

This is one area, shown on page 4 of the new resolution which has been included, and was not in the previous resolution that had been circulated.

removal of annual licence fees for all classes of motor vehicles and the increase in the excise tax of gasoline, diesel and compressed natural gas;

unification of the import duty on motor vehicle parts and engines at the rate of 30 per cent;

imports of foreign used vehicles subject to the same level of import duty, value added tax, and other fees and charges as that on new vehicles. In the case of motor vehicles tax, used vehicles will qualify for a reduction of the tax based on the age of the vehicle. All the re-assembled used motor vehicles will be subject to the higher of the relevant special registration fees, and the motor vehicle tax applicable to used vehicles.

reduction of the business levy from 0.4 per cent to 0.33 per cent;

introduction of a limited form of group relief for companies;

extension of the export allowance to certain services in the building industry.

simplification of the tax on individual incomes and the removal of a number of credits, allowances and deductions under the Income Tax Act; and

exemption from tax of interest payments on bonds or other similar investment instruments payable to a person who has attained the age of 60 years.

Mr. Speaker, all of these measures took effect from January 1, 1997. In order to implement these measures it was necessary for the Government to invoke the provisions of the Provisional Collection of Taxes Act Chap. 74:01 which provides for the making of an order by the President for the purpose of raising revenue to meet the expenditure specified in an Appropriation Bill.

Mr. Speaker, you will recall an Appropriation Bill was presented before this House in December 1996, and consequently the Provisional Collection of Taxes (No. 2) Order 1996 was made by the President to come into effect on January 1, 1997. This Order was subsequently amended on December 31, 1996 by Legal Notice No. 218 of 1996.

Mr. Speaker, an order varying an existing tax ceases to have effect unless it is confirmed by a resolution agreed to by this House within 21 days after the commencement of the order. The Provisional Collection of Taxes (No. 2) Order 1996 as amended, commenced on January 1, 1997, and the Resolution confirming the Order must therefore be agreed to by this House on or before January 22, 1997. The Motion now before this House is for the confirmation of this Order.

Mr. Speaker there has been considerable debate in this House on these measures, and I do not propose to repeat what I have already said in this House, as well as in the other place, during budget debate. I propose, however, to point out

to the hon. Members those areas in which the amended order as well as this resolution varies from the provisions contained in the Provisional Collection of Taxes (No. 2) Order, 1996.

Mr. Speaker, the first modification is in relation to paragraph 2 of the Order relating to the duties payable on gambling tables and other devices. These duties have been renamed as "gaming taxes" and it is proposed that they be payable on a quarterly basis in a manner similar to the payment of quarterly instalments of income and corporation taxes. The amendments relating to the gaming tax are contained in the list of amendments which has been circulated to Members of this House and include the following:

The secretary of a members' club would be required to pay to the Board of Inland Revenue on or before the 15th January, April, July and October, an amount equal to one-quarter of the gaming tax payable in respect of these gambling tables and other devices. Because of the timing of these amendments it is proposed to grant a grace period for the payment of the first quarterly instalment for 1997, which will now be due on or before February 28, 1997.

Where the members' club is seeking the renewal of its gambling certificate in a year subsequent to the year 1997, it shall satisfy the licensing committee that there are no outstanding taxes, interest or penalties that are payable to the Board of Inland Revenue for the last six years immediately preceding the year 1997. The Board of Inland Revenue will be empowered to revise the gaming taxes estimated by the members' club where the estimated amount is incorrect or where the club uses additional tables or other devices on its premises during the course of the year. The certificate of the members' club may be cancelled where the club fails to pay the gaming taxes.

Mr. Speaker, a further modification is proposed in relation to paragraph 4 of the Order. You will recall that in my *Budget Statement*, I had indicated that with effect from January 1, 1997, the annual licence fee for all classes of vehicles would be removed. However, the Order omitted several provisions of the Motor Vehicles and Road Traffic Act, Chap. 48:50 which needed to be repealed as a consequence of the removal of the licence fee. In addition, there were a number of administrative provisions which were linked to the licensing of motor vehicles and which were employed in the past by the licensing authority to monitor the use and condition of motor vehicles.

For instance, Mr. Speaker, it was an offence under the old law to use a motor vehicle or trailer upon a road for a purpose which was not authorized by the

licence issued in respect of that motor vehicle or trailer. It was also an offence where the owner or driver of a goods vehicle or other vehicle allowed that vehicle to be used upon a road so as to exceed the maximum gross weight or the number of passengers covered by the licence issued in respect of that vehicle. These provisions are important in the administration of the Motor Vehicles and Road Traffic Act and in order to maintain the integrity of these provisions, the Provisional Collection of Taxes (No. 2) (Amendment) Order, 1996 has sought to make the necessary adjustments so that these regulatory provisions would be linked to the registration rather than to the licensing of motor vehicles.

Mr. Speaker, you will recall that in my *Budget Statement*, I noted that early in the new year, a regime would be introduced to govern and regulate the used-vehicle market, including the reassembly of imported used vehicles. The importation of used vehicles would be subject to the same level of import duty, value added tax and other fees and charges as those payable in respect of new vehicles. However, in the case of motor vehicles tax, imported used vehicles will qualify for a reduction of between 10 and 75 per cent of the motor vehicles tax, depending on the age of the vehicle as follows:

- (1) Where the age of the used vehicle is greater than one year but does not exceed two years, the reduction of the motor vehicles tax would be 10 per cent.
- (2) Where the age of the used vehicle is greater than two years but does not exceed three years, the reduction of the motor vehicles tax would be 25 per cent.
- (3) Where the age of the used vehicle is greater than three years but does not exceed four years, the reduction of the motor vehicles tax would be 50 per cent;
- (4) Where the age of the used vehicle is greater than four years but does not exceed five years, the reduction of the motor vehicles tax would be 75 per cent.

Mr. Speaker, it is further proposed that Part II of Appendix A of the Fourth Schedule to the Motor Vehicles and Road Traffic Act should be amended so as to make it clear that a returning national must produce evidence to show that he is the registered owner of a motor vehicle in respect of which relief from motor vehicles tax is sought. The current law merely requires the returning national to show that he owns the vehicle which he is bringing back with him on his return to Trinidad and Tobago.

**2.30 p.m.**

Mr. Speaker, there has been some ambiguity as to whether the ownership for the purposes of claiming relief from motor vehicle tax refers to legal ownership or to beneficial ownership of the vehicle. To put the matter beyond reasonable doubt, and particularly in light of the fact that legal ownership is required under the Customs legislation where a returning national is seeking relief from customs duty on his vehicle, it is proposed that the law should expressly state that legal ownership is required for the purpose of claiming relief from motor vehicle tax. This proposed amendment is contained in the list of amendments which has been circulated to Members. Furthermore, I had also indicated in my *Budget Statement* that the registration of locally assembled used vehicles would be subject to the higher of the special motor vehicles registration fee and a motor vehicles tax applicable to used motor vehicles.

Mr. Speaker, these measures were inadvertently omitted from the Provisional Collection of Taxes (No. 2) Order 1996. An amendment order sought to correct that omission in paragraph 3 (p) and (q) thereof. However, there are a few drafting requirements to be made in paragraph 3 (p) and (q) of the amending Order which are noted in the body of the resolution which is before this honourable House. In paragraph 3 (p) reference to “sub-item 1.(5)” should be changed to read: “Item 1.(5).” In paragraph 3(q)(i) the reference to “paragraph 1” should be changed to read “Part 1.”; the reference to “sub-item” should read “paragraph” and the word, “sub-paragraphs”, wherever appearing should be changed to read “paragraphs.”

Paragraph 5 of the Order relating to the provisions of the Income Tax Act with respect to, among other things, deduction on mortgage interest payments has been clarified in the amendment Order. It has hopefully now been made abundantly clear that it is only where both spouses are joint owners of mortgages of a property which is used as a resident, that the deduction of up to \$18,000.00 in mortgage interest payments may be claimed by each spouse. It is however, not intended that where, for instance, the total mortgage interest payments made by a husband and wife in the year of income amounts to \$18,000.00 that each spouse will be able to claim the full amount of the \$18,000.00 deduction. In such a case, the spouses will have to arrange between themselves how much each will claim so that the total claim between themselves shall not exceed the sum of \$18,000.00. *[Interruption]* It is not intended that where the total mortgage interest payments made by a husband and a wife in a year of income amounts to \$18,000.00. In other words, one cannot claim what one has not spent. If one spent \$20,000.00, one cannot claim

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\$18,000.00 to make a total of \$36,000.00. One can claim a maximum of the amount one has spent.

Paragraph 5 of the Order was incorrect and was amended on December 31, 1996 to reflect the new tax rate structure applicable to individuals. The first \$50,000.00 of chargeable income will be taxed to the rate of 28 per cent. Every dollar after the first \$50,000.00 of chargeable income, will be taxed to the rate of 35 per cent.

Paragraph 6 of the Order which relates to petroleum taxes was also amended so as to remove marketing business from the charge to petroleum profits tax. This was not done in the Order and had to be corrected in the amending Order.

Paragraph 7 of the Order attempted to regularize the status of returning nationals who imported motor vehicles in 1996 by including a definition of "returning national." The definition of "returning national" was omitted in January 1996 in the Provisional Collection of Taxes Order 1996, as well as in the Finance Act 1996. The Provisional Collection of Taxes (No. 2) Order 1996 sought to correct this omission. The effective date of the inclusion of the definition of "returning national" was, however, stated in the Provisional Collection of Taxes (No. 2) Order as May 8, 1996, that being the date on which the Finance Act 1996 was assented to. The effective date should have been the date on which the Provisional Collection of Taxes Order 1996 became effective. That is, January 11, 1996.

The necessary changes have been made in paragraph 6(a) of the amending Order. Paragraph 7(a) (3) of the Order had to be amended to tighten up the drafting. The reference to vehicles of classes four or five is now clarified to mean vehicles of classes four or five specified in section 50(1) of the Motor Vehicles and Road Traffic Act, which have been imported by persons who have undertaken, in writing, to convert these vehicles to right-hand drive vehicles prior to their registration. Failure to effect the conversion of these vehicles may result in their forfeiture.

Mr. Speaker, I propose to make a few minor amendments to the provisions of the Order relating to the Unit Trust Corporation Act so as to remove any possible ambiguity and uncertainty in respect of the specific amendment.

In paragraph 8 of the Order by which the Unit Trust Corporation will now be empowered to carry on certain additional activities, there are a few drafting in finance to be made as follows: The defined term "business of trust" in section 2 of

the Unit Trust Corporation Act, should be changed to read: “Business of a Trust Company”. In the definition of “merchant banking business” the comma appearing after the word, “acceptance” should be deleted so that the expression should now read: “acceptance credit business.”

Finally, in carrying on the new business authorized by the amendments to the Unit Trust Corporation Act, the board should be allowed to charge a small fee to recoup the administrative cost incurred in providing the services associated with such businesses. Towards this end, it is proposed to further amend section 13 of the Unit Trust Act to empower the board to charge such fee as it considers appropriate. This proposed amendment is contained in the resolution now before this honourable House.

Mr. Speaker, I beg to move.

*Question proposed.*

**2.40 p.m.**

**Mr. Colm. Imbert** (*Diego Martin East*): Mr. Speaker, what we are seeing before the House today is yet another example of governmental incompetence. The first Order Paper received referred to the Provisional Collection of Taxes Order. Yesterday or the day before, a Supplemental Order Paper was delivered with a resolution amending the Provisional Collection of Taxes Order—an order not even yet passed into law. Today we come to the House and discover all of that has gone by the wind and we are now debating something new.

Mr. Speaker, who is responsible for the first Order? Who is responsible for the second Order? Who is responsible for the third Order? As we debate this measure, a fourth Order appears out of thin air. This is governmental incompetence and bungling of the highest order, but I am not surprised. You see, Mr. Speaker, this Government is too interested in its own extracurricular affairs to be attending to the nation's business in the proper manner.

In addition, the members of this government do not seem to act with a collective voice and I could see easily how we could have three different Orders here before us. The Minister of Finance is saying one thing, the Attorney General is saying another thing, another Minister is doing something else, the Government is claiming complete ignorance and absolving itself from responsibility and so forth. It is a pattern that we have seen over the last 12 months and it is a pattern that is going to repeat itself in the remaining years of this administration. Ministers doing their own thing; ministers talking out of turn; ministers fighting with each other and so forth.

I am not sure which one of these orders I should be debating, but let me go to the Provisional Collection of Taxes (No. 2) Order 1996, which I presume more or less we are debating. In listening to the Minister, he referred to the provisions that come into force with regard to gambling tables, gaming houses and so forth. Mr. Speaker, these measures which will put in place duties on gaming tables and other devices are really intended to facilitate the introduction of casino gambling at a later stage.

In the previous debate on the budget when the Minister of Finance indicated that he was going to legalize casino gambling because it was an amenity—in other words a necessity for tourism in Trinidad and Tobago—the members of the Government sought to play down the implications of this most pernicious vice—the vice of casino gambling—and we have seen over the last month or so, all sorts of spurious and half-baked reasons being advanced by one member of the Government or another, as to why we should have casino gambling in Trinidad and Tobago, to quotations from the *Bible*, even. I noticed a certain Government Senator was correctly chastized by members of the clergy for talking foolishness in the other place about gambling, indicating that gambling was sanctioned in the *Bible* and all sorts of nonsense like that.

Mr. Speaker, we even have the hon. Member for Couva North chastizing the clergy about their complaints about the introduction of casino gambling, telling respectable members of the clergy that they should keep quiet; they should not make any noise about the introduction of casino gambling because they engage in gambling in the form of bingos and so on. This is what I mean when I refer to spurious and half-baked pernicious arguments coming from Members on the other side. I think it is necessary to educate those Members on the other side who are obviously ignorant of the provisions of the Gambling and Betting Act.

I now turn to Section 11 of the Gambling and Betting Act, Chap. 11:19:

“11.(1) Subject to the provisions of this Act, gambling may be conducted on the premises referred to in section 8, and if so conducted shall be conducted in accordance with the following conditions, that is to say—

- (a) that either—
  - (i) the chances in the game are equally favourable to all the players; or
  - (ii) the gambling is so conducted that the chances therein are equally favourable to all the players;”

**2.50 p.m.**

Over the years this has been interpreted to mean that games of skill are permissible in private members' clubs in Trinidad and Tobago. As a result, poker and other card games which have been interpreted by clever attorneys-at-law, to be games of skill, have been permitted in private members' clubs. However, there are certain issues relating to gambling. Now, we see in this Order that duties would be payable on certain devices such as a roulette table, and the introduction of duties on certain devices such as "one-armed bandits" and roulette tables which are not permissible in Trinidad and Tobago at this time.

Roulette is defined as a game of chance and not one of skill. This is the difference between the existing gambling which takes place in members' clubs where it is legally carried out. I am not talking about illegal activities. I know there are one or two members' clubs where there might be the odd "one-armed bandit" in a back room or a roulette table in a container at the port. I am referring to legal activities which are carried out in members' clubs. It is related essentially to card games such as poker. Now the Government is going to introduce "one-armed bandits", roulette, craps and others.

**Mrs. Persad-Bissessar:** No.

**Mr. C. Imbert:** For the benefit of the Member for Siparia who does not read anything I will go to the Schedule on the first page. It states:

"DUTIES PAYABLE ON GAMBLING TABLES AND OTHER DEVICES

For every regular Poker Table	\$2,000.00 per annum
For every Caribbean Stud Poker Table	\$15,000.00 per annum
For every Black Jack Table	\$10,000 per annum
For every Baccarat table	\$8,000 per annum
For every Dice Table	\$5,000 per annum
For every Roulette Table	\$10,000 per annum"

I wish the hon. Member for Siparia would read the documentation which comes before this honourable House.

**Sen. Kuei Tung:** I wonder if the Member would give way because he is talking about things which he seems to know very little of his usual style. We

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know that these members' clubs have been existing for years under a legitimate cover of membership. Instead of charging the tax at a low level on an old basis of membership, we are saying that because we know the volume of revenue with which these clubs deal, we are changing the basis of tax. There is no way we can tax an illegitimate or illegal device. If the device is not allowed, then that is one action which the police would take. If the devices or the tables are allowed under law, we choose an appropriate and reasonable tax.

To suggest "one-armed bandit" which is not allowed by law and not being taxed—we are not seeking to tax illegal means of gambling. In other words, this tax is being applied to legal means of gambling in Trinidad and Tobago.

**Mr. C. Imbert:** Mr. Speaker, I would not give way again.

Dice and roulette are not allowed under the law in Trinidad and Tobago. The point I am making is that this is a surreptitious insertion in the Provisional Collection of Taxes Order to pave the way for casino gambling. There is a catch-all phrase at the bottom which says "for every other table or device not mentioned above". Clearly, that refers to "one-armed bandits" when they are brought in. This administration feels that it can fool people.

In the budget presentation the Minister of Finance and Minister of Tourism signalled that the UNC/NAR coalition was going to legalize casino gambling in Trinidad and Tobago. Now the Minister of Finance and Minister of Tourism is putting in place measures which would allow the collection of tax from devices which are illegal in the country at this point in time. That tells me that he is paving the way for casino gambling. They could try to fool everybody in the country, but they cannot fool the Members on this side.

This is what I was talking about when I said that one person is saying one thing and another person is saying something else. I wish the Minister of Finance and Minister of Tourism would consult with the Attorney General to get an interpretation of which devices are legally allowable in a gambling house. In other matters he is not consulting the Attorney General. The CLICO/Republic Bank issue is a clear case in point. The Attorney General is doing one thing and the Minister of Finance and Minister of Tourism is doing something else. One Minister says one thing while another Minister says something else.

It is necessary to reinforce that this Government is dishonest, surreptitious and cannot be trusted. This Provisional Collection of Taxes Order is so transparent. The UNC administration has been hijacked by the boys, "Ish and dem." Everything

inside here is geared towards assisting the boys. I would come to that. It is hidden inside this document.

**Mr. Valley:** It is not hidden.

**Mr. C. Imbert:** Is it not hidden?

**Mr. Valley:** No. It is transparent.

**Mr. C. Imbert:** You will indicate some of the transparent moves being made to assist the boys.

The nation has been hijacked. The UNC was hijacked by the investors and now the Minister of Finance and Minister of Tourism is hijacking the national budget to put in measures to assist his friends and business associates. This insertion about gaming devices is to assist his business associates.

**Mr. Speaker:** I remind the hon. Member that he ought to be careful about making implications. I think you are becoming dangerously close to that.

**Mr. C. Imbert:** Thank you, Mr. Speaker. I was moving on.

I reinforce the point that there is a fundamental difference between what sort of gambling is permitted in casinos and what is now taking place in private members' clubs. When it happens people in this country would understand the perniciousness of that vice where some persons would take their entire salaries and gamble away on "one-armed bandits", while the Members on the other side are misled by persons who give them bad advice and wrong information. When it happens, people would understand what is taking place within that administration, the manipulation and the behind-the-scenes wheeling and dealing which leads to measures arriving in this Parliament in this Provisional Collection of Taxes Order.

Let us go straight to the measures which deal with motor cars. Last year, we on this side informed the UNC/NAR coalition that the legalization of the used car assembly industry would cause trouble unless certain regulatory infrastructure was put in place. We indicated that some of the major problems were car theft, the importation of sub-standard vehicles and money laundering. What did the Government do? It ignored the arguments coming from this side and now it has come back one year later—as it does virtually with everything—to institute the measures which we called for in January 1996.

If one looks at the regime of measures that go together with the measures being debated in this Parliament with regard to the used car industry, one sees that

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the recommendations of the PNM are now being accepted—12 months late—and all sort of “simidimi” has taken place in Trinidad and Tobago over that time. They are doing the same thing with the wholesale importation of used cars.

There was one problem with the assembly industry where we pointed out that it was not really an assembly industry and all that was happening was that whole cars were being purchased abroad, the wheels and engines taken off, the shells coming in complete with upholstery and everything and when they arrived here, the tyres and engines were being put back on the cars and called “assembled”. That was never an assembly industry and will never be one.

Now they have gotten wise; now they understand what is taking place, so they are putting in all kinds of systems to inspect garages and check on roadworthiness—one year later. Why is that? Again, I have to say that these measures are intended to help persons who support the UNC because certain financiers of the UNC are now importing new cars. There is a company called Platinum Motors, which is owned by a financier of the UNC, and they are importing new cars. One cannot have a financier of the UNC bringing in new cars and have used cars coming in, too. So, having given them one year, the Government now clamps down on them because their partner is bringing in new cars and they cannot allow the used car industry to interfere with their partner’s new cars. This is the transparency of the footwork of the Minister of Finance and Minister of Tourism that I am talking about. He had to help out some people last year, he helped them out; now his boys have a company importing new cars, he is banning used cars. That is the way this Government is being hijacked; they do not understand what is going on.

If we look at the implications of the taxes that are being introduced here, they have unified the special registration fee. Where previously on small motor vehicles—below 1800cc, I believe—the registration fee was \$20,000, and for vehicles with engines in excess of 1800cc, it was \$30,000, they have now unified it at \$30,000. So that adds \$10,000 immediately onto small cars like Corollas.

Then they have increased the duty on parts; they have increased the duty on shells and so forth and they are putting in place all sorts of regulations and regimes, bonds, the net effect of which is that the price of used cars will go up to the point where competitiveness—and I am talking about the assembled used cars now—will decline and it will no longer be a viable industry. Why are they doing that? To help out their partners who are bringing in new cars. It is transparent, Mr. Speaker. That is my opinion. When I look at the measures and I see the contradiction, this is the way I interpret it.

I know that the national community is looking on. I know that they are not fooled by the fancy footwork and the games coming from the people on the other side. I know that they understand clearly what is happening. I remember a poll taken in 1996, by a daily newspaper, on whether corruption had taken over the UNC administration and over 50 per cent of the persons polled indicated that they believed that corruption had gotten into the UNC administration. That is after one year of government. Why? Because of things like this.

Apart from the manipulation and the underhand means of assisting supporters and financiers to the detriment of John Public, there are other strange manoeuvres being made. Let me go to the question of reducing the allowance on mortgages and annuities. In the past, a person was allowed to claim up to \$20,000 in mortgage interest and one-sixth of one's income for annuities. What has the Minister of Finance done, and given no rationale whatsoever? He has amalgamated annuities and mortgages and told the single homeowner that he can now only claim \$18,000.

My understanding is that since the introduction of this measure people have been sending back forms for annuities; they have been cancelling their annuities and there has been a significant effect on pension funds since this measure. What is the rationale? One of the major contributors to pensions are professional people—lawyers such as yourself and the Member for Couva South, Mr. Speaker; engineers such as myself—who have little avenue to get tax deductions unless they invest in annuities. The concessions that were available are no longer available. They have been completely removed and one asks oneself what is the point of this measure. The entire insurance industry and the entire banking industry say that it is a bad move. The Minister of Finance and the Minister of Tourism is adamant that these people do not know what they are talking about and that he is the only person in Trinidad and Tobago who knows about these things. He is right and the other million people in Trinidad and Tobago are wrong, and he will press on without even explaining why the Government has decided to have this measure which impacts negatively on pension funds.

It is even more confusing when one realizes that the major source of Government borrowing for development programmes is pension funds. When a bond is floated on the local market, who are the investors in those funds, especially pension funds? Insurance companies. Now they are depleting pension funds and it will have a spin-off effect on the ability of these institutions to raise money for the Government. I cannot understand it. It is a totally confusing measure and I hope in

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his winding up the Minister will explain why he has gone after annuities and pensions.

Again, there is fancy footwork about the mortgage interest. He claims that if a couple is married, both of them working, jointly own a home and paying the mortgage together, they can now both claim \$18,000. What was it in the past? A spouse could claim, but did not have to be co-owner of the property nor the mortgagor. He simply had to pay. How many persons has this really assisted? How many persons who have mortgages are the sole breadwinner in the family? Has the Minister done research? Can he tell us, for deduction purposes, of the number of approved mortgages in Trinidad and Tobago, how many are for couples who are joint owners, both working and how many fall in the other category? In other words, how many people will benefit and how many people will be disadvantaged?

[MR. DEPUTY SPEAKER *in the Chair*]

There are a large number of households in Trinidad and Tobago where the man is the sole breadwinner and the woman is the housewife. The man is claiming his mortgage interest, annuity and pension deductions and so forth; the woman is taking care of the children and the home. There are still a large number of homes in Trinidad and Tobago where people ascribe to the traditional nuclear family, and this measure which limits the total deduction on mortgages and pensions to \$18,000 will seriously disadvantage that group of persons. One of the economists at the University of the West Indies, Denis Pantin has been making the point in his articles that the measure introduced by the UNC administration is unfair to the person who is the sole breadwinner in the family and the sole payer of the mortgage.

**3.10 p.m.**

I would like the Minister to indicate how many persons would be negatively and positively impacted by this measures and then one would get an idea of the true impact. In my opinion, however, the majority of persons are going to be seriously disadvantaged by this measure. This is another example of the simidimi and the fancy footwork of the Members on the other side, as it is with the taxation measures.

Mr. Deputy Speaker, they are trying to fool Trinidadians and Tobagonians with the income tax measure, but we are not stupid people. Where, in the past, the first \$20,000 of income was not subject to tax, there were all sorts of rebates and so on to ensure that if one's income was up to \$20,000 one paid no tax. Up to

\$30,000 there was marginal relief beyond \$20,000. The Minister has now come with his fancy footwork in the budget talking about this first \$20,000 at zero per cent. I think that might even be a typographical error, but anyway it does not matter.

The fact is, however, that there was a big song and dance and a hullabaloo about the first \$20,000 tax deduction. Mr. Deputy Speaker, that is how it was in another form, the Government is not fooling anybody. When people get their income tax calculations for January—some would have already gotten it—they would have realized that nothing has changed. The Minister took some from here and put there, changed the wording here and put it behind there and the end result is that the majority of persons either pay the same amount or even more tax. They are worse off, Mr. Deputy Speaker. The population is going to realize this as we get into the first and second quarter of 1997. Once again, this Government would be seen to be patently dishonest, and as I said, the single breadwinner who has a mortgage and who invests in annuities would be the one who would be hardest hit. That person is in deep trouble because of the incompetence of the Members on the other side.

This Order has no coherence, Mr. Deputy Speaker. These taxes mean nothing. There is no theme running through these taxes. There is no philosophy. It results in no coherent policy framework. It is an *ad hoc*, hodgepodge, higgledy-piggledy of measures just put here and there like a tic tac toe, and all of that is designed to slip in a little thing here and there to help their friends. [*Desk thumping*] The Government is trying to confuse everybody. It throws out all sorts of irrational and illogical measures to confuse the entire issue to put in measures to help their partners. This is what this is all about: help one's partners with casino, car rental and with new cars.

**Mr. Deputy Speaker:** Could the hon. Member pay special attention to Standing Order 36(5)?

**Mr. C. Imbert:** Thank you, Mr. Deputy Speaker, I am guided.

Let us look at the removal of motor vehicle licences. Again, that is a big song and dance. The reasons given by the hon. Minister are that there would no longer be lines at the Licensing Authority; they are helping poor people; they are removing bureaucracy. In 1996, one Minister came with a big song and dance about how they would have renewal of licences on the calendar year, there would no longer be lines. A big press conference was held indicating the UNC coalition

was so forward-looking, Mr. Deputy Speaker, that it was allowing the licensing of vehicles on the anniversary date of the vehicles. All sorts of systems were put in place, about \$50,000—I understand—was spent to print new licence stickers and those new 1996/1997 licence stickers were issued. All that has now been abolished and it has now put in a measure in this Order: No licence sticker. The question then comes to focus on the “ad hoc” of this Government. *[Interruption]*

Mr. Deputy Speaker, this is a “vaps” Government. In removing the licence fee, the Government then had to ask: How are we going to monitor vehicles now? The main system of monitoring ownership of vehicles, and so forth was licence stickers: When one comes to renew one’s licence sticker there is insurance to be paid and all sorts of things. It was a regulatory tool to control the ownership of vehicles, but this has been dispensed with. What is the Government now going to introduce, Mr. Deputy Speaker? A registration system, where one would have a registration sticker on one’s windshield.

The Transport Division is already gearing up to introduce a system where one would put a registration sticker on one’s vehicle and private vehicles would then have to be inspected. How many lines would there be? There used to be one line for licensing but that has gone. There is now a line for registration and a line for inspection: two lines in the place of one. According to the Minister of Finance and the Minister of Tourism, however, the licence fee was removed to alleviate the suffering of the population in the long lines at the Licensing Office, which, in about six months’ time, would be twice as long. However, Mr. Deputy Speaker, that is not the point, that is just the typical surreptitious dishonesty of the UNC administration.

The point is, who benefits the most from a removal of licence fees with a replacement of an increase in gasoline price? Car rental companies, Mr. Deputy Speaker. When one rents a car one rents it with a full tank of gas and it must be returned with a full tank of gas or one would have to pay for the gas that was used. Therefore, car rental companies are not affected by an increase in gasoline price, but they benefit from a removal of licence fees. If one has 300 cars and one is paying \$200 or \$300 per vehicle per year, the removal of the licence fee would save certain financiers of the UNC, at least, \$100,000 per year and the increase in gasoline price would have no effect on them. That is what I mean when I say in the confusion, that is this Order, the Government is surreptitiously sticking in things to help its partners.

The Minister of Finance has also indicated to this honourable House in the 1997 budget presentation that—and as this Order flows from the budget presentation—

his Government is committed to stimulating the economy, to generating employment, and so forth. However, these taxes will be counter-productive. There is absolutely nothing here that would stimulate investment of any kind, except for certain financiers of the UNC. I presume that will be dealt with later. There is no single taxation measure in here that would help to stimulate industry, employment, investment and to generate growth in the economy. This Provisional Collection of Taxes Order is a complete contradiction.

Mr. Deputy Speaker, who is going to benefit from the employment allowance? Let me make the point, Mr. Deputy Speaker, that allowance was tried many times before; it failed and it was discarded. The whole taxation system was streamlined by the administration of the Member for Tobago East; the question of the removal of allowances and the replacement with credits, the whole complex tax structure. He took out all these employment allowances because they do not work. That went out 10 years ago. Who is now bringing it back? A certain investor of the UNC. Why is he bringing it back? My opinion is that there are certain persons who are going to be employing many persons this year—they would go on the books and would demonstrate that they are employing many people—who will benefit from this and they will retrench the people next year, because that is the problem with the employment allowance.

**3.20 p.m.**

Why should a company take on people that it does not need? Simply to get a tax concession? Because once the people are on staff, then they have effects on severance, they have effects on pension, overheads, NIS, and so forth, in the company. Only companies that were going to increase the employment in 1997, in any event, whether there was allowance or not, are going to benefit from this.

Mr. Deputy Speaker, the point is, the reason this allowance never worked in the past is that no company is going to take on staff simply because it gets a one off tax benefit for one year. What are they going to do with all those employees next year when they have a problem with the balance of payments? They are going to send them home. What is the smart businessman going to do with this? Take on people this year, retrench them next year. No problem. That is all they are going to do. Then they will bring them back the following year, retrench them the next year. What this creates is job insecurity, not job security.

It is intended to assist certain types of businesses which were in a natural expansion mode in 1997—partners, Cherokee jeeps, hotels, casinos and so forth—things that were in a natural expansion mode in 1997. I understand why the

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Minister of Finance came into this House and in his usual way said: "I am not going to talk about things that I have talked about before. I am not going to repeat myself."

Mr. Deputy Speaker, if the Minister of Finance was forced to explain the reason for these measures, he would get himself in hot water. His colleagues on the other side would understand that the UNC has been hijacked by the political investors, and that the budgetary measures of 1996 and 1997 are intended solely to assist the political investors in the UNC and the business associates of certain high-ranking members of the UNC, such as the Minister of Finance.

I thank you, Mr. Deputy Speaker.

**Mr. Hedwige Breaux** (*La Brea*): Mr. Deputy Speaker, I rise to join the debate on the Provisional Collection of Taxes (No. 2) Order and the resolution thereunder. Like my colleague before me, I have been seriously disadvantaged by the fact that I had three documents: Provisional Collection of Taxes (No. 2) Order, 1996, Provisional Collection of Taxes (No. 2) (Amendment) Order, 1996, and today we have the resolution.

It would be remiss of me if I did not underscore the fact that this is a clear indication of the incompetence of this administration. I think the learned Attorney General—who, from time to time, speaks about doing the job and, indeed the Member for Tobago East, who has had a lot of experience in government—would have tried to coach the hon. Minister of Finance in teaching him the way in which he should carry out his business and, at least, have some respect for this Parliament and the people of Trinidad and Tobago.

Mr. Deputy Speaker, as I said, I have become accustomed to that. At the very beginning of this first Order we have the question of the various taxes on gambling. As I said once before, we had a number of comments on it. *[Interruption]* Mr. Deputy Speaker, I see you in the Chair for what you are, and I know you for what you are, a very devout member of the Muslim faith. We are in the holy month of Ramadan and I have great regard for the religious pursuits and persuasions of the people of Trinidad and Tobago. If the Member for St. Joseph does not have that regard, if he would like me to stop, or if he would not like to hear me speak, he should please leave until I am finished. Then he could come back in, but please, could you ask him to stop annoying me and trying to stop me by breaking my trend of thought.

I can remember reading in the newspaper a comment by the leader of the Muslim community and it bears repeating, 2:219 of the *Holy Quoran* says:

“They ask thee concerning intoxicants and gambling. Say: ‘In them are great sin and some benefit for men but the sin is greater than the benefit.’”

[*Desk thumping*] I am saying, as I said on a previous occasion, I recognize that there is some revenue to be gained for the country from gambling, whether it be gambling clubs or casinos but, as we say, the sin is greater than the benefit. I think I need to give another quotation from the *Quoran* to the hon. Member for Caroni Central, my very good friend and former work colleague.

“‘O you who believe! Intoxicants and gambling, (dedication of) stones and (divination by) arrows are an abomination of Satan’s handiwork; eschew such abomination, that you may prosper.’”

Mr. Deputy Speaker, I say that we must eschew this abomination so that we will prosper.

**3.30 p.m.**

[MR. SPEAKER *in the Chair*]

As the Member for Diego Martin East said, there is a danger in putting a tax on roulette and dice and every other gambling table or device not mentioned, because in Trinidad and Tobago we now have a liberalized economy, where one can go to the bank and change TT dollars into US dollars. When our citizens go into the various gambling clubs and casinos that this Government would like to institute and they lose their money, the owners of these casinos—and I am telling you, Mr. Speaker, no citizen of Trinidad and Tobago has the financial wherewithal or the administrative capability to run a casino; the reason being, when the high rollers arrive, you have people with as much as \$1 million in credit. How is that going to be checked? Obviously one can expect that the gambling casinos would be run by foreigners and they would take their profits out. There will be a haemorrhage of funds, the likes of which would make the drug barons look almost like Santa Claus, as my Friend said.

I am saying we have got to look at this. The comment made by the hon. Minister of Finance that if the device is illegal, tax cannot be paid on it, is not correct. What happens is this. An owner decides that he is going to have a certain number of devices—there are other devices not mentioned—and he puts them together and goes to the Inland Revenue Department and pays his taxes for the quarter in advance. Then some time in the future, if the police is so wont to do it, they then come and say, “Look, you should not have a device there.” He could say, “No, I have paid my taxes on it.” It is a common practice in which persons who have erected buildings on land where the land has not been zoned for that

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kind of building, go ahead and pay the taxes and then when one seeks to remove the building, they say, “No, the building is now legal. I have paid taxes.” There are decided cases on that. Nothing happens, and nothing can be done.

I suspect—and I have good reason to believe—that the reason the other devices have been put at only \$500 is because the “one-armed bandit” can be brought under that particular heading and there are possibly—this is conjecture—some other people about to bring them in. I always refer to my sojourn out of this country. I happen to know that there are orders in Miami now for “one-armed bandits”. I have not been able to find out who are the persons who have ordered them, but I am told that some are here.

I do not mind people trying to make money, but we have to be concerned about gambling. I understand that this Government said somewhere that it may put out the bill for public comment. If it intends to do that, I suggest that it removes roulette table from it and “every other device” so it is quite clear that we cannot have roulette tables in this country through a loophole or a back door in respect of the law. But I do not expect the Government to do that. It is too hard-headed; it will not listen. It believes it has a monopoly on knowledge, but moreso it should be a monopoly on arrogance.

Lest I am construed as a person who is only seeing what is bad in this Provisional Collection of Taxes (No. 2) (Amendment) Order, I have looked at:

“ 6. Paragraph 7 of the Order is amended—

(d) in subparagraph (c), by deleting the words ‘by deleting the First Schedule...’”

I am not making any error in reading here; I have not taken a page from the book of the Minister of Education. It goes on:

“‘...and substituting the following Schedule:’ and substituting the following words:

‘by reducing by five per cent the rates of duty specified in the First Schedule...’”

One will always feel pleased to have a reduction of taxes. It is always welcomed. At first blush one would welcome that, but when one looks at the various items which have been reduced, one sees more confusion.

Under Tariff Heading No. 3926.10, one sees “office or school supplies”; under Tariff Heading No. 4503.002, one sees “typewriter”; under 8214.10, one sees “pencil

sharpeners.” One is pleased to see that taxes on school materials are being reduced. But therein lies the contradiction of this Government. On the one hand, it seeks to reduce the taxes on educational material—in some cases there is none at all—but on the other hand, the very persons who are required to give this country a proper and solid education, are attacked in the most vicious way. One could just see from the very person whom the Government has appointed as Minister of Education, that it has not thought about the quality that the education system requires.

Look at the treatment the Government has meted out to the teachers of this country. The teachers of this country have reached the level where they have been forced to march on the streets and have been called criminals by the Prime Minister of this country.

**3.40 p.m.**

Additionally, Mr. Speaker, we have a situation in this country, where it is the first time we have seen—*[Interruption]*

Mr. Speaker, I hear the comments, grunting and grumbling from the Member for Nariva, the Minister of Labour. He should bow his head in shame. The industrial relations situation in this country has never been worse. Never! And he has the audacity to come here and speak to anybody. Mr. Speaker, teachers are going to school four days out of five days, because they have been forced to do that by this Government. The public servants in this country are getting ready to cause problems because of bad treatment by the Government, which is ignoring their just demands *[Interruption]*

**Mr. Speaker:** Honourable Members may I appeal for order. The Member has sought my protection which I must give to him. I appeal to you to allow the contributions to be made and for them to be rebutted, if necessary, when other Members speak.

**Mr. H. Breaux:** Yes, Mr. Speaker, as I was saying. The industrial relations situation in this country has never been worse. Take, for instance, the plant that they are building at Carli Bay Road, Caroni, which they stole from La Brea and put there. It is shut down now because of industrial action. There is industrial action at the LNG plant in Point Fortin, because this Government has its own people recruiting labour to take down the iron on the pipeline in the UNC office in San Fernando. Mr. Speaker, when one sees these kinds of upheavals going on, one asks, "What is this Government doing?"

Mr. Speaker, I want to get back to another area of the Provisional Collection and Taxes (No. 2) Order and I notice we have, in respect of:

"Tariff Heading No.	Description of Goods
3702.002	Instant print film
8518.10	Microphones and stands therefor
8518.20	Loudspeakers, whether or not mounted in their enclosures
8518.30	Headphones, earphones and combined microphones/speaker sets
8519.40	Transcribing machines
8525.201	Portable radio-telephones
8525.30	Television cameras."

Mr. Speaker, I could very well understand why any government would want to reduce the duty on those goods because the Constitution of Trinidad and Tobago, which is the supreme law, says in Chapter 1:

"THE RECOGNITION AND PROTECTION OF FUNDAMENTAL  
HUMAN RIGHTS AND FREEDOMS:

- (i) freedom of thought and expression;
- (j) freedom of association and assembly; and
- (k) freedom of the press."

As we are talking about freedom of the press Mr. Speaker, I want to read, for the record, a letter from the Acting Chief Executive Officer to the Head of News and Current Affairs, International Communications Network Limited: "I have been directed by the Board to advise as follows." *[Interruption]* I am speaking about the board of ICN. ICN, Mr. Speaker, is a state—

**Mr. Speaker:** Honourable Members, in this Parliament, one does have quite a bit of latitude. I am simply appealing to us, in making presentations for the sake of the record and the like, to try as much as possible to keep out things that could really be classed "extraneous." As I say, we have a lot of latitude, and far be it from me to get up every five minutes and stop a Member, but particularly when we are dealing with issues which one has tried to raise in a certain way in the very same sitting, and in respect of which there has been a ruling. I kindly ask that we

consider whether, in fact, one is being particularly relevant to the issue at hand. Please proceed.

**Mr. H. Breaux:** Mr. Speaker, I have been thinking of this very carefully. I have sought to set the base and the premise upon which I am going to deal with the question in terms of freedom of the press. I have dealt with it by pointing out that this Government has properly sought to make available to the population certain items pertaining to the news, and publications, at a duty that is lower than other items. So Mr. Speaker, by referring to the different behaviour of the Government, I am showing the inconsistency in the behaviour of the Government. So with all respect, I am trying to keep closely within the ambit of what is relevant.

Mr. Speaker, as I was saying, and I apologize if some of the material which I have to use in making my case, is that which some other Member has tried to use in another way, and was prevented from doing, but I believe I am relevant.

Mr. Speaker, ICN is a company that is owned by the people of Trinidad and Tobago. The shareholder is the Corporation Sole, and when we have a statement made by the chief executive officer of that company, and by the chairman of that company in the *Guardian*—ICN chairman Suruj Rambachan and other members—making certain statements which tend to ban or prevent the views of certain members of the population from being heard on television, I believe the Government is acting inconsistently. It is not what I would expect from a government which, in a Provisional Collection of Taxes Order, reduces the duty on these items and yet, on the other hand—

### **3.50 p.m.**

I recall in another Caribbean country, Guyana to be exact, a government tried to starve the newspapers of newsprint. That is the behaviour of a government which, I would expect, is trying to prevent a group of persons from having access to the media; not this Government. Is it that one minister is not talking to the other or some policy-makers are not dealing with the matter properly?

Mr. Speaker, it is of great concern to me because no matter what one says one would never hear that I do not want the Government to work. My purpose here is to ensure that the Government works properly. I want to make sure that they are cohesive. I have to be very concerned. Not only are these fundamental human rights and freedoms important but they have been enshrined in the Constitution. It

is known that in countries where a government seeks to bring in measures that are dictatorial, difficult or harsh on the population the first thing it does is to cow the media into submission.

I am experiencing that situation in respect of trying to represent my constituency at this time. For instance, in today's *Trinidad Guardian*, there is a report which indicates that the people of Erin, Point Fortin and Buenos Ayres are blocking the road because of the condition of the road. The roadway is bad because the Government has neglected to fix it. The hon. Member for Point Fortin and I had raised that matter, and I wrote letters to all the newspapers—as late as Friday of last week—about the state of the roads; the Siparia/Erin Road, the road between Buenos Ayres and Point Fortin and the road between Rousillac and Point Fortin.

Mr. Speaker, what happened? Not a word was printed in the newspapers because the letters I wrote were critical of the performance of the Government. Nothing came out. I knew that the people were acting up so I tried to take the proper steps by informing the public, the Minister and the Government about it, but the newspapers were afraid to print it. Since they were afraid to print it one sees what we got. We almost got an anarchy. That is it. Whenever one prevents people from dealing with matters of injustice and inequity, anarchy comes around and I do not want that for this country.

More importantly, Mr. Speaker, as we talk about fundamental rights and freedoms, this country is a signatory to the OAS Convention on Human Rights. I know that one of the conditionalities of all agreements which a government has to sign is one of freedom of the press which is essential to that freedom. This Government had better get its act together. It cannot, on the one hand, speak about freedom—I am not going to worry too much about the statement made by the Member for Couva North about his communist ways. I knew that he was a communist a long time now and the people of Trinidad and Tobago are going to find him out and deal with him. He did not fool me and I am not going to bother with him.

Mr. Speaker, I want to be quite clear, and I want this country and this Government to recognize, that it should not do things in a half measure. We have an opportunity to move forward. The key to it is to be able to satisfy not only our people that we are fair, but also to satisfy the international community, and the investors, that this is a country that recognizes the fundamental human rights and freedoms.

On page 852 of the Provisional Collection of Taxes Act (No. 2) Order, Part 4 states that:

“Services which Qualify for Export Allowance

Architectural Services

Engineering

Design

Quantity Surveying

Contracting Services in connection with the building industry.”

Mr. Speaker, if I were not a charitable man, I might have asked: Why only contracting services in connection with the building industry? We in Trinidad and Tobago, as a result of exposure and years of training by the PNM government, have a skilled population that has built about 20 plants in Point Lisas and three refineries and upgrading work. Additionally, we have at least 15 well-servicing companies. We have very advanced technology and experience in the well-servicing and petroleum services industry.

Mr. Speaker, if the Government is going to give export allowance it should not forget that there is that industry. Now, with Venezuela opening up to foreign companies, especially in the oil industry, many of those foreign companies have had operations in Trinidad and Tobago and know the competence of our petroleum services people. [*Desk thumping*] I know that there have been enquiries with respect to Trinidad and Tobago’s petroleum-servicing companies doing work in Venezuela. They, too, need the incentive. Give them the export allowance incentives.

For years the Trinidad and Tobago companies have been doing all the maintenance work and drilling for Barbados. I know the names of a few companies that have done it. I am saying with this new Orinoco/Apure project there is the opportunity, not only in respect of building—I understand even the Point Lisas port, PLIPDECO, is in the wings for a contract in respect of that—and they also need the benefit of that kind of export allowance.

As I am on that point, Mr. Speaker, before I leave the question of construction and roads in particular, there is a situation in the La Brea/Point Fortin area where because of the heavy activity that is going on there at this time, the roads are being damaged at a terrific rate. Drivers are dodging craters every 20 yards.

**4.00 p.m.**

We have a situation in the La Brea/Point Fortin area where because of the heavy activity that is going on there at this time, the roads are being damaged at a terrific rate. Drivers are dodging craters every 20 yards. Mr. Speaker, I am certain that the Government of this country is taking the road repair tax which people in the South West peninsula are paying and using it to repair roads elsewhere, and this kind of discrimination and victimization of constituencies which have voted for the PNM is rampant.

For instance, in the Siparia Regional Corporation where 31 loads of coal mix were left over after repairing Murray Trace, the PNM councillors asked for those materials to be utilized for the Sobo Road, which is one that is used to by-pass the bad roads in La Brea. They have reached the stage where they have to by-pass the bad roads, and that road, which is a local government road was being destroyed. When they asked to use the leftover coal mix the Member for Point-a-Pierre and Minister of Local Government wrote a letter and vired the loads to fix the San Francique Road. More importantly, we have a situation at present in the village of La Brea, where the PTSC bus has refused to go into it.

**Hon. D. Singh:** You were there for four years what did you do?

**Mr. H. Beraux:** Mr. Speaker, I have made that point in respect of matters with which they have been dealing. Sometime ago, the Minister of Works and, I think, the hon. Minister of Settlements, were talking, and the Government was taking kudos for running a road from Princes Town to Mayaro. But for a long time now, plans have been on the drawing board and the previous government, the PNM, had plans in place for accelerating the development of a highway from San Fernando to Point Fortin. Here you have a situation where there is an industrial development existing in Point Fortin, it is the largest LNG plant and the largest single investment ever made in this country. This Government is quick to claim kudos for what it did not do, and yet when the time comes to put the infrastructure in place, it allows petty political considerations to override its better judgment of the national interest and equity.

I propose to check a title search on the land through which that road is going to pass, to determine the ownership, because I may very well find existing some Cherokee Jeeps. I need to make just a few other comments in respect of—

**Mr. Sudama:** Abuse of parliamentary privilege.

**Mr. H. Breaux:** Yes, Mr. Speaker, as I was saying, time and again, one runs into a situation in the administration of this Government, where they utilize their governmental position in order to deal with narrow, partisan, political situations. As I have said, and will continue to say in this House every time I get here, in the La Brea constituency, they have stopped a number of projects and continue not to deal with them, purely on the grounds that they are in areas where there is strong PNM support.

So we are here today dealing with the Provisional Collection of Taxes Order. I have been dealing with it all the time, and I warn this Government that there has been an outpouring of persons speaking out against the measures in this budget. We spoke about the measures with respect to householders, and I see the Minister sort of recanting. I cannot really understand what he said, because on the one hand it was that each person was entitled to claim \$18,000 and now he is changing around a little.

But be that as it may, on the one hand they are determined to talk about construction, and some of the Members are saying they expect a construction boom. I remind them also about that the construction and repair of houses. All of those things have to do with construction and they hire a number of persons. I am urging that since we are getting the Order together there must be some sort of measure to assist the construction industry to move forward.

The Member for St. Joseph, whom I understand has some concern with respect to prices, was interrupting me during my contribution, and I want to point out to him that there is also a question of the price of cement being charged by Trinidad Cement Limited. It is important for the continued viability of the construction industry to have the price remain at an acceptable level. In this day of liberalization, what the contractors are threatening to do is to import cement from Colombia, Venezuela and elsewhere, and what we are going to see is the loss of jobs here, or no construction as a result of the failure of this Government to take proper steps to ensure that cement which is so important to the construction industry, is handled in a manner that would redound to the benefit of the country.

**4.10 p.m.**

Mr. Speaker, once more, I will find great difficulty in supporting most of these measures in this Provisional Collection of Taxes (No. 2) Order because these measures seem to hang in the air. They are not fitting themselves in anywhere. The Member for Nariva was quick to say that the price of flour has been reduced. I understand that the National Flour Mills has sourced wheat from another area and

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has managed to reduce its transportation. They also said that rice was being reduced, but the importers of rice have sounded a different tune. But more importantly than rice and flour, is the health of the nation.

I refer to the fact that in the *Budget Statement*, as a result of urgings by the supermarkets' lobby—who seem to say today, they are trying to reduce the price of food in order to make the Government look good; then, subsequently, like a thief in the night, they send up the prices further—they have decided to allow supermarkets to sell what they call over-the-counter drugs under the provisions—*[Interruption]* They have decided to allow the supermarkets to sell what is called over-the-counter drugs and they sought to give the impression in the Act that supermarkets and other shops are allowed to sell those drugs today, without the supervision of a pharmacist. But, the law says something differently. The law says that those drugs can only be sold where the particular shop is two miles away from the nearest pharmacy and when it is so recommended by the medical officer of health; additionally, when the drugs are packaged, their dosage is written on the package, signed and dated by a pharmacist. The claim that the hon. Minister has made in respect of non-prescription drugs being sold in supermarkets or shops, as the case may be, without the supervision of a pharmacist is technically incorrect. The Minister should have said “without the presence of a pharmacist.” In fact, the nature of the signing and the dating of the package is important. It is important because the pharmacist, as it were, exercises, if one wants to use an extra premise, supervision over the particular drugs, because he is responsible for them.

I know there is a doctor in the House. On the last occasion, I tried to get him to participate in the debate but he refused, fled or was afraid. For instance, a drug like paracetamol. One can go to the United States and buy 1,000 of those cheaply but there is an expiry date on that paracetamol bottle which says one cannot use the medication after a certain date. The supermarket personnel who is not supervised by a pharmacist, can take out some of the medication and put two and three in a little package or cellophane paper, and sell it without the date on it. One would have no way of knowing what the expiry date in respect of that drug is.  
*[Interruption]*

**Mr. H. Beraux:** Mr. Speaker, since the Member for St. Joseph intervened, I am saying anything can happen given unscrupulous professionals. But, the very nature of the training of the pharmacist, the years of experience and the knowledge that he has gained as to the deleterious effect which such action will have, it is less likely to happen. Additionally, the pharmacist is controlled by the Pharmacy Board

set up by statute which is intended to regulate the operations of the pharmacist and, there are sanctions which the Pharmacy Board and the law provides for matters of that nature.

When the hon. Member obstructs me by making a statement like that, I am flabbergasted that a man of his purported competence would descend so low.

To get back to the point in respect of the flour and rice situation. For instance, one of the requirements which the medical officer of health will oversee and will ensure that is proper before he recommends, as the law stands today, in respect of the supermarket selling over-the-counter drugs, is the question of its storage; what else one puts next to the drugs. Have you ever heard about osmosis?

**Mr. Assam:** What is osmosis?

**Mr. Speaker:** The hon. Member's speaking time has expired.

*Motion made*, that the hon. Member's speaking time be extended by 30 minutes. [*Dr. K. Rowley*]

*Question put and agreed to.*

**Mr. H. Bereaux:** I thank hon. Members and, in particular, I thank the Member for Siparia whose voice was heard in supporting the extension of my speaking time. I propose to use all of it.

**4.20 p.m.**

Let us say one is storing something like disinfectant close to milk of magnesia, what one finds, as I was saying before, is that there will be some form of transfer from the disinfectant to the milk of magnesia. The hon. Members opposite are making a joke of a serious health hazard.

Additionally, Mr. Speaker, there is a situation in Trinidad and Tobago and throughout the world, the question of self-medication, people treating themselves, which is increasing. One finds the case where a person goes to a doctor for a certain condition and then that condition recurs at another time. The person knows the name of the medication—it may be a non-prescription drug—and that person tries to get that particular drug from the pharmacist, but since the pharmacist has some kind of historical background and knows sometimes about the customer and the effects that several different drugs could have on other things, questions might be asked.

To go back to the question of the milk of magnesia, if an obviously pregnant woman were to come to a pharmacist and ask for milk of magnesia, the pharmacist could warn her about its effect.

Mr. Speaker, many of us when we are getting on in age, take aspirin in order to try to prevent heart attacks. *[Interruption]* It is a road which we all must travel. We take aspirin in order to prevent heart attacks. It is said that aspirin thins the blood, but aspirin is also dangerous in respect of the fact that it causes bleeding.

So, Mr. Speaker, I was saying and I want to repeat: no sleight of hand by the Minister of Finance of this Government or any other can get away from the fact that if a measure like that is introduced, we are likely to be playing with the lives of the people of Trinidad and Tobago; the lives of the ordinary poor people who cannot afford to go to a doctor. If they do not care about what we on this side are saying, at least care about what your constituents will suffer. Care about that.

When I warned the Members on the other side about the problem which exists in Point Lisas in respect of the heat sink, a problem with which the Member for Couva South, the Attorney General—a lawyer par excellence as he would like to call himself—has agreed, he went ahead and took good agricultural land to put down the Farmlands project and also told the people they could underpay. They were told to go to the county of Caroni, because the people there were more frugal and will accept lower wages. Do you see the problem you have on your hands now? *[Interruption]* Not you, I know you did not like that, neither did the Member for St. Augustine, but there were those who did it just to spite the constituency of La Brea. *[Interruption]* I see that the Member for Oropouche has now found his tongue. I notice he was very quiet. He has become very prosperous in recent times. Anytime he is ready to release the La Brea report, I will release the source of his prosperity.

As I was saying, in respect of this Act we also looked at the new provisions in respect of the agricultural tractor, the industrial trailer and several others. Therein again lies the contradiction of this Government. This is a government which touts its love and its commitment to agriculture, but in introducing provisions in the Motor Vehicles and Road Traffic Act, no thought was given to agriculture. They did not even think about the special situation in respect of agricultural implements.

Mr. Speaker, on the question of members' clubs, I note at the present time members' clubs in Trinidad and Tobago—even though they are not gambling clubs per se—pay a licence fee because there is the Liquor Licensing Act; their members are served food, liquor, alcoholic beverages and so forth, but there is no gambling. There are some clubs like that and I refer to all the various members' clubs in some of the companies. There is no gambling. The Minister has removed the licence fee which clubs now pay and has shifted the gambling clubs to payment of a tax on the

various gambling devices. I am asking—and the Minister most likely will reply—whether the licence fees in respect of those clubs—the ordinary proprietary clubs or the members’ clubs that have no gambling—have not also been removed in removing the schedule. If that is so, I am signalling that something needs to be done to deal with those clubs, under the Registration of Clubs Act which, are not gambling; also, whether those clubs which permit gambling and are paying the tax in a certain way, will have to pay a licence fee if they sell alcoholic beverages.

Finally, Mr. Speaker, I want to sound another warning to this Government, that it must tread lightly on any abridgement, any attempt to prevent the freedom of speech and, more importantly, we see them doing what they are accustomed doing, that is, work in twos, attack the media, then back off. The damage has already been done. As a criminal lawyer, the judge tells the jury, “Take that off your mind” but the jury cannot wipe it off. In the same way, the journalists who are threatened time and again have now become cowed and this Government is now trying to push through all its nefarious activities because it believes it would have destroyed the free press in Trinidad and Tobago.

I thank you.

**Mr. Speaker:** Hon. Members, the sitting is suspended for half an hour.

**4.30 p.m.:** *Sitting suspended.*

**5.02 p.m.:** *Sitting resumed.*

**Dr. Keith Rowley** (*Diego Martin West*): Mr. Speaker, I rise to express a few of my observations and some of my concerns with respect to the measures which are before us in the Provisional Collection of Taxes (No. 2) Order. I do this genuinely out of a sense of appreciation of the confusion which exists before us. It is one thing for there to be contradictions between a group of persons in the Opposition on certain positions, who then make certain adjustments when they form the government. To me, as one points them out, they can be embarrassing or worthwhile. It is of greater concern to me that contradictions exist within the team which forms the government.

Let me by way of example indicate what I mean. The Minister of Finance and Minister of Tourism indicated that the measures which he is seeking to confirm are meant to improve compliance as well as bring about simplification of our tax code. These are laudable objectives. One of those measures relates to the annuity policies. I would like someone on the other side to tell me if it is not reasonable to expect greater tax evasion from persons who otherwise would have bought annuity

in order to get the tax credit and benefits. They would have done two things. They would have contributed to their personal savings, and created a pool of funds from which the Government could access from time to time. In so doing, they would have had little need to become tax evaders. That is how I see it.

Insofar as nobody on the other side is defending the budget and its measures, it raises more concern in my mind that it may very well be that there are persons on the other side who—while they put up a front that they support these measures—know that what my colleagues and I have been saying is correct. We live here. We are not talking about formulae complex to put man on the moon, but normal personal behaviour known to us. We would see the professional class in this country seeking measures to avoid the exposure to taxation which these measures would create for them, by becoming more and more tax evasive. That is not what the Government says it wants to do. The Government says that it wants to increase compliance and simplify the tax code. Therein lies one kind of contradiction. Contradiction seems to be the standard thread which runs through the Government's fabric of governance. Contradiction all along!

Last year when the Government sought to introduce measures which allowed persons to access used cars, all those on the other side took credit for it by thumping very loudly when the Minister of Finance and Minister of Tourism said that this measure would allow poor persons to buy motor cars, because the price and tax regime applied to used cars at the time were such that poor persons could not buy cars. I distinctly recall my Friend from Caroni East saying to us on this side that we do not want poor people to buy cars. We were made to look as though we were against poor persons buying cars, therefore we were opposing the measure of used cars. The Government said that those measures were to facilitate poor persons so that they could buy cars.

Lo and behold, today, in this measure we are being asked to put regulation in place to do exactly the opposite; that is, to remove this facility which was supposed to allow poor persons to buy cars at a greater differential, as it would exist in the various models of new cars. In the event that anyone wants to buy a used car at this time, the Minister of Finance and Minister of Tourism is saying that such a person would have to pay the motor vehicle tax, VAT, pay this and pay that. The end result is that on a value basis in terms of the value of the actual asset, one would end up paying probably more tax on a used motor car than on a new one.

I ask the Minister of Finance and Minister of Tourism and those on the other side: are we to interpret this to mean that all the poor persons have bought the cars they

need to buy, or has the Government now abandoned its noble objective of facilitating poor persons to buy cars, or is it simply a case of management by “vaps”? “*Vaille que vaille*” administration! At one time this is said because it sounds good, and later on something else is said because it also sounds good. Ne'er the two ends shall meet. Are we seeing government by contradiction?

In that scenario, there is an absence of any clear policy on virtually anything this Government is doing. [*Desk thumping*] That is the problem. I have no problem with the Government defending a policy with which nobody else agrees, because there are times when the visionary might see something which the multitude might not see. If the Government believes that the policy is correct, the leader of the country should hold on to his position, defend it logically, and we would know the policy framework within which he would be acting. I am afraid to say that this Government is falling far short of demonstrating to us that its actions and measures are taken within any framework of established policy which it is following. It is exhibiting the contradictions both in terms of change of statements and positions from time to time; and by individuals within the Government saying different things.

### **5.10 p.m.**

On the question of tax relief on mortgages, I distinctly recall our colleague from Diego Martin Central also being confused by the Government's contradiction within an absence of policy. He asked the Minister of Finance and Minister of Tourism if what he was saying to us was that every taxpayer would be able to access the \$18,000 mortgage facility. In response to that question, the Minister is in *Hansard* as saying yes, with no proviso. He did not say one had to own it jointly, live in it jointly or pay for it jointly. Not at all! He said that once one was a taxpayer, one had available tax relief for mortgage purposes and annuity to the tune of \$18,000.

We were not the only persons who heard that. The Member for St. Augustine heard it, too, and he repeated it. He said that once a person has a mortgage, if the household is earning \$76,000, then that household is liable for no tax. His interpretation was based on the answer given by the Minister of Finance and Minister of Tourism. What are we told today? [*Interruption*] Mr. Speaker, that was not the answer given during the budget debate. [*Interruption*] Mr. Speaker, the Member for St. Augustine is trying to clarify it. I am telling you the way I see it and he is free to contradict me. He may also contradict what I am about to say.

By way of example, to indicate the absence of policy and the proliferation of contradiction in the Government, since my Friend from St. Augustine will rectify what I am saying, maybe he will tell me now that he did not say that what the Government should do is to have one portfolio under him in which the Town and Country Planning Division or the Land and Surveys Division is a part, to take care of development—a kind of Ministry of Works, a ministry which he would like to have fashioned after his own image and likeness. He has been saying that all over the place.

When we started hearing that the Government intends, as we were told today, to put the Town and Country Planning Division into the building in which he resides, and we asked whether that was in keeping with the policy outlined by the Member for St. Augustine, the Prime Minister told us that they would only house those departments in that building. I am putting the Government on notice that I intend to monitor the living arrangements in that building very closely and if I find any cohabitation between the Ministry of Housing and Settlements and the Town and Country Planning Division, someone will get charged, because the Minister of Housing and Settlements has indicated that he intends to manage those two departments. Need I say that this is an example of the kind of confusing comments that the Government makes.

**Mr. Humphrey:** The Member needs to revisit the university that gave him his Ph.D.

**Dr. K. Rowley:** At least I got my Ph.D. The Member could not even qualify for his first degree.

Mr. Speaker, the Government says that it cares about persons in the country who are least able to look after themselves, and we agree with that. A government should do that. However, the first thing we see is that it has taken steps to remove the tax benefit to deeds of covenant which has facilitated some organizations in helping these people. We argued that and we were told that the reason is that people were abusing it. That may be so, but how do they explain the Minister for Social Development telling people not to feed the vagrants? Let them starve to death and they will get rid of them! That is the Government's policy. Do not feed the vagrants. A minister is telling people who are providing meals to human beings, homeless and destitute—

**Mr. Ramsaran:** Mr. Speaker, I would like to correct the Member for Diego Martin West. I said that we are not encouraging them to feed the vagrants. Our plan is to have them channel their charity through the NGOs and we would try to get the vagrants off the streets because if they are happy on the streets, they would remain there.

**Dr. K. Rowley:** I am not saying anything different. That is exactly what I am saying. A human being needs a meal roughly every eight hours. It took this Government one year to tell this Parliament that it will appoint a board for the Carenage Community Centre. The centre was finished on November 30, 1995. One year later they have not appointed the board. Now they are telling people not to feed the vagrants, that they will feed them through the NGOs one year down the road. People have to be fed on a daily basis. They cannot wait on any plan of this Government to be fed. In the meantime, people have to feed them where they are, where they need the food. The Government should not tell people not to feed the vagrants because it intends to feed them.

The Government is seeking to obtain revenue through the variety of measures before us in this provision. One cannot willy-nilly accept that taxes will be raised and collected without trying to find out whether it is sufficient; whether it is in excess and how it will be used. In the context of the confusion and absence of policy emanating from this Government, I have some serious concerns about how the moneys raised will be used. I also have some concerns about whether the revenues will be realized at all. As we have said on numerous occasions, because of the way the Government is going about its business, the measures themselves are likely to be counter-productive and I can see, Mr. Speaker, as in 1996, there will be serious shortfalls in Government revenues. If that is so, it brings to mind how the Government will treat with developments that will emanate from its policies which require a certain pattern of expenditure. One cannot see revenue measures without in some way connecting them to the expenditure measures. When one looks at Government's commitments *vis-à-vis* these revenue measures, one sees a pattern of establishment of policy which is likely to result in an unanticipated increase in Government expenditure without commensurate improvement in revenues.

The Government has told us that it intends to have a certain policy with respect to national petroleum, which is one of many state enterprises. It plans to move towards divestment of national petroleum. If one looks at that policy in the context of what has been happening with respect to state enterprise support in the last five or six years, that particular action with regard to that state enterprise is in keeping with an on-going policy. We have no problem with that, whether one agrees or not with the divestment of National Petroleum to locals and/or foreigners. However, side by side with that policy is a development elsewhere in the state enterprise sector which rings alarm bells with respect to the great possibility of increased revenues going towards supporting state enterprises for which hitherto there were policies in place to require them not to have support from the Treasury.

**5.20 p.m.**

I will give you one example, Mr. Speaker. The Trinidad and Tobago Television, which is a state enterprise, has not been getting any state funding in the recent past because it has been conducting its business in the market-place; users would pay to advertise on television and radio because they believe there is a certain listenership and viewership, and as a result of that consumer base, a certain level of earnings would accrue to the company.

When the Government appoints a handful of questionable characters to the board, and they behave in the way that they have behaved, and the population decides—in whatever number—that it would turn its television channel from TTT to TV6, there would be a serious loss of business and revenue. Therefore, if that company remains state-owned, it would have to look to the Treasury for the revenues raised by the Minister of Finance and Minister of Tourism in the budget.

Mr. Speaker, one wonders: if the Government is serious about keeping state enterprises which are already weaned off the Treasury, if it would ensure that action is taken at ICN to staunch the flow of customers from that station, who, I am pretty sure, like myself, will turn to the other stations because the credibility of that company is being destroyed by actions of agents of the Government. [*Desk thumping*]

I, therefore, call on the Government to move swiftly to remove the likes of those who have disgraced this country with their petty, “never-see come-see” behaviour. The members of that board should be removed very quickly so that the credibility of TTT and the other stations in the ICN group could remain, and that our population can continue to use them, so that they could earn money and would not be required to go to the Treasury to share in the pie that the Minister of Finance and Minister of Tourism is trying to create. If that is not done the Minister would come back here seeking to raise revenue by a greater number of nebulous measures, not the least of which might be measures which are more inaccessible than casino gambling. Mr. Speaker, that might have been an accident on the part of the agents appointed by the Government.

What about actions for which the Government is responsible? The Government, at the Cabinet and ministerial levels, is responsible for certain revenue-raising measures. The Government, again, in an absence of a clear policy is, once again demonstrating incompetence and bumbling which, I am pretty sure, will end up with the Minister of Finance and Minister of Tourism not having the required amount of revenue to service the country as he should.

Once again, Mr. Speaker, by way of example, I draw a specific reference to another state enterprise, Caroni (1975) Limited. This Government, through the Minister of Planning, has concluded an arrangement with the International Development Bank—normal procedure. The Government is in line to receive US \$70 million by way of loan revenues to become part of the pot of the Minister of Finance and Minister of Tourism's revenue measures to meet those which are in the matter before us.

The last fiscal year the Government accessed—I believe—\$20 million worth of that money as the first tranche. Notwithstanding the fact that the Minister of Finance and Minister of Tourism thought he would have gotten \$60 million, but \$20 million went to the *Fiscal Measures 1996*. It is my understanding—unless the Minister is going to correct me—that factored into the Minister of Finance's revenue projection for the *Fiscal Measures 1997* are further revenue inflows from that loan. The Minister's revenue will come from government's collections to a large measure, and even though, in his usual brief style, the Minister has not said that in this House, one is led to deduce from the factors before us that the Government is going to require certain loan inputs to service the country's needs.

That being so, Mr. Speaker, there is a requirement for us to access the portion of the loan from the IDB. However, before we can do that, having drawn-down the first tranche, there are certain requirements called, conditionalities to be met. I want the Government to tell this House, and the Minister of Finance and Minister of Tourism should be able to confirm, by way of information from his colleague, directly or indirectly, that the Government is taking steps to meet the conditionalities which apply to the agricultural sector loan which would afford the Minister, accessing in *Fiscal Measures 1997*, the US \$20 million available under that loan.

What are some of the conditionalities? One of them is that Caroni (1997) Limited must show a specific reduction in its operational cost. That is a loan condition which the Government has signed and on which it has, in fact, made the first draw-down. One of the conditions of the loan is that the Government must reduce the operating cost at Caroni (1975) Limited. What do we see, however? The Government has taken two actions this year and in the recent past which would have the effect of increasing the operating cost, but we know of no commensurate action which would contribute to a reduction in cost. The net effect, Mr. Speaker, is that the operating cost of Caroni (1975) Limited is likely to increase rather than decrease, as the Government has committed itself, under that package.

The first action of the Government is to increase the price of cane to cane farmers. I make no comment on the merit or demerit of that. In fact, I have no problem with cane farmers or otherwise earning more money for their produce. In fact, one may very well find, as my memory seems to tell me, that the basis for that price increase to cane farmers, is that if one compares the guaranteed price over the years with respect to the Seemungal formula which is under law, one would find that the current price is closer to what the farmer should really be getting. Therefore, there is no real argument over the actual receipt of an increase by the farmers themselves.

However, the Government, having committed itself to paying that increase has, in fact, increased the cost of raw material to the company. Also, with respect to labour, a six per cent increase in salary and wages has been given. Again, I have no problem with that. I have no problem with people earning more, but having done that the Government has increased the price of labour. So here is a situation where the Government—in spite of signing a document with an international bank to reduce the operational cost to Caroni (1975) Limited—has increased the cost of raw material and labour, but it has done nothing which would reduce the operational cost, on the other hand.

The first thing that is likely to happen is that when the Minister of Finance and Minister of Tourism, through the Minister of Planning seeks to draw-down on that US \$20 million, the IDB would advise that he has not met the conditionalities, and those moneys will not be available to the Minister of Finance and Minister of Tourism. It brings into question, immediately, whether the measures he is seeking to approve today, would provide sufficient revenues to support the Minister of Finance's needs to service the country. It is as simple as that, Mr. Speaker. If he cannot get that then he will be short of moneys which were factored into the budget.

Worse than that, the increase to cane farmers, which amounts to just over \$12 million, was approved to be paid on behalf of a company which does not have the revenue to pay it, so it has to be paid or is paid from the Treasury. I should not really say it has to be paid from the Treasury, it is something that the Government does, there is no law that says that it must do that. There is a funny thing about Caroni (1975) Limited which we have probably taken for granted. If one is working for Petrotrin, Neal and Massy or McAl and the companies cannot pay more than \$10 per day, one would earn no more than \$10 per day. However, if one is working for Caroni (1975) Limited and the company cannot pay more than

\$10 per day, then the Treasury has to pay the difference. It is the only company in the country like that, where, if the company cannot pay through its own resources then the Government pays.

Therefore, an increase of \$12 million was given to Caroni (1975) Limited and immediately that has to be paid by the Treasury. Let us say we have no problem with that, but what does that do? Moneys from the Treasury to Caroni (1975) Limited begin to build up as loans, or, if Caroni (1975) Limited goes to a bank, as it did last year, and has to borrow money to conduct its company business, unlike the previous two years, it now needs a government guarantee. Last year \$90 million was borrowed with Government guarantees, whereas before, what we sought to do, by way of national policy out of the consensus of 1992, was to put Caroni (1975) Limited in a position where this practice would not continue.

**5.30 p.m.**

We wanted to make Caroni (1975) Limited a company that was bankable first and, profitable secondly, so that it could conduct its business like any other company. Go to a bank, finance its operations, pay it through its own operations. We call that weaning it off the treasury. To do that, Mr. Speaker, what we had to do—my friend the Minister of Finance would know because he was part of that arrangement—was wipe off a \$2.1 billion Caroni (1975) Limited debt, moneys advanced to the company in previous years with no chance of the Government recovering. In seeking to follow a policy which says we are going to stop this kind of arrangement, we wrote off that debt and, with clean books, Caroni (1975) Limited was able to go to international banks and borrow without a Government guarantee. [*Desk thumping*]

I am to inform this House and the country that in the absence of a commitment to that policy, and a reversal of what it took to put Caroni (1975) Limited in that position, this Government is steering Caroni (1975) Limited right back to the Treasury of Trinidad and Tobago. If that is so, the Minister of Finance must factor into his measures for revenue receipts, the fact that, as we go along the road, we are going to have to fund Caroni (1975) Limited in the way we have been funding it in previous years—something which we have tried to clean up by way of policy before—tripartite agreement, successful arrangement.

What is the Government's policy on Caroni (1975) Limited today? We do not know. All we do know is that in the absence of a stated policy and in the absence of a commitment to the policy in place, the Government has taken two actions to increase the operating cost without saying how it will reduce the cost.

**Dr. Mohammed:** Thank you for giving way, Sir. I would just like to clarify something that the hon. Member just said with the respect to the payment for the farmers' cane. He would know, very well, having been the past Minister of Agriculture, that according to the tripartite agreement to which this Government is committed, the new cane payment system under that agreement would kick in as of 1998.

We are still, therefore, working under the Seemungal formula where there are indices which are used for the purpose of calculations by the company to pay the difference to the farmers. Mr. Speaker, he should have understood all this. That comment about putting the company straight back into the hands of the Treasury is certainly erroneous, because this Government is still committed to the tripartite agreement. We are working in that direction, Sir.

**Dr. K. Rowley:** Mr. Speaker, I am very glad I gave way to the Member because he is now on *Hansard*. I did not say anything which he said that I said. If one examines it, one would find that the payment being received by the farmers now, under the Seemungal formula, is more or less what they will be receiving. I am not arguing the merit. I am saying the action is a cost-increasing action. That might be too much for him to understand. The action is a cost-increasing action and the increase of labour is also a cost-increasing action.

The question I am asking is, having taken those two cost-increasing actions, how is the Government going to meet its commitment to the Inter-American Development Bank where the Government has signed an agreement and has drawn down a portion of the loan, having committed itself to reducing the cost at Caroni? That is all I am saying. Instead of getting up there and saying I do not understand it, he should get up and tell me what action the Government is taking to reduce costs at Caroni (1975) Limited, as it is committed to do. If the costs are not reduced, the Government will not be able to access the rest of the loan. That is all I am saying.

**Dr. Mohammed:** Would you please give way, Sir?

**Dr. Rowley:** Do not take my time to make your points. You have not spoken yet so you are free to speak after. When I am through, the Member is free to speak. Mr. Speaker, I am sure you understand what I am saying. You see, when he gets up here and says the Government is fully committed to the tripartite arrangement what does he mean by that?

**Dr. Mohammed:** You were there. You signed it.

**Dr. Rowley:** I am not saying I did not sign it. This is the reason I am defending it, because we know what we have signed and I think it can work if it is allowed to work. The point I am making is, it is not being allowed to work, the Government is deviating from it and, therefore, we are going to end up right back in the Treasury. *[Interruption]*

Mr. Speaker, I will ignore the inanities from the other side because I am talking to you. I know you can understand me. I am saying, as well as looking at the cost-increasing side, the tripartite formula had certain actions which would have resulted in cost reductions to the company. It is with the belief that one would have pursued those actions, that the Government would have signed the agreement to reduce the costs at Caroni.

What were the actions? The actions were very simple. There were two of them. One was to reduce the staff at Caroni (1975) Limited, because the staff reduction would have resulted in cost reduction. Instead of getting up and bleating as loudly as the Minister is, and saying anything that he is saying there, he should tell us what action the Government intends to take to meet that commitment of staff reduction. Tell me that. *[Desk thumping]*

Secondly, the company, by way of commitment in the loan documents—the Government committed itself to removing from Caroni (1975) Limited's production regime, 2,000 acres of land in 1996 and 1997. Get up and tell me what you have done about that, and what you are doing about it. Because, I can tell you Mr. Speaker, they have done absolutely nothing. *[Desk thumping]*

Therefore, on the one hand you have had the cost increases that I spoke about earlier on, but you have not had any of the reductions, and when the books are tallied at the end of the year, there will be an increase in the operating cost of Caroni (1975) Limited. Instead of getting up and trying to interrupt me, he should get up and tell this House that Caroni (1975) Limited is not now coming to him for a Government guarantee to the tune of \$170 million. He must get up and say that today, Caroni (1975) Limited is on its way back to the Treasury for that kind of money support.

You see, having destroyed the confidence and, having utilized the borrowing capacity in the commercial arrangement, if the company is going to continue to do business as it now does, without taking the cost reduction—without biting the bullet of cost reduction—the company is going to have to be funded from the Treasury to the tune of over \$150 million. The question I want to ask is, is the

Minister of Finance aware of this and, if so, where in these measures has he taken steps to prepare himself for that onslaught?

I am dismissing the Minister of Agriculture, because clearly, he does not know what he is talking about. His Ministry is on auto-pilot. That is precisely why the Lands and Surveys Division is now heading for the Ministry of Housing and Settlements. I am putting this country on notice that we are about to see the progress we have been making with Caroni (1975) Limited over the years removed. You know why, Mr. Speaker? Because people like the Member for Princes Town, who have constituencies in the area of Caroni (1975) Limited cane production, have taken the position that they will not reduce the company's cane-producing capacity and pass it over to private cane-farming.

That was the approach that we had agreed to in the tripartite agreement. The company would have reduced its cane production so the ratio of cane produced by the company, as against the farmers, would have changed, therefore, the farmers would produce more and the company would produce less, resulting in a cost reduction. They have no commitment to that. No action is being taken on that. Two sections of Caroni (1975) Limited were identified for removal from the company production bases. One was Williamsville, and the other was Picton.

No action has been taken. In fact my information is that the union is now making an about-turn on the matter, because of the kind of behaviour from the Minister of Agriculture where they are now saying, "We are not agreeing to any transfer of workers out of the company into private cane-farming. We want to remain as Caroni (1975) Limited employees." Mr. Speaker, if this is the case—as of now, I have seen nothing to contradict that point of view—Caroni (1975) Limited will not be able to demonstrate any cost reduction in fiscal 1997 and, therefore, the Minister of Finance and the Minister of Planning will find themselves in difficulty in accessing a serious block of moneys which are due to come to the Treasury. *[Interruption]*

**5.40 p.m.**

I do not know what the Member for Princes Town is trying to make noise about to drown me out. If he has anything useful or sensible to say, he is free to get up and say it. I will listen to him. I would like him to get up and join the debate and tell this House what are the cost-cutting measures which are being taken at Caroni (1975) Limited today to allow the Government to meet the commitment it has made to the Inter-American Development Bank. He must get up and answer

that. You see, Mr. Speaker, when I am talking about absence of policy and “*vaille-que-vaille*” behaviour, I could show it again.

The Member for Princes Town is on record, loudly, talking about corruption at Caroni (1975) Limited. The Prime Minister himself has been saying that. But I have seen nothing to deal with the so-called corruption, or whatever it is. I have seen no action at Caroni (1975) Limited at any level, to deal with what they have said is massive corruption in the company. So there must be cost reductions; they know, as they said, there is so much corruption, but not a finger is being lifted.

I am not talking about the merits or the demerits of whether, in fact, there is corruption in Caroni (1975) Limited. I am saying, since they said so, tell this House and this country what they are doing about the corruption in Caroni (1975) Limited. Tell me that! Because you see, it seems as though there is one rule for one company and another rule for somebody else. When they said that there was corruption in PTSC—Government Ministers got up and told the country that the reason they were pressuring Townsend was because there was corruption in PTSC. In fact, they put a board in there with a mandate to fire the management. When that was not done, they changed the board to get the objective, because, as they said, there was corruption in PTSC.

Mr. Speaker, in the last two years before we left office, we had done a number of things at the PTSC, including the unpopular action of staff reduction, a major voluntary separation programme to cut costs. When we were in office and there was a requirement to cut costs in a state enterprise like PTSC, we had the backbone to do it and we did it. But now they are telling me they signed a loan to reduce costs at Caroni (1975) Limited, and the action that was taken was to increase costs and they cannot tell me what action they are taking to reduce costs, because the cost-cutting exercise, they find unpalatable.

I am saying, that is a government that is reversing a successful policy. The minute they said that there was corruption in PTSC, the next thing we know, action was taken against the entire management at PTSC. I am not in a position to cast any aspersion on the action, whether it is justified or not. What I am saying is, they said there was corruption there, they took action; they also said there was corruption in Caroni (1975) Limited, but no action was taken. They have a document signed which says they have to reduce costs at Caroni (1975) Limited, but they have not taken any steps. Get up and tell me what are the actions that were taken.

It is one thing to criticize other people. When we came into office and sought to manage Caroni (1975) Limited in 1992, the policy that was in place was that the company was moving towards a one-factory situation and commensurate reductions to suit that, and production for only local consumption. Whether one agrees with it or not is beside the point, but that was the policy. So anybody wanting to assess it or criticize it, knew with what they were dealing; a policy which said that sugar production would be confined only to local needs.

When there was a change of government in 1992, there was also a change of policy. The new policy was made known to the whole country. Documents were laid in this Parliament outlining how that policy change would come about. We came to the Parliament and said, firstly, we will set up a tripartite arrangement where those who work in the company, and the Government, will meet around a table and we would seek to find a consensus for the industry—

**Mr. Speaker:** Hon. Members, the speaking time of the hon. Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes.[*Mr. H. Bereaux*]

*Question put and agreed to.*

**Dr. K. Rowley:** Mr. Speaker, I thank you and hon. Members for the courtesy.

I want to be very clear in what I am trying to say. I am talking about the need to have clear policy and if policy is to be amended or changed completely on matters of this nature, the national community deserves to know, because the stakes are very high. The numbers involved in terms of people employed or dollars involved are also large and changes cannot be made in a "*vaille que vaille*", contradictory way as this Government is doing.

When the NAR was in office up to 1991, there was a policy being pursued. The policy was a reduction in sugar production and also a reduction in employment opportunities. I have no problem with that. When the Government changed in 1991, in February, 1992, the PNM Government told the country, through the Parliament, that it was going to change this policy with respect to Caroni (1975) Limited, firstly by the way it approached it, and by July of that year we were clear, and there was consensus as to what we were going to do.

It was in that arrangement that the clear policy was brought back to this Parliament as a tripartite paper which was debated here. We knew then that we

were embarking on a course to make Caroni (1975) Limited bankable; to make it profitable by a certain time; to have some reductions in operating cost and to change the land tenure arrangements at Caroni (1975) Limited. Those were the four main pillars of that document which was laid and debated in this House and the other place.

That is how it should be done. But lo and behold, this Government, surreptitiously, or incompetently, is changing that policy without a word to the national community and all you get is a minister of Agriculture, jumping up and down like jack in the box without telling us what he is all about. That is all we get.

So the bankability of Caroni (1975) Limited is being destroyed, because as long as Caroni (1975) Limited is building up a debt to the national treasury, it is closing off its ability to borrow money in the commercial market, both local and foreign. That is a fact. The more Caroni (1975) Limited looks for its support from the treasury, the more impossible it becomes for it to go out there like any other company and borrow money, as it did in 1993, 1994 and 1995. I defy anybody on that side, including my Friend from Princes Town, to get up and tell me that is not so. So bankability is going out through the window.

The target date for profitability was 1998 for the company to begin to show a return on its operations. I am saying, in any situation where one is taking actions to increase cost without increasing revenue, one cannot show profitability. So the potential profitability of Caroni (1975) Limited is also going out through the window. That is where the Government is getting into difficulty with its commitment to show that reduction in cost.

### **5.50 p.m.**

With respect to the change to make the company produce cane on less land and to put more land in farmers' hands, of course, Mr. Speaker, I have seen nothing to date which could result in such an action.

Mr. Speaker, having done that—simple methods—we are talking about paying for cane by quality as against quantity, we had target dates for that. That has now slipped. We are hearing nothing from the Government on these matters Mr. Speaker. The reason for this is because the Government is operating—not only with respect to Caroni (1975) Limited, cane production and the agricultural ministry, but in its entire profile as a Government—without any cohesive bond in terms of any policy which it is following.

It is a dangerous situation Mr. Speaker, not only with respect to revenue measures and tax collection, where there is a government of individuals, half of whom are blissfully unaware of what is happening, and the other half who is smarter than all the rest of them, and doing exactly what they see fit. Mr. Speaker, I can demonstrate this point again to you. Here is a Government, with respect to the agricultural sector policy loan, which does not access the loan thus becoming a non-performer with respect to the conditionalities and, therefore will not get US \$20 million, but then it will look to the local financial market.

What is the position inside there Mr. Speaker? The position inside there is this situation with the largest bank in the country, and you getting two mouths from the Government; at least, I have one friend who speaks from both sides of his mouth on the other side. But I am speaking about two separate mouths. My friend from Couva South is very happy to take that position, in that situation with the largest bank in the country, where my understanding is that he is very well positioned here in his interests, to receive serious legal briefs from the company. Is it Daltons or Waltons? Serious legal briefs from the bank will flow to Daltons. And in return for that, to reserve the status quo, the Government is to bring a bill to this House and we are going to confine shareholdings in such a way. At the same time that is happening, the Minister of Finance and Minister of Tourism came out and volunteered in a public place, his opinion: that as far as he is concerned, quite correctly, this economy is liberalized and people should be free to bank and own as they see fit.

Mr. Speaker, what is this going to do for confidence in the country, and God alone knows inside the Cabinet? I would love to be a fly on the wall in the Cabinet to see what is going on there. This thing came to an embarrassing head on December 30, 1996. My friend from Couva South was out of the country, having given the commitments that he gave to those interested parties. He came back to the country—he, like you and I, would have seen the Government's posture, would have heard the Minister of Finance and Minister of Tourism's statement—the next thing I see in the newspapers is that he is receiving all the documents, and I ask myself, to what avail? Who is guiding whom in this matter? Is the Minister of Finance and Minister of Tourism guiding the Attorney General or *vice versa*? Or is anybody guiding anybody at all?

Mr. Speaker, this is a matter which has to do with the largest bank in the country and the Government's interest with respect to maintaining stability in the financial sector. This Government is incompetent and it is run by people who are

not only devious, but many who are very happy to sleep. All I am asking, we will debate the policy after, but tell us what the policy is. Because we have found it quite out of order for this Government to be operating without clear policies on matters of such a sensitive nature.

Mr. Speaker, can the Government tell us, that in the arrangement between the Attorney General and the Minister of Finance and Minister of Tourism, and the Attorney General's private interest in the matter, whether we in this country can rest comfortably that the Attorney General will provide Cabinet and this country with impartial and objective guidance? That is what I am asking. I want the Attorney General to get up and say that given all the conflicts in the matter, he can provide the Cabinet and the country with impartial and objective analysis and advice in this matter, because from what we have seen publicly, this is a matter for serious concern..

In fact, Mr. Speaker, as I stand here this afternoon, I can transpose myself into another time and place; if my friend from Tobago East, had been free to get up and address this matter, what an eloquent destruction he would have done to the Member of Couva South on this matter, because in another time and place he would have had a lot to say about this, but suffer it to be so. He too understands that things are not what they appear.

All I am asking from the other side, is to be told what the policy is on all of these matters. And insofar as they have indicated no policy and there are two or three people saying different things, tell us which one is the correct one, if any is correct at all. Insofar as there is conflict of interest in the matter, the Prime Minister must tell us how he intends to handle that conflict of interest. We have a right to know that. The country has a right to know that.

Mr. Speaker, my colleague from Diego Martin East said this morning, he is concerned that he is not seeing the collectivity that one should see in a Government. What we are seeing is a hydra, a multi-headed hydra, where each talking head is saying what he or she feels to say, and the body is going in a different direction; and as soon as there is any calamity in this country, the Prime Minister takes off to lands afar. The bigger the crisis, the further he goes. His next trip, Mr. Speaker, is to Vladivostok in Eastern Asia. I am saying Mr. Speaker, to my good friend from Couva North that is not good enough. This Government has a duty to get up and clarify its positions, and insofar as there are measures to raise taxes, there are some basic tenets about taxation, we are familiar with the one of no taxation without representation. Well we have representation. I mean, even

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though my friend from St. Augustine told his constituents he is only a phone call away and for five years he did not go to see them. We do have representation, so that does not apply. What applies is, if revenues are to be raised by measures of taxation, how are they to be spent, and I raise the "how" in the context of what I see as the creeping demands of state enterprises on the Treasury as a reversal of the policies which this country has been pursuing. Mr. Speaker, it is our view on this side that the measures as proposed by the Minister of Finance and Minister of Tourism, which we have been asked to confirm today, first, will not deliver the revenue benefits that he says they will deliver, and insofar as they are delivered, the Minister of Finance and Minister of Tourism will have difficulty servicing the needs as they are growing through Government's incompetence and absence of a policy on major matters. I thank you.

**Mr. Kenneth Valley** (*Diego Martin Central*): Mr. Speaker, I feel certain that my previous colleague, the current Minister of Finance and Minister of Tourism cannot feel comfortable when he brings legislation to the Parliament and he stands alone. Not one Member on that side is prepared to stand in support of the Minister's measure. Not the Member for Oropouche. Well, we have to beg them, so I will give way. I will willingly give way to him. Not the Member for St Joseph, he says nothing even when he speaks, so one understands why they would not want him to speak.

**6.00 p.m.**

**Mr. Assam:** We cannot understand what you say when you speak. You eat up your words; mumble and jumble.

**Mr. K. Valley:** I do not speak as loudly as you do.

**Mr. Assam:** You do not articulate as I do.

**Mr. Speaker:** The hon. Member knows that he should really talk to me.

**Mr. K. Valley:** Thank you very much, Mr. Speaker. Nobody takes that Member seriously.

Mr. Speaker, the legislation before us, the Provisional Collection of Taxes Order, Chap. 74:01, section 3(1) states:

"...where proposals for general or supplementary appropriation of public funds are made to the House of Representatives and are embodied in an appropriation or supplementary appropriation Bill...the President may, for the purpose of raising revenue to meet the expenditure specified in any such Bill, by Order, provide

for the imposition of any tax or the variation of any existing tax...from the date of the publication of the Order...”

So that what we are doing this afternoon, in accordance with that legislation, is looking at the Appropriation Bill which was passed in December, 1996, and providing for the revenue measures necessary to assist in that funding.

Mr. Speaker, the first thing one sees when one looks at the Provisional Collection of Taxes (No. 2) Order is that the measure relating to the amendment to the Old Age Pension Act, given that it is not a revenue matter, really has no place in this legislation. That is merely an observation to start.

More importantly, one has to ask whether in fact the revenue measures contained in this legislation would in fact deliver. My colleagues have argued, quite correctly, that they are going to be counter-productive. Not only will they not raise the revenues indicated, but, in fact, they are going to be dysfunctional.

Let us examine them, Mr. Speaker. There are about six revenue measures that I want to look at rather quickly. The first is the exemption of tax on interest earning bonds for persons over age 60 years. The Minister argued in his budget statement that since there was already an exemption with respect to interest on savings, it was an oversight not to allow a similar deduction on government bonds and so forth.

Obviously, that was not an oversight. One would expect that interest on earnings would be nominal, quite distinct or different from persons who are able to get interest on government bonds. Here we are talking about persons with sizable capital sums and persons who ought not, under any tax system, to have those income as exempt if the general tax rule is that interest income is taxable.

Mr. Speaker, first of all, this measure is not going to raise revenue, it is giving away sizable revenues from persons who can otherwise pay their tax. It seems to me that in the interest of simplification, if the Minister wanted to move in that regard, perhaps, he could simply have put a cap on the tax exempt interest income overall.

When that is combined with the removal, or the cap that now obtains for mortgage interest, annuities and pensions, one sees a contradiction. We are discouraging persons—middle-income persons; the working class as it were—from setting moneys aside on a periodic basis for their retirement, while at the same time favouring persons with large capital sums by providing an interest exemption during their retirement years.

Mr. Speaker, as my colleague argued, it seems to me that if we are interested in the long-term development of this country, and knowing as a fact that pension and annuities are the main avenues of long-term savings, we would have wanted to maintain that savings vehicle, not only to assist us in providing the funds necessary for our development, but also to ensure that these persons would not have to rely on the state during their retirement.

During the budget debate I made the point, and I think it bears repeating, that when one looks at the level of national savings one year to the next—1995 as against 1996—one already observes a fall in the savings rate in our country. I made the point that at the same time that is happening—which I argued occurred out of the tax measures imposed in the last budget where the Minister again removed the tax credits from certain savings vehicles including the government bonds and so forth—we are doing so in an environment with respect to the attraction of foreign investment which would have the effect of reducing the flow of foreign investment into Trinidad and Tobago. If that argument is correct, one sees clearly that we are compromising the long-term growth potential of our economy. The annuities and pension deduction removal, Mr. Speaker, would contribute marginally to the overall funding requirement of the Government, but it is going to be extremely significant for the individuals who are not now able to comfortably set aside for their retirement.

With respect to the mortgage interest, my colleague already made the point—and I do not think it is to belaboured—that, obviously, the Minister spoke too soon in the budget debate and, of course, had to find a compromised position with his technicians so that we have gone now from a situation where the overall cap was \$20,000 on mortgage interest deduction, where one could have shared that with an unemployed spouse, to a situation where one can claim an \$18,000 deduction if one has no annuities or pension only if the home is jointly owned between the spouse and one—obviously, a compromised position.

**6.10 p.m..**

The employment allowance, Mr. Speaker, as one knows, was tried before in Trinidad and Tobago, and as a fact it is cumbersome, it does not work and it would not, in our environment, achieve any significant increases in employment in the normal way. But when we look at the legislation and provisions outlined in this Provisional Collection of Taxes Order, the employment allowance rules, we cannot fail but get the impression that this legislation is put here for one or two persons. Let me draw your attention to clause 4 of the rules which says:

"When on or after 1st January, 1997, a person engages for the first time in a trade, the total number of workers employed at the date of the commencement of such trade shall be deemed to be additional workers for the purpose of rule 2".

So we are talking about incremental work, and we are saying if an individual were to start a trade on or after January 1, 1997, every employee would be considered an additional worker. So that, as an example, if "Mr. so and so", because he is favoured by the Government for whatever reason, is now the recipient of a number of construction contracts, every employee in that firm would qualify him for this benefit. This benefit allows a gross up of 200 per cent. So for every \$100 he pays out in wages, the Government effectively pays \$70 and he pays \$30 because of the benefit. What cemented this view in my mind is rule 5 which says:

"Notwithstanding rules 3 and 4, where after 1st January, 1997, there is a merger or an amalgamation of two or more trades or the take-over of one trade by another, a person who was an employee of any of those trades before such merger, amalgamation or take-over shall not be treated as an additional worker for the purposes of rule 2".

So that the Minister is getting to be very specific, he knows exactly who he wants this provision to benefit. That is what he is doing. He is carving out a little thing for "Mr. So and So". Everybody knows, even the Minister knows, because he made the point last year, when we were talking about skills remember returning nationals the Minister argued that he is a businessman and if he had to employ people, he would have to pay for it, and that is what the businessman would do. He does not depend on an employment allowance to hire an individual, but a "Mr. So and So" could very well depend on it to avoid taxation on profits, so he gets two bites of the cherry. He is favoured, he gets the contract, forms a firm, because he must have persons working on the project, he does that and the Minister carves out a tax benefit for him. So Mr. Speaker, this Government told us that there would be transparency in government and we are seeing it. It means doing things blatantly, not hiding to do it, just "don't care". [*Desk thumping*].

**Mr. Hinds:** Shamelessness!

**Mr. Valley:** So that the employment allowance, Mr. Speaker, really is a giveaway of taxation to a few persons; it is not going to raise taxes as such, it is really a gift to a few friends.

The other item, the group taxation, and I must admit that the concept of the group taxation is overdue, but again this is not going to raise taxes, the effect of

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this would be to reduce the tax payable by a conglomerate, by a company which has a number of subsidiaries. This is not going to raise taxes to assist in the Minister's expenditure.

When we look at the Customs, Mr. Speaker, as you know this year we have reduced the level of customs duties by five per cent in accordance with the common external tariff, so that in terms of our import duties, other things being equal, duties would be reduced by five per cent. Again, that is not going to increase the revenue from imports unless we assume that there is a certain level of elasticity which is going to off-set that. In the main, however, one would expect that there would be no increased taxation flowing from that method.

Then, of course, there is the vehicle tax which the Minister tells us would be revenue neutral. The point I am making is that whereas the legislation talks about raising revenues, modifying tax or implementing new taxes for the purpose of raising revenue with a view to assisting in the financing of the Minister's expenditure, what we see is that measures implemented would not do that.

I argue further that given the disincentive to savings implied in the pension annuity/mortgage interest configuration, in fact what is going to happen most likely, is a reduction in the level of economic growth in Trinidad and Tobago which would then have a downward effect on the level of Government's revenue. Because as a fact, the level of revenue varies with that of the gross domestic product, so that the legislation before us would be dysfunctional. If that is so, if that argument is correct, then we have to ask what would result. Because if in fact we are not going to have the revenues available to finance the expenditure, unless we are once more lucky as in 1996 as you know we were extremely lucky, having nothing to do with us, the price of oil went up and we were able to get through the year. Were it not for that, in 1996 Trinidad and Tobago would have had a serious deficit on its operations, in the vicinity of \$1.1 billion.

**6.20 p.m.**

In my budget contribution, I made the point that in examining the revenue projection of the Minister, one sees that there is likely to be a shortfall, somewhere in the vicinity of \$700 million, and that is the problem I have with the whole budget. In fact, we expect other things being equal, unless there is an increase in the price of oil once more, we are going to have a shortfall in Trinidad and Tobago in 1997 because of the Minister's measures. I wanted to make that point first and foremost.

There are some other issues. I want to continue on the theme of the inconsistencies first raised by my colleagues from Diego Martin East and Diego Martin West. The first one I want to look at is the fees payable under the Motor Vehicles and Road Traffic Act; that is, the removal of the annual licence fee and its replacement by an increase in tax at the gas pumps.

One year ago, in the *1996 Budget Statement*, the Minister of Finance and Minister of Tourism came to this House and he informed us at page 23, under the heading, "Motor Vehicles and Road Traffic Legislation." as follows:

"A number of loopholes have been identified in the existing Motor Vehicles and Road Traffic Act, Chapter 48:50, which contribute to significant losses in revenue.

In order to improve the revenue collection system at the Transport Division of the Licensing Office, I propose the following amendments to the Act.

1. Compulsory payment of all outstanding motor vehicle licence fees before a vehicle can be transferred to a new owner.

In other words, if one had not been paying one's licence fees for a number of years, one must pay one's licence fees before the vehicle is transferred.

- "2. The imposition of a penalty of three hundred dollars (\$300.00) on holders of driving permits which have expired for a period of six months or more. In addition to this penalty, holders of driving permits which have expired for a period in excess of three years, be subjected to a full driving test before such permits are renewed."

Mr. Speaker, you would remember that last year, as a fact, my colleague, the Member for Port of Spain North/St. Ann's West, mentioned in his budget contribution that the *Medium Term Policy Framework* spoke about the fact that we were moving from the anniversary date licence stickers. Lo and behold, in this year's *Budget Statement*, we see a flip flop as it were. No longer are we doing that. We are going after the people who were not paying their annual licence fee, moving from the anniversary date to a flip flop. One does not have to pay it at all.

Mr. Speaker, I do not know whether you saw it. As politicians, we have to understand that the people in the field are annoyed when we do stupidity. I do not know whether the Government saw the licensing personnel out there, checking the vehicles for road-worthiness, to ensure that they had their stickers for prior years because, they understand exactly what this Government is doing. They

understand that this measure is simply to favour some of its friends and they are annoyed about that and they decided to go after them. We have to understand as politicians and as leaders; we must be extremely careful when we make policy measures.

**Mr. Sudama:** What was that point?

**Mr. K. Valley:** You missed it.

In the *1996 Budget Statement* at page 21 the Minister told us the legislation with respect to returning nationals, was all wrong and it must go. He said:

“The 1995 Budget established a regime whereby nationals living abroad were encouraged to return home. The regime provided for the exemption of Customs Duty, VAT ...”

There was legislation in place.

“The results of this initiative have been simply disastrous—a virtual abuse of the regime!”

He listed some of the abuses. He ended by saying:

“It was simply the wrong way to attempt to improve the skills base of the country.”

That was the Minister’s point in the budget statement. In that same budget statement, we on this side made the point that, yes, there was a loophole in the legislation but that we had already taken steps to correct that loophole; that the Cabinet had already approved a Note and the Chief Parliamentary Counsel had been directed to prepare the legislation to plug that loophole.

“In light of the above the Minister of Trade and Industry recommended to the Cabinet...to make it mandatory that a returning national can only enjoy customs duty exemption on an imported motor vehicle upon proof that he or she had owned that vehicle for at least six months immediately preceding the date of the importation.”

We made that recommendation then in that budget debate. When the Minister was winding up—he is not going to accept that—he said on the question of returning residents, and he went to town:

“Returning residents, as I said in the budget, has been simply disastrous. I cannot countenance a system where, to begin with, you divide people into two classes, those who remain here and ‘catch their tails’—face the burdens of

adjustment—and those who leave for greener pastures, thinking that when they go overseas they can make their future, and suddenly, the previous administration decides that we need to improve the skills base in Trinidad and Tobago.”

He also went on to say:

“As a businessman, I know how I attract skills to my organization.”

He must tell Ish that, too.

“I pay for it, and it costs me ...”

and he continued in that vein.

Lo and behold, by the time we were on the Finance Bill, good sense started to get to the Minister. In the Finance Bill, he put in place a system under which returning nationals would get some exemption from customs duties. Still, he did not plug the loophole which we told him about since the budget debate. What we told him in the budget debate last year, we now see in the Provisional Collection of Taxes (No 2) Order that is now being plugged. If one sees the amendment, at page 933, it says:

“(d) that the motor vehicle is imported into Trinidad and Tobago within six months before or after his return.”

It further states that he must show evidence that he would have been the registered owner of the motor vehicle.

More than that, whereas, up to the Finance Act of last year there was still the tax of 10 per cent with respect to the returning nationals and his household effects of \$200,000.00, there was no mention of that in the *Budget Statement 1997* or anything this year, but we noticed that 10 per cent has been removed. I say yes, that it is right to remove that.

It is good to see that the Minister has now accepted the position of the People’s National Movement and that all his criticisms of last year has now gone to nought. One learns that if one listens to those with experience, one would be guided. Next year we are expecting him to come with further flip flop with respect to annuities and pensions.

Next year he is going to come back here with changes with respect to the legislation. *[Interruption]* He survived January.

**6.30 p.m.**

Mr. Speaker, with regard to alimony and maintenance payments, it gets extremely “jokey”. The Minister argued that he left the deduction for alimony and maintenance payments, because since those payments are taxable as income, then one must get a deduction for it. While I agree with the concept that as long as income is taxable, then the giver must get an exemption, I would argue that the same way the Minister found it possible to allow no deduction for one’s dependant, that similarly, all he had to do was simply say that the alimony and maintenance payments were not taxable in the hands of the receiver and, therefore, were not allowed as a deduction by the giver.

Mr. Speaker, in the 1995 budget speech the Minister of Finance at that time, allowed a partial exemption of part of alimony and maintenance payments in the hands of the receiver. In other words, an amount of up to \$1,200 per annum per child was exempt from income by the receiver. Page 7 of the *1995 Fiscal Measures* says:

“Under the Income Tax Act, the full amount of maintenance payable to a spouse under a maintenance or separation allowance in accordance with the terms of a registered deed of separation or court order is allowed as a deduction. The recipient of the maintenance, who is usually the spouse with whom the children reside, is taxed on the full amount of the maintenance received, and may thereby be placed in a higher tax bracket.

In an effort to correct this inequity, it is proposed that the Income Tax Act be amended to provide that a spouse who receives maintenance under a deed of separation or court order will be exempt from tax on the amount of maintenance that is paid in respect of children up to a maximum of \$1,200 per child per annum.”

So that we are already there. All one had to do was to say that maintenance or alimony was exempt payment in the hands of the receiver and, therefore, it was not a deduction. It is untenable to tell a married couple that they do not have a deduction any longer or a tax credit for their children and then at the same time, allow a deduction for alimony and maintenance payments. There is no logic in that and I hope the Minister would see that. *[Interruption]* I would not go that far.

On page 895 of the Provisional Collection of Taxes Order, clause 9 deals with the liberalization of investments by insurance companies and pension funds which allows the insurance companies and pension funds to invest—

**Mr. Speaker:** Hon. Members, the sitting will be suspended for 30 minutes. I am advised that a more palatable refreshment by way of tea, is now provided. The House would now stand suspended for half an hour.

**6.35 p.m.:** *Sitting suspended.*

**7.03 p.m.:** *Sitting resumed.*

**Mr. Kenneth Valley:** Mr. Speaker, when we took the break I was moving on to the point with respect to the liberalization of the investments which an insurance company or pension fund can make and the fact that the legislation provides for the insurance companies or pension funds to invest in unit certificates, shares or evidence of participation in financial assets whose portfolio is regulated by authorities in the OECD countries as the Minister said in the budget presentation.

Included in this provision is the phrase, "and approved by the Minister". I wondered about that. If we are saying that these are now eligible investments for insurance companies; we have set up the criteria and it must be a fund which is established in an OECD country with all the approvals, one wonders why an insurance company would then have to turn around to the Minister for approval. That is my interpretation of what it states. If on the other hand, what the section is saying is that before a fund becomes eligible, it must be approved by the Minister, I have no objections. If it is that on each specific investment by an insurance company or a pension fund into a particular fund, that approval must be obtained from the Minister of Finance and Minister of Tourism, I would have a serious problem with that. [*Interruption*] If it is that, that is fine! I might be satisfied with that, but the last time the Minister gave me certain assurances here and, when the legislation came out it was quite different. I hope that on this occasion I can rely on you as I used to once upon a time.

**Mr. Imbert:** How long was that?

**Mr. K. Valley:** That was a few years ago, but people change.

**Sen. Kuei Tung:** Has Dr. Rowley not changed?

**Mr. Valley:** He has not changed. He is still my friend. He has always been my friend.

**Dr. Rowley:** I was never in ALGICO so leave me out of that.

**Mr. K. Valley:** I am making about three or four points here. I am saying that the measures outlined in the Provisional Collection of Taxes (No. 2) Order would

*Provisional Collection of Taxes Order*  
[MR. VALLEY]

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not have the effect of raising revenues to assist the Minister. As a matter of fact, the measures are dysfunctional and counterproductive. In 1997 and beyond, unless there is change, the measures would cause a compromise in the growth momentum of the economy. That must be taken with the fact that what we have been seeing over the last year—with respect to the operations of this Government—would also have the effect of reducing the confidence level in the economy and further exacerbating the situation.

When we see new contentious issues being placed on the national agenda without the old ones coming off and, the Government being unable to deal with them, there is a lengthening of the contentious matters on the national agenda and there is cause for concern. Over the last six months we have seen issues going on, but they are not coming off.

**Mr. Panday:** There are more investments.

**Mr. K. Valley:** The investments are merely a carry over from our time. I want the Member to tell me one new investment his Government got. We are now accustomed to the ability of this Government trying to do over or to guild the lily for what the PNM has done. I am amazed. Last week when I was reading the newspapers, for three days I read where the Minister of Foreign Affairs was setting up a negotiating committee to deal with foreign investment. I asked myself what is happening here. I thought I did that way back in 1994.

The Member has to know. Sen. Wade Mark was on the committee since 1994. All the Minister has done is expand the committee and he would give the national community the impression that this is a new thing he has done; that it is his brain-child.

**7.10 p.m.**

The President of TTMA is chairing a negotiating committee in Trinidad. The Minister of Trade and Industry and Minister of Consumer Affairs knows about that and the Minister of Finance and Minister of Tourism ought to know. He was in the Cabinet when that committee was approved. *[Interruption]* The committee is functioning up to now. Ask the Minister of Trade and Industry and Minister of Consumer Affairs. All he has done is put one or two more members on the committee and one would believe that this is a bright new idea he has.

**Mr. Maharaj:** The Prime Minister did not permit it to function.

**Mr. K. Valley:** It is functioning up to now. One would think that it is a bright new idea that he has. It is a type of boldness that I do not understand. I watch it

and laugh, Mr. Speaker. *[Interruption]* Of course, it is. Ask them! They came to me. They came to trade looking for a break on the natural gas price. That started way back in 1995.

**Mr. Speaker:** I become particularly jealous when you do not speak to me.

**Mr. K. Valley:** *[Interruption]* That is not the issue. Remember we all live here and we know that we will get back into government. We just do not want you to mash up the thing. *[Interruption]* Whenever the Prime Minister calls the election. If he calls it tomorrow, if he calls it next year, we would be in government.

Let me wind up. Given these revenue measures, given the falling confidence in the economy, given the fact that there are so many contentious issues on the agenda, with which the Government is simply incapable of dealing, as demonstrated by their actions, we are fearful for the well-being of our country. My counsel to the Government is to relook these measures. They can very well use the services of some of us who have had experience in negotiating difficult situations. *[Interruption]* Well, my heart is getting troubled. I really would like you to leave me here so that I can be out there doing what I am doing now. I am enjoying it. I would really like to keep the Member there to see what government is. He wanted it for a long time. I would like him to have a nice time in it, but I do not want him to mash up the town.

**The Minister of Planning and Development (Hon. Trevor Sudama):** Mr. Speaker, as you know, I had no intention of joining this debate. I was just listening here to see whether there was anything of merit from the other side which was worth responding to. Not that there is anything of merit, but I would like to clarify certain issues raised by Members opposite.

I start with the Member for La Brea whose whole contribution was about disinfectant and milk of magnesia, as if he is a heavy user of those commodities. It seems to me that he is a heavy user of those commodities, and given the content of his contribution, which took up 75 minutes of this House's time, I will not say very much more about him and his contribution.

I go to the contribution of the Member for Diego Martin West. He purported to make a few points. Firstly, he said that this was a budget of contradictions: that we were at one time talking about compliance and saying that by simplification of the tax system, we would increase compliance levels. Then he said that by reducing tax exemptions on annuities we are going in the opposite direction, forcing people not to comply.

Apparently, he does not understand the issues. These measures must be taken in the context of what the Government is trying to do—reduce taxation and give people more disposable income, which they are free to save. The implication of their statement is that except people are given the incentive to save, they will not save, but if they are given more disposable income they will save, if there is a predisposition to save. What we are arguing is that people in Trinidad and Tobago are not predisposed to save; they are predisposed to consume. Is that what the Member is saying?

**Dr. Rowley:** I thank the Member for giving way. Is there any truth in my assertion that by not being able to make the maximum claim of one-sixth as we have been accustomed, that persons who utilize that facility will now be exposed to higher level of taxation?

**Mr. T. Sudama:** Mr. Speaker, we are operating in a regime where we are reducing the level of taxation and are giving more disposable income to people. A man who is predisposed to evading tax will evade it whether he is given an exemption on annuity or not. In that respect, the logic of the Member for Diego Martin West is flawed.

He went on to talk about the used car regime and how we are talking about making used cars cheaper and within the means of people of low income, yet the Government has imposed taxes on foreign used vehicles. Let me explain the situation for them to understand. When one imposes taxes, customs duties and value added tax, one is imposing them on the value of the commodity being imported. Therefore, if one is imposing tax on a used car valued, say \$30,000 for which a 20 per cent customs duty is paid, which is \$6,000, and then VAT of 15 per cent, which is another \$4,500, and if it is above 1600cc, it is only then motor vehicle tax is paid but on a basis which reduces, depending on the age of the car.

Therefore, when one takes that and puts it against the registration fee of \$20,000 or \$30,000 depending on the capacity of the car, then obviously, the imposition of these taxes would not be greater than the registration fee. So what is all this hullabaloo about imposing greater burdens on the people who are buying foreign-used cars.

**7.20 p.m.**

The fact is that the imposition of these taxes on the value of the fully assembled foreign-used cars which come into the country is as an alternative to the registration fee which was charged last year. When one puts it in that context one would see

that the value of the vehicle will be lower. Small cars would be cheaper because no motor vehicle tax is payable on 1600cc and below. Mr. Speaker, that was either an argument borne of ignorance, or it was a propagandist argument to appeal to, and to confuse people on the outside. We, therefore, discount that argument, Mr. Speaker.

I now refer to Caroni (1975) Limited and the loan agreement in which we entered with the International American Development Bank. The loan agreement was entered into on the basis of the tripartite agreement which was signed by the Member for Diego Martin West. Did that agreement envisage an increase of price to cane farmers? It surely did. If the loan agreement incorporated the Seemungal formula and payment was to be made according to that formula, then the agreement envisaged an increase of price payable to cane farmers. Is the Member saying that if he was in Government today he would not have paid that increase in price?

**Dr. Rowley:** Mr. Speaker, I thank the hon. Member for giving way, again. I would like to add for the last time—I said this three times in my contribution—I am not arguing about the increase, I am saying, having paid the increase—*[Interruption]* What is the other side of the equation? What is being done about the cost-cutting side, because the net effect is that having paid the increase—which I have no argument with—there has been an increased cost. Could you tell me how the other side of the equation will be handled?

**Hon. T. Sudama:** Mr. Speaker, the Member agrees then that under the tripartite agreement we would have paid. However, Members opposite would now go to the public and say that we are favouring cane farmers as against other claimants on the Treasury, when, coming out of an agreement which they signed, is the payment for the increase in the price of cane to cane farmers. Mr. Speaker, they talk from both sides of their mouths.

My second point is: Did that agreement envisage an increase in wages to sugar workers? If it did, would the Member have paid that if he was still in government? If he would have paid it, what is he now griping about? *[Interruption]* Mr. Speaker, apparently, as far as the Member is concerned reduction in operational costs only apply to payment to cane farmers and wages to sugar workers. The premise of that loan—*[Interruption]* Would you have paid the increase to cane farmers and sugar workers? You have a problem with an increase to sugar workers and cane farmers.

**Mr. Valley:** Mr. Speaker, I am asking that the hon. Minister take back that statement, because there is nothing that I have done in the 10 years that I have been in this Parliament to suggest that I have a problem with sugar workers. I am from Couva.

**Hon. T. Sudama:** You are from Couva? Remember what you said about the people from the Oropouche Lagoon.

**Mr. Valley:** That was because of your behaviour.

**Mr. Panday:** Are you from my constituency? *[Laughter]*

**Mr. Valley:** Originally. If you check you will see a number of Valleys in your constituency.

**Mr. Sudama:** Hon. Member for Couva North; do you wish to disown the Member as a constituent? If so, I can understand why. *[Laughter]*

Mr. Speaker, I make the point that operational expenses also have to do with the operation of the factory, the field engineering and all the other expenses which go to make up the total operational expenses at Caroni (1975) Limited. The premise of the loan is that the factory is going to be refurbished by installing new plants and equipment to reduce operational costs in the field and engineering divisions. Therefore, when one takes into account the overall conditions of the entire loan, the idea was to reduce operational costs as one goes along. Mr. Speaker, reduction of labour by attrition is another way to reduce operational costs; there is an undertaking that the labour force of Caroni (1975) Limited would not be increased, if anything, it would be reduced and as a result, over the years, the operational costs would be reduced.

Mr. Speaker, all this huffing, puffing and the concern for Caroni (1975) Limited that we have heard: whether there would be a draw-down on the second tranche on the IDB's loan, and so forth, it is as if the Member had a personal interest in this matter. He was so forceful in his advocacy for the imperative to draw down this loan in 1997. As I said, one wonders whether the Member has a personal interest in the draw down of the second tranche.

Mr. Speaker, I am happy that the Member for Diego Martin West is now so concerned about bankability, profitability and viability. It must be a change of heart from the days when he was the General Manager of National Quarries. The National Quarries was in operation during the boom days in this country, and not for one year did it make a profit. When there was an excessive demand for aggregate

in this country the National Quarries never made a profit in any single year. Yet, today, the Member is concerned about profitability, bankability and viability. Mr. Speaker, I am amazed.

**Dr. Rowley:** I was filling your truck with subsidized material. *[Laughter]*

**Hon. T. Sudama:** You should have been reducing operational costs for National Quarries to make it viable. *[Interruption]*

**Mr. Speaker:** Hon. Members, I think both sides are having a little difficulty by not talking to me.

**Hon. T. Sudama:** I beg your pardon, Sir, I will address my remarks to you.

I am very happy that the Member for Diego Martin West, now in Opposition, has had a turn of heart; he has a great concern for profitability, viability and so forth. He also talked about how much of the hundreds of millions of the Government's debt carried by Caroni (1975) Limited was written off. However, Mr. Speaker, at least we still have control over Caroni (1975) Limited's assets and resources. The then Government wrote off hundreds of millions of dollars in BWIA's debt and what has happened to BWIA today? We have no say, no influence and no control over BWIA; there are foreigners running BWIA. The then Government wrote off all the debts, made all sorts of agreements and then boasted that was the best deal it ever made. The Member said it was the best deal he ever made by writing off BWIA's debt and handing the airline on a golden platter to foreigners to run and to get the benefit.

Today we have no influence on the destinations of BWIA, on how BWIA operates, nothing at all. That is the deal. In fact, that is the best deal that he made.

**7.30 p.m.**

**Mr. Valley:** I just want to ask a simple question. If he is talking about BWIA being handed on a platter to foreigners, I wonder whether he could tell me the percentage shareholding that foreigners own in BWIA.

**Hon. T. Sudama:** Mr. Speaker, who is he trying to fool? We may have 51 per cent shareholding and have no control over the company. What kind of Government would get into that kind of arrangement? When he says it is the best deal he ever made, I begin to wonder. What kind of deal was this, which was initiated by the Member for Diego Martin Central? Then he goes on television and elsewhere to defend and justify the deal.

What was raised is the banking law? Now, if anybody has any authority to raise that issue, it cannot be this PNM Government. The genesis of what has transpired in the Clico/Republic dispute was as a result of what the PNM did in passing the Financial Institutions Act of 1993. Here you have people putting a ceiling on dominant bank shareholding—how much the single shareholder could hold in a bank.

When that legislation first came to this House, a 15 per cent ceiling was proposed. The then Minister of Finance came here and said, “Yes, we are going to work with this ceiling.” Something transpired on the outside; some agenda was being pursued. They came back here and they said, “We will put the ceiling at 25 per cent.” I remember speaking at length in that debate. But not only did they do that, they exempted people from the 25 per cent ceiling.

Now I wondered. I asked: What is the point in having a ceiling when you are going to exempt people? What is the point in that? What is the point of the ceiling? Because you see, as I said, the genesis of the present impasse started with the PNM. If they did not want a ceiling they should have said, “Do not put a ceiling in this.” Still, they put a ceiling to show you the confusion and contradiction with which they bring legislation to this House. They put a ceiling and then at the same time put exemptions. What is the point in having a ceiling? And they talk about contradictions. They should be the last people in the world to talk about contradictions. *[Interruption]*

If they are putting a grandfather clause, they must then tell me what is the grandfather. We had the mumbling of the Member for Diego Martin Central. As I promised, Mr. Speaker, I am not going to be very long. I have to leave early in the morning to go to an important meeting of the universities, so I want to be as brief as possible.

Let me say something briefly about the Member for Diego Martin West. Why did they relieve him as General Manager of National Quarries? Did he go of his own free will? While he was General Manager of National Enquiries, he took a job at the University Seismic Division, and the Board then had to relieve him because he wanted to hold two jobs at the same time. That is what he did. Yet he wants to come here and talk about integrity. They asked him to resign.

**Mr. Speaker:** Honourable Members, I am sure you will appreciate the futility of this type of cross talk. Perhaps it will be useful at times to adopt the watchwords of one of the service organizations and ask oneself: Is it true? Is it kind? Is it necessary?

**Hon. T. Sudama:** Mr. Speaker, I can say that it is not kind, but it is true and necessary. *[Interruption]* As I said, among the mumblings of the Member for Diego Martin Central, he spent quite a lot of time saying things which were confusing, to say the least. He made little sense and was, of course, in the usual style, predicting doom and gloom about the budget and the revenues that were accrued to the Government and so forth.

He then talked about mortgage interest, that compressing the exemption of mortgage interest and annuities, and so forth, to \$18,000, would be a negative, a disincentive. The truth of the matter is, Mr. Speaker, that for the majority of people who have mortgages, that level of interest will satisfy their demands. That level of interest will satisfy their claims. That level of exemption, rather than compressing the \$18,000, would satisfy people in the range of \$100,000 to \$150,000. That is the vast majority of people who will be accommodated by that tax exemption.

What the Member for Diego Martin Central is talking about, is preserving an exemption and benefit for the higher ranges of income for persons who have mortgages of \$0.5 million and \$600,000, and so forth. His concern is not for people with mortgages of \$100,000, or \$150,000, or \$200,000. All those people will be accommodated by this level of exemption. I just wanted to say that in clarification.

He then spoke about the employment allowance and how it is subsidizing employers and so forth. Let me just make a point on this. The employment allowance is designed to increase employment levels, additional to existing levels of employment. In other words, if someone is going into a business and he says, "Look here, I am going to estimate for a certain level of wages in my production schedule" and if each additional unit of wage is going to cost him less, obviously he is going to employ more people. That is the rationale on which this employment allowance has been put in place. But in their entire four years in office, they had not one single idea about how to increase employment in this country and when we put forward something, they want to knock it down, just for the sake of expressing negative views on everything that is put forward. If it was an old idea, why did they not implement it? This provision will work now because we are increasing the exemption rate and the allowance rate.

Mr. Speaker, this whole argument about the removal of the licence fee and its replacement by a tax on fuel, we have heard that so often, and we have responded to this argument so often. But, of course, when one has nothing to say, as the

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Member for Diego Martin Central has nothing to say, one reverts to this old argument.

The Minister of Finance made it very clear, beyond any shadow of a doubt, that overall, the measure is designed to have a neutral revenue effect. But if you are a heavy user of the road and you consume a lot more fuel, the likelihood is that you will pay more than you were paying under the licence fee. If you are not a heavy user of the road, the chances are that you will pay less than your licence fee. So that there would be some people who would benefit as a result of this measure and there are some people who will not benefit, simply because they are heavier users of the road.

**7.40 p.m.**

Therefore, this measure, we are claiming on this side, is a more equitable manner of raising revenue. The system of licensing of vehicles was really primarily a revenue-raising measure. We want to relieve people of all the frustration involved in trying to license their vehicles every year during a certain fixed period of time, causing onerous burdens on the Licensing Division. We said, if we eliminated this and put a tax on fuel consumption, that will be a more equitable and acceptable measure of revenue acquisition.

As I said, Mr. Speaker, I did not want to participate in this debate, but I thought I would say something, and then I was challenged by the Member of Diego Martin Central to get up here and support the measures before us.

**Mr. Valley:** Mr. Speaker, I think the point I was making with respect to that issue is that in 1996, the Minister of Finance came to the House and said he was going after those persons who were not paying their licence fees, and there would have been this penalty and all sorts of things, and here it is now we have a flip-flop. "We are going away from that; we move to the Minister of Works' anniversary date", and so forth, and now we have this flip-flop. That was the point and that was not addressed by the Member.

**Hon. T. Sudama:** Mr. Speaker, through you, let me tell the Member why it is not a flip-flop. The Minister of Finance premised his remarks by saying he was going to close the loopholes. This measure is a permanent closure of the loophole of not paying licences. So there is no flip-flop. The flip-flop is in his head, because that is how his head operates, in a very flip-flop manner.

As I said, Mr. Speaker, I have to take my leave very early from this Parliament and I thank you for the opportunity to say a few brief remarks on this Provisional Collection of Taxes Order.

Thank you very much.

**The Minister of External Affairs (Hon. Ralph Maraj):** Mr. Speaker, I really had not intended to participate in this debate, but my Friend from Diego Martin Central, I understand, made some remarks about a particular mechanism which we established recently under this administration, that is, an international negotiating team. He claims that this mechanism existed under the previous administration. I want to say, categorically, that no such mechanism really existed under the previous administration. [*Desk thumping*] If there was, indeed, a mechanism it clearly was not adequate for the present needs of Trinidad and Tobago.

My Friends must recognize that in the last year of very dynamic and energetic government, a lot has taken place. The scenario has been changed completely. Look at what has happened—and I would just go through it very quickly. As we approach 1997, there are very important international negotiations facing us. We have to negotiate with Caricom—which was in the pipeline before, I agree—free trade agreements with the Dominican Republic, Venezuela, Colombia. But other things have happened. Caricom has to negotiate a free trade agreement with Central America which was decided this year; with the Mercosur, which was also decided this year. Trinidad and Tobago, as part of the ACP, has to enter into negotiations for the Lomé convention which we prepared ourselves for this year, as well. We are now also in the process of starting at the bilateral level, free trade agreement with Mexico. At the ACS meeting in Havana this year, it was decided that there would be free trade among the ACS countries. All of these things have now come into the pipeline. When the Prime Minister goes to India, Trinidad and Tobago and India will decide to pursue trade agreements between them.

So what we have found in our assessment is that when one looks at what we are doing in terms of market access, products emanating out of Trinidad and Tobago will have a market of over one billion people if all of these trade agreements come to fruition. Really, whatever mechanism existed before, we found to be totally inadequate. We have, therefore, decided to draw upon the vast reservoir of expertise which exists in Trinidad and Tobago, and that is what we have done. At the Ministry of Foreign Affairs recently, we pulled together representatives from the private sector, the financial sector, the university, the labour movement, the NGOs, a reservoir of talent from which we are to draw for

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advice, for preparation of position papers, and so forth, as we approach these very complex negotiations.

The people who were there congratulated the Government.

#### PROCEDURAL MOTION

**The Attorney General (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I beg to move that the House continue to sit until the conclusion of the business before it.

*Question put and agreed to.*

#### PROVISIONAL COLLECTION OF TAXES (NO. 2) ORDER

**Hon. R. Maraj:** As I was saying, Mr. Speaker, recently at the Ministry of Foreign Affairs we pulled together this vast reservoir of expertise and experience and all the people who were there were saying that this is the first time, in their experience, that they were brought on board in this way to help to negotiate Trinidad and Tobago's new relationship in the international trading environment.

While some mechanism may have existed in the past, we have developed into a situation where we need a whole new mechanism that is more comprehensive, which brings people on board, as we embark on our international negotiations.

**Mr. Valley:** Just one question, Mr. Speaker. Would the Minister kindly inform the House who is the chairman of that new committee, and whether that chairman is the same chairman of the standing committee which was established in 1994 which Wade Mark was on and which Cabrera is now on?

**7.50 p.m.**

**Hon. R. Maraj:** The present committee, Mr. Speaker, which has been established, will be under the chairmanship of the Ministry of Foreign Affairs, as a result of Cabinet's decision. May I also say, that anybody who wants to separate foreign affairs of a country like Trinidad and Tobago, from foreign economic affairs; anybody who wants to think that the Ministry of Foreign Affairs should have nothing to do with international trade, has a very paltry and inadequate understanding of the whole concept of foreign policy in this day and age. [*Desk Thumping*]

May I assure my Friends opposite, if they will just keep the noise down, that there is very close collaboration between the Ministry of Foreign Affairs and the Ministry of Industry and Trade in all of these matters. There are no intentions, and

there is no attempt, as has happened previously in the past, to trivialize foreign policy. We understand the role of foreign policy in this globalized economic environment.

Mr. Speaker, in our view, market access is absolutely critical to the further industrialization of Trinidad and Tobago and the generation of employment, and all ministries which impact on the international environment, have a critical role to play; that is the Ministry of Trade and Industry and the Ministry of Foreign Affairs. We want to create a situation where products, goods and services emanating out of this country, will have access into the international market on the terms and conditions which allow them to compete with others. Talking about competing, I did not even mention NAFTA. The NAFTA negotiations still also have to start up. That has to come up. I am not saying that we started that, but that is also there.

So there is cohesion in this administration, Mr. Speaker, unlike the previous administration. There is cohesion in the Ministry of Trade and Industry and the Ministry of Foreign Affairs, and that is why our international economic relations at this point in time is more dynamic than it has ever been.

Thank you, Mr. Speaker.

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. Speaker, let me begin winding up by saying that this has really been a rather unusual debate. Unusual in the sense that I took the pains in my introduction of this Motion, to try to keep my comments specific in dealing with the provisions that were being made under the Provisional Collection of Taxes (No. 2) Order. I must admire you, Mr. Speaker, both for your patience and tolerance, particularly for the latitude that you allowed the other side, literally, to be as irrelevant as they could have been; and instead to allow the other side to make comments as they continue to do, even while sitting, which really had very little meat.

I thank my good colleague here, who has made most of the comments. What I would seek to do however, my honourable colleague, the Minister of Planning and Development—

#### ADJOURNMENT

**The Attorney General (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I beg to move the adjournment of the House to Friday, January 17, 1997 at 1.30 p.m. Mr. Speaker, may I announce on that date we shall continue this debate, and also commence and complete the debate on the Bill entitled, "An Act to amend the Gambling and Betting Act Chap. 11:19".

*Adjournment*

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**Mr. Valley:** Just before the matter is put to the House, it was just five minutes ago that the motion was moved that we continue until this matter is finished.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 7.55 p.m.*

**WRITTEN ANSWER TO QUESTION**

**Common Entrance Examination  
(Performance in)**

**7. Mr. Fitzgerald Hinds** (*Laventille East/Morvant*) asked the Minister of Education:

Could the Minister indicate the performance in respect of the first 100 places in the Common Entrance Examination in terms of the various educational districts in Trinidad and Tobago for the years 1992, 1993, 1994 and 1995?

**The Minister of Education (Dr. The Hon. Adesh Nanan):** Mr. Speaker, the performance in respect of the first 100 places in the Common Entrance Examination in terms of the 8 educational districts in Trinidad and Tobago for the years 1992, 1993, 1994 and 1995 was as follows:

Educational District	No. of Students Placed in First 100			
	1992	1993	1994	1995
1. Caroni	19	15	27	17
2. North Eastern	1	3	0	4
3. Port of Spain and Environs	28	27	23	12
4. St. George East	24	21	23	25
5. St. Patrick	8	2	14	6
6. South Eastern	5	5	7	8
7. Victoria	21	31	23	24
8. Tobago	0	1	1	0
*TOTAL	106	105	118	106

**\*Total my vary other than 100 because of ties in students' scores at the examination**