

Leave of Absence

Friday, April 18, 1997

HOUSE OF REPRESENTATIVES

Friday, April 18, 1997

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I wish to advise of the continued absence of the Member for Port of Spain North/St. Ann's West (Mr. Gordon Draper) who is granted leave of absence until April 20, 1997.

CONSTITUTIONAL MOTION

Mr. Speaker: Hon. Members, I wish to advise this House that on Monday March 24, 1997 a notice was filed in the High Court by Attorneys, acting on behalf of the Member for San Fernando East, seeking leave of the High Court to review judicially, decisions of the Speaker of this honourable House made in this House on Friday, March 14, 1997 which related to two Members of this House, namely the Member for Point Fortin and the Member for Arima.

I also advise that on Friday, April 11, 1997 proceedings were filed for a constitutional motion in the said High Court by Attorneys acting on behalf of the said Member for San Fernando East, in respect of the said decisions of the Speaker of this honourable House.

In these High Court matters, the Member for San Fernando East is seeking declarations and mandatory injunctions against the Speaker of this honourable House.

It is to be noted that leave was granted on Monday, April 14, 1997 by the High Court in the matter of judicial proceedings and service of the court documents relating to both matters was effected on the Speaker on Tuesday, April 15, 1997.

PETITION

Dharma Prakash Sabha

The Minister of Social Development (Hon. Manohar Ramsaran): Mr. Speaker, I have the honour to present the petition of the members of the Dharma Prakash Sabha.

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I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

PAPERS LAID

1. Report of the Auditor General on the accounts of the Penal/Debe Regional Corporation for the year ended December 31, 1993. [*The Attorney General (Hon. Ramesh Lawrence Maharaj)*].
2. Report of the Auditor General on the accounts of the Penal/Debe Regional Corporation for the year ended December 31, 1994. [*Hon. R. L. Mahara*].
Papers 1 and 2 to be referred to the Public Accounts Committee.
3. The annual audited accounts of State Enterprise for Trinidad and Tobago Forest Products Company Limited for the year ended December 31, 1995. [*Hon. R. L. Mahara*].

To be referred to the Public Accounts (Enterprises) Committee.

ORAL ANSWERS TO QUESTIONS

Mr. Kenneth Valley: Mr. Speaker, I want to ask for a deferral of questions Nos. 22—24 because the Member is not here.

Mr. Speaker: Would she be here later, or is she absent?

Mr. Valley: She is absent.

Mr. Speaker: Nobody advised me of that.

Assent indicated.

The following questions stood on the Order Paper in the name of Mrs. Camille Robinson-Regis (Arouca South):

Maloney Swimming Pool (Construction of)

22. (a) Is the Minister of Sport and Youth Affairs aware that the construction of the swimming pool at Maloney has ceased?
- (b) Would the Minister indicate whether construction will ever resume and, if so, when and under what conditions?

Maloney Post Office

23. (a) Is the Minister of Public Utilities aware that construction of the Maloney Post Office was completed in 1995?
- (b) Is the Minister aware that the facility has remained closed since its completion?
- (c) Would the Minister indicate whether the Maloney Post Office will ever be made available for use by the residents of Maloney and, if so, when and under what conditions?

La Horqueta Post Office

24. (a) Is the Minister of Public Utilities aware that construction of the La Horqueta Post Office was completed in 1995?
- (b) Is the Minister aware that the facility has remained closed since its completion?
- (c) Would the Minister indicate whether the La Horqueta Post Office will ever be made available for use by the residents of La Horqueta and, if so, when and under what conditions?

Questions, by leave, deferred.

National Clean-up Campaign

25. **Mr. Jarrette Narine** (*Arouca North*) asked the Minister of Works and Transport:
- (a) Would the Minister please indicate whether any funds were expended from the Unemployment Relief Programme allocation in 1996 for the National Clean-up Campaign?
- (b) If the answer is in the affirmative, would the Minister please state how much money was expended on this project for:
- (1) labour;
 - (2) rental of equipment;
 - (3) other expenditure?
- (c) Would the Minister also identify the contractors engaged and the payments made to each supplier of service?

The Minister of Works and Transport (Sen. The Hon. Sadiq Baksh): Mr. Speaker, the answer to the question is indeed in the affirmative, but of such a nature as to bring disappointment to my worthy colleague and parliamentary representative for Arouca North. It must be a disappointment for him to learn that the sum of \$13,752.33 was expended from the Unemployment Relief Programme allocation in 1996 to purchase fuel and lubricants for the ministry's equipment which was used in the National Clean-up Campaigns.

1.40 p.m.

I wish to emphasize that no money was expended on labour or the rental of equipment. Furthermore, no contractor was engaged to provide any paid service as part of the clean-up campaign. Those who assisted did so at no cost. The clean-up campaign was assisted by an appreciable amount of voluntary labour from personnel within the Ministry of Works and Transport and the public at large with an enthusiasm and attitude that is very commendable, Mr. Speaker.

The Ministry's equipment used for the exercises was as follows:

1. dump trucks
2. trucks with crane arms
3. front end loaders
4. backhoe
5. D6 crawler tractors
6. service and transport vehicles, including pick-ups

The details of the clean-up operation conducted during 1996 are as follows:

| | |
|-----------------|-------------|
| Wallerfield | January 1 |
| Manzanilla Road | January 18 |
| Caura River | January 22 |
| Carlsen Field | February 18 |
| Caroni East | March 10 |
| Fyzabad | March 17—21 |
| Mayaro | March 24 |
| Naparima | April 14 |
| Union Park | April 21 |
| Las Cuevas | April 28 |

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| | |
|------------------------|---------------|
| Munroe Road | April 28 |
| Frederick Settlement | May 3 |
| Endeavour Road | May 4, 5 |
| New Grant | May 19 |
| Chaguanas/Couva South | June 6 |
| San Juan | June 18 |
| La Brea | August 10, 11 |
| Sangre Grande/Valencia | August 24 |
| Quinam Beach, Siparia | September 7 |
| Chinapoo, Morvant | November 16 |

Mr. Speaker, you would realize that a fair amount of work has been done in the clean-up campaign. As it must be obvious to everyone now, this campaign has been successful because the Ministry of Works and Transport was able to mobilize the human resources of various communities throughout Trinidad and Tobago to join forces with us on a voluntary basis, to clean up the environment, to beautify the landscape and to bring about a new aesthetic appearance to the countryside, such as we have never seen before in this country.

These clean-up campaigns are intended to sensitize all participants—the adults as well as the youth and children in our society—in areas where we have worked, of the need to continue their efforts to maintain a cleaner, healthier and more pleasing environment. The intention is also to create enthusiasm and interest in keeping the environment clean, which would be contagious among the people in all the communities in Trinidad and Tobago. Ultimately, and on their own perhaps, without the leadership which we now give, communities could initiate clean-up campaigns. They would do this, Mr. Speaker, because they would have been habituated to a kind of environment which they would want for themselves and which they would want to leave for their children and grandchildren.

I am aware that my colleagues on the opposite side are not accustomed to the kind of conspicuous success, whereby people work, not for handouts, but voluntarily, because they are community-oriented and sensitive to our national objectives. All we in the Ministry of Works and Transport can do is to set an example, and hope that clean-up campaigns and activities will become the norm in all areas of Trinidad and Tobago.

Mr. Speaker, I wish also to inform this House that the programme continues in 1997 in similar manner and we have touched the following areas:

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| | |
|------------------------------------|------------|
| Chaguaramas | January 1 |
| Caledonia, Morvant | January 18 |
| Mon Repos, Morvant | January 26 |
| Manzanilla Beach | February 2 |
| Guayaguayare | March 22 |
| Mon Repos, Never Dirty, Morvant | April 5 |

Mr. Speaker, I am anxious to add to the list Arouca North, with the assistance of the hon. parliamentary representative for the area.

Mr. Narine: Mr. Speaker, I would like to know if the Minister is aware that private contractors did perform last year and workers worked voluntarily. Was this not for favours in the URP as far as labour and contracts are concerned?

D'Abadie Government Primary School

26. Mr. Jarrette Narine (*Arouca North*) asked the Minister of Education:

Would the Minister please indicate when the following problems at the D'Abadie Government Primary School would be resolved:

- (a) A large leak above the southern stairwell, where the celotex has fallen out and pigeons are now nesting;
- (b) The completion of the partitioning to separate the classrooms;
- (c) Replacement of floor tiles in the washrooms;
- (d) Repairs to the lighting fixtures in the classrooms;
- (e) Repairs to the sewer system which is causing a serious health hazard both to students and neighbouring residents?

The Minister of Education (Hon. Dr. Adesh Nanan): Mr. Speaker, construction of the D'Abadie Government Primary School was completed in August 1994 and the school opened one month later. The school is just about 2½ years old and was built under the former regime at a cost of \$2,892,700. It is comparatively new.

The Ministry of Works and Transport awarded a contract in September 1995, for the construction of an additional septic tank and an upflow filtration system to resolve the problems with sewerage disposal due to a high water table, which

affected the functioning of the soakaway. This was completed in November 1995, at a cost of \$140,000. Following this, there were repeated complaints by the teachers and students of a foul odour.

In June 1996, the Facilities Management Unit of the Ministry of Education had all damaged fixtures and fittings of the toilet facilities repaired or replaced. The entire venting system of the school was redesigned under the supervision of WASA, at a cost of \$25,000.

These problems were inherited from the PNM. Since coming into office, this Minister of Education has requested a comprehensive review of all schools recently constructed under the previous regime, to identify any flaws in their design and/or construction. It is on-going. Who knows, Mr. Speaker, how many more latent problems are waiting to surface? But then, that is the legacy of the PNM—total mismanagement.

Mr. Speaker, a contract is to be awarded shortly by the Ministry of Works and Transport to address all defects and outstanding works at the D'Abadie Government Primary School. This includes opening and inspection of the whole plumbing and installation system, piping, soil runs to septic tanks, vent stacks and floor drains. This exercise is projected to take approximately six weeks. The Minister of Education regrets the inconvenience caused by the closure of the school.

This Government, recognizing the importance of Education, has made the following arrangements for the pupils of the school:

- (1) The Maloney Government School is conducting a morning shift for its students and the students of the D'Abadie Government School are being facilitated on an afternoon shift.
- (2) Recognizing the difficulty with transportation, this Government has also made PTSC buses available. The D'Abadie Government School students are being transported from their school compound to Maloney Government School between the hours of 11.30 a.m. and 12.30 p.m. and returned to D'Abadie from 4.30 p.m. to 5.30 p.m. Infants travel first.

It is to be noted that the decision to close the D'Abadie Government Primary School and to establish a double shift system with the Maloney Government Primary School was taken as a last resort and only when attempts to rectify the problems with minimum disruption to the school proved unsuccessful.

1.50 p.m.

This decision was taken in consultation with the principals and teachers of both schools. A successful double shift system entails a certain degree of adjustment and requires a spirit of co-operation on the part of parents, teachers and students. We trust that good sense will prevail as the problems are being addressed.

Mr. Narine: Mr. Speaker, I have a supplemental question, please. Could the hon. Minister indicate when this work will be started and when it will be completed?

Dr. The Hon. A. Nanan: Mr. Speaker, as I said before, the contract is to be awarded shortly. Hon. Members would be informed when that is done. The time-frame will be as quickly as possible.

DEFINITE URGENT MATTER

**Piarco Airport Expansion
(Award of Contracts)**

Mr. Patrick Manning: Mr. Speaker, I have sought and obtained your leave to raise under Standing Order 12(1) as a matter of urgent public importance, improper dealings regarding the award of contracts for the selection of the Piarco International Airport Project.

The matter is definite because recently, arising out of an investigation in progress there have been a number of disclosures which have engaged public attention, which ought to be the subject of further investigations.

Mr. Speaker: May I indicate to the Member for San Fernando East that all he is permitted to do at this stage is to read the contents of the letter sent to me and not embellish it in any way or include anything that was not written in the said letter.

Mr. P. Manning: Mr. Speaker, I am not one of those who normally reads documents in presenting a case. Traditionally, with the greatest respect—

Mr. Speaker: Hon. Member, I am simply ruling that under this particular Standing Order, I am asking the Member to recite the contents of what came to me. Nothing should be added to it in any way.

Mr. P. Manning: I do not propose to add to it, Mr. Speaker, even if I were not to read, verbatim, what is in the letter.

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The matter is urgent because an airport contract is awarded and an airport is to be constructed. The matter is of public importance—

Mr. Speaker: I simply want to ask the Member for San Fernando East to co-operate with me. The practice which has been adopted is that I ask all Members who seek my leave, to read that which they sent to me. I do not understand why it is so difficult for the Member to conform to that. All I am asking you is to say to the House exactly what you said to me, based on the contents of your letter.

Mr. P. Manning: Mr. Speaker, I understand your ruling. The tradition in this House is that you make a case even if you do not recite, verbatim, what has been said. But it is all right, I accept your ruling and I will read the letter if that is your wish. The letter goes as follows:

“I seek your leave in accordance with Standing Order 12(1) to raise as a definite matter of urgent, public importance: ‘Improper dealings regarding the award of contracts with respect to the Piarco International Airport Expansion Project’.

The matter is definite because certain allegations have been published arising out of the Cabinet Appointed Enquiry which raised, amongst other things, serious questions as to the veracity and or the integrity of Senior Public Officials.

It is urgent because it is the first opportunity since the House last met. The effect of the information circulating locally and internationally poses serious threat to the economy of the Republic of Trinidad and Tobago since it directly affects potential foreign investors.

It is of public importance because it involves integrity in public life, substantial sums of the taxpayers’ money are involved and it affects the confidence of the construction industry.

The issue is continuing and warrants further investigations.

Yours faithfully,

/s/ Patrick Manning

LEADER OF THE OPPOSITION”

Mr. Speaker: Hon. Member, I am not satisfied that this qualifies under the *[Interruption]* Is the Member for La Brea saying something?

Mr. Breaux: Mr. Speaker, I was smiling or one could also say, laughing—

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Mr. Speaker: I would like to say to the hon. Member—

Mr. Bereaux: Maybe not at anything you said—

Mr. Speaker: Hon. Member, I am on my legs.

Mr. Bereaux: Mr. Speaker, you asked and I am answering you.

Mr. Speaker: Hon. Member, there are certain norms of behaviour in Parliament and I would expect to get that from you and when I am on my legs I would not expect you to be speaking.

While I am giving a ruling, regardless of how ridiculous you may think it is, I would appreciate your not performing as you just performed. If you were doing it for purposes of the press, that may be so. However, if you do that in future, I will deal with it as, indeed, the Standing Orders would allow me to deal with it. I was indicating in the reply to the request which was sought by the Member for San Fernando East before I was interrupted by the Member for La Brea, that I am not satisfied that the reasons which have been given constitute urgency and is a definite matter of urgent, public importance. In the circumstances, the request is denied.

**SUKYO MAHIKARI ASSOCIATION
(TRINIDAD AND TOBAGO) (INC'N) BILL**

Question put and agreed to, That a Bill to provide for the incorporation of the Sukyo Mahikari Association (Trinidad and Tobago) and for matters incidental thereto, be now read the first time.

Bill accordingly read the first time.

ARRANGEMENT OF BUSINESS

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I beg to move that the House of Representatives proceed as follows: the Second Reading of Bill No. 1 Finance Bill 1997 and thereafter to Motions No. 1 and No. 2 under Government Business on today's Order Paper.

Agreed to.

2.00 p.m.

FINANCE BILL

Order for second reading read.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. Speaker, I beg to move,

That a Bill to provide for the imposition of variation of certain taxes and duties, for the incorporation of the amendments made by the Provisional Collection of Taxes (No. 2) Order, 1996, to introduce other provisions of a fiscal nature and for related matters, be now read a second time.

Mr. Speaker, the Provisional Collection of Taxes Act imposes new taxes or varies an existing tax for the purpose of raising revenue to meet the expenditure in an Appropriation Bill. Such variations of existing taxes have legal effect upon confirmation by resolution of the House of Representatives within 21 days of the commencement of the Order. New taxes which have been imposed under the Order will, however, remain in effect for a period of only four months from the date of the commencement of the Order, at the end of which period legislation must be enacted imposing these new taxes with or without modifications.

Mr. Speaker, you would recall that at the presentation of the 1997 Budget on December 12, 1996, certain measures were introduced, but contrary to the practice of the previous administration, instead of the measures being introduced like a thief in the night, and subjecting the nation to undue trauma, I introduced the measures to take effect from January 01, 1997.

Accordingly, this Bill which is now before this House is intended to give effect to the new taxes which were imposed under the Provisional Collection of Taxes (No. 2) Order, 1996 as amended. The taxes which were varied by the Provisional Collection of Taxes (No. 2) Order have also been included in this Bill as a matter of convenience. The Bill also seeks to make certain, further modifications to those impositions and variations, and to introduce other provisions of a fiscal nature. I now seek to provide explanations of the Bill in greater detail.

Before we proceed, I would like to draw the attention of the hon. Members of this House to a drafting error which was discovered in the Explanatory Note.

Part X of the Bill, in fact, amends the Excise (General Provisions) Act to provide for the imposition and collection of excise duty on compressed natural gas and not the Unit Trust Corporation of Trinidad and Tobago Act. As a consequence, the numbering of the parts referred to, thereafter, are renumbered in sequence. I have had the corrected pages of 3 and 4 of the Bill circulated for the attention of hon. Members, and asked that hon. Members substitute the circulated pages for those that were sent previously.

In keeping with the fiscal measures introduced in the 1997 Budget, as well as the Provisional Collection of Taxes Order, as amended, Part II of the Bill deals

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with the introduction of an annual tax payable by a gaming club, based on the number of gaming tables and other devices used on the premises rather than the previous system of a fee which was based on the level of membership in the club. This is being done because whilst it is much easier to ascertain the number of gaming tables and other devices, the revenue units have had great difficulty in determining the levels of membership. So that we found that the tax payable is more appropriate if it is based upon gaming tables and other devices.

Part III amends the Old Age Pensions Act by increasing the amount payable to pensioners from \$286.00 to \$349.85 per month. Mr. Speaker, there had been some administrative difficulty in implementing this measure from January 01, 1997 but I have now been assured that the increase has been paid by a backpay in March and the new figure would now be paid from April.

Part IV of the Bill provides for the amendment of the Public Assistance Act to allow the Minister of Social Development to make regulations for the discontinuance of public assistance. This amendment has become necessary to regularize a situation whereby payments which have been suspended with respect to persons who no longer qualify for this assistance, may be discontinued.

Part V amends the Motor Vehicles and Road Traffic Act by removing the annual licence fees for all classes of motor vehicles. Mr. Speaker, from the reaction we got from the travelling public it is obvious that this particular measure has proved to be much more popular than we first anticipated when we introduced it in the annual budget.

All locally assembled motor vehicles using foreign parts are to be subject to the higher rate of the relevant special registration fee and the motor vehicles tax applicable to used vehicles. Furthermore, all completely built-up foreign used vehicles, imported by persons other than returning nationals, are to be subject to the same level of import duty, value added tax and other fees and charges payable on new vehicles. In the case of motor vehicles tax, such used vehicles would qualify for the reduction of the tax based upon the age of the vehicle.

Clause 5(1)(r)(i) of the Bill further amends this Act, by introducing a motor vehicle tax on agricultural and industrial tractors, and on specialized motor vehicles over five years of age which are imported under licence issued by the Minister of Trade and Industry and Minister of Consumer Affairs. At present, a motor vehicle tax of \$2.50 per c.c. is being levied on agricultural and industrial

tractors. This rate is in keeping with that specified for goods vehicles in the Fourth Schedule to the Motor Vehicles and Road Traffic Act.

In an effort to remove any uncertainty as to whether such tractors rightly should be taxed as goods vehicles, as well as provide the benefit to the agricultural and industrial sectors, it is being proposed that a motor vehicle tax at the rate of \$1.00 per c.c. be imposed on agricultural and industrial tractors. This represents a 60 per cent reduction in the quantum of the tax which was previously charged.

With respect to the tax on specialized motor vehicles over five years old imported under a licence issued by the Minister of Trade and Industry and Minister of Consumer Affairs, this measure is intended to provide relief in respect of specialized motor vehicles to be used in the petroleum, manufacturing, service or other industry approved by the Minister with responsibility for trade.

Part VI of the Bill relates to amendments to the Income Tax Act. Clause 6(a) provides for the reduction of the business levy from 0.4 per cent to 0.33 per cent.

Clause 6(b)(i) removes certain allowances and exemptions in respect of meal vouchers and interest on safety accounts and amends the Order by removing the exemption from tax of interest earned on foreign currency accounts.

Clause 6(b)(ii) exempts from tax interest payments on bonds or other similar investment instruments payable to a person who has attained the age of 60 years.

Clause 6(b)(iii) reintroduces the exemption from tax of interest on national tax free savings bonds.

By clause 6(d) of the Bill, deductions under section 10 of the Income Tax Act in respect of trade union membership fees and protective services association fees are no longer allowed.

The aggregate amount which could now be claimed by an individual in respect of mortgage interest payments, interest on a loan for the purpose of financing construction of a house, contributions to an approved pension plan or annuity and contributions to the National Insurance Scheme is now limited to \$18,000.00 as provided by clause 6(d).

Furthermore, subclause (e) reintroduces a deduction in the form of an employment allowance.

A resident individual taxpayer is now entitled to a personal allowance of \$20,000.00 as provided for in subclause (f).

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Claims by individuals with respect to deeds of covenant in favour of charities and sporting bodies are no longer deductible under subclause (g).

Clause 6(k)(i) now provides for the deduction of the tax on interest payments made by mutual funds at the point of distribution rather than at the point of source.

2.10 p.m.

Mr. Speaker, clause 6(k)(ii) reduces the current rate of tax on interest earned on domestic savings from 15 per cent to 10 per cent while clause 6(k)(iii) imposes a similar rate of tax of 10 per cent on interest earned on foreign currency accounts.

Since the liberalization of the foreign exchange regime in 1993, there has been a shift in money holdings from TT dollars to US dollar denominated bank deposits. This “dollarization” is normally a phenomenon in countries which experience high inflation rates which act as a tax on domestic savings. In order to reduce this negative effect, individuals generally try to shift part of their savings into foreign accounts to avoid this “tax”. However, in Trinidad and Tobago where prices are stable and inflation is relatively low, this currency substitution has been attributable, to a significant extent, to the strong reliance on reserve requirements as a primary instrument of monetary policy.

A major portion of these reserve requirements is unremunerated and, therefore, act as a tax on the banking system by raising the cost of intermediation. This in turn creates a strong bias against domestic currency deposits since no such requirement is imposed on foreign currency deposits.

In addition, interest earnings by individuals on Trinidad and Tobago dollar deposits are subject to a 15 per cent tax which does not apply to interest earned on foreign currency deposits. This situation clearly favours investment in foreign currency since, to avoid being “taxed” through both the reserve requirement and income taxes, there is a strong incentive to switch domestic money holdings into foreign currency holdings, thus aggravating pressures on the exchange rate and domestic rates.

In an effort to remove some of the bias against domestic currency accounts, I am now proposing to lower the tax on domestic interest from 15 per cent to 10 per cent on the interest earnings; and apply a similar rate of tax of 10 per cent on the interest earnings on foreign currency accounts.

As part of our programme of reforming and streamlining the tax system, the following tax credits allowed to individual taxpayers are now removed by clause 6(l):

Personal credit of \$600;

Spouse credit of \$600;

Further credit of \$600 for pensioners;

Child credit of \$100 per child;

Credit with respect to the purchase of credit union shares;

Marginal relief of \$1,200 less 12 per cent of the chargeable income in excess of \$20,000;

Tax credit in respect of investments in certain qualifying companies.

Clause 6(o) reduces the rate of individual income taxes. A tax rate of 28 per cent is now applicable to the first \$50,000 of chargeable income while a rate of 35 per cent is applicable to chargeable income in excess of \$50,000. Clause 6(p) of the Bill deals with the rules relating to the employment allowance referred to in clause 6(e).

Mr. Speaker, Part VII of the Bill governs amendments to the Corporation Tax Act. The taxation of petroleum marketing business is now placed under the Corporation Tax Act, thereby allowing taxation at the rate applicable to companies under the Corporation Tax Act by clause 7(a) and 7(b) of the Bill.

Clause 7(c) deals with the reduction of the business levy from 0.4 per cent to 0.3 per cent.

Claims by companies with respect to deeds of covenant in favour of charities and sporting bodies must not exceed 15 per cent of the total income of the company under clause 7(e).

Clause 7(f) proposes an extension of the export allowance to certain services in the building industry.

Clause 7(g) provides for an exempt investor entitled to a tax credit to obtain a refund of the difference where the tax credit exceeds the assessment to tax.

A new form of group relief for trading losses is also provided and this is done by clause 7(h).

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Part VIII of the Bill deals with an amendment to the Petroleum Taxes Act which removes petroleum marketing business from taxation under this Act.

Part IX of the Bill governs amendments to the Customs Act.

Clause 9(c) deals with the reduction of the Common External Tariff by 5 per cent in respect of certain goods.

Part X of the Bill relates to the Excise (General Provisions) Act by inserting therein definitions of “compressed natural gas” and “excise duty” which enable the Minister of Finance to impose an excise duty on Compressed Natural Gas.

Part XI of the Bill amends The Unit Trust Corporation of Trinidad and Tobago Act to allow the Unit Trust Corporation to carry on and transact certain additional kinds of business.

Part XII of the Bill amends the Insurance Act by extending the list of assets in which a company may invest its statutory funds. The Bill also seeks to amend the Order by adding the words “by order” between the words “approved” and “by” in paragraph 9 of the Order.

Part XIII of the Bill amends the Spirits and Spirit Compounds Act to allow the Minister to make regulations for putting into effect the provisions of Part V of that Act.

Part XIV of the Bill validates the collection or receipt of moneys in respect of the increase in the excise duty on petroleum products between January 1, 1997 and February 2, 1997.

It also validates the collection or receipt of monies in respect of the imposition of an excise duty on compressed natural gas between January 1, 1997 and the date of the coming into force of the Finance Act 1997.

Mr. Speaker, due to an oversight, the necessary legal instrument in respect of the increase in the excise duty on gasoline and diesel was not prepared for signature and publication prior to January 1, 1997, that being the date on which the increased duties should have taken effect. However, this order was subsequently published on February 3, 1997 and submitted to the Chief Parliamentary Counsel on February 7, 1997, well within the time specified for submission to Parliament and is currently before this House for confirmation. Furthermore, the appropriate legislation needed to be amended to authorize the Minister to impose an excise duty on CNG. This has been achieved by the amendments proposed at Part X of the Finance Bill, 1997.

There is no doubt in my mind that this Finance Bill, which I recommend to this honourable House, does a number of things. Firstly, it improves on the administration. It certainly allows us—in terms of the Board of Inland Revenue—to become more effective, having simplified the tax code. More importantly than that, it puts people at the centre of the economic development of Trinidad and Tobago because it gives the ordinary man an opportunity to benefit from the economic progress that is taking place in Trinidad and Tobago.

For argument's sake, Mr. Speaker, it ensures that the pensioners, who are some of the most vulnerable members of our society, are given an increase that had been pledged by this administration. It gives them an increase that allows them to be at a level to meet day to day expenses. It addresses the need to reduce taxes, particularly with respect to people who earn up to \$100,000. Mr. Speaker, from all of the surveys that we have done so far, it has demonstrated that it has been able to reduce the tax liability and so, increase the net take-home pay of a number of people who have been suffering as a result of the adjustment policies that had to be pursued in the past.

This administration is concerned about the plight that many people who have earned less than \$100,000 have found themselves in, and we have sought by this budget and by this Finance Bill, to remedy these.

Mr. Speaker, I beg to move.

Question proposed.

2.20 p.m.

Mr. Colm Imbert (*Diego Martin East*): Mr. Speaker, we have had a lot of exposition today from the Minister of Finance and Minister of Tourism, whose practice is to come into this House with pieces of legislation and pretend that they are routine ordinary matters when they are not.

Mr. Speaker, this Bill before the House is simply a smokescreen to conceal the fact that high ranking UNC officials, very well-known to the Minister of Finance and Minister of Tourism, have now been given licence to raid the national Treasury. In fact, the Minister is distinguished by his ability to bramble and provide misleading information regarding revenues and expenditure to this House.

I recall a budget debate where we pointed out to the Minister that his projections on VAT were vastly overstated, his revenue figures were all wrong, his expenditure figures were understated, and so forth. In typical style, the Minister

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got up, beat his chest, carried on about rocks, how geologists could not tell accountants about figures. What were the facts? The VAT figures were overestimated, the revenue figures were wrong and, in fact, just a short while ago the Minister came to this House with the Finance (Supplementation and Variation of Appropriation) Bill for a \$400 million expenditure in 1996 that had not been accounted for previously. Four hundred million dollars additional expenditure in 1996 that the Minister of Finance and Minister of Tourism did not seem to know anything about three or four months ago when he presented this year's budget.

Mr. Speaker, I have great difficulty in supporting this Bill. You see, this Bill will put into effect legal measures required to raise revenue, to tax the poor people of this country, and we see what the UNC is doing with poor people's money.

I want to talk about the airport. Mr. Speaker, under the previous PNM administration we decided that the airport would have to be a self-financing project. We were not going to use taxpayers' money. We were not going to use poor people's money to build that airport. We were going to use self-financing measures. We subjected that airport to scrutiny, to due diligence, to financial tests to determine the optimum size so that it will not be a burden on the Treasury—like this Finance Bill is going to be.

This is going to be a burden and I will explain why. After intensive and exhaustive technical reviews, it was established that the airport should cost in the vicinity of US \$60 million. It was established that the revenue streams did not exist to support an airport larger than that and it was still subject to due diligence; it had to pay its way. What is this UNC Government doing? It came in; it removed that provision; the airport no longer has to finance itself; it no longer has to satisfy stringent financial feasibility requirements. It is doubled in size from US \$60 to \$120 million because there is much sleight-of-hand going on around here with this UNC administration and, as I said, a lot of brambling and misleading by the Minister of Finance and Minister of Tourism.

In a previous presentation, he spoke about an airport costing US \$105 million, but he did not tell this Parliament—and I do not know if he told his Cabinet—that there was another \$15 million for consultants; consultants selected by his partner Galbaransingh. Fifteen million dollars! So the true cost of the airport is US \$120 million. We were going to build an airport for US \$60 million. They doubled the cost of the airport and they are now asking taxpayers, pensioners, little people, to take their money and put it into a process that is scandalous, to say the least.

Scandalous! When we look at revelations over the last week from the Deyalsingh Inquiry, we see what is being done with taxpayers' money; what is being done with the 28 per cent marginal rate; what is being done with licence fees, with petroleum taxes; we see what is being done with everything in this Bill. This Bill is just a smokescreen for the friends of the Minister of Finance and Minister of Tourism to dip their hands into the pockets of little people in this country.

Let us take a look at what has been going on with taxpayers' money that will be funded through this Finance Bill up at the airport. Let us take a look at what this UNC administration is doing with taxpayers' money. First thing it does is double the cost from US \$60 to \$120 million. Just so! It reminds me of a certain investigation I had to conduct in the Ministry of Works and Transport on a certain company called Calmaquip—brought to this country by another one of the Minister of Finance and Minister of Tourism's business partners, a fellow called Ferguson—to supply equipment to the maximum security prison.

The original bill for the equipment in that situation was \$18 million. All of a sudden we received a claim for \$32 million. On investigation—we did a thorough investigation—we got the original shipping invoices from the manufacturer that the cost of the equipment was really \$18 million, and that the friends of the Minister of Finance and Minister of Tourism added another \$15 odd million for themselves. Just so! I have the original invoices. Eighteen million dollars bumped up to \$32 million by the friends of the Minister of Finance and Minister of Tourism. Who is the project manager of the airport? Calmaquip. Who is supplying equipment for the airport? Calmaquip. Who is the director of Calmaquip Caribbean? A friend of the Minister of Finance and Minister of Tourism. You think it easy, Mr. Speaker! This is just a smokescreen to put money in the pockets of the friends of the Minister of Finance and Minister of Tourism.

What I have been reading in the newspapers is just scandalous. A wanton abuse of taxpayers' money. Look at this! Just reading *The Independent* today, Friday, April 18, 1997, under the Deyalsingh Inquiry. "NYC went from last to first". This is shocking! Somebody should get locked up for this. Just listen to this:

"The NYC Consortium received the lowest ranking for the Construction Package of the Piarco Airport Expansion Project from a team appointed by the Ministry of Works yet ended up being first ranked by Airport Authority consultants Birk Hillman."

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Who selected Birk Hillman? The principal of Northern Construction. Galbaransingh picked Birk Hillman. Birk Hillman picked Galbaransingh. You think it easy! Taxpayers' money, old age pension, licence fees, petroleum taxes, income tax, all going in to fund that scandalous contract to put money in the pockets of the business partners and friends of the Minister of Finance and Minister of Tourism. Listen to this:

"In a report commissioned by the Ministry of Works the NYC proposal was found inferior to all others. The team comprised mechanical engineer, Rabindranath Jogie; transportation engineer, Dr. Roy Furlonge; and planning officer Juiana Boodram, all from the Ministry of Works; from the Central Bank, planning officer Patrick Solomon; and project engineer Faizul Razack of the Airports Authority."

A team of the technical experts from Central Bank, the Ministry of Works and Transport, the Airports Authority, all concluded that Northern Construction was incapable of building that airport terminal. This is what Justice Deyalsingh is finding out in that inquiry, and I must compliment him for the manner in which he has gone about demanding documents in this inquiry. I must commend him for the manner in which he has ferreted and fished out all of these accusational documents.

2.30 p.m.

I want someone to tell me how a technical team with experts from a number of ministries could rank a consortium last and suddenly it was ranked first. I see the Member for St. Augustine watching. This is obscene, Mr. Speaker.

There is a story circulating in Trinidad and Tobago, about a certain cabinet meeting where decisions were taken with regard to the airport and a telephone call made to a certain person at the Airports Authority about the proceedings of that meeting. Instructions were given to the Airports Authority to sign the contract quickly because Cabinet had just decided that no contract awards will be made and the Prime Minister was going to the Parliament that afternoon to make that announcement. "Doh take them on. Say yuh did not know what was going on. Say yuh doh read papers, yuh doh watch TV, yuh doh answer yuh mail."

Mr. Valley: What an individual.

Mr. C. Imbert: A certain individual, after a Cabinet meeting on Wednesday, April 26, is alleged to have called the airport and told them to tie it up now. They embroiled this airport contract in legal paper work so that when the Government discovers what has happened, it would not be able to get out of it easily.

Mr. Manning: That is the point.

Mr. C. Imbert: And who is that person? Is it the honourable Minister of Finance? I am simply asking a question here. I am not saying it is he, however, there is a story circulating.

Mr. Speaker: I hate to disturb the hon. Member in his flight and during his contribution, but he will know that I feel strongly whenever one is sailing close to the wind with respect to allegations of impropriety against Members of either House. I would ask him please to consider that.

Mr. C. Imbert: Thank you, Mr. Speaker, I will be guided as always. Let us return to this wanton abuse of taxpayers' money. We are here today to approve amendments to the Corporation Tax Act, the Motor Vehicles and Road Traffic Act, public assistance, corporation tax and so forth. This is all with the purpose of providing funds for the service of Trinidad and Tobago for 1997 and, as a Member of Parliament, I have serious difficulty with the use of those funds.

In reverting to this Airports Authority matter, let us deal with the facts. On March 26, there was a Cabinet meeting. Two things were decided among others: to appoint Justice Deyalsingh to chair the technical committee appointed by the Minister of Works and Transport, to look into contracts at the Airports Authority, and also that no further contracts would be awarded until after Justice Deyalsingh reports.

Mr. Manning: Cabinet decisions.

Mr. C. Imbert: These Cabinet decisions were made in the morning of March 26. What happened in the afternoon? At approximately 2.00 o'clock. clock, March 26, the Minister of Works and Transport spoke about conspicuous success. Was he referring to the conspicuous success of the gang of three, meaning the 'I M F', Ish, the Minister and Mr. Ferguson? Anyway, the Minister of Works and Transport came to Parliament and announced the Cabinet decision. At that time we were debating another scandalous matter dealing with WINSURE, Maritime and Northern Construction, which is now before the Public Accounts Committee.

In response to charges made, at about 6.00 o'clock. the same day, the Prime Minister confirms that Justice Deyalsingh was appointed and that "he would not allow talks of corruption to tarnish his Government" and "let the chips fall where they may". He also spoke about the appointment of Justice Jim Davis to look at the Cherokee jeep matter, again involving Ish Galbaransingh and other matters.

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What happened at 8.00 o'clock? The Airports Authority, blind, deaf, dumb, in a soundproof bunker and six feet concrete walls, lead proof, no radio, television, newspaper or communication with the parent ministry, awarded a contract. This, after the news! The news was at 7.00 o'clock and the Prime Minister had said that there would be no more contract awards and that Deyalsingh was enquiring. Yet, at 8.00 o'clock, an hour later—they do not watch the news up there, apparently—this contract was awarded. What were we told? They did not know! May be they do not go home or speak to anybody or answer the phone. Maybe they were staying in a sound-proof bunker up at the Airports Authority. And they expect us to believe that?

Mr. Manning: They answered the phone.

Mr. C. Imbert: They answered the phone because they got the call which said, "Sign the contract now."

Mr. Speaker, not being content with that, they returned the next day—it is all in the papers. It cannot be said that they slept in the airport all night because they went home, returned the next day and made more changes to the document. The company seal was put on and they agreed that the contract was sound. All sorts of things were done.

Mr. Valley: A rush job.

Mr. C. Imbert: Look at what happened here with respect to public funds, taxpayers' money—which we are discussing today—total disrespect for the Prime Minister, the Cabinet—

Mr. Manning: They bigger than the Cabinet.

Mr. C. Imbert: —a company which was ranked last by a technical team of experts drawn from the Central Bank, Ministry of Works and Transport and the Airports Authority. Where did this report go? Was it suppressed or was it burnt?

Mr. Speaker, what is going on? That is why I find it hard to support these measures. This is just a smokescreen. Then, when we dig deeper it is discovered that Ernst and Young never evaluated or ranked any of the proposals as indicated by the Minister of Works and Transport in this House. That is what he claimed. Maybe the hon. Member was acting on information given to him by others. Who knows who gave him the information? However, he said that Ernst and Young evaluated and ranked Northern Construction as number one. This firm has to issue

a letter stating that this was not so. They did not rank and evaluate anybody. In fact, my understanding is all that was done was an arithmetical check. Birk Hillman handed the Minister the score sheet: 20 points for experience; 20 points for finance; and 20 points for capability. They then added them up and got 60. Birk Hillman could add. That was all Ernst and Young did. They were unable to do anything else, and yet the Minister said differently.

One has to wonder what is being done with taxpayers' money? Why must people pay more for gasoline when the money is going in the pockets of friends of the Minister of Finance? Must they pay more taxes and so forth when things like these happen? When there is a company called Calmaquip—closely associated with Maritime, principal of whom is Mr. Ferguson—which the Ministry of Works and Transport discovered was inflating and submitting inaccurate information about the prison to it. Suddenly, it is selected without tendering—which is a feature of the UNC administration. It would call its partners and dispense to them. They are now managing the airport contract and supplying equipment.

I know there are people on that side who do not agree with what is happening and about the telephone call, but with the whole question of collective responsibility, one has to sit at the table and bang to indicate approval and so forth. They are aware of the fact that these people are filling their pockets with taxpayers' money, laughing at us and spreading all sorts of mauvais langue and rumours.

Mr. Manning: My advice to you is to keep quiet.

Mr. C. Imbert: Let us repeat for the benefit of those Members over there who are asleep. That is not rumour, it is a fact. The Cabinet decided on March 26, in the morning, to appoint Justice Deyalsingh. That is a fact. Can anybody disagree?

2.40 p.m.

In the afternoon the Minister of Works and Transport announced that and later on the Minister confirmed it. Those are all facts, they are not rumours. After all of that, including the day after, the Airports Authority awarded the contract in violation of that Cabinet decision. The fact that NYC Consortium went from last to first is not a rumour; this is a fact. Mr. Speaker, sooner or later there is going to be a day of reckoning but I am advising the Members over there—act fast! They do not have any idea of the level of political banditry that has infested the UNC Government.

Mr. Speaker, I will now go into the Bill to give you an example. You will recall the big song and dance about concessions for returning nationals and in this

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piece of legislation we have variations to the returning national incentive regime. You will recall in Part IX of the Bill, the Minister of Finance came into this Parliament; big song and dance that returning nationals were unpatriotic; they left this country to seek greener pastures overseas and they should not be allowed to bring in vehicles free of duty; it was a scam.

What are the facts? The business partner of the Minister of Finance—the Chairman of TIDCO, Galbaransingh—the day before the date announced by the Minister of Finance, he exported two *BMW*s from Germany, allegedly for his children who are still overseas, I believe, and he rents one of them to BWIA. The Minister of Finance said that he was not penalizing people who had already shipped cars, but who ships a car? Ish Galbaransingh—the day before—but he is a lucky man, Mr. Speaker. I think that he should take over from the psychic, Yasina Gonzales, because he could see into the future. Or is it that he has inside knowledge? Does the Minister of Finance talk in his sleep? What is going on?

Mr. Speaker, I have problems with this Bill. When I look inside here, I am wondering what is going on—which concession is for Ish and which concession is for Steve—because this is what is happening in this country. People have to pay taxes such as income tax and corporation tax, and it goes into the pockets of persons close to the Minister of Finance. Take a look at the licence fees. Who benefits from removal of licence fees? A car rental company, because the person who rents the car pays the gas. Previously, the car rental company paid the licence fee and it could not pass that on to the person who rented the car, or it would have had to raise its daily rental rates. With the removal of the licence fee and a replacement of an increase in gasoline, the car rental fee remains the same—\$200 to \$300 per day—but the licence is taken away and the renter has to pay more for gas. Who benefits from that? The owner of car rental agency. And who owns a car rental agency? Ish Galbaransingh.

Mr. Speaker, when one looks through here, one wonders what is going on. I remember another song and dance about the Gambling Act and the Minister expressing complete ignorance of gambling—he never went into a gamblers club. Mr. Speaker, do you remember the old tale of Pinocchio? We have here now, legalization of gambling devices, roulette tables—which as far as I am aware, are illegal—and a catch-all clause which says "any other device", all legalized by the Minister of Finance. Why, Mr. Speaker? Is it that certain persons will be opening casinos?

In the budget we also heard about casinos. This is the forerunner of the Casino Act; that is what it is all about—legalize the whole process of roulette tables and others; get people accustomed to it and then bring a Casino Act and say, "Well, they are doing it already, so let's just do it". Who is going to put casinos in Trinidad and Tobago? Who has land in Balandra? Who wants to build the pearl of Americas? At least in 1992 the Minister of Finance wanted to, because he came to Balisier House, as I said, with two ponytailed fellows looking like Al Capone and Lucky Luciano trying to convince us to get the Government to invest in a scheme to build a resort, including casino, on the north coast.

I have to wonder, Mr. Speaker, what is really going on in this Bill. I think it is necessary to remind the Members on the other side about an internecine web of friends, families and associates—Minister of Finance, Chairman of TIDCO, Chairman of the National Energy Corporation, Minister of Energy and Energy Industries, Chairman of the National Petroleum Company. What do these people have in common? The Chairman of TIDCO is a business partner of the Minister of Finance; the Chairman of the National Energy Corporation is the partner of the Minister of Finance—Ish Galbaransingh is his business partner and Steve Ferguson is his partner. The Minister of Energy and Energy Industries is the brother of his former wife; the Chairman of the National Petroleum Company is the sister of his close female friend. "You think it is easy", Mr. Speaker? How do you like that for intrigue? When I go to the back of this Bill—

Mr. Speaker: I do like to give as much latitude as possible to Members of this House, but the only purpose of what the Member was saying is merely to suggest that there is something improper on the part of the Minister of Finance. You cannot do that. You just drop it and it passes; you are belabouring that point and it is not really right to do that.

Mr. C. Imbert: Mr. Speaker, I was going on to matters dealing with petroleum at the back of this Bill. We have heard a proposal by the Minister of Energy and Energy Industries—I would not talk about his association with the Minister of Finance again—who wants to sell gas stations. Who is going to buy these gas stations? I am just asking the question. Will there be open tendering for these gas stations or will we wake up one morning to read that so and so got 10 or 20 gas stations? Mr. Speaker, that is why when I go through this Bill I have difficulty with what I am seeing. This is a platform and the foundation for corruption in Trinidad and Tobago. In my opinion, that is what it is all about. One hears the Minister of Finance say, "That does not count." I have heard better cocks

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than that crowd. There are many people who felt that they could manipulate the process by doing things in a certain way, but time is longer than twine and sooner or later it is going to catch up with you.

Mr. Speaker, I want to draw your attention now, to a very relevant newspaper report about the methanol plant. I am sorry that I have to tie in individuals in this web, but it is the only conclusion I can draw. On page two of the *Express*, Government sells shares in methanol firm for \$1 million. But why did they sell the methanol plant? To fund the capital development programme in 1997. That is what the article says. Mr. Speaker, what has happened since the UNC came into office? The capital development programme in 1997 is twice what it was in 1996—\$1.7 billion—and a big chunk of that is this scandalous airport deal.

2.50 p.m.

They spend about \$400 million a year and next year they will be spending another \$400 million and I wonder where the Government is going to get the money from. When you look at it you see General Revenues—taxpayers' money. The hon. Minister of Energy and Energy Industries sells the methanol plant to earn so that they could finance this scandal at the airport. That is what is going on in this country. [*Desk Thumping*] What is going to happen when they sell? There will be nothing left.

I really have to wonder what is going on in this country. It is like tic-tac-toe. You are seeing little jigsaw pieces falling into place one after the other. You see the mosaic and the web. Who can justify the payment of \$750 million of taxpayers' money on an airport project, where there is no proper scrutiny of the process.

We came into this Parliament to pass a bill enabling the Airports Authority of Trinidad and Tobago to spend \$350 million to build the same airport. They cannot fool me because I want to know the price per square foot of that airport. They stated that the airport has more gates but gate is not a unit of measurement. There are several sizes of gates—little gate, fat gate, thin gate, short gate and long gate. They cannot fool me because, having been a former Minister of Works and Transport, I will know about units of measurement.

When you are measuring the cost of something to make a comparison you use a standard unit of measurement, and gate is not one of them. Square foot, square metre and cubic metre are standard units of measurement.

In Trinidad and Tobago today, the most expensive office building costs approximately \$500 a square foot. Royal Bank, Republic Bank and Citibank all

cost between \$400—\$500 per square foot. I would like to know what is the cost per square foot for the airport terminal building. Could it be over \$2,000 per square foot? That information would come out in the investigation. I would like someone to tell me what is the cost per square foot of the new terminal building.

I heard it was 38,000 square feet and cost \$105 million which equates to \$2,500 per square foot. Maybe I am missing something somewhere or I cannot do mathematics but it seems to me that the UNC Government has fallen into the trap of awarding a contract without detailed design and specifications.

The detailed drawings and design have not been done but they have awarded a contract of \$105 million, taking income, corporation and petroleum taxes along with licence fees and old age pensions to fund a \$105 million contract to finance a building costing over \$2,000 per square foot. They fired the planning unit just before the proposal came in. As a matter of fact, the planning manager was fired half an hour before the proposals came in.

There is another piece of scandal which I would like the Minister of Finance to answer and I hope that he would not claim amnesia or lack of knowledge. Has an advance payment on the airport contract been made to Mr. Ish Galbaransingh? If so, will Mr. Galbaransingh pay it back? How much is it? How many millions of dollars, if any, have been paid to Northern Construction in defiance of the Prime Minister's statement in Parliament that all contract awards would cease—a decision of the Cabinet? Has an advance payment been made to Northern Construction?

I will be very happy if the hon. Minister of Finance tells me “no”, because if he tells me “no”, at least, we would be able to close the door before the horse gets out, but if he tell me “yes”, then I would ask for that money to be repaid, because, as far as I am concerned there has been collusion and confusion.

In looking at the other issue, one wonders what kind of company would benefit from an employment allowance of 200 per cent deductible. A company engaged in projects that require fluctuating levels of labour such as a construction company. A construction company keeps a skeleton crew when it has no work and expands rapidly when it has contracts and after the contracts are completed it goes back down to its skeleton crew.

The typical company that will benefit from the employment allowance is a construction company. Northern Construction is a construction company. And an individual having foreknowledge of this employment allowance could tailor his

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bids on contracts in such a way knowing an employment allowance is coming in the future; reduce his labour force because he is getting it back in taxes and, therefore, have inside knowledge to win contracts. That is a clear hypothesis coming out of this which makes everything here look suspicious.

Then we come to the whole philosophy of this matter. The hon. Minister of Finance came into this House and brambled about an allowance of \$18,000 on mortgages and a \$20,000 tax allowance but when you do the calculations, you will discover that most people are paying the same amount of tax, especially in the traditional nuclear family—husband, wife and children, where the husband is the breadwinner and the wife stays at home to take care of the house and the children.

In the new-age nuclear family where the wife earns the money and the husband remains at home to take care of the house and children, the mortgage is taken out by one person. So you have a vast proportion of mortgages. The traditional nuclear family is being advantaged by the provisions put into this Bill by the hon. Minister of Finance. Their mortgage deduction has been reduced from \$20,000 to \$18,000, their pension annuity has been taken away altogether, so there are a large number of families being disadvantaged by this legislation.

3.00 p.m.

Of course, the Minister of Finance would bramble and gloss over it and pull out statistics in his usual way, which later may very well be proven to be inaccurate, and attempt to just dismiss that as being no big thing. The Minister of Finance is too busy with his extra-curricular activities to look at these issues; to look at the fact that he is affecting large groups of people in the country; that he is disadvantaging large groups of people with his measures.

Let us go now to something that was denied by the Minister of Finance and the UNC Government during the budget debate and has now come in here, as predicted by the Member for Diego Martin East and the rest of us on this side. Turn to page 6, Part III, where it says:

“Licensing of Motor Vehicles.”

(h) in section 21

(B) in paragraph (b), by deleting the word, ‘licence or’,...and substituting the word ‘registration’.”

What does this mean? It means the Government has substituted a licensing regime for vehicles with a registration regime, exactly what was predicted by us in this

House when he brought that bogus piece of arithmetic about gasoline and licence fees in the budget. So there is going to be a registration regime now, where one would have to line up for registration, pay for it and so forth. This whole myth about no longer having to go down to the licensing office and line up and pay licence fees, has now been exposed by the very Bill brought by the Minister of Finance. Everywhere one sees “registration.” At “(iii)”, one sees “registered”; at “(i)” the words “registered owner” are substituted for “licensee”.

So now we have a system where it is now going to be required by law that persons register their vehicles. It is all a scam! That is what it is. The reason this is happening is because some of the Members on that side are too busy with their extra-curricular activities. They feel they could come into this Parliament, say anything, wave any piece of paper; no matter that later on it is found to be inaccurate, to be bogus; that exactly what we say proves to be correct, like with the VAT figures, with the expenditure figures and now with this licence and registration. They are too busy with their extra-curricular activities.

Let me close by saying, I have exposed the scandalous goings-on with the abuse of taxpayers’ money; the scandalous disregard for the Prime Minister and the Cabinet; the shenanigans of the business partners of the Minister of Finance; the wave of intrigue with persons at strategic locations; the smokescreen; the wheeling and dealing. I do not think I need to say any more. I simply reiterate that these measures, simple as they appear, are simply a cover for racketeering by high-ranking Members of the UNC, persons known to Ministers in the UNC Government.

I thank you, Mr. Speaker.

The Minister of Trade and Industry and Minister of Consumer Affairs (Hon. Mervyn Assam): Mr. Speaker, I shall exercise all the care and caution of which the hon. Member for San Fernando East is attempting to advise me.

Mr. Speaker, thank you for giving me the opportunity to intervene in the debate on the Finance Bill, 1997. I thought that this Bill, although bulky in terms of the number of pages because of its importance and complexity and the number of issues that it raises as a consequence of the presentation of the 1997 budget and the measures contained therein—I thought that we were going to be discussing the merits of the Bill and the measures that were introduced in the 1997 budget and how they have worked, or not worked, during the last three and a half months or so.

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Unfortunately, as is his wont, the Member for Diego Martin East got up and continued in his accustomed style and trend, in excoriating people in the House and outside of the House. I think it is most unfortunate for a Member of Parliament to get up, debate after debate, and talk about persons who are not members of this House—because Members of this House and the other place are protected by the Standing Orders, but ordinary citizens are not. It is most unfortunate that is the style of the hon. Member for Diego Martin East. Most of the times when he rises to contribute to a debate in the House, it is not arguments of substance, it is really, as the lawyers say, *ad hominem* arguments, which are not arguments at all.

In his presentation which lasted, perhaps, close to 40 minutes or so, the hon. Member dwelt almost exclusively on the airport project. Nowhere in this Bill, having attempted to read it, is there any reference to the airport project. In fact, the airport project was part of the development programme of, what we call, the Public Sector Investment Programme. It is not contained in the measures before this honourable House this afternoon.

Let me say, I am not here either to defend, to uphold or to condemn. I would like to advise this honourable House, through you—and it is public knowledge—that this Government, in an attempt to be transparent, to indicate to the national community that the Government of the day is very serious about any allegations made against it or Members of its Government, has done the following: This Government has appointed Justice Davis as the chairman of an enquiry into the whole question of the award and purchase of certain types of vehicles. No one can question the integrity, intelligence and the independence of Justice Jim Davis, a man who sat on the Appeal Court of this country, with distinction, and a man who has had the respect of every citizen, whether members of the fraternity or not. So he is in charge of that enquiry.

Subsequent to that, we have appointed Justice Lennox Deyalsingh, one of the most reputable men on the bench for being fair, honest and for speaking his mind and being thorough. At this point in time, as far as I know, Justice Deyalsingh is conducting an enquiry into all the circumstances leading to the award of contracts with respect to the Piarco Airport development.

I find it rather unsavoury and contemptuous for a Member of Parliament to get up in this House and to speak of something which I suspect, to some extent, might be *sub judice*—not quite, because it is not really a judicial enquiry. It is somewhat

sub judice in the sense that the Member is attempting to pre-empt the conclusion of what may emerge or come out of such an enquiry by such a distinguished jurist.

3.10 p.m.

Mr. Speaker, with respect to the third area in which this Government has attempted to clear its name—and the allegations that have assaulted it in this Parliament—when it was accused of approving the payment of certain sums of money to two companies when we debated the Finance (Variation of Appropriation) Bill 1997. The hon. Prime Minister rose in this House and moved a motion to have an inquiry, and the Member for Diego Martin Central, who is Chairman of the Public Accounts Committee, is conducting such an inquiry. I understand that inquiry is taking place at this point in time.

So, I cannot understand why Members opposite would come to this House and accuse this Government—Members of this Government and, as they say, members associated with this Government—of all kinds of allegations, using language that is, in my opinion, very libelous and defamatory to people's character because they cannot defend themselves in this House; a totally unfair approach to parliamentary life.

Mr. Manning: That is why we have a Speaker.

Hon. M. Assam: We are lucky to have a Speaker who allows that kind of latitude although, from time to time, he uses his prerogative to give cessation to this type of behaviour.

Mr. Speaker, do you know what is even more disturbing and confusing? When, after a Cabinet meeting, this Government announced that it had made a decision to appoint Justice Deyalsingh as the Chairman of this independent inquiry, the Leader of the Opposition, the Member for San Fernando East, in a public statement, suggested that he had no confidence in the objectivity of Justice Deyalsingh. In my view, he, at that time, disqualified himself from the leadership of everything, including the PNM; far less to aspire to be the next prime minister of this country. Everyone in this country can tell you that Justice Deyalsingh is undoubtedly the best choice that this Government could have selected for such a job.

Again, Mr. Speaker, I was absolutely amazed, dumbfounded and nonplussed this afternoon when I heard with my very ears—it is a good thing I was not out of the House when it was said—the Member for Diego Martin East congratulate, in the most praiseworthy fashion, the conduct of the investigation that is being

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undertaken by Justice Deyalsingh who is demanding documents of all kinds and the thoroughness with which he is addressing this particular inquiry.

I cannot understand how it is that his leader—or is it his leader?—is saying, on the other hand, that he has no confidence in the objectivity of Justice Deyalsingh. He should publicly apologize, not only to this House but to the national community, for his indiscretion, as he is wont to putting his foot in his mouth so many times and creating alarm and disquiet in the society; agitating this country on all kinds of issues; damaging the social fabric and the national unity that this Government is so carefully and delicately trying to put together. He should apologize to the House and to the nation.

Mr. Speaker, on the one hand he is saying that, but on the other hand the Member for Diego Martin East is congratulating Justice Deyalsingh in the most praiseworthy terms. Perhaps, they are showing how they are opposed to each other in this House arising from the leadership contention that they had last year in their own organization. I would now put that to rest because I have indicated what this Government has done and certainly what it will do in the future in order that this country would understand the kind of Government we are, and the transparent manner in which we intend to govern this country, particularly in financial transactions and in the award of contracts affecting taxpayers' money.

Mr. Speaker, another error that the Member for Diego Martin East made was in saying that we were spending a large sum of money—he quoted US \$120 million—compared with the US \$60 million that he said his government was going to spend. When an inquiry was made into that \$60 million—I am merely quoting him; not that I am agreeing with the \$60 million—we got two reports: an expurgated and an unexpurgated version of an inquiry which was conducted by someone whom the then prime minister, now Leader of the Opposition, mandated to undertake. We do not know up to now which of those two reports is the correct version of what took place with respect to the award of contracts concerning the Pride project.

Be that as it may, whether it was US \$120 million or US \$60 million I want to disabuse the mind of the hon. Member for Diego Martin East when he asserted in his naive fashion. I do not know if he is an engineer, although I see he is coming into some very nice contracts as advertised in newspapers, which he denied very much in an earlier statement I made to him. He and the beleaguered president of the JCC are now involved in contracts in different parts of the Caribbean and, perhaps, in Trinidad and Tobago.

One wonders, Mr. Speaker—I hope that I am not sailing too close to the wind, as has been said—if someone within one year of leaving ministerial office could have developed an organization to the point where it could be landing such huge contracts. One is led to believe, even in one’s dream, as Shakespeare said, “per chance to sleep, per chance to dream”. Maybe, I am sleeping per chance to dream about the machinations of the Member for Diego Martin East when he held ministerial office, that within the short space of less than one year he could have set up an organization to attract contracts to the tune of millions of dollars. I just wonder.

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Deputy Speaker, the Member for Diego Martin East went on to make the cardinal error of suggesting that an airport is a commercial undertaking. Which country of the world, do you or any Member of this House know, has built an airport as a commercial undertaking? An airport is part of the infrastructural development and is imperative of any society, particularly, countries that want to be in the modern world. One must want to have a modern airport. That is the responsibility of government. Some people do it through consortia, private sector arrangement or joint ventures, but in the final analysis, airport or seaport facilities are the responsibilities of a government if it wishes to understand the imperatives of globalization, foreign trade, tourism and moving passenger and cargo from its country to other countries of the world.

So, to suggest that it is a commercial undertaking, in my view, is a rather nonsensical statement for a supposedly intelligent man who is getting contracts to the tune of millions of dollars and, who, at one time was educating young children of the University of the West Indies and who sits representing intelligent people in the constituency of Diego Martin East.

Mr. Imbert: You are jealous.

Hon. M. Assam: I am jealous, yes. Even God is jealous because he said, “I am the Lord thy God, thou shall have no strange gods before me”.

Mr. Manning: Are you saying that you are God?

Hon. M. Assam: Mr. Speaker, we must look at the contents of this Bill. Let us make some kind of assessment of what has taken place when the majority of these measures were passed in December, 1996 and how they have worked for the population from January 1, 1997, when the measures came into effect, and as of today, April 18, 1997. I thought this is what would have taken up the attention of

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the Members opposite. How did these measures work? They have accused the hon. Minister of Finance of finagling, fudging the number and doing all kinds of accounting tricks.

3.20 p.m.

That is their style, to come and denigrate people who are more qualified, more intelligent, more successful and more respected than all of them. They come and cannot substantiate any of their accusations and allegations. All they do is to throw mud in the hope that some of it may stick. We on this side are not prepared to stand nor sit and listen to that without suitable and appropriate responses.

What has happened? Look at the Old Age Pension Act which was amended in order to give effect to an increase to the needy and the lowest income group; persons who have been on fixed incomes.

When the PNM was in government, when last did it increase the old age pension of these unfortunate needy people? This Government did it—a decent increase and it will continue to do so, provided the revenue flows and the revenue stream continues and it expects it to, because with the economic policies and the financial skills of this Government, it intends to increase its revenue streams and flows in order to ensure that it gets more taxes from business, economic and trading activities in order to distribute on an equitable basis the taxes to the various people of this country in terms of their needs and in terms of their requirements.

When they came to this House from January, to maybe a few weeks ago, they lampooned the Minister of Social Development stating that he had come and fooled the public—in fact, that was the phrase used by the Member for Diego Martin Central that we said we were going to increase old age pension and that we had done nothing.

Mr. Deputy Speaker, even in the private sector when a decision is taken it takes a little time for that decision to be implemented. Unfortunately, in the public sector it takes even a longer time. The gestation period for implementing a decision either by Parliament or Cabinet, or whatever, takes even a longer time because of systemic differences. We intend to ensure that there is a transformation of public administration as adumbrated by the Minister of Public Administration and Information in a symposium at Holiday Inn two days ago, so that the systemic problems inherent in the public service could be addressed and improved in order for speedier decision-making. But more importantly, speedier implementation would take place, and, it has happened at last.

I am very grateful to the Minister of Social Development, and I feel very proud of him and this Government [*Desk thumping*] that the people who need this increase have been paid their backpay, and from henceforth every first of each month, they will be receiving their increased old age pension allowance. I would like to know what the other side has to say now? What would be their next criticism?

When the Minister of Finance attempted to rationalize the income tax system which was initiated by the NAR government in 1986; it had attempted to place emphasis on indirect taxation and reduce direct taxation, which is the international norm in terms of taxation philosophy. The PNM government reversed that when it came into office in 1991 and escalated corporation and personal income tax rates and added more indirect taxes to the burden of the ordinary man in this country, and they have the temerity to tell this House that our Minister has increased the burden.

In fact, a certain Senator in the other place called them either vexatious taxes or nuisance taxes. I believe that was the expression the Senator used when he was debating some of the measures that their former Minister of Finance, Mr. Mottley, introduced in this honourable House; taxes on savings, taxes on insurance policies, taxes on this and that, Road Improvement Taxes, all kinds of increases in addition to increasing corporate and personal income taxes which were being rolled back by the NAR government as a consequence of the introduction of 15 per cent VAT, with the slant of having indirect taxation as the kind of direction in which the Government was going and taking the people into the 21st Century, into the modern era of taxation. This Government has reversed what the PNM did between 1991—1995 and it is moving in a direction where it will be rationalizing the income tax system, removing all these silly credits, and making the income tax form simple.

I had to fill out my income tax form two days ago. There are about nine or 10 pages with all kinds of irrelevancies, and difficulties. Mr. Deputy Speaker, imagine I feel I am a reasonably intelligent person with some experience in this issue and if I sometimes have difficulty in interpreting some of those clauses, lines, directions and guidance in the regulations, could you image the ordinary man in the street who has to fill out an income tax form? He has to pay a tax consultant \$50.00 or \$100.00 to fill out a form. From 1997, one will see how simplified the income tax form will be—we are absolutely in the vanguard of modernization, not only in terms of trade legislation, financial legislation, Intellectual Property Legislation, Copyright and Trademarks legislation; we are in the vanguard of fiscal legislation, systems and administrations in Trinidad and Tobago. That is another area.

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They said that if there were two bands, 28 and 35 per cent, many people will suffer. It has now been reported to us that the vast majority of people have benefited as a consequence of the two bands, and more people are paying less income tax in Trinidad and Tobago today. Those who were caught in the 35 per cent band like myself, and I have no difficulty—not that I could afford it—in paying for the nation's development. I am paying a little more tax and perhaps, the Member for San Fernando West is doing so, a successful professional and maybe the Member for Diego Martin East with his million-dollar contracts will be paying more and, of course, the Member for Diego Martin Central with his lucrative consultancy will be paying more. The point is, the ordinary man in the street, the ordinary wage earner, the factory worker, the clerical person and certain levels of the public service are all paying less taxes today as a result of the wise and prudent introduction of the measures by the Minister of Finance in the 1997 budget.

Mr. Deputy Speaker, the question of the clubs were raised. Do you know how long private clubs have been operating in this country? They have certainly operated between the years 1991—1995 and they have been escaping the tax net in this country.

Both the Minister of Finance and Minister of Trade and Industry were able to bring these matters to the attention of the Government and the Cabinet and submitted suitable recommendations to rectify this anomalous situation whereby many persons were escaping the tax net. And, as a consequence, the Government formulated a decision and legislation to deal with it. There are Members opposite, like cry babies saying that the Government wants to introduce gambling, casinos and sin into this country when sin pervaded long before we entered into the halls and corridors of power.

Mr. Manning: You have taken it to the heights.

Hon. M. Assam: Mr. Deputy Speaker, it was that Government that carried gambling in this country to a new level. I am not knocking them for it, whether it is Lotto, Play Whe or whatever. I will say that those who live in glass houses or who have lived in glass houses should not throw stones, or those who are without sin should throw the first stone.

3.30 p.m.

I am not chastising them for the measures because in my view there is nothing wrong with encouraging games of chance. People have to be taught to be responsible and to take care of their domestic responsibilities firstly, before they

engage in recreational games of chance. Even when they engage in them, they must understand that they must limit themselves and control their appetites for these games. There is nothing wrong with that.

This morning I was speaking with the High Commissioner for Canada. He said that whenever I go to Canada I should go to Montreal, in the province of Quebec where there is a casino. Do you know what is the profit per week of that casino? It is done in the most legal way, attracting not only the best and elite who are normally attracted to casinos, but also visitors. It is one of the tourist attractions. The profit is Can. \$4 million per week. It is one of the best casinos in the world. I am not suggesting that we would make that here. It is a form of tourism development which creates employment, well-paid jobs and gives people some incentive to work hard to make commissions on their tables.

When we decided to move into these private clubs, ascertained the kind of games they were playing and began to impose taxes on each table depending on what it was, we were accused of all sorts of things. Today we have regulated this. This was completely out of hand during the administration of the last government between 1991—95 and has now been brought under control. The people of this country are benefitting as a consequence of the vigilance and farsightedness of this Government. I hope that when we come to discuss the question of casinos, we would not get that kind of emotive and irresponsible response which we have received in the past from the opposite side.

Mention was made about the used car industry. There were all kinds of innuendoes about who brought in BMWs, from which country and for whom. That was totally unsubstantiated. It is only in Parliament people could make reckless and irresponsible statements about other people. They would not do it outside because they know that there is a judicial process which they would have to face. It is only in here that they use parliamentary immunity or the privilege of Parliament to make these reckless, unfortunate, uncharitable and unchristian remarks. I am talking about a certain person who claims to be a born again Christian, who leads the opposite side and should be instructing his followers in the principles of Christian charity. He sits there almost like the Cheshire puss in *Alice In Wonderland*, laughing himself away when his Members are making the most scandalous statements, impugning the integrity and destroying the character of people in this country.

What have we been doing? We have been attempting to put the mechanisms in place for the regulation of the used motor car industry and soon they would be

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announced. They have been using the word “scam” all the time. People with limited vocabulary, but even more limited intelligence and vision use these emotive words all the time. It reminds me about a former debate where a certain Member contradicted himself. He started off by saying “corruption”; in a few minutes he said “a gift” and then he said that they had agreed and approved that, but for bonds not cash. I have never seen somebody like a good balletic dancer pirouette around the stage of erroneous and uninformed opinion. It is an interesting way to debate in this honourable House. I often wonder if they listen to themselves or if the press does any analytical review of the kind of almost vaudeville shows, to which we are subjected in this Chamber, by some of the jesters who call themselves responsible Members and representatives.

Very shortly we would announce all the measures put in place. People would be pleased to see how the used motor car industry would be properly regulated. All the scam this Government is accused of such as putting something for our friends and political investors, they would see how all these allegations would be put to rest.

With respect to the fear that insurance companies would be under attack; annuities would dry up and the whole saving ethic and the propensity to save would be affected as a consequence of the fiscal measures of the hon. Minister of Finance and Tourism; the evidence from January 1, 1997 to April 17, 1997 is that all the insurance companies have reported an increase in the sale of annuities over the same period, January 1, 1997 to April 17, 1997. That means to say that what the Opposition said during the time of that debate was misleading. They were totally uninformed and were only being emotional in an attempt to divert this Government from introducing measures which would modernize the tax system and take us into the 21st Century. The evidence is overwhelming in terms of how well the insurance companies are doing and, moreso, how much savings are taking place in this country through the instrumentality of annuities. That argument is no longer valid in terms of that.

There is no disincentive to save. In the Bill there is a further incentive to save because the PNM government never touched the question of the 15 per cent tax on the interest on any account in a commercial bank or financial institution. We are showing that this Government is very interested in increasing the propensity to save and ensuring that savings would be preserved. We want to increase the level to a more important one for investment in the country. We would reduce the 15 per cent on interest on bank accounts to 10 per cent as soon as this Bill becomes

law and is proclaimed. This is an innovative government in action and showing the way; a government that is not only talking the talk, but also walking the walk. From now on more action would come.

In terms of the Insurance Act, this Government is working very assiduously at bringing it to Parliament in the shortest possible time. Some of the recommendations made to us by insurance companies, in terms of what these companies can invest in respect of statutory funds, would be addressed to the advantage of both the insurance company and the policyholders.

3.40 p.m.

Mr. Speaker, we have also been meeting our obligations with respect to the progressive reduction of the Common External Tariff. As you know, every year we are committed to reducing it by 5 per cent until it reaches 20 per cent. This, obviously, is placing a challenge on our manufacturing community. Because of the globalized, liberalized trading regime, products are coming to Trinidad and Tobago and competing very fiercely with our manufacturers. However, we still discharge our responsibility, notwithstanding this particular impediment that some of our manufacturers may be suffering. We hope to address it before too long to make the playing field more level and to make our manufacturers equally competitive with other producers whose goods come in, as well as making us export competitive.

Mr. Speaker, I have attempted to deal with some of the major issues in this Finance Bill, which arise out of the 1997 budgetary measures. I hope that I have been able to disabuse the minds of some of the Members opposite of the kind of propaganda that they have been spreading about us and people, they say, who are associated with us, by showing that we are a responsible government interested in doing things on a transparent basis, and that we advance and improve the quality of life of our citizens, whether through fiscal or other measures, for example, by permitting the importation of left-hand drive vehicles specially equipped for use by handicapped persons. This is a measure which I recommended to the Minister of Finance who brought it to the Cabinet, and it was agreed that such a relief should be given to the disabled citizens of Trinidad and Tobago.

We also did a redefinition of "returning national" because in the last administration the very word that the Member for Diego Martin East used *ad nauseam*, "scam", was taking place under his nose as Minister of Works and Transport. We have attempted to correct that so that people do not rob this Government of legitimate revenue for purposes of development and for social distribution and equity.

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These are some of the most important measures contained in this Bill. As I said at the beginning of my contribution, we should look at the beneficial effects these measures will have on the population in Trinidad and Tobago. Those who have eyes to see and ears to hear will come to the inescapable conclusion that all these measures have redound to the economic benefit and to the financial advantage of everyone in this country, in varying measures, of course, and that this Government is certainly on the right track in terms of the fiscal measures that it intends to introduce and will continue to introduce to alleviate poverty, improve social distress, to improve the infrastructure of this country and to deliver quality service and government and transform Trinidad and Tobago into a total quality nation.

I thank you.

Mr. Hedwige Bereaux (*La Brea*): Mr. Speaker, I rise to make my contribution to this Bill. Before I do so, particularly as a result of what happened prior to my coming here today and following on the contribution which I made in the debate on the Trade Marks Bill, I make, with your leave, an extremely short statement about my personal situation because people have been calling me on a matter.

I have three successful adult children. I am a pensioner. I have lived 100 per cent longer than my father. I am healthy, thank God. I have all I need. I have been paid the ultimate respect and tribute by my constituents who elected me as their Member of Parliament. I have lived a glorious life, therefore I am impervious to any threats whatsoever, and from whomsoever it comes. [*Interruption*] This has to do with what was said to me prior to coming here.

Mr. Speaker, “the Bill seeks to provide for the imposition or variation of certain taxes and duties, for the incorporation of amendments made by the Provisional Collection of Taxes (No. 2) Order, 1996, (hereinafter called ‘the Order’), to introduce other provisions of a fiscal nature and for related matters”. In particular, if we look at Part XIII of the Bill, it would validate the purported collection of moneys in respect of the imposition of an excise duty on compressed natural gas between January 1, 1997 and the coming into force of the Bill. This part of the Bill would also validate the purported collection of moneys in respect of the increase in the excise duty on petroleum products.

What this Finance Bill seeks to do is to put in legal form the measures which were presented by the hon. Minister of Finance in the budget, and which we dealt with in the Provisional Collection of Taxes Bill and Provisional Collection of Taxes

Order, and to some extent, in the event an error was made and revenues collected for which there was no authority, we would correct that.

This money, when collected, would be utilized in the general fund of Trinidad and Tobago for the provision of goods and services and, to some extent, for debt service. As a result of that, any Member of Parliament would want to support the measure. However, no matter how anxious a Member of Parliament might be, no matter how anxious I might be as a Member of Parliament to support a measure for the provision of money for goods and services, it is important, whether one agrees with the taxes or not, to look at the performance of the persons who will administer the funds which will be collected. Therein lies the problem.

The hon. Member for St. Joseph said that the hon. Member for Diego Martin East did not look at some of the measures in the Bill. I am saying that a condition precedent to looking at the measures in the Bill, doing anything to support it, or even to criticize it, presupposes that one is satisfied that those who will control these funds will manage them with a certain degree of care; they will behave towards the population in a fair and equitable manner, and, moreover, one would only give that support if one believes that the Government is competent to carry out those measures.

3.50 p.m.

Mr. Speaker, any time one has a serious suspicion that what is motivating persons who superintend the disposition of these funds is something other than in the best interest of the people of Trinidad and Tobago, then we have to deal with that first. If we cannot be satisfied that the persons who would control the funds and who have dominion over them would handle them properly, then we are forced to say: "No, we cannot support it. We are against it."

When this Government first came into power all we had to go on were statements and the policies which were put forward in its election manifesto. However, now it has been in power albeit for 16 months—in my view an infamous 16 months—we have something else on which to go. Mr. Speaker, we have the Government's record. I am saying that we have to examine the empirical evidence available to determine whether we are satisfied that we can support the measure.

Mr. Speaker, without fear of contradiction upon an examination of the empirical evidence, I am saying that the short record of this Government is one of gross mismanagement, dictatorial tendencies, discrimination and victimization at an unprecedented level, abuse of power and brazen corruption to the extent that one

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finds it extremely difficult to believe that the revenues which would come into the possession of the Government, as a result of this Finance Bill, will be utilized properly.

I have gone at length to lay the base for some of the statements I will make later, simply because I want the direction in which I am going to be quite clear. I am not, to a large extent, looking at this at all. A condition precedent is that I must trust the handlers before I put money in their hands. I am going to use evidence to show that the handlers cannot be trusted. Accordingly, I will use some examples of the kind of mismanagement there is.

On the last occasion I came to this Parliament I indicated that in keeping with the Trade Marks Bill—I have a trade mark and this is mine. [*Member indicates item on the desk*] I promised that as long as this Government continues with its discrimination against my constituency in respect of its roads, it will become larger every time I come to this House. I have chosen a block of pitch because, in my view, it is the *alpha* and *omega* of the problem I have. It is both the genesis of it and the solution to it.

Mr. Speaker, I begin with the constituency of La Brea. In this Bill we are talking about gasoline, cars and a number of things concerning motor vehicles. I also want to remind this honourable House that there is a motor vehicle tax being collected every time one buys a gallon of gasoline. The people of the constituency of La Brea are paying that motor vehicle tax, but notwithstanding the fact that they are paying this tax this is what is happening in an unprecedented way.

We know that La Brea has a particular geological history and terrain, however, the La Brea highway is very bad. Mr. Speaker, I made the error of going into that area with my wife's car, which is slightly smaller than mine, and it went into an entire crater. That crater was filled with red mud that was put there to try to mamaguy the people. The beauty about the situation is that those minor roads could be repaired, if one has the people to do it, by taking pitch from the roadside. It would not be a first-class highway but it will, at least, be passable and one would not be bathed with water every time one walks there.

The Public Transport Service Corporation bus refuses to go inside La Brea because the roads are so bad. Lake Asphalt will not use the Deep Water Harbour. The stuff from Lake Asphalt is sent to Point Lisas—I do not know the reason that is being done. The roads are being damaged, Mr. Speaker, and Lake Asphalt is not contributing to its upkeep.

Then there is the man who cannot speak the truth who comes into this Parliament. He tells the people of La Brea that their Member of Parliament should fix the road for them. *[Interruption]* That is what the Minister of Works and Transport has told the people of La Brea. All the roads in La Brea are bad and they are not being fixed. On the last occasion, when the people of the South/West peninsula blocked the road someone came here and said: “Bereaux blocked the road.” I know the Member for Point Fortin knows who blocked the road. If, therefore, I am to be blamed for standing with my constituents, I could take it but the roads must be fixed.

The problem goes even further. The non-fixing of those roads is inextricably bound to the discrimination being practised in the Siparia Regional Corporation to areas where the PNM councillors are in control. I will give an example. There are some minor roads under the control of the Siparia Regional Corporation or, in some instances, under the Ministry of Works and Transport. What one would find—because of the luck of a draw—the Government is in charge of the Siparia Regional Corporation. Mr. Speaker, \$2 million was released to that corporation for dealing with the whole area; there are eight electoral districts in that area, four under the UNC and four under the PNM. I want the Minister of Local Government to stop cuffing down people and deal with my business—Mr. Speaker, I am sorry, I take back that statement. I am very serious and annoyed. Out of the \$2 million, the areas controlled by the PNM were given \$29,000 each and the rest was divided among the UNC-controlled regional corporations. That is discrimination! How then, in the light of this kind of treatment and discrimination, can I come here and allow the Government to collect any money? I cannot agree. It would be a gross dereliction of duty.

4.00 p.m.

On a previous occasion, the Government had money to fix the Sobo Road but put it in San Francique in the constituency of Fyzabad, and when the Member for Fyzabad was acting recently, he paved the entire Fyzabad area. *(Crosstalk)* I am not dealing with it. Mr. Speaker, they used an excuse in respect of La Brea and they talked about the topography. The same excuse is not valid between Siparia and Erin, but there are potholes; Petrotrin’s big operation is there and they still would not fix them. Nothing. All that is coming from them is—there is the Member for Fyzabad and his arch colleague, the Minister of Works and Transport; or should I say his partner. I wanted to say his partner in crime but I do not know any crime he commits, so I would not say that. They come into my constituency

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and walk around. They are so discriminatory, whenever they have to do repairs anywhere in the constituency of La Brea, they only look for an area where their dead horse that they put to run in the last election got a few votes. That is what they do.

In the light of darkness, how am I or anybody with any pride—I want to remind you that the constituency of La Brea for several miles runs parallel with the constituency of Point Fortin. When they are riding on me and giving me problems, the Government is giving its representative problems, too; if he has eyes to see, he would see; if he has ears to hear, he would hear.

Mr. Maharaj: That is why the Member came in.

Mr. H. Bereaux: Do not worry about why he came in, it is where he is getting problems. I am not going to get into that. I just want to point out that from Guapo to Gonzales comprises both of our constituencies—one on that side; one the other side—and the Government has to fix the road because it is in a dilapidated state. That is why he does not go down there because the road is too bumpy for him to travel. Part of the La Brea constituency, where the topography permits for easy fixing of the road, what do they do?

There is the big Petrotrin operation; there are those big rigs. Just recently a rig went down in a big hole and turned over. Petrotrin, and by extension the state, is paying money because from the minute a rig leaves the yard to go on the site a fee has to be paid. The Minister of Energy and Energy Industries is listening in the public gallery, let him tell us the truth. With that kind of behaviour, how does the Government want any Member of Parliament to support this Bill? Mr. Speaker, I promise not to deal with the entire Bill but just a very small portion of it.

With respect to pensioners the Act says in the Explanatory Note:

“...the Bill would amend the Old Age Pensions Act in order to increase from \$286.00 per month to \$349.85 per month, the amount payable as old age pension and to empower the appropriate Minister to suspend or discontinue the payment of such pension.”

At first blush it looks good, but then by the typical sleight of hand, they slip in something. Clause 3(b) subclause 10(e) of the Bill says:

“The Old Age Pensions Act is amended—”

And there is subclause (a) which shows the increase, and subclause (b) says:

“(b) in section 10(e) by inserting after the word “suspension”, the words “or discontinuance”.”

This means that quite surreptitiously this Government has introduced the Old Age Pensions Act and also the Public Assistance Act because there is also the same measure:

“The Public Assistance Act is amended in section 16(e) by inserting after the word “suspension”, the words “or discontinuance”.”

I believe that the Minister himself did not realize what they are doing. Quite surreptitiously, they put into the Public Assistance Act and the Old Age Pensions Act the ability to discontinue people’s old age pension. With the record of victimization that this Government has, I have a problem with that. Why does it want to suspend a person getting old age pension? Has it identified that and told us how many persons are likely to have their old age pension discontinued?

There is an element where if one lives abroad for some period of time, one’s old age pension is suspended until one returns to Trinidad and Tobago. But it wants to be able to discontinue it. Look at the problem which the old age pensioner, whom it purports to love, would have—when he or she returns—he or she would have to come back with an entirely new application and there is a provision in the application that one has to be resident in the country for a certain period of time; so if one breaks that residence and goes abroad and it is discontinued, one is in trouble.

4.10 p.m.

I have highlighted it because I am the eternal optimist and I am very charitable. I want to be charitable to the Member for Chaguanas and Minister of Social Services and say that he did not realize that provision in the law was capable of that kind of interpretation.

Mr. Speaker, let us even go further; I notice that they have now put the Member for Caroni Central elsewhere. My former colleague in another workplace, represents a lot of land I own. He is a good man on other things, but his performance as a minister is unfortunate. If I am to believe what I saw in the San Fernando General Hospital, I am sure if he takes a visit to the hospital and sees what I saw, he will resign.

Over the Carnival weekend, a lady came to this country and died under strange circumstances. I just want to quote some of the excerpts from a statement made by her daughter:

“The chances of your survival in any local medical institution are very slim. The odds are against you, making death imminent and you cannot expect

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support from the Government. The public must be made aware of the medical crisis that exists in the country. My mother was killed by the doctors and the medical system in Trinidad and Tobago.”

I did not say that. The hon. Member for Couva South is more familiar with the persons from the paper in which it was written than I am. I say no more on that.

I just wanted to highlight that commentary on the medical system in Trinidad and Tobago over which the Member for Caroni Central presides, and over which this Government has control.

To go further, Mr. Speaker, I want to spend a bit of time on it because I really do not care. I know what is going to happen with some of them because my mother said: “Long rope for magga goat.” There is a situation in the San Fernando General Hospital, Ward 16A which is a special care ward—that is where the Member for Fyzabad went when the blue light saved him. What he did not know is that the elevator that takes up the food in the hospital has been down for months. I am sure he did not know that. The food that he had to eat was accompanying dead people, patients with AIDS; it was accompanying all types of cleaning stuff, when he was in that hospital, and his good friend and campaign partner, Dr. Trinidad, was smiling near him and taking photographs while he was killing him softly. If he is not interested in what is happening to the people of the south, I am talking for them and their health.

Furthermore, Mr. Speaker, there are six medical wards at the hospital; Wards 11 and 3, 9 and 6, 12 and 7; and they admit people at the same time. Nine and 6 would admit at the same time, 11 and 3 at the same time, and 12 and 7 at the same time. There are times when each ward would take about forty patients with no beds available. When I say there are no beds, Mr. Speaker, some people think that a bed in a hospital is an expensive thing, but let me tell you what is happening. There are enough bed structures, but several of them are in an empty, unused ward downstairs. Several of them do not have any mattresses, and every time you do not have a mattress for a bed, it means you do not have a bed. Why are there no mattresses, Mr. Speaker? Because, the habit of using Macintoshes to cover mattresses in the hospital has been stopped.

Now, in a short while, the nature of illnesses of some of the patients will cause the urine to rot the mattresses and they cannot be used. For the cost of a Macintosh, or even if one does not want to use a Macintosh and one is too cheap—because I know they are not interested in the health of the people of this

country—one could get construction polythene and put it on the bed and there will be beds. No. Instead there are a number of people occupying benches in the night. Did I hear some grunting from the Member for Couva North?

Mr. Speaker: The Member will appreciate that the issues he is talking about are very important issues to talk about at a different time. I merely want to suggest that if the Member will relate it a little more to the Finance Bill that is before us, it may help.

Mr. H. Breaux: Mr. Speaker, I anticipated this, and that is why I took time at the beginning of my contribution to lay the groundwork of what I was going to say. What I said is that it is all right to look at the measures and determine that there may be problems with certain measures—as I had problems with the Pensions Act—and you could deal with those measures, but a prerequisite to dealing with those measures, and the condition precedent in talking about this Finance Bill at all, is whether you believe that there is either the competence, the commitment, or the character within the persons who have to administer the funds which will flow from this Finance Bill, when they receive them.

It is on that basis that I am saying, before I even talk about anything else, the funds that will come from here will have to deal with that. As a Member of Parliament, I have no confidence in how the funds are being handled, and I started off by saying the Government was incompetent. Having heard the hon. Member for St. Joseph say that I am not talking and just casting aspersions, I came with specifics about the hospital situation, and now, it is being said that I am being irrelevant. I have a real problem.

4.20 p.m.

Mr. Speaker: I will say to the hon. Member that, notwithstanding your explanation, I do still think that the issues you were just on are not germane to the Bill. However, to show how charitable we are, I want you to continue along those lines. I speak on your behalf.

Mr. H. Breaux: Thank you, Mr. Speaker. I see that you recognize the seriousness of what I am trying to do.

Mr. Speaker: No, no.

Mr. H. Breaux: Thank you very much, I am not being uncharitable at all. I thank the Speaker with due respect. You see, Mr. Speaker, I am going to relate—

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just to dramatize the situation—two points. On Saturday, March 22, 1997 at the Arima hospital there was a case of food poisoning at 8.00 p.m. A patient went there, stayed all night, and all that was given was 500 grams of Panadol. The patient is from La Horquetta. Last Monday night a seven-year-old got to the ward at 12.00 midnight, was vomiting while waiting to be observed, and did not leave until Tuesday at 4.00 p.m. Not even Gravol was given to the patient. I just used that to dramatize the problem as it exists in the health situation in this country.

Mr. Speaker, since I recognize your charity, I am also going to deal with another matter and I am going to tie it to the Finance Bill, because I do not want it to appear as though I am giving problems although, that is the nature of my business. We have in the First Schedule under Tariff Heading No.:

- "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
- 8518.50 Electric sound amplifier sets
- 90.06 Photographic ... cameras ...
- 90.07 Cinematographic cameras ...
- 9008.40 Photographic ... enlargers ...
- 37.06 Cinematographic film, exposed and developed, ..."

As I pointed out at another time, here in this Bill and in the Provisional Collection of Taxes Act, the duty on these items was reduced. Having regard to the provision in the Constitution of Trinidad and Tobago about freedom of expression, and on an international scale, an enshrined right under the Constitution is freedom of expression, and under the Human Rights Convention there is also freedom of expression and freedom of the press, I want to deal, particularly, with the ambivalence of this Government in respect of "freedom of the press" and how they have been dealing with it.

On the one hand they are talking about it and then, on the other hand doing something else. Mr. Speaker, I recall the hon. Attorney General, when he was in the Opposition talking about a Freedom of Information Act in 1986. What he did when they came into power—as a smokescreen and a bramble—was bring a Freedom of Information Act of which he knew very well, astute lawyer that he is,

that nobody would agree to, because it excluded more information than it purported to allow you to get. The method by which the information could be had was so circuitous that by the time you got the information the value had already dissipated.

Mr. Speaker, then there is the situation where the hon. Prime Minister—and I am glad he is here—went ahead and sought to remove a journalist from his job and the reasons he gave were that he was not going to speak to any reporter from *The Guardian* newspaper unless they had gotten rid of the news editor Jones P. Madeira. [Interruption] That is not my problem you are a former reporter, you handle that. All you did was discriminate against people when you were at the *Express* so let us not get to that. I am dealing with your boss. Eventually, pressure was put upon the management and the owners of the newspaper. What happened was that the managing director of the *Guardian*, the editors and all the senior people left. I cannot understand that kind of behaviour. One minute they talk about freedom of the press in the Constitution and freedom of information, but apparently the freedom of the press and the freedom of information that they are talking about is the freedom to talk nice and be their stooge.

Mr. Speaker, I want to deal with a particular thing that deals with this House. When we speak in Parliament—and I mean we, the Members of the Opposition—there is a man who is working for the Government Information Division called Hilton Braveboy. He gets on the TV and paraphrases what we have to say and then allows the Government ministers to parrot all they want. That is the kind of misinformation being perpetrated upon the citizens of this country. Further on, there is a situation existing now where all that a media house is trying to do is find out from the population whether they believe the Government has kept its campaign promises, and they have so—

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. K. Valley]

Question put and agreed to.

Mr. Speaker: The speaking time of the hon. Member is extended, in addition to which the House is suspended for 30 minutes.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Mr. Speaker: I call upon the Member for La Brea, notwithstanding the suggestion of the Opposition Chief Whip, that your 30 minutes should run from 30 minutes ago.

Mr. H. Bereaux: Mr. Speaker, I have gotten the hint but as most people know, some hints have to be very loud for me to hear them and even then I pretend I do not understand.

The Government in this Finance Bill has introduced certain measures which would lead one to believe that it is not true to its desire to follow the tenets as set down and the rights as enshrined in the Constitution of Trinidad and Tobago, to wit, freedom of speech. A very important element of that is freedom of the media. At this present time, there is a controversy because a certain media house, to wit, TV6 started televising some of the campaign promises recorded on video, featuring Members of the Government repeating promises made, and asking the population to vote on whether they have been kept, having regard to the fact that the Government has now been in power for 500 days.

What has this evoked? A call from certain Members of the Government that the media house was campaigning as a political party and attacking them. They even went further and demanded more time for people like Mr. Hilton Braveboy to paraphrase what the Opposition was saying and allow the Government to put forward its programme. This Government has taken more television time for disseminating its propaganda than any other in the history of Trinidad and Tobago.

Miss Nicholson: Nothing wrong with that.

Mr. H. Bereaux: I was just repeating what it does. The hon. Member will tell us what is wrong at another time.

Miss Nicholson: You are heckling me.

Mr. H. Bereaux: I am just dealing with it. It would appear—and I am in agreement with them—that they cannot even face their own campaign promises.

Mr. Hinds: That is right.

Mr. H. Bereaux: It is said that a dog must return to its vomit, but even their own vomit they cannot tolerate. One of the enshrined rights under the Constitution is the freedom of association, but an attempt was made through the appointed board of the Government, to prevent the voice of a trade unionist from being heard on national television; a television station which the money, that comes as a result

of the measures in this Bill, would have to fund in some way and then the board is appointed by the Government. These are the things with which I have a problem to support this measure. I cannot support it.

Then there is blatant misuse of the organs of Government, even out of the mouth of the Prime Minister. He said that he utilized the services of the intelligence forces to spy on the Opposition and even when he did, he could not tell the fellows who were going—which shows the mismanagement, spending the money for wrong activities.

I want to be charitable today and not go into some of the other financial indiscretions that I have noted. I would leave that for another time. I want to underscore the plight of the constituents of La Brea, the people who drive along those roads and pay their 4 per cent tax. They have been mistreated to the extent whereby all the Government has to do is to provide the labour because the material is there. Instead, what it is doing is bringing mud from all over and putting it on the roads of La Brea.

5.10 p.m.

I am going to deal with the Member for Fyzabad. I am only repeating what I read in the banner headline *the Independent* newspaper on Tuesday—"Baksh lied to Parliament". If I had to say that, I would say terminological inexactitude but that is what the banner headline said. Therefore, if he cannot speak the truth to Parliament, I do not want to hear him, but if he continues with that he will get more from La Brea than he got from Guapo residents when he went "playing the fool" that night.

Mr. Speaker, with those few words, I want to say that I am in total disagreement and disgust with the behaviour of this Government and I will also take my leave from this Parliament when I am finished talking on this Bill.

Mr. Speaker, I thank you.

The Minister in the Office of the Prime Minister (Dr. The Hon. Vincent Lasse): I rise to make a very brief intervention on this Bill.

Mr. Speaker, it was not my intention to speak on this Bill, but because of certain references that were made to the constituents of Point Fortin and also to the Member of Parliament for Point Fortin, I thought it important that I should speak briefly.

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Mr. Speaker, in the first instance, I would like to disabuse the minds of some Members on the other side who have continued, for some weeks, to indicate that Point Fortin is without representation. I want to make it very clear that from 1991 to the present time, Point Fortin has been represented by myself.

Mr. Speaker: I want to indicate to Members of the House that a proper reading of *May's Parliamentary Practice* makes it quite clear that when Members have spoken they have a responsibility to remain in the House for the rest of that debate, and not walk out, except with the leave of the Speaker. I want to indicate what is correct procedure, because a practice seems to be developing in the House where one speaks and disappears. One has a responsibility to the House to listen to things that are said after one has fired some shots, and I am quite prepared to talk to Members concerning that. One may get leave from the Speaker to leave, but the correct thing to do, is indeed, to remain and listen, having made a contribution.

Dr. The Hon. V. Lasse: From 1991 to the present time, Point Fortin has been represented by myself. From 1995—I want to make it very clear—I won the election by some 10,000 votes. [*Desk thumping*] Therefore, I want to disabuse the minds of those who may be thinking otherwise and, also, I want to caution my colleague of long-standing—the Member for La Brea—that one should not continue to drink bush tea for others ill.

Mr. Speaker, the Member of Parliament for La Brea mentioned the condition of the roads in La Brea, and I agree with him in certain respects because the roads in La Brea lead to Point Fortin. However, it has been a problem for successive Governments to deal with this question. [*Desk thumping*] Had the Member for La Brea remained in the House, I may have discussed it a little further. However, having said this, may I state that the question of the roads in La Brea is not simply a question of paving the roads; it is a question of maintaining the roads on a continuous basis.

The Member for La Brea and I had many discussions as to how we would deal with this matter but unfortunately, at this point in time, we have not been able to arrive at a successful conclusion. Had he been here, I would have informed him that the Minister of Works and Transport would be coming to Point Fortin on Tuesday, via La Brea, to deal with the question of the roads. [*Desk thumping*] That is why I believe it would have been prudent for him to have been here to be invited to join me as we travel through La Brea to Point Fortin, dealing with the question of the roads.

Mr. Speaker, I have noted the comments of the Member for La Brea concerning allegations of corruption and reference to corruption, but I think that he had been here in Parliament when the Prime Minister made it very clear that every allegation of corruption would be investigated. [*Desk thumping*] To date, independent commissions of inquiry have been put in place to deal with the alleged statements of corruption. I am therefore confident that the Government is doing all it can to address this question of alleged corruption.

Mr. Speaker, I have already dealt with the question of the roads in La Brea and as the Member of Parliament for Point Fortin, during my period from 1991 to the present, I have co-operated with the Member for La Brea, since we believe that we share common borders and the same road, to have this matter dealt with. As a Member of Parliament, I am confident that under this Government of national unity, [*Desk thumping*] I will continue to address the matter, hoping that this situation will be rectified.

Again, Mr. Speaker, I am in the process of dealing with this matter. However, with specific reference to the measures in this Bill as they relate to the residents of the Point Fortin constituency, I wish to put on record, my appreciation to the Minister of Finance for introducing certain measures which would tend to alleviate the pressures of my constituency.

5.20 p.m.

Old age pension has been increased from \$366.00 to \$420.00 per month. My constituents welcome this increase. I also wish to state that they welcome the fact that they will be receiving three months' backpay.

I would also like to touch on the question of taxation which has been simplified and persons would receive tremendous benefits.

Finally, I wish, on behalf of my constituents, to put on record their appreciation for the reduction of customs and excise duties.

I thank you.

Mr. Roger Boynes (*Toco/Manzanilla*): Mr. Speaker, I had not intended to rise in this debate but given the intercession by the hon. Member for Point Fortin, I have no choice but to just make a few remarks.

As a young parliamentarian, I have come into this Parliament, understanding and appreciating that the function of a Member of Parliament is to represent his

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people in the constituency for which he has been elected. I believe in the doctrine of the political party and, under that umbrella, we are given certain guidelines, principles and morality upon what we put forward towards the general populace.

[Off the record]

Mr. Speaker: I ask that all that the hon. Member has just said relating to sitting on the other side and the devil be expunged from the record. I want to indicate to the hon. Member that I allow latitude in debates but for several reasons what you just said is unacceptable. One of the first announcements I made at the beginning of the Sitting concerned a certain court action which has been taken against the Speaker and which I found necessary to read into the record. In addition, what you just said has absolutely no relevance to the Bill before us. In the heat of the excitement, we do say some things which are not relevant but let us now deal with the issues, please.

Mr. R. Boynes: If I may just indicate that the price of gasoline has increased and as a result there is a problem for my constituents in Toco. At present they do not have any form of public transportation. The transportation problem in that area is very difficult and the increase in the gasoline price compounds the situation.

I have suggested to the regional corporation that a joint venture with the Public Transport Service Corporation, utilizing the maxi taxis, is the way to go to solve that particular problem. I am asking the hon. Member for Pointe-a-Pierre to focus on that as a possible solution to solve the transportation problem in our particular jurisdiction.

With those few words and to set the record straight, if it is the hon. Member for Point Fortin is truly independent as he says he is, I am asking him to do the honourable thing by facing the polls and letting the people decide if they want him as their representative.

I thank you.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Speaker, I am joining this debate really to make a very small contribution. This is the third occasion that we are dealing with this matter. We dealt with this matter in my contribution to the budget debate, we dealt with it in the Provisional Collection of Taxes Order and today we are dealing with putting the legislation in place on a permanent basis.

I listened to the hon. Member for St. Joseph and I really do not want to repeat some of the things I said in the budget debate nor do I wish to repeat some of the

matters raised in the Provisional Collection of Taxes Order debate, but I would simply say that three months is a very short time in which one can arrive at the conclusion to which the hon. Member for St. Joseph seems to have concluded.

I want to deal with a few specific issues relating to the legislation. The first one relates to the Registration of Clubs Act, Mr. Speaker, which is the first matter on page one of the Bill. I contend that this legislation is quite inappropriate for what the Minister seems to be attempting to do.

The Registration of Clubs Act is contained in Chap. 21:01 of the laws of Trinidad and Tobago. Basically, this legislation allows for members' clubs, proprietary clubs, sports and recreation clubs which are indigenous to our communities.

Section 5(4) of this Act states:

"The Secretary of any members' club in which gambling is carried on under the Gambling and Betting Act, shall at the time of making application under subsection (1) make an application for the grant or renewal of a certificate to the Licensing Committee of the Licensing District in which the club is situated."

This means, as a members' club, one has to look at the Gambling and Betting Ordinance to see what are the provisions under which a members' club can engage in gambling. The relevant section, section 10 of the Gambling and Betting Act states:

"Notwithstanding anything contained in this Part, other than the provisions relating to lotteries, but subject to section 11, the following premises shall be deemed not to be common gaming houses and are exempt from the provisions of this Act that render a person liable to be convicted of an offence for gambling in or suffering any games or gambling in, or for keeping or using or being concerned in the management or conduct of a common gaming house, that is to say

(a) a private dwelling house;"

5.30 p.m.

“(b) a members’ club within the meaning of the Registration of Clubs Act is permitted under the said Act to carry on gambling as an activity of the club in pursuance of part only of its common object.”

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So that a members' club is allowed to carry on gambling, but under certain conditions which are contained in section 11. It says:

“Subject to the provision 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.”

Mr. Speaker, you know that if you go to some places there are odds against you. So that it seems to me that cannot fit there. It goes further:

“(b) that no money or money's worth which any of the players puts down as stakes, or pays by way of losses, or exchanges for tokens used in playing the game, is disposed of otherwise than by payment to a player as winnings.”

What that seems to me to be saying, quite clearly, is that no house can take any part of it. It is a game; each of us sits around a table; we all have an equal chance of winning, and if you win, Mr. Speaker, you take your money and go home. The house cannot keep any part of it. Similarly if I win—I hope that is my luck—I would take my money and buy some drinks—I will give you a drink—and go on.

That is the members' club. What we see is that there is an attempt to include some games here which are not indigenous to these types of recreation clubs, games which have developed and which, as we know in Trinidad and Tobago, have been carried on illegally in these clubs.

We have to look at the present schedule which talks about the fee the clubs would pay pursuant to their membership. It has been revised from time to time. The last revision, I think, was in 1993—1994, but you would see at that time members' clubs paid a \$300 fee and if it is a proprietary club, it paid a membership fee based on the number of members. It appears that that schedule is being replaced and is now not based on club membership but on how many poker tables there are; how many Caribbean stud tables, black jack tables, and so forth.

We are taking a piece of legislation that was designed for one purpose and seem to be attempting to use it for a purpose which was never contemplated. That

was the first thing I wanted to say on this legislation. Even if this legislation is passed, those clubs would still be operating illegally, because they would be coming under the Registration of Clubs Act. They would be engaging in games in which all players will not have an equal chance of winning because the house would be taking part of the stakes. So it appears to me that even if we were to go through with this legislation in this way, those casinos would still be operating illegally.

I ask the Government to look at this again. If the Government wants to have casinos, it ought to bring the legislation and we need to debate it in the Parliament, but we need to leave our registration of indigenous clubs where the community people, rather than going to kill people and so forth, come into the club; drink a beer or they may play a game of rummy. In most of these clubs, as you would know, Mr. Speaker, they have their own rules. In most of them you would see, “No Obscene Language”, and there is control in the clubs. I think we should leave that.

What this legislation has done is really put these indigenous clubs at a real disadvantage. It appears to me that one did not consider these clubs. They paid their \$300 membership; unless they had a liquor licence, they were not supposed to be selling liquor. But now, they are increasing their membership fee to \$1,500—and I am talking about the indigenous clubs because this is the Act for them—and if they want to be able to sell liquor, they have to pay a further \$2,500 for a restaurant licence, while the restaurant pays merely the \$2,500 to operate.

A few nights ago some of these members’ clubs, concerned as they are, got in touch with us and asked us to look at this for them. They are saying, “if they want to charge us a \$1,500 membership fee, that is fine, but then, we do not mind paying a further \$1,000, in other words, paying the same \$2,500, but give us the right to sell the liquor.” If one wants to have legislation for Casinos, one has to come to the Parliament and say, “this is what I want to do.” Trying to do it this way, will not help the casino-type clubs. Mr. Speaker, perhaps you and I might be there thinking that we are there legally and then the police comes and takes us down. That would be rather embarrassing, would it not? So we do not want that.

That is the first issue I wanted to raise and I ask the Government to look at that. With respect to the liberalization of investment funds for insurance companies, I have looked at that over and over again and I still have a concern at page 73 of the legislation. What the legislation says is that insurance companies would now be allowed to invest their funds externally in mutual funds and so forth.

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It says at page 73 that these insurance companies can invest funds in “unit certificates, shares or other evidence of participation in financial assets, the portfolio of which is regulated in a country listed in subparagraph (a)(ii) and approved by Order by the Minister.”

I have a difficulty with the last part, which is the approval that is required by the Minister. My colleague, earlier today, dealt with certain issues and, quite frankly, one has certain concerns with respect to provisions such as this. I think if insurance companies are to be allowed to invest their funds in these certificates which are regulated by these OECD (Organization for Economic and Co-operation Development) countries, if there is need for further guidelines, those guidelines should be spelt out so that the public, and more particularly the insurance companies, would know with a high degree of certainty whether or not a given fund would be approved for investment.

5.40 p.m.

I do not think that we want to leave this to the whim and fancy of the particular Minister of Finance so I suggest that the guidelines be spelt out. It says clearly that the fund must, first of all, be regulated by an OECD country and, if there is need for further guidelines, those should be spelt out so that we know for certain. In that way, any particular minister would not be able to approve one fund because of a particular allegiance to the person who is running that fund here in Trinidad and Tobago, and fail to approve another fund because it is run by someone else. I would also want the Government to look at that.

Mr. Speaker, then there is this Excise Order for which the Government is seeking validation. We know that for some time now, Motion No. 2 has been on the Order Paper, and it has not been dealt with. We understand why it has not been dealt with. This is under the Excise (General Provisions) Act, Chap. 78:50, where at section 13(1) it is clear that:

“Parliament may from time to time by resolution impose excise duties and revoke, reduce, increase or alter any such duties and provide for exemptions therefrom. However, all excise duties in force at the commencement of this Act shall continue in force until revoked, reduced, increased or altered, by resolution under this section.”

What it says quite clearly to me, Mr. Speaker, is that if one wants to change excise duties one has to do it by resolution. It goes on in section 13(2) to say that when that is done, after four days, but within 21 days that order must be submitted and confirmed in the Parliament.

Now, some people claim that there has been some vagueness in the legislation; that it must be submitted but it does not necessarily have to be confirmed. I submit that, up to now, the interpretation has always been that the order must be confirmed within 21 days. That has been the practice with respect to the Provisional Collection of Taxes Order.

What we have seen, first of all, is that the Minister announced in the budget speech, certain changes in excise duties relating to CNG and gas prices, and while old age pensioners are still waiting to get their money—*[Interruption]* It is a statement of fact—we were paying the excise duties from January 1, 1997.

Mr. Speaker, we are seeing here that the Minister is now seeking validation of collection of moneys in respect of compressed natural gas. What it says is that the Minister just forgot—it appears—to bring the required order in time so that this tax would be collected legally. It has not been brought up to now. Clause 14 says:

“All monies collected or received in respect of the imposition of an excise duty on compressed natural gas between January 1, 1997, and the date of the coming into force of the Finance Act, 1997, and which monies were not authorised to be so collected or received...”

Here, the Minister of Finance has been taking our moneys from January 1, until now, and is telling us that although he took it illegally he wants to keep it. *[Interruption]* My colleague says he is giving money to everybody, but the little money that we have he is taking it from us illegally and is now asking us permission to keep it.

Mr. Speaker, I understand that there is a fundamental concept in taxation, that a tax cannot be retroactive. So, I cannot understand on what basis the Minister could come here to ask us to validate such an occurrence. *[Desk thumping]* The difficulty is that the Minister seems to have been busy doing everything else—fixing everybody else—but not doing the job for which he was appointed. *[Desk thumping]* So, we have a situation where an important piece of legislation has been allowed to lapse since he forgot to bring the order; not two, three or four days late, but three and a half months late, and now, boldfaced, telling us, “Let me keep it”. The clause continues:

“...shall be deemed to have been lawfully and validly imposed, collected or received and no legal proceedings or other action...”

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Boldfaced! He took my money and now does not want to give it back to me, although he took it illegally. I know the Minister of Finance knows me and he knows that if people have a penny for me I want it. I do not want anything somebody else has, but if you have a penny for me, give it to me. So, please, in my case, I want back my money. [*Desk thumping*] [*Interruption*] I already told the Member he can have an investigation any time. Anytime!

Clause 15 of the Finance Bill before us deals with petroleum products and in that case the order was made on February 2, 1997 so that at least he was a little better there. It beats the mind. One cannot understand how one order can be made late and the other forgotten about entirely. This one talks about:

“All monies collected or received in respect of the increase in the excise duty on petroleum products between January 1, 1997, and February 2, 1997, and which monies were not authorised to be so collected or received, shall be deemed to have been lawfully and validly increased, collected or received and no legal proceedings or other action of any kind shall be entertained in respect of or in consequence of such collection or receipt.”

Mr. Speaker, that was the gas price that we paid between January 1 and February 2, 1997, collected illegally and the Minister wants to keep it, but it is worse than that. Although the order was made on February 2, it was not confirmed within the 21-day period. It is my contention, therefore, that all moneys collected up to this time were, in fact, collected illegally and that there can be no validation based on the principle that taxation cannot be retroactive. We have very serious difficulty in agreeing to this basic principle of taxation. If one wants to collect taxes from January 1, one must do the work. One must not be concerned about other things at the expense of the state; find some time between calls to take care of your business.

5.50 p.m.

The other minor issue I want to deal with is at clause 6 of the Bill where the following new subsection (10) would be inserted in section 34A of the Income Tax Act:

“Where the interest has been accruing to a resident individual prior to the commencement of the Finance Act, 1997, and that interest is paid or credited to him on or after such commencement, there shall be charged upon that interest, tax at the rate of ten per cent.”

That is a reduction of the tax from 15 to 10 per cent by now putting it on both foreign interest earnings as well as TT dollar interest earnings. The proposed subsection (11) is interesting. It states:

“Notwithstanding any other written law to the contrary, where the accounts referred to in subsection 1(b) are operated in a foreign currency, the tax shall be paid in the currency in which the accounts are operated.”

Another basic principle is that in a host country the legal tender must always be accepted. What this subsection seems to be saying is that if one has a foreign currency account which earns interest, one has to pay that tax in the currency in which it is earned. I cannot pay that tax in TT currency so that for this purpose it appears that the TT dollar is not legal tender. To me that is obnoxious because in Trinidad and Tobago, especially in the Point Lisas Estate, there are a number of firms there which seem now to be saying that they want payment in US currency.

In Trinidad and Tobago, the TT dollar is the legal tender and if that is the legal tender that must always be accepted with respect to any transaction that is done in Trinidad and Tobago. When the Government comes to the Parliament seeking to put into the law, that for a particular purpose the TT dollar is not legal tender, I have a difficulty with that. [*Desk thumping*]

Those are the small points. For me, the big issue in this Finance Bill is the employment allowance which is on page 17 of this legislation. While the Member for St. Joseph was speaking he made the point that on the last occasion a Member said it was corruption, and it was a gift to Ish and that we were doing the same thing. That last statement, of course, is incorrect; the last statement that the government before us was dealing with it via a bond. The PNM government said no to it.

Mr. Speaker, I have looked at this employment allowance in different ways and I can only conclude that somebody wants to provide a benefit to somebody.

This employment allowance says that the wage of an additional worker, as long as it does not exceed \$4,000.00, one would be allowed as a deduction twice the amount for tax purposes and that if an individual were to form a company for the first time, on January 1 or thereafter, every employee that he takes on, as long as his salary does not exceed \$4,000.00, it would be deemed to be an additional worker and thus the employer would benefit through that deduction of 200 per cent of the wage bill of its employees.

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I have argued before that this issue is a complicated one. We heard the Minister talking about simplifying the tax. This issue was tried before; not at this level but at a lower level when there was a serious problem with unemployment. It did not work because it was extremely cumbersome. It is clear, given the way that this is defined, that the main benefits would accrue to persons in the construction trade.

One wonders, given what we know about what is happening in the construction trade; first of all, why is there a need to provide an incentive for employment in that sector? As a fact, we know in Trinidad if not in Tobago, that over the next two and a half years there would be quite a bit of construction activity, especially in the energy sector.

Mr. Speaker, if one wants to provide a benefit for a friend, one would put such an allowance in especially if one could tell his friend beforehand that it is coming so that the friend can be very competitive with his tender. If I am getting a 200 per cent deduction in my tendering I do not even have to budget for a profit because the profit is implied to the extent that I am getting a 200 per cent deduction, assuming that my average wage bill is about 40 per cent—and one can do the arithmetic. Implied in that, given our current tax rate, one can see a profit of 25 per cent. I do not have to budget then for profits. It gives that individual a competitive edge to start with on his tendering while other persons may not have known and thus tendered on the normal basis.

If there is an individual who is favoured by the Government and who is getting all types of contracts [*Interruption*] Aye, Aye, I thought you said Ish. I was not doing all of this work so I have to employ people, so there are all types of additional workers; every worker I now employ is now an additional worker. I am finding a nice way by coming to the Parliament, legally stealing from the Treasury, putting it into the law. One does not have to do it under the table. They are doing it above the table, Parliament will approve it and that is what this measure is about. There is no other purpose for this measure.

6.00 p.m.

In the manufacturing sector they have to be competitive internationally. They would not hire one additional worker because of this measure. As a matter of fact, they want to have state of the art equipment and as few employees as possible. This measure is a gift to Ish. Plain and simple! It has no place whatsoever in this legislation.

As I said, there were other issues with which we dealt in the budget debate. We spoke about those issues in the Provisional Collection of Taxes Order and I shall not repeat them here. The Member for St. Joseph and I had a short discussion before the start of the session. I would refer him to page 18 dealing with a proposed Eighth Schedule and at 2(1), Amount of employment allowance. It states:

“An employment allowance of two hundred per cent of the salary or wages actually paid to each additional worker, shall be granted to the person engaged in trade and such allowance shall be granted in respect of each additional worker, for the duration of his unbroken employment not exceeding twelve consecutive months.”

Thank you.

Mr. Barendra Sinanan (*San Fernando West*): Mr. Speaker, in making my contribution on the Bill before us, I assure you that at this time I would not get involved in speculating whether any Members or supporters of the Government are involved in corruption or otherwise, or while the chief is away members of the Cherokee tribe are on a raiding party. That would be for another time, perhaps, in this same place. For the moment, I would leave that matter to the hearts and consciences of those Members on the other side. I can easily identify such Members on the other side, for example, the Members for Barataria/San Juan, Caroni Central, my constituent, the Member for Naparima and my dear parliamentary colleague, the Member for Tobago West.

I would deal with one point which was raised by the hon. Minister and mentioned by the Member for St. Joseph. That has to do with the reduction from 15 per cent to 10 per cent on domestic saving accounts in local currency. I compliment the Minister on reducing the tax. I hoped that in order to encourage savings he would have reduced the tax to nil. I appeal to the Minister to look at it. To me, this is one of the nuisance taxes to which I think the Member for St. Joseph referred. In order to encourage savings in the national community, it would be better to remove this tax altogether.

It was passing strange that the Member for St. Joseph did not allude to the converse stated by the hon. Minister of Finance and Minister of Tourism, that is, the tax of 10 per cent on foreign currency held in local accounts. It is well known that prior to the currency liberalization in 1993, a number of Trinidadians held foreign accounts, albeit illegally. Since then, it is true to say that some of them brought

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back their foreign currency to the local banks, earning more interest than they would have earned in a foreign account held in a foreign country.

By introducing this tax of 10 per cent on the foreign accounts held in local banks, I ask the Minister to state in his winding up whether he has taken into account what effect this would have on those depositors. Would that money stay in the country or leave the country? It is fair to say that almost all this money would leave the country. People held money abroad in these foreign accounts because they did not pay taxes here unless they disclosed it or were caught. They would have gained more interest than they would have in a foreign bank. By introducing a tax of 10 per cent, I suspect that there would be capital flight in this country.

If I am not mistaken I think that locals holding foreign currency in the local banking system would be to the tune of US \$450 million to \$500 million, perhaps more money than the foreign currency held in the Central Bank. By placing this tax of 10 per cent on these accounts I think the Minister is on dangerous ground. I ask the Minister to look carefully at the impact that this measure would have.

Before I take my seat I welcome the hon. Leader of Government Business in the Senate. Perhaps he intends to fight for a seat. I see he is in the seat of the Member for Couva North. Perhaps that is a good sign. Probably at the insistence of the Member for Couva South, he is thinking about taking on the seat of Couva North. It is a good seat to occupy.

Thank you.

The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung): Mr. Speaker, whilst I want to go on record as thanking the Members on the other side for their comments, I must say that I was depressed this week and looking forward to a lively debate. Unfortunately, the contributions made by those on the other side served to depress me even further. Regrettably, the contributions which have been made did not focus on the matters before this House. Instead, we have been subjected to a lot of grandstanding, gallerying and inane irrelevancies on a Bill which has very far-reaching consequences for this country.

6.10 p.m.

It shows clearly that this Government expresses, in financial form, the concerns it has for the people of Trinidad and Tobago, and that it wants to ensure that the economic prosperity of this country continues to be shared as equitably and as

fairly as can be done. Instead, we have been inundated with irrelevancies from Members on the other side, which really put me in an awkward position, as I find myself on my feet with nothing to which to respond.

It started off with the comic on the other side—my friend, the Member for St. Joseph would have said, the court jester. Because I wanted to have the experience of a more lively debate, I thought I would have been made aware of some of the financial policies of that side by a criticism of the Bill. I heard much about returning nationals and who bought what. I heard about devices under modification of the Bill which allows tables. I heard about the sale of Trinidad and Tobago Methanol Company, which has absolutely nothing to do with this Bill, and I continue to find myself very much in a quandary wondering what to talk about that will at least make the Member for Diego Martin East sound intelligent. Regrettably, I am unable to rise to the occasion, seeing that he has really made very little of a contribution this afternoon. It was the same banal contribution that he has been making and I suspect that, in this age of technology, one of these days he will send a picture of himself and a tape recording because it would be the same, same things.

The Member for La Brea made one comment which I felt was worthy of response. He said that there should be no suspension of old age pension, so we should not give the Minister any such power. That is typical of the way that side has administered the affairs of Trinidad and Tobago. So, in cases where, for argument sake, a pensioner migrates, that side will be happy to continue sending his old age pension cheque to an address in Trinidad and Tobago, even though such pensioner no longer lives here. We on this side feel, that for the ease of administration, if someone has migrated and we are unable to find that person, at least the Minister should have the power to discontinue such payments.

Then the Member for Toco/Manzanilla rose. I thought I would have had something to say, but I have written absolutely nothing under his name.

I come now to the Member for Diego Martin Central, who I thought would have been the Finance Minister. Do you know what I admire about the Member for Diego Martin Central? He thinks that he is an expert on everything. He thinks he is an attorney, an investment banker, a businessman, a deal broker, a consultant, and he actually convinces himself of this. That is the strange thing about it.

His entire contribution was a criticism of the attorneys who work for the Ministry of Finance. Let me be honest with you, Mr. Speaker. Everyone knows

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that I am an accountant by profession. I am not an attorney; I am a policy-maker. I suggest the ways and means by which we raise revenue and how we spend money. I am not the person who drafts laws. The Member for Diego Martin Central has spent a great deal of time criticizing the laws and the way they are framed and I really find it very difficult for me to put myself up as a legal draftsman who will rebut some of the criticisms that he has levelled.

In the case of the membership of clubs, he felt that it should not be this law. I am not in a position to say which law it should be, but I am willing, during the committee stage, to look at it more closely, and with the advice that we get from our legal draftsmen, to see whether there is any merit in what he says.

I would say, however, that to my mind, the provision which imposes a fee on a members' club is included in the registration of clubs at clause 23. I understand clearly that there are two types of clubs. There are clubs which are registered which have gambling, and others which do not have gambling. The clubs which require a licence to conduct gambling, will, in addition to having a registration as a members' club, have to get a licence for the purposes of conducting gambling. I would, therefore, expect that there would be a basis upon which those members' clubs which want to carry on gambling would have to pay, from those not conducting such an activity. All I sought to do was to improve the ability of the revenue authorities to collect money on that basis, instead of having the tax loosely calculated on a membership that cannot be substantiated and using instead a basis which is hard evidence, namely, the question of the number of gambling tables which exist in that club. This, to my mind is not only for ease of administration, but certainly ease of certainty on both sides, namely, the person who is applying for the licence and the person who is issuing the licence. That is all I sought to do by this measure. I really see no difficulty in understanding the relevant clauses in the Bill that deal with this matter.

With respect to the question of allowing the Minister of Finance the authority to approve statutory fund investments, there is already a precedent which allows the Minister to approve qualifying investment funds. I do not understand why the question of investment funds under the Organization for Economic Co-operation and Development should be different from the way it has been administered in the past, in terms of the Minister having the authority. The suggestion was merely that one insurance company would be favoured over another.

If a particular investment fund is approved in a particular country, that information will become public knowledge and any insurance company which applies subsequent to that will be granted the same right to invest its statutory funds in that investment, as the previous ones. How could discrimination come about? How we will deny one and not the other, I have no idea.

If there is to be a schedule, to my mind the persons who will seek the Minister's approval will be the insurance company. How can I provide a schedule unless I provide a schedule of every investment that is available in the Organization for Economic Co-operation and Development countries. I would think that it would be at the prompting of the insurance companies which apply to have the funds invested in that company that would cause the Minister to have it investigated to see whether it needs prudential criteria, and then approve it. To provide a schedule of funds is impractical, merely because it would mean having to subject the ministry to doing an analysis, for prudential purposes, of every single fund in a company.

Having done that one may find, in any case, the insurance companies are unwilling to invest in most of them. Therefore, the work of having done that prudential criteria, would have been totally—

6.20 p.m.

Mr. Valley: I thank the hon. Minister for giving way.

Mr. Speaker, I am simply making the point that the legislation says, first of all, that the fund must be registered in an Organization for Economic Co-operation and Development country. I am talking about guidelines which could very well say: "It must be registered in an Organization for Economic Co-operation and Development country and outline the other guidelines that would qualify a fund for approval." All I am asking for is transparency.

Hon. B. Kuei Tung: Mr. Speaker, I am not sure if the Member has added anything more to what he said before. This Government is already committed to transparency and more will be given, however, if it is requested.

The other area that the Member spoke about was the question of the foreign currency tax of 10 per cent being imposed on the interest on locally held foreign currency accounts. Again, it is a question of how the Member for Diego Martin Central has interpreted this. I will use an example. If a US-dollar currency account is held in a local bank and interest is earned, for ease of administration, it is easier

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for that bank to deduct the tax on that interest, at source, in the same currency and remit it to the Board of Inland Revenue. The question of it being legal tender does not arise. Mr. Speaker, for the bank to have to transfer that sum into local currency and remit it means that the bank would have to certify at what rate it was done, because as the Member for Diego Martin Central knows, a floating rate regime was introduced by his administration. As I said, it is only a question of ease of administration; it is not a question that the TT dollar is no longer recognized as legal tender. However, I have heard less spurious arguments than that this afternoon.

Mr. Speaker, the fact that employment allowance did not work previously is no guarantee that it would not work now. This Government is committed to try every single strategy to ensure that the unemployment problems we have are addressed. In this case, we are ensuring that if any company chooses to increase its labour force it would be done on a matter of inducement.

The Member for Diego Martin Central said that manufacturers have no benefit. Again, that goes to show whilst he thinks he is a businessman, he does not think as a businessman. It is easy for me as a manufacturer to say: "I can now take advantage of this section because if I run a second shift I would need additional employees and, therefore, the additional employees would now provide me with an inducement, an incentive to move to a second or third shift." Of course, the Government did not think of that. It has to think that manufacturers will look at these measures and spurn them as they have done in the past.

The final comment was from the Member for San Fernando West and I am glad I had the opportunity to hear him. I have been in this House several times and I have not had the benefit of listening to his contribution. I understand how he feels. I am told—I am subject to correction—that the poor fellow thought he would have been on this side when he joined that side. However, he ended up on that side instead of this side. I am not sure if I got that totally right. As a result of this, the question of political "tabanca"—I will say, Mr. Speaker, I do not know anything about "tabanca" *[Interruption]*

Mr. Sinanan: Mr. Speaker, I thank the hon. Member for giving way.

I assure the hon. Member that I am very comfortable on this side of the House and I will never be on that side. *[Laughter]*

Dr. Griffith: As long as Mr. Manning is your leader you could be assured of that. *[Laughter]*

Hon. B. Kuei Tung: Mr. Speaker, I have no objection if the Member wishes to remain on that side. *[Laughter]*

Mr. Speaker, on a more serious note, the Member for San Fernando West issued a word of caution and it is one that I have taken into consideration. From listening to him, however, I got the impression that he thought that there was a 10 per cent tax on holdings and not just on interest. Indeed, if an attempt was made to tax holdings then, obviously, there would be capital flight. I still maintain, though, that even with the 10 per cent tax on interest on savings, our rates of interest in Trinidad and Tobago are still more competitive than those overseas. Let me give the other assurance that this is merely a transitional arrangement for implementing our policy later on. Our approach is to see whether what we consider to be a disincentive to savings could be removed. Ultimately, revenues allowing, this Government wants to move towards where there would be no tax on interest on savings for local or foreign currencies. In my view, this is merely a transitional arrangement and, as I said, the Government hopes to move towards that.

There are a number of amendments which have to be moved. These amendments will be circulated shortly. Basically, the amendments are to tidy the drafting and they would be closely looked at during the committee stage.

Mr. Speaker, I end by saying that I really admire the Member for Diego Martin East. He is a very skilful debater and he has used his skills to the maximum; I consider him to be the best. If I wanted to be sinister, I would wish to be like him; he is the best. If I wanted to be devious, I would have tried to be like him; he is the best.

Mr. Speaker, I thank you, and I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

6.30 p.m.

Clause 1 ordered to stand part of the Bill.

Clause 2

Question proposed, That clause 2 stand part of the Bill.

Sen. Kuei Tung: Mr. Speaker, I beg to propose an amendment to clause 2 which reads as follows:

“2 (a) in relation to Section 5(5) (c)
of the Registration of Clubs Act

Delete the words “the year
1997” and substitute the
words “the year of application

2(c) in relation to section 23 (4) of
the Registration of Clubs Act

Delete the words “the year
1997 and substitute the words
“the year in which the
application for renewal is
made”.

Mr. Valley: Mr. Chairman, I have a real difficulty with clause 2. I feel it is going to put the real members' club at a disadvantage and it would not assist the casino-type members' club which this legislation seemed to favour. It would not, in my humble view, favour the other casino-type clubs at all.

The Minister of Finance and Minister of Tourism, in his winding-up, mentioned the fact that section 22 dealt with the fees and if one were to look at the Schedule attached in the existing legislation, one would see that they were based on fees per member for the members' club as well as the proprietary club. That has now all changed to the tax on gambling tables. If it is correct that under members' club, a tax ought not to be paid as per the Gambling and Betting Act, the tax stated in the Bill would be onerous. It means that the clubs would not be able to tax bets. Of course, the only one that is relevant for the normal members' club would be the poker table. It means that the Government would have to pay that sum from their other revenues.

I, therefore, ask the Government to look at this section once more.

Sen. Kuei Tung: Mr. Chairman, I could undertake to review the whole matter subsequently, but at this point we need to have the tax on a gambling table and other devices to be imposed. I am not sure if the Member is suggesting that we do that review at this stage.

Mr. Valley: Mr. Chairman, I am saying that if you were to put that casino-type club in place we would still be operating in an illegal environment because there is no amendment to the Gambling and Betting Act, Chap. 11:09. That would still deem such undertaking to be a common gambling place for illegal activity.

Mr. Chairman: I notice that there is also a list of amendments which have been tabled and filed and Members would have that before them.

Mr. Valley: Mr. Chairman, we have just received the list so I have not had a chance to look at it. Just looking at what it says, I do not think it would change the substance of the argument. The Minister pointed out that, of course, he is not an attorney and, perhaps, he did not look at the legislation. If the Member brings legislation to the House I hope he would take responsibility for them. Perhaps, he wants to check his technical people for help, but it appears to me that this is trying to use a carriage to do an airplane's job.

Sen. Kuei Tung: Mr. Chairman, I have been assured in writing by the attorneys present that this is the appropriate way to go, so I am at a loss. It certainly carries through the policy that I have sought to achieve and, as I said, I have been assured by the attorneys who are here that is the correct way to go.

Mr. Maharaj: Mr. Chairman, if I may intervene, I wish to say that from all the departments that are here, the lawyers have looked at it, the Chief Parliamentary Counsel and the Ministry of Finance—

Mr. Valley: Is this in accordance with the Gambling and Betting Act?

Mr. Maharaj: We are happy that it does not, in any way, contravene.

Mr. Valley: All right.

Mr. Chairman, there is one other point before we move, but, perhaps not under this section. With respect to the indigenous members' club, I think we need to put a regime in place to allow them to pay \$1,000 for their liquor licence. In other words, they are now paying \$1,500 members' fee whereas a normal restaurant pays \$2,500. They should pay the additional \$1,000. Again, I am saying that the Government needs to look at that. That is the representation that was made. Again, in the members' club, they are not supposed to sell alcohol without a liquor licence. The Government has gone to \$1,500 for members' club and they are saying that they were willing to pay the \$2,500—whether it is \$1,500 plus \$1,000 or exactly \$2,500, but they want the right to be able to sell liquor. You may want to look at that.

Mr. Sinanan: Mr. Chairman, in the Schedule, Part II, Item 9, page 3 says:

“For every other table or device not mentioned above...”

Would the hon. Minister clarify whether the word “device” would include the one-armed bandit?

Sen. Kuei Tung: No. I am told that under the Gambling and Betting Act, certain equipment which pays out money is banned as such. This does not remove the ban so it is still in effect in terms of slot machines, one-armed bandits and what have you. This is meant to be a catch-all phrase because we assume that from time to time new devices in terms of new tables and games may come up. This is to ensure that the devices that are not listed from one to eight—because it is different from these—would pay no tax. So we use that as a catch-all phrase to trap anything else that is not listed between one and eight. It is certainly not intended to attract a tax on one-armed bandits or slot machines.

Mr. Valley: Mr. Speaker, I do not want to belabour the point but for my clarification, how does this legislation square with section 11(1)(a) and (b) of the Gambling and Betting Act? Can anybody just enlighten me?

Hon. Member: What does it say?

Mr. Valley: I read it in my contribution. It states that a members' club can engage in Gambling and Betting provided:

- “(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;
- (b) that no money or money's worth which any of the players puts down at stakes, or pays by way of losses, or exchanges for tokens used in playing the game, is disposed of otherwise than by payment to a player as winnings;”

Sen. Kuei Tung: Is that section 11 of the Gambling and Betting Act?

Mr. Valley: Yes.

Sen. Kuei Tung: What is the question?

Mr. Valley: I am saying that this is the section under which a members' club can engage in gambling. It is saying that if we are gambling in a members' club, there cannot be any house taking part of the money on the table. That is the net effect. That seemed to be diametrically opposed to what is contemplated here, because in this Bill, as you know, under Caribbean Stud Poker Table, the Black Jack Table and so forth, the house takes part. That is the bottom line.

Sen. Kuei Tung: I do not know about those things.

Mr. Valley: I believe you.

Mr. Imbert: Mr. Speaker, there is one device that puzzles me which is the roulette table. The roulette table, in particular, in my view, does not give each player an equal chance, and that is why it is presently illegal. Why are we imposing a tax on an illegal device? I do not understand the logic. As far as I know, a roulette table does not give each player an equal chance. In a game of poker, it is defined as a game of skills—everybody gets an equal chance, but a roulette table does not give everybody an equal chance.

Mr. Maharaj: Mr. Chairman, I know this is causing concern to Members, but may I say that I do not know if they got legal opinion. Our legal opinion is clear that it does not contravene the Gambling and Betting Act or any other law. That is the opinion.

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

6.40 p.m.

Clauses 3 and 4 ordered to stand part of the Bill.

Clause 5.

Question proposed, That clause 5 stand part of the Bill.

Sen. Kuei Tung: Mr Chairman, I beg to move that clause 5 be amended as circulated:

5(1)(r)(i) in relation to paragraph (6)(b), (c) and (d) of Part I of Appendix A of the Fourth Schedule to the Motor Vehicles and Road Traffic Act

Delete the words “(1), (2), (3) and (4)” wherever they occur and substitute the words “(1), (2), (3) or (4)”

5(1)(r)(i) in relation to paragraph (6)(f) of Part I of Appendix A of the Fourth Schedule to the Motor Vehicles and Road Traffic Act

Delete the words “(1), (2), (3) and (4)” and substitute the words “(4) and (5)”

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5(1) in relation to the Motor
Vehicles and Road Traffic Act

Renumber paragraphs (d) to (r) as (e)
to (s) and insert after paragraph (c),
the following paragraph:

“(d) in section 12, by deleting
subsection (1) and
substituting the following
subsection:

“(1) No person shall, in
any place, use or keep for
use or, being the owner,
permit any other person
to use or keep for use any
motor vehicle -

(a) not being a vehicle
exempted from registration
under this Act, unless it is
registered under this Act
and affixed thereto in the
prescribed manner the
prescribed identification
mark; or

(b) being an agricultural tractor,
agricultural trailer or
industrial tractor, for any
purpose unless the
Licensing Authority has
granted its approval, in
the prescribed manner, of
the use of the vehicle for
that purpose.”

Mr. Imbert: Mr. Attorney General, with regard to this amendment, is the intention here to make it an offence if a vehicle is not registered? On the last line of the page, is it the intention to make it an offence if one is using a vehicle that is not registered?

Mr. Maharaj: Are you asking if there is an offence attached to it?

Mr. Imbert: By this amendment, is it the intention to make it an offence if someone uses a vehicle that is not registered? Is a registration regime going to be introduced?

Mr. Maharaj: Yes.

Mr. Valley: Mr. Chairman, on page 5, clause 5(1)(a)(vi) says:

“in the definition of “maxi-taxi”, by deleting the word ‘twelve’ and substituting the word ‘twenty-five’;”

What is the effect of that?

Question put and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6.

Question proposed, That clause 6 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, I beg to move that clause 6 be amended as circulated:

| | |
|--|---|
| 6(k)(v) in relation to section 34(A) (11) of the Income Tax Act | Delete the word “other” occurring before the words “written law” |
|--|---|

Mr. Valley: Mr. Chairman, on page 16, in clause 6(k)(v)(11), given what the hon. Minister said, I propose that we change “shall” in the third to last line, to “may”. If he is talking about convenience, I think that in Trinidad and Tobago, if one wants to pay in TT currency, one ought not to be stopped. If we say:

“Notwithstanding any other written law to the contrary, where the accounts referred to in subsection 1(b) are operated in a foreign currency, the tax may be paid in the currency in which the accounts are operated.”

Mr. Chairman: Hon. Members, the question, therefore, is that clause 6 be amended, as circulated, with the further proviso that “shall” on page 16, subclause (11), the third to last line, be changed to “may”.

Question put and agreed to.

Mr. Valley: Mr. Chairman, I am sorry. There is one other amendment. The Employment Allowance rule. I want to propose that this whole thing be taken out. On page 17—Grant of employment allowance. The whole section should be taken out. I just want to inform the other Members of Cabinet that this is merely another legal way to allow certain persons to get to the national Treasury. I do not only believe it; I know it.

Amendment negatived.

Mr. Chairman: Is there anything further to add to this clause?

Clause 6, as amended, ordered to stand part of the Bill.

Clauses 7 to 15.

Question proposed, That clauses 7 to 15 stand part of the Bill.

6.50 p.m.

Mr. Valley: I have a difficulty with clauses 12, 14 and 15.

Mr. Chairman: Well why do you not just talk on them and we will—

Mr. Valley: Mr. Chairman, as I mentioned, on page 73—

Mr. Maharaj: I thought if anybody had amendments they would—*[Inaudible]*

Mr. Chairman: The normal thing is for them to, but the Member for Diego Martin Central knows and/or believes that he could take liberties with me.

Mr. Valley: Thank you, Mr. Chairman.

Mr. Maharaj: Mr. Chairman, if he wants to help he can come on this side.

Mr. Valley: I want to stay here. I want all of you to stay there. Mr. Chairman, page 73, clause 12(b). If one looks at the Second Schedule of the Insurance Act, one sees quite clearly the conditions under which an investment would qualify for allowance in the statutory fund. What we ought to do here is set clear guidelines for this investment in foreign mutual funds and so forth. One; it should qualify in an Organization for Economic Co-operation and Development (OECD) country; it must be registered and the Minister and his technicians can determine what other guidelines; but to leave this to be approved in this vague manner, we may end up with some judicial reviews. I am suggesting that we outline clearly what are the criteria for approval. It is clause 12(b)(i).

Mr. Maharaj: What I want to hear are the criteria.

Mr. Valley: Well, the only criteria I would have is that it must be registered in an Organization for Economic Co-operation and Development (OECD) country. If the Minister wants to add any further criteria, he ought to have something in mind. If it is approved at all by the Minister, there must be some contemplation in his mind under what conditions they would be approved, what other things he would want to look at. So that I think we need to spell those out rather than leave it hazy, because we want to make sure that if another Minister were to come he would know the guidelines. The Minister may have certain things in his mind, and another Minister may have something else, and one does not know that there might be a change in approvals simply because the Minister changed.

Sen. Kuei Tung: I am sorry, Mr. Chairman, I do not agree with him. I still maintain that this is the appropriate way to have the approval granted. I do not see that what the Member for Diego Martin Central is saying adds in any way to what is here.

Mr. Chairman: There is another comment that you wanted to make?

Mr. Valley: Yes, on clauses 14 and 15, but before I go on I want to try with this again. If I were to come to the Minister tomorrow for approval, what criteria would he use to say “yea” or “nay”. He has to know them, and I am saying that we should state them. It must be stated, either in the Schedule or somewhere. I want to know. I am a businessman, I want to have a fund approved and I want to know clearly, what are my chances—how do I know? Is it zero? Is it 99? How do I know?

Mrs. Persad-Bissessar: Case by case.

Mr. Valley: Why should it be case by case. Then you are going to end up in court, judicial reviews and so forth. Why are you approving this one and not that one?

Mr. Maharaj: There are so many discretions in cases like this, even under the existing law. Sometimes, there are particular reasons—at times—for putting criteria and guidelines.

Mr. Valley: I would approve it to give you time to think about the guidelines and come back and have them approved. I know you are at the point now where you want this Bill approved by a certain time, but I think—in the interest of transparency—that the Government ought to be under an obligation to spell out the conditions under which a fund that is registered in an Organization for Economic Co-operation and Development (OECD) country would be approved.

Sen. Kuei Tung: Mr. Chairman, given the fact that we are already committed to the question of transparency, I can give the undertaking that if it turns out that that is a better approach, then I will bring it back, but at this time I do not see us being able to modify this particular amendment. I really have difficulty in putting administrative provisions in a Finance Bill. When we start talking about rules and guidelines, guidelines cannot be anything else but administrative provisions—in my view. So if you are asking me to establish the guidelines now, I will assume that if it came to me and it was something new, we would have the same basis, have it analyzed, take it to Cabinet and come back. It is not just a whimsical approval as you hinted in your debate.

Mr. Valley: First of all, it is registered in an Organization for Economic Co-operation and Development (OECD) country and it is under the Canadian Government's approval. So you have met that qualification. What else do you want to see?

Sen. Kuei Tung: There are a number of other prudential criteria that are being used; the question of transferability, marketability, we cannot put that. This is an administrative responsibility.

Mr. Valley: I think it will end up in judicial review.

Mrs. Persad-Bissessar: All discretionary power that is given in any piece of legislation is subject to judicial review, so that is not an argument.

Mr. Valley: Member for Siparia, if you had looked at this legislation before, you might have seen some of these things. You will see in the Second Schedule that the guidelines are normally clear, but I rest my case. Mr. Chairman, let us move on. I will vote "no."

Mr. Chairman: Apart from that one, is there any other?

Mr. Valley: On clauses 14 and 15 again, on both these items there is a basic concept in taxation, the tax just cannot be retroactive. The Minister has been collecting people's moneys illegally for all this time, and now he cannot come and tell us he wants to keep it. That is robbery, and the Government cannot rob people.

Sen. Kuei Tung: Mr. Chairman, I do not agree with that notion, and maybe I should have dealt with it in my winding up. This is not a retroactive tax. If, for argument's sake, the amount of tax that we collected was "X" per cent and we are now saying, make it "X+", I could see that being retroactive. In this case the tax was already collected.

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Mr. Valley: You have no tax! You have no authority to collect a tax, so it is not a tax. [*Interruption*]

Sen. Kuei Tung: A high power there.

Mr. Valley: There was none? That is the problem. Which power? How? Given by what? He did not come with the Provisional Collection of Taxes Order so he had no power to take the money. He forgot to bring it. So he had no power or authority whatsoever. He took the money illegally—it is not a tax, it is money that the Treasury has collected—and he is now saying he wants to keep it. I have a difficulty with that. Read clauses 14 and 15.

Amendments negatived.

Question put and agreed to.

7.00 p.m.

Clauses 7 to 15 ordered to stand part of the Bill.

Question put and agreed to, That the Bill, as amended, be reported to the House.

House resumed.

Bill reported, with amendment, read the third time.

Question put, that the Bill be read a third time.

The House divided: Ayes 18 Noes 7

AYES

Maharaj, Hon. R. L.

Persad-Bissessar, Hon. K.

Lasse, Dr. The Hon. V.

Griffith, Dr. The Hon. R.

Maraj, Hon. R.

Humphrey, Hon. J.

Nicholson, Hon. P

Khan, Dr. F.

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Assam, Hon. A.
 Singh, Hon. G.
 Nanan, Dr. The Hon. A.
 Partap, Hon. H.
 Rafeeq, Dr. The Hon. H.
 Mohammed, Dr. The Hon. R.
 Singh, Hon. D.
 Ramsaran, Hon. M.
 Sharma, C.
 Ali, R.
 NOES
 Valley, K.
 Imbert, C
 Narine, J.
 Hart, E.
 Sinanan, B.
 Boynes, R.
 Williams, E.

Question agreed to.

Bill accordingly read the third time and passed.

EXCISE DUTY (PETROLEUM PRODUCTS) ORDER

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

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

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

And Whereas the Excise Duty (Petroleum Products) Order, 1997 was made under subsection (2) of section 13 of the Excise (General Provisions) Act, and first published in the *Gazette* on the 3rd day of February, 1997:

And Whereas it is expedient to confirm the said Order:

Be it resolved That the Excise Duty (Petroleum Products) Order, 1997, be confirmed.

Mr. Speaker, this is a matter that has already been engaging the attention of this honourable House. This matter arose merely because there was some doubt and confusion in the minds of some people, with respect to whether CNG was considered to be a petroleum product or whether it was gasoline or merely, as the name suggests, compressed natural gas. Excise duty, I am told, is only charged on manufactured goods and because CNG may not necessarily qualify as "manufactured goods" it is necessary for us to bring this motion this evening. This measure which was introduced in the Budget and has now been finalized and validated based upon the Finance Bill 1997, would allow the Minister to impose an excise duty as contained in the Budget.

Mr. Speaker, I beg to move.

7.10 p.m.

Question proposed.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Speaker, we are in all types of difficulties at present. Listening to the Minister of Finance, one hears him talking about CNG and the problems relating to it. Mr. Speaker, as you would know, the Bill we just passed at clause 14 said quite clearly that the Minister forgot to bring the order for CNG and up to today, that order is not here. So, there is no CNG order. Clause 14 talks about validation of collection of moneys in respect of natural gas and that order is not here. What is here, Mr. Speaker, is the Petroleum Products Order which is dated February 2. Therefore, even in moving its presentation, you are speaking about CNG.

Excise Duty (Petroleum Products) Order

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[MR. VALLEY]

First of all, we do not have an order for the first one—it was dealt with in legislation validating the collection of taxes. I will just point out, Mr. Speaker, that although the Member has validated the collection of taxes I do not know whether, in fact, he has authority to continue collecting the taxes from here on. He has validated the moneys collected from the beginning of the year to this point but I cannot recall any part of this legislation—*[Interruption]* Is it in the Bill? It might be, but with respect to the petroleum product, this order has lapsed. It ought to have been confirmed within 21 days of the making of the order.

As I said a while ago, money was collected illegally between January and February 2, when the order was made and was supposed to have been confirmed by both Houses of Parliament within 21 days. There is nothing before us, Mr. Speaker. I really do not know what we are doing. I would advise the Minister to get his act together and come back sometime, but in the meantime refund the people their money. Therefore, there is nothing for us to talk about here; there is nothing before the House.

Mr. Speaker, I thank you.

The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung): I am saying that it is expedient to confirm the said order, and be it resolved that the order be now confirmed. By way of introduction, I explained some difficulties in which we found ourselves with respect to CNG, therefore, I am not sure if I understand in what difficulty the Member for Diego Martin Central finds himself. I am merely asking this House to confirm an order that had been issued. I do not know how one could have any difficulty with that.

Mr. Speaker, I beg to move.

Question put and agreed to.

Resolved:

That the Excise Duty (Petroleum Products) Order, 1997, be confirmed.

SALARIES REVIEW COMMISSION

(THIRTY-SIXTH) REPORT

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. Speaker, I beg to move,

Whereas it is provided by subsection (1) of section 141 of the Constitution that the Salaries Review Commission shall from time to time with the approval of the President review the salaries and other conditions of service of the President, the

holders of offices referred to in section 136(12) to 15 of the Constitution, Members of Parliament, including Ministers of Government and Parliamentary Secretaries, and the holders of such other offices as may be prescribed;

And whereas it is provided by subsection (2) of the said section 141 that the report of the Salaries Review Commission concerning any review of salaries or other conditions of service, or both, shall be submitted to the President who shall forward a copy thereof to the Prime Minister for presentation to the Cabinet and for laying, as soon as possible thereafter, on the table of each House;

And whereas the Thirty-sixth Report of the Salaries Review Commission was laid on the table of the House of Representatives on the 16th day of February, 1996 and on the table of the Senate on the 27th day of February 1996;

And whereas it is expedient that the Thirty-sixth Report of the Salaries Review Commission be considered and approved;

Be it resolved that the Thirty-Sixth Report of the Salaries Review Commission be now considered and approved.

Mr. Speaker, the Salaries Review Commission is a feature of the Constitution, section 140 and, so far, has presented some 45 reports. The Salaries Review Commission is required to submit its report to the President, who in turn forwards a copy to the Prime Minister for presentation to Cabinet and for laying as soon as possible thereafter, on the table of each House.

Mr. Speaker, the Salaries Review Commission in its Thirty-sixth Report, undertook a review of pensions and other terminal benefits for office holders under the aegis of the commission who made submissions to the said commission.

Mr. Speaker, page 1 of the Thirty-sixth Report clearly states, and I quote:

“Following on the submission of our Twenty-third Report in which we undertook a general revision of the salaries and other terms and conditions of service of all offices within the purview of the Salaries Review Commission, a review of pensions and other terminal benefits as they apply to certain office-holders has been undertaken in keeping with our proposal at paragraph 56 of that Report.”

7.20 p.m.

This paragraph is quoted as follows:

"In their submission to us, some office holders made representations concerning their existing pension arrangements which, in their view, was in

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[HON. W. MARK]

need of improvement and or amendment. In other cases, the call was for the introduction of some form of terminal benefit where no provision now exists. In our view, these issues are far from simple and proper consideration of the various claims would require actuarial evaluation and other professional advice. Accordingly, we prefer to defer consideration of these matters on this occasion".

Mr. Speaker, the commission had the benefit of advice from the Government's chief actuary in writing and through discussions on the various submissions of the office-holders. Now, the office-holders referred to are: Members of the House of Representatives, the Ombudsman, judges and puisne judges, the Auditor General, members of the Industrial Court, full-time members of the Tax Appeal Board, Chief of Defence Staff, Commissioner of Police, Chairman and Members of the Service Commission, Tobago House of Assembly Chairman and Assemblymen, and Local Government officers.

This report was tabled in the House of Representatives and the Senate on February 16, and 27, 1997 respectively. It was referred by Cabinet to a joint select committee of both Houses to consider the report and make recommendations. The Cabinet's decision was subsequently withdrawn and the matter was then referred to a committee which comprised members of the ministerial committee responsible for monetary negotiations and levels of remuneration in the public sector.

This committee reviewed the report and in November 1996 recommended that the measures in the report be adopted and advised Cabinet accordingly. Cabinet in November, 1996 accepted the report of this committee and noted that the report had already been tabled in Parliament. Cabinet also agreed that a motion be moved in both Houses of Parliament to take note of the Thirty-sixth Report of the Salaries Review Commission.

The commission's overall assessment was that the existing pension arrangements relate favourably to private sector pension plans, particularly with respect to the rate of accrual of pension benefits. In arriving at this conclusion, the commission noted the maximum pension provided for each office, the non-contributory nature of the pension schemes and the retirement age of 55 years, enabling receipt of pension which is not actually reduced.

It must also be emphasized that the payment of an immediate pension at age 55 or earlier without accrual reduction is a significant advantage. Consequently, the commission was of the view that there was no need to amend the existing arrangement in the majority of cases.

The commission considered the submissions made by affected office-holders and during the course of that consideration, consulted the government's chief actuary, mindful of the value of pensions as a part of a remuneration package. It was in this context that the commission recommended that amendments should be made to existing pension and terminal benefits of Members of the House of Representatives and the Auditor General only. And then, with respect to very limited circumstances, otherwise, no changes to benefits were recommended.

The recommendation in the report, as it affected Members of the House of Representative, is to enable a retiring allowance under the Retiring Allowance (Legislative Service) Act, Chap. 2:03 to be payable in the amount of one-sixth of one year's salary where that person has served for more than five years but less than eight years.

The report also recommends that a variation of the allowance payable to a dependant of a Member of the House of Representatives be as follows:

"Where a Member dies in the line of duty, the dependant should receive the equivalent of the widow's or spouse's allowance and children's allowance payable under sections 9 and 10 of the Retiring Allowances (Legislative Service) Act regardless of the period of time the deceased member served and where the Member died in circumstances other than in the line of duty, the qualifying period for the allowance payable to dependants should be amended to a minimum period of an aggregate of five years' service rather than the existing eight years."

That is for Members of the House of Representatives.

As it relates to the auditor general, the commission recommended that the Auditor General Allowances Order, Chap. 102, be amended to provide for the payment of one month's salary to the spouse, children or next-of-kin, in the event of death of this particular office holder. This recommendation was made in order to remove any ambiguity as to whether the Auditor General is entitled, as a public officer, to the same benefit as presently payable to civil servants.

As it relates to mayors, the commission has also recommend that mayors be provided with a 20 per cent gratuity, in view of the fact that their duties are of a full-time nature.

Mr. Speaker, the recommendations pertaining to the Tobago House of Assembly have been overtaken by events with the passage of the Tobago House of Assembly Act, 1996.

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Hon. Members will note that the Government has been extremely judicious in considering the recommendations of this report. The Government is of the view that given the amount of consideration and consultation that has taken place—I wish to let you know that these matters arose out of the 1991 Salaries Review Commission's Report during which time recommendations were made by Members of the House of Representatives, in writing, through the Speaker, and those submissions were made to the Salaries Review Commission as they relate to pensions for Members of the House of Representatives.

It is therefore appropriate that the recommendation of the Thirty-sixth Report of the Salaries Review Commission that has already been tabled in this House, be implemented.

I beg to move.

Question proposed.

7.30 p.m.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Speaker, I think it is the norm that Parliamentarians do not negotiate their salaries, hence the reason for the establishment of the Salaries Review Commission. The Minister of Public Administration and Information mentioned the different committees to which this report was sent. I just wondered, given that we have a committee established for this purpose, whether the Salaries Review Commission's Report ought not to come to the Parliament and be dealt with as quickly as possible, similar to the Elections and Boundaries Report. I think we would be second-guessing the Commission if we were to submit their report to different ministerial committees or negotiation committees, or what have you. If one wants, the House may want to agree on certain policies or guidelines for the consideration of the committee.

I know as a fact that in 1991, when I was a member of this House, I made a submission to the Salaries Review Commission via the Speaker, so there was that consultation. But having reported, I hope that report would be implemented, because I feel, as parliamentarians, we ought not to be put in a position to have to bargain for our income.

Having said that, however, I think two realities must be faced. One is that the salaries of ministers and parliamentarians as a whole, is a highly political matter, and secondly, that the compensation of parliamentarians—and I would dare say, especially ministers—is way out of line, given the realities of today and given the responsibilities of a minister.

Mr. Maharaj: I wonder whether the hon. Member would agree— although we know that the Members of Parliament do not negotiate their own terms— in the light of what he has said, that the whole question of salaries and conditions of Members of Parliament and Ministers should be looked at in the light of what is happening.

Mr. K. Valley: If we want to set certain guidelines for the consideration of the Salaries Review Commission, we ought to negotiate that. There ought to be a real strengthening of the integrity legislation, because I think parliamentarians, especially Ministers, ought to be compensated adequately. Having said that, if they are like some of their friends, then they should spend a long time in a place at upper Frederick Street.

Hon. Member: Or Golden Grove.

Mr. K. Valley: That might even be better. I think the Government would find support on this side of the House for such an approach.

As stated here, the Chairman of the Salaries Review Commission was Mr. Leonard Williams, now deceased. He gave years of public service, not only to the Salaries Review Commission, but to a number of institutions in Trinidad and Tobago. I think this is perhaps a fitting time for us to pay tribute to the contribution of Mr. Williams. I want to do so on behalf of Members of this side of the House, and if I dare say, of Members of the House generally, noting especially his contribution as the Chairman of the Salaries Review Commission.

I thank you, Mr. Speaker.

Mr. Colm Imbert (*Diego Martin East*): Mr. Speaker, I simply wish to say, following on the contribution of my colleague, that I have long held the view that a formula should be used to establish the salaries of parliamentarians and it should not be subject to debate, rancour, “bacchanal” and even politicization.

In Singapore, for example, a formula is used where the median income of certain wage earners in the country is established and parliamentarians’ salaries are related to that, using a mathematical equation. So there is no “bacchanal” every three or four years. A review is done of certain income earners in that country and then ministers and parliamentarians’ salaries are simply fixed in accordance with a formula.

Speaking personally now, I would recommend that to this House. Let us get out of all this “bacchanal” with salaries. When one is in government one is afraid to

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bring a report recommending increases; when one is in opposition, one is afraid to support a report recommending increases. I believe that all Members of this House are underpaid; ministers are underpaid for the service that they provide to this country. I think we have to get away from all of this and introduce a formula approach.

Thank you, Mr. Speaker.

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I rise to make a very short intervention. I am happy that the Opposition has raised this issue today. As a matter of fact, Members of Parliament who are supposed to represent their constituents, must be given adequate tools, facilities and remuneration to effectively discharge their duties. One of the matters being looked at as a result of representations made by parliamentarians, generally, is the whole issue of the services which Members of Parliament are supposed to provide and what can be done in order to make them effectively discharge those duties, because in the long run, the people deserve adequate representation, whether they belong to the governing party or to the opposition party.

It is not only a question of salaries, but facilities: what should be given to Members of Parliament; office furniture, for example. As a matter of fact, although some arrangement has been made Members of Parliament, at the present time, do not get these facilities. I think the time has come for us to confront this issue and deal with it. I wish to give the Opposition the assurance that we will have consultation with them on this issue. I am trying to come up with some kind of proposal to submit to my side and to the Cabinet, then, obviously, we would have some discussion on it.

We recognize also that the whole question of integrity in public life should be looked at. As a matter of fact, Cabinet recently approved a Bill to be published for public comment, based on the recommendations contained in the Green Paper on Integrity. The Bill has already been drafted; a copy will be sent to the Integrity Commission. There is a joint parliamentary committee dealing with that matter and the Law Commission will provide assistance to that committee by compiling a report with respect to comments, so that they can consider the Bill and we can come back to Parliament very quickly.

7.40 p.m.

May I say that the Bill proposes to reform the existing law in many ways—for example, by requiring that family interests be declared, thus enabling complete

disclosure; enabling the Integrity Commission to deal with any gaps or inconsistencies between income received and assets declared; empowering the Integrity Commission to compile and file a public declaration statement, thus allowing certain financial dealings of persons in public life to be made available for general public scrutiny; facilitating the investigations of the Commission by placing at its disposal, the expertise of the police and other law enforcement agencies; establishing a code of conduct with legislative sanctions applicable across the board to all persons exercising public functions and which comprehensively addresses all matters pertaining to integrity in public life.

Clauses 11 and 12 of the Bill enjoins a person in public life to furnish the commission with a declaration of the income, assets and expenditure of himself, his spouse and dependent children and deems a person in public life to be in possession of further income where the net worth of his assets raises an inference that there must exist other sources of income to account for the accretion of assets.

Clause 14 provides for the preparation and filing of a public disclosure statement in respect of each declarant and would cause copies of the statement to be made available to the public.

Clauses 24 to 36 establish a code of conduct with the sanctions as mentioned. The definition of "public office" would be extended to include Members of the Tobago House of Assembly, municipalities, local government authorities, statutory boards and state enterprises.

May I also say that the law dealing with corruption is totally outdated in Trinidad and Tobago. Other Commonwealth countries have progressed much further. As a matter of fact, apart from the substantive law, the procedural and evidential matters are being redressed, and in a short while the Government will announce to the population reforms it intends to take. As a matter of fact, the drafting of a Bill to reform the corruption law is almost completed; to bring it in line with countries such as Malaysia, Singapore and Hong Kong, in order to ensure that there would be machinery to deal with public officials, parliamentarians, ministers or anyone in public life who is corrupt. [*Desk thumping*]

Mr. Speaker, I wish to give this Parliament and the national community the assurance that this Government is going to deal with the allegations of corruption and we are going to set up the requisite machinery to ensure that corruption is dealt with and any abuse or misuse of power in public life is addressed.

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I also wish to give the Opposition and the national community the assurance the people will be effectively represented and whatever has to be provided in order to make people representation more effective, we shall deal with it.

Thank you, Mr. Speaker.

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. Speaker, I thank the Members on the other side for their contributions and support for this Thirty-sixth Report of the Salaries Review Commission, and to indicate that the contribution made by the Member for Diego Martin Central in respect of getting those reports directly to Parliament rather than going through different channels before reaching here, is a point which I have noted. I just wish to remind the hon. Member for Diego Martin Central that in the Twenty-third Report of the Salaries Review Commission which was tabled in 1991/1992 which recommended a number of improvements for holders of offices under the SRC, the then PNM government [*Interruption*] It was a mistake?

Mr. Speaker, essentially, we would like to note the support given by the Opposition to this Report and we have taken note of their expressions whether it related to parliamentarians or ministers in terms of adequate remuneration and compensation for services.

In light of the fact that we are all in support of this measure, I beg to move.

Question put and agreed to.

Resolved:

That the Thirty-sixth Report of the Salaries Review Commission be approved.

ADJOURNMENT

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I beg to move that this House do now adjourn to Friday, April 25, 1997 at 1.30 p.m.

That day would be Private Members' Day and the Opposition's Chief Whip has informed me that the Opposition would attempt to complete Motion No. 1 and start No. 2.

Mr. Valley: What is Motion No. 2?

Hon. R. L. Maharaj: Motion No. 2 is with respect to the Ministry of Agriculture, Land and Marine Resources by the Member for Diego Martin West.

Adjournment

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May I also indicate to the Opposition, so that it can have adequate notice of what is happening, that on the following Friday, the Government would hope to have the Fire Service (Amdt.) Bill, the Police Service (Amdt.) Bill and the Criminal Law (Amdt.) Bill debated. We intend to get through with those three matters on that afternoon.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.49 p.m.