

Leave of Absence

Friday, December 4, 1998

HOUSE OF REPRESENTATIVES

Friday, December 04, 1998

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 that I have received communication from the Member for Port of Spain North/St. Ann's West who has asked to be excused from the sitting of this House today and for the whole of next week. The leave of absence he has sought has been granted.

**PLANNING AND DEVELOPMENT OF LAND BILL
(JOINT SELECT COMMITTEE—APPOINTMENT)**

Mr. Speaker: I also wish to advise hon. Members that I am in receipt of communication from the President of the Senate dated December 3, 1998 which reads as follows:

“Dear Mr. Speaker,

Appointment of Joint Select Committee

At a sitting held on Tuesday December 01, 1998, the Senate agreed to the following resolution:

‘BE IT RESOLVED that a Joint Select Committee of Parliament be appointed to consider and report on a Bill entitled: ‘An Act to provide for the orderly and progressive development of land in both urban and rural areas and to preserve and improve the amenities thereof, for the grant of permission to develop land and for other powers of control over the use of land and the design, construction and occupation of buildings, to confer additional powers for the protection of the environment, and the architectural and cultural heritage, and for the acquisition and development of land for planning; and to provide for purposes connected to the matters aforesaid’.

BE IT FURTHER RESOLVED that the evidence taken by the Select Committee of the Senate in the previous session be referred to the Joint Select Committee of Parliament;

Planning and Development of Land Bill
[MR. SPEAKER]

Friday, December 4, 1998

AND BE IT FURTHER RESOLVED that six (6) members of the Senate be appointed to serve with an equal number from the House of Representatives on the Joint Select Committee.'

The Resolution being agreed to, the Senate appointed the following members to serve on the Joint Select Committee:

Ms. Carol Cuffy-Dowlat

Mrs. Vimala Tota-Maharaj

Mrs. Agnes Williams

Mrs. Nafeesa Mohammed

Prof. John Spence

Prof. Julian Kenny

The Resolution is accordingly forwarded for the attention of the House of Representatives.

Yours sincerely

Ganace Ramdial
President of the Senate"

REFORM OF THE MANAGEMENT STRUCTURE OF PARLIAMENT

Mr. Speaker: I also wish to advise hon. Members that I am in receipt of other correspondence from the President of the Senate dated November 25, 1998 which reads as follows.

"Dear Mr. Speaker,

Appointment of Joint Select Committee

Your letter dated November 23, 1998 on the above subject refers. At a sitting of the Senate held on Tuesday November 24, 1998, the following resolution was approved:

'WHEREAS the Working Paper on the Reform of the Management Structure of the Parliament of Trinidad and Tobago was laid in the House of Representatives on Friday June 12, 1998 and in the Senate on Thursday June 16, 1998;

AND WHEREAS both Houses of Parliament agreed that a Joint Select Committee be established to consider the said Working Paper and to report to Parliament thereon, and appointed such a Joint Select Committee by resolutions passed by the House of Representatives on Friday June 26, 1998 and the Senate on Tuesday June 30, 1998, respectively;

AND WHEREAS that Joint Select Committee reported to this House on Thursday September 24, 1998 that it was unable to complete its deliberations and recommend that continued consideration of the matter be undertaken in the next session of Parliament;

BE IT RESOLVED that a Joint Select Committee be established to consider the Working Paper on the Reform of the Management Structure of the Parliament of Trinidad and Tobago; and

That this Joint Select Committee be authorized to adopt as part of its records all the work done by the Joint Select Committee appointed to consider the matter in the last Session.'

At the said sitting the Senate agreed that the following Members be appointed to serve on the Joint Select Committee:-

Mr. Wade Mark

Brig. Joseph Theodore

Ms. Carol Cuffy-Dowlath

Ms. Nafeesa Mohammed

Prof. John Spence

Mrs. Diana Mahabir-Wyatt

Yours sincerely

Ganace Ramdial

President of the Senate"

CONDOLENCES—MESSRS DEMAS, TURE AND KING

Mr. Speaker: Hon. Members, I wish to bring to the notice of the House that it was recently reported that two very distinguished sons of the soil have passed to the shades beyond in the person of Mr. William Gilbert Demas and the former

Condolences
[MR. SPEAKER]

Friday, December 4, 1998

Stokely Carmichael known in more recent times as Mr. Kwame Ture. I think that Members of both sides may wish to comment.

The Prime Minister (Hon. Basdeo Panday): Mr. Speaker, hon. Members, reminiscent of March 1997 when President Chadee Jagan and Prime Minister Michael Manley passed away within hours of each other, we in Trinidad and Tobago and the Caribbean region have, once again, had to come to terms with the sudden passing of three distinguished sons, influential Caribbean men who served our nations, peoples and, indeed, our entire region with distinction. Today Trinidad and Tobago and the Caribbean region are poorer for the loss of Kwame Ture, William Demas and Dr. Kurleigh King.

Mr. Speaker, these were not ordinary men. They were Caribbean giants, influential figures, amongst the best minds that the region has produced and each of whom, in different ways, left their indelible footprint of commitment and dedication to causes for us to follow. They were also sterling examples of individuals who put service before self and the region's interest before that of their own country.

Kwame Ture, through his courage, personal sacrifice and relentless struggle for freedom, justice and equality, left this country and the world a richer and more humane place and established himself as one of the towering freedom fighters of this country. He stands alongside fellow countrymen like Sylvester Williams, George Padmore and C. L. R. James as an international icon of the Pan African Movement and the revolutionary struggle of the oppressed in every part of the world.

The Government and people of Trinidad and Tobago are extremely proud of Kwame's achievement over the years and we pledge to make every effort to ensure that his name lives on in the hearts and memories of all the people in the land of his birth.

William Gilbert Demas was a scholar, a loyal and dedicated public servant, a prolific writer and a tireless advocate of regional integration and unity. He served as the first Secretary General of the Caribbean Free Trade Area (CARIFTA) which later evolved into the Caribbean Community (CARICOM). He was economic adviser to the nation's first Prime Minister, Dr. Eric Williams; President of the Caribbean Development Bank from 1974 to 1988; Governor of the Central Bank of Trinidad and Tobago from 1988 to 1992; and Vice-President of the West Indian Commission. He was the author of several well known publications

Condolences

Friday, December 4, 1998

including his 1964 work on *The economics of development in small countries with special reference to the Caribbean*.

In recognition of his outstanding contribution to Trinidad and Tobago and to the region, Mr. Demas was awarded this nation's highest award, the Trinity Cross, in 1988. He was also one of the first recipients of Caricom's highest award, the Order of the Caribbean Community. Indeed, Mr. Demas' legendary work, his unswerving commitment and advocacy of regional, economic and political integration made him the quintessential Caribbean man, an individual who left an imperishable legacy of West Indianism and one who is justifiably regarded as an elder statesman among Caribbean economists.

How fitting a tribute it would be to the memory of William Demas if we in the region could redouble our efforts and resolve towards the establishment of the Caricom single market and economy and the achievement of regional unity and if, as suggested in other regional quarters, the body of literature he has left could become compulsory reading in schools throughout the region.

Mr. Speaker, I should also like on behalf of the Government and people of Trinidad and Tobago to share with the Government and people of Barbados our profound sadness on the passing of Dr. Kurleigh King, former Secretary General of the Caribbean Community and Governor of the Central Bank of Barbados. As Secretary General of Caricom, Dr. King was instrumental in developing the administrative structures of the secretariat which remain evident today. His keen interest in quality of life subjects resulted in greater emphasis being placed on human and social development issues in the organization's policies and programmes.

Mr. Speaker, as we mourn the passing of Messrs. Ture, Demas and King and share the grief of their loved ones, we take consolation in the examples of their lives. Their places in the development and history of our region are assured. May their memories be blessed and their souls rest in peace.

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

Mr. Patrick Manning (*San Fernando East*): Mr. Speaker, on behalf of the parliamentary Opposition and the People's National Movement I would like to join Members on the Government side in paying homage to the late William Gilbert Demas who died on Saturday, November 28, 1998 at the age of 69. Indeed, today not only we but the nation as well as the entire region, mourn the

Condolences
[MR. MANNING]

Friday, December 4, 1998

loss of this outstanding Caribbean citizen whose vision focused almost exclusively on the achievement of the goal of West Indian nationhood.

1.45 p.m.

Shortly after leaving Cambridge University, the young William Demas joined the West Indies Trade Commission in London in 1957, and it was there that the late Dr. Eric Williams first met him and formed a bond which bound the fortunes of the two men for a lifetime.

In the midst of the heady period of federation and nationalism, William Demas returned home to take up an appointment as an advisor in the Ministry of Finance, eventually becoming Permanent Secretary in the Ministry of Planning and Development and economic advisor to the late Dr. Williams.

William Demas identified fully with the late Dr. Williams' political objective of freeing this country from the yoke of colonial rule, and he used his technical competence and intellectual knowledge during his years in the public service towards the attainment of the dream of West Indian nationhood. William Demas did not limit his involvement in public life to our fortunes in the immediate post-colonial era. After a brief stint as a visiting professor at Mc Gill University, and the publication of his best known book *The Economics of Development in Small Countries with Special Reference to the Caribbean*, he emerged as one of the bright stars on the Caribbean horizon when in 1968, he became Secretary General of Carifta.

William Demas was not merely a Caribbean economist, but he was an avid regionalist whose spirit burned with a desire to see the Caribbean take its rightful place as a forceful grouping on the international landscape. He was one of the main authors of the Treaty of Chaguaramas which, on July 4, 1973, led to the formation of Caricom. Indeed, it was a fitting tribute to the Caribbean vision of the man, when on that auspicious inauguration of the Caricom Treaty, that Dr. Williams himself asked the assembled Caribbean leaders and guests present to give Demas a standing ovation in tribute for his pivotal role in the formation of Caricom. I think you and I were there on that memorable day, Mr. Speaker.

In 1974, William Demas moved on to become President of Caribbean Development Bank, and in that same year he published the book *West Indian Nationhood and Economic Integration*. William Demas was a man who always knew how to survive crisis periods. His expertise in economics served as a pillar of strength in guiding the economic fortunes of Trinidad and Tobago during the

Condolences

Friday, December 4, 1998

era of the Chambers' administration, an era when the economy experienced a downward slide following the drastic fall in oil prices. His document "The Imperatives of Adjustment" was invaluable to the Government of the time in our attempt to keep the economy on a stable footing.

Even after all these achievements, Mr. Speaker, he was still not satisfied with the progress of Caribbean unity, and his dream of a united West Indian nation burned fiercely within him. So much so, that in 1987 he made a stirring argument for the resumption of the process aimed at renewing attempts for achieving West Indian nationhood through the creation of a single nation state among OECS countries.

Later in 1988, William Demas became Governor of the Central Bank, and also was awarded the Trinity Cross, the nation's highest recognition.

Mr. Speaker, I would like to record my own appreciation for his efforts when I became Prime Minister of this country and he occupied the position of Governor of the Central Bank at a critical time in the country's history. His advice to the then government was very signal. I wish to salute him on that.

William Demas has lived a full and exemplary life, replete with numerous honours and accolades which were bestowed on him while he was alive. He has had three honorary doctorates conferred upon him, by foreign universities, and was later made Doctor of Law by the University of the West Indies. He has had the highest honours bestowed on him from the government of Guyana in 1972, in Barbados in 1980 and in Trinidad and Tobago in 1988.

In July, 1991 at the 12th Caricom Summit, William Demas was one of the original group of three recipients receiving the Order of the Caribbean conferred for his contributions to the building of the Caribbean Community. To the end of his life, William Demas remained the keen Caribbean intellectual, and served as Director of the Andrea Mellon Foundation Project based at the Mona Campus of the University of the West Indies, and was an active member of the West Indian Commission.

William Demas was an authentic West Indian man. We in the People's National Movement value his life's work tremendously. He was one of the architects of our nation and his passing leaves a great void in the hearts of our Caribbean people.

At this difficult time, Mr. Speaker, we extend our sincere and heartfelt condolences to his wife Norma and his daughter Allison, and wish God's blessings upon the entire family.

Condolences
[MR. MANNING]

Friday, December 4, 1998

Mr. Speaker, I, too, would like to join with the Government in recording the contribution of Dr. Kurleigh King on the occasion of his passing. Dr. King, not only served as Governor of the Central Bank in Barbados, but was also Secretary General of Caricom at a period in time when the Caribbean Community was going through a lot of teething problems and it is generally acknowledged that he too has made a significant contribution to the development of the integration movement in the Caribbean. We would like to record our appreciation also for his life and for his work.

At the same time, Mr. Speaker, we would also like to associate ourselves with the remarks of the Government in relation to the life of Kwame Ture. Born as a national of Trinidad and Tobago, Mr. Ture spent much of his time in the United States of America. In fact, he lived and contributed to social and political life in the United States of America in the mid and late 1960s when the Black Power Movement was very much alive in that country. His contribution is acknowledged by all as one of the significant contributions that has led to an adjusted relationship between the races in the United States of America and, in particular, an upliftment of the standard of living and quality of life of the black man in that country.

Mr. Speaker, he was banned by the government of Trinidad and Tobago for incidents arising in a neighbouring country, Guyana. However, it was also a PNM government of Trinidad and Tobago that lifted that ban in 1976, so much so that he was able to travel to Trinidad and Tobago on several occasions while the PNM was in government and during several other periods subsequently. [*Desk thumping*]

Mr. Speaker, I close by indicating that not only Trinidad and Tobago; not only Caribbean life, but intellectual fortunes in this region, have undergone a significant blow by the passing of these three gentlemen: Mr. William Demas, Dr. Kurleigh King and Kwame Ture.

May God bless their souls.

Mr. Speaker: I thank you, hon. Members. For my part I would simply say that it did appear that each of these gentlemen, as Shakespeare would say, appeared to “bestride this narrow world like a colossus and we petty men appeared to peep about under the legs of those giants”. I simply wish to identify with the comments that have been made by both sides concerning these three late, distinguished and

Condolences

Friday, December 4, 1998

great men. I would ask the Clerk of the House to dispatch appropriate letters to the families of these three persons expressing the House's condolences.

ARRANGEMENT OF BUSINESS

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I request leave of the House to name its Members to the Joint Select Committee on the Planning and Development of Land Bill, 1998 at a later stage of today's proceedings.

Agreed to.

PAPERS LAID

1. Audited Financial Statements of the Trinidad and Tobago Electricity Commission and its Subsidiary for the year ended December 31, 1996. [*The Attorney General (Hon. Ramesh Lawrence Maharaj)*]
2. Audited Financial Statements of the Trinidad and Tobago Electricity Commission for the year ended December 31, 1997. [*Hon. R. L. Maharaj*]
To be referred to the Public Accounts (Enterprises) Committee.

1.55 p.m.

ORAL ANSWERS TO QUESTIONS

Water Intake (Santa Cruz)

5. **Mr. Martin Joseph** (*St. Ann's East*) asked the Minister of Public Utilities:
 - (a) to provide an indication of the date that construction work on the additional water intake at Santa Cruz, mentioned in the Public Sector Investment Programme 1998/1999, is scheduled to commence.
 - (b) What is the expected time-frame for completion of this project?
 - (c) What is its projected cost?

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Speaker, the outline scope of works for the project on the additional water intake at Santa Cruz includes:

1. Feasibility study
2. Drill and develop wells
3. Construct chlorination facilities

Oral Answers to Questions
[HON. G. SINGH]

Friday, December 4, 1998

4. Interconnect new wells supply to existing system
5. Commissioning.

At present, the Water Resource Agency is conducting a feasibility study which is expected to be finalized in December 1998. If this study produces positive results, the commencement of construction work is scheduled for January 18, 1999.

The duration of construction work is estimated at six months.

The cost of the project has been estimated to be TT \$1.5 million.

Caroni (1975) Limited
(Applications for Land)

6. **Dr. Keith Rowley** (*Diego Martin West*): asked the Minister of Agriculture, Land and Marine Resources:
 - (a) How many applications for purchase or lease of land for commercial purposes have been received by Caroni (1975) Limited?
 - (b) How many of these applications have been successful?
 - (c) Could the Minister also identify the unsuccessful applicants and state the basis on which the applications have been rejected or deferred?

The Ministe of Public Unilities Hon. Ganga Singh: Mr. Speaker, with respect to the issue of land development of Caroni (1975) Limited, the Tripartite Agreement had set out the process of rationalizing landholdings, including the sale of tenanted lands and developing lands with residential and commercial potential. In this respect the company is also responsible for divestment of its land assets that are unlikely to be required for agricultural use. The company is also engaged in the development of lands which are currently underutilized and lands which are deemed unproductive for agriculture.

It is in this context that Caroni (1975) Limited continues its policy of land divestiture. The number of applications received by the company for purchase or lease of land, over the past two years, was approximately one hundred.

With respect to applications which were successful, thirty-five applications were approved by the Board of Caroni (1975) Limited under lease arrangements.

Of the sixty-five applications which were unsuccessful thirty-five were due to the following reasons:

1. The sites which were applied for did not conform to the company's land use policy as well as the requirements of the Town and Country Planning Division policy.
2. Many applicants applied for lands which did not belong to Caroni (1975) Limited.
3. Some sites applied for by applicants were earmarked for other purposes.
4. Some applications contained inadequate information and was not supplied, upon request, by the company.
5. Some applications were unsuitable for their intended purposes.

A list of the applicants would be made available to the hon. Member if he so desires.

InnerCob/InnCogen

7. **Dr. K. Rowley** asked the Minister of Agriculture, Land and Marine Resources:
- (a) Has Caroni (1975) Limited disposed of any of its lands to InnerCob or InnCogen?
 - (b) If the answer is in the affirmative, could the Minister state:
 - i. the location of the lands and the acreage of land involved;
 - ii. the price paid?

Could the Minister further state:

- i. what process was used to determine the value of the land;
- ii. whether the price paid was consistent with the commercial open market value?

The Minister of Public Utilities Hon. Ganga Singh: Mr. Speaker, Caroni (1975) Limited has leased lands to InnerCob Industries (TT) Limited. The lands leased to InnCogen Industries (TT) Limited are located at Brechin Castle, Couva along the railway road extension. There were 32.4 hectares or approximately 80 acres of land which were leased. The lease period is 60 years with an option for renewal of another 30 years. The price paid by InnerCob is \$2,587,186.00 in the first year which includes premium and lease costs. Thereafter, an annual lease rental of \$816,338.00, including a price escalation which will be pegged to the US consumer price index.

The process which was used to determine the value of the land took several factors into consideration. These included infrastructure costs such as land development, roads, drainage, water, sewerage and so forth. Site cleaning and filling and all the utilities are also included and are to be borne by InnerCob. In effect, the land valuation was determined by the existing market value of the Point Lisas area and not the value of agricultural lands.

In response to part (c) ii of the question, the answer is yes, the price paid is consistent with the commercial open market value for the Couva area. I wish also to inform the Member for Diego Martin West that all the lease arrangements entered into by Caroni (1975) Limited can be found at the Registrar General's office at the Red House.

PERSONS WITH DISABILITIES (INTERNATIONAL DAY)

The Minister of Social and Community Development and Minister of Sport and Youth Affairs (Hon. Manohar Ramsaran): Mr. Speaker, it is with a deep sense of pleasure that I stand today in this honourable House to present this statement in recognition of the commemoration of the United Nations designated International Day of Persons with Disabilities. The Government of Trinidad and Tobago feels a great sense of obligation to promote policies and activities which will uplift and improve the situation of persons with disabilities in our society. This, might I add, is not being done in a piecemeal, but rather a holistic manner.

Mr. Speaker, first of all, I would like to define the term "disability" which according to The United Nations is: any restriction or lack resulting from an impairment or inability to perform an activity in the manner or within the range considered normal for a human being.

The World Health Organization estimates that in any given population 10 per cent has a disability. Based on this estimate, it is believed that the number of persons with disabilities in Trinidad and Tobago would amount to over 126,000 persons.

The Government strongly believes that persons with disabilities have the same rights as all other members in society to participate in social, cultural, economic and political activities of the country. It is recognized that persons with disabilities have substantial contributions to make towards the development of our society. All too often, consideration is not given to this reality because of the physical and psychological barriers which hinder them from reaching their full potential.

The time has come for us, as a society, to break down barriers of prejudice and to accept that persons with disabilities possess talent, skills and knowledge from which we can all benefit. Indeed, the sterling achievements of many disabled members of our society, either on an individual basis or under the aegis of their respective organizations, attest to this fact.

Mr. Speaker, resulting from the realization of this situation, Government has taken a proactive approach and developed a National Policy on Persons with Disabilities. For the purpose of implementation, a National Co-ordinating Committee on disability has been established. The committee comprised: Ms. Beverly Beckles—chairperson, from the National Centre for Persons with Disabilities; Mr. Martin Jones—Trinidad and Tobago National Association for Araujo—Trinidad and Tobago Blind Welfare Association; Ms. Korisha Mohammed—Trinidad and Tobago Chapter of Disabled People's International; Mrs. Frances Serville—Trinidad and Tobago Association in Aid of the Deaf; Mrs. Sherma Frank-Joseph—Disabled People's International (Tobago); Mrs. Jacinta Bailey-Sobers and Mrs. Denise Mohammed-Coker from the Ministry of Social and Community Development.

2.05 p.m.

This committee held its inaugural meeting on November 17, 1998. To serve as the secretariat to the Committee, a Disability Affairs Unit will be established by January 1999. The committee will, *inter alia*, develop programmes to improve the status and ensure equality of opportunities for persons with disabilities, while the unit will implement and monitor the provisions of the policy:

promotion of opportunities for a better quality of life for persons with disabilities; and encouragement and support for research projects in related cases.

To achieve these objectives Government intends to initiate the following undertakings:

- (1) The creation of a legislative base to protect the rights and create equal opportunities to enhance the quality of life of persons with disabilities.
- (2) Co-operation between government and non-governmental organisations in decision making on persons associated with disabilities.
- (3) Strengthening the support given to NGOs involved in the provision of rehabilitative and other services to persons with disabilities.

Persons with Disabilities
[HON. M. RAMSARAN]

Friday, December 4, 1998

- (4) Strengthening the existing organisations representing persons with disabilities and encouraging the formation of new ones.
- (5) Networking between Government and NGOs to exchange information.
- (6) Ensuring the creation of an accessible physical and built environment.
- (7) Educating persons with disabilities within the regular school system.
- (8) Creation of employment opportunities.

Mr. Speaker, the Government has been assisting a number of NGOs representing persons with disabilities through the provision of annual subventions in the sum of approximately \$6 million. Additionally, Government provides a disability grant for persons 40—65 years, who are certified physically and mentally disabled. This grant has been in operation for over one year and to date over 3,000 persons have already benefited. Approximately \$17 million has been granted in the 1998/1999 fiscal year.

Only in September of this year the Government agreed to an increase in the annual subvention to the National Centre for Persons with Disabilities to assist the centre in effectively developing and integrating persons with disabilities into the wider community. Increases have also been provided for the Trinidad and Tobago Association in Aid of the Deaf.

Mr. Speaker, as you might already be aware, the Budget Speech for the 1998/1999 fiscal year also sought to relieve some of the problems faced by persons. To this end, the health care equipment and accessories were made more affordable by exempting items such as artificial joints and limbs, pacemakers, hearing aids, crutches, surgical belts and trusses from customs duties and VAT.

Mr. Speaker, you will agree that essential to the change process is the dissemination of pertinent information on issues relating to persons with disabilities. To enhance this process, my Ministry will soon be implementing a public awareness programme on issues pertinent to persons with disabilities, via the print media.

Our first activity in this exercise is the preparation, in collaboration with organizations representing the disabled population, as well as persons with disabilities, of a resource booklet which will provide, *inter alia*, information of various types of disabilities and services available to treat with these situations. This booklet will be available early in 1999.

It is to be noted that Government recognizes that the most effective approach to promote the well-being of persons with disabilities is by working with other agencies to bring about the required changes. Consequently, in 1997, when approached by the National Centre for Persons with Disabilities to provide support for undertaking a project to improve the opportunities for vocational training and employment for persons with disabilities, the Government quickly agreed. The project has been progressing satisfactorily and is expected to conclude early in 1999.

Government also recognizes the tremendous contribution the Rotary Club of Port of Spain and the Rotary Club of Coral Gables in Florida have made and promoted the welfare of persons with disabilities by launching the Rotary's Empower 2000 project for the rehabilitation of persons with disabilities.

This project is expected to bring forth fundamental changes through empowerment and self-help by creating a multifaceted resource centre, the Centre of Excellence, with vocational rehabilitation and community-based services. It will include a computer resource facility linked to all participating NGOs based in Trinidad and Tobago and the Eastern Caribbean.

Finally, let me assure this honourable House that my Ministry will be making efforts through the Disabilities Affairs Unit, and in collaboration with the relevant NGOs, to proactively address issues faced by persons with personal disabilities.

FINANCE BILL

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

Motion made, That the next stage be taken at a later stage of the proceedings. [*Hon. B. Kuei Tung*]

Question put and agreed to.

FINANCE BILL

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

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

Finance Bill
[SEN. THE HON. B. KUEI TUNG]

Friday, December 4, 1998

The Provisional Collection of Taxes Act, Chap. 74.01 empowers the President to impose new taxes or to vary an existing tax for the purpose of raising revenue to meet expenditure in an Appropriation Bill. This is done by way of an Order which is issued pursuant to that Act.

Variations of existing taxes have legal effect once confirmed by resolution of the House of Representatives within 21 days. An imposition of new tax by Order remains in effect for four months from date of commencement of the Order. By the end of that period of time, legislation in the form of a Finance Bill must be enacted imposing new taxes with or without modifications.

The Provisional Collection of Taxes Order, 1997 came into effect on December 13, 1997. That Order varied the excise and import duties on cigarettes and also purported to give legal effect to other budgetary measures. Members will note that no new taxes were imposed to meet expenditure specified in the Appropriation Act for the financial year 1998, and there was only variation on the import and excise duties on cigarettes.

If the Provisional Collection of Taxes Order, 1997 had imposed a new tax, an Act imposing such tax would necessarily have had to be enacted within four months of the commencement of the Order, that is, by April 13, 1998. However, since in 1997, the Provisional Collection of Taxes Order imposed no new taxes, there is no requirement that legislation be enacted within four months of the commencement of that Order.

Accordingly, while this breaks with the usual tradition of bringing a Finance Bill to this honourable Parliament within four months of the Provisional Collection of Taxes Order, 1997, there really were no time constraints in bringing the present Finance Bill, as it does not impose any real taxes.

It is, nevertheless, important to present this Bill because several of the budgetary measures for the financial year 1998 require legislative action so that legal effect may be given to them. Many of these measures have an impact on the preparation of tax returns for the year of income 1998 and hence it is necessary to give effect to these measures before the end of the income year, 1998.

2.15 p.m.

Mr. Speaker, you would further recall that in September of this year, 1998, the financial year for the Government changed, the new financial year commenced on October 01, 1998 instead of January 01, 1999. The change in the financial year

required a new Appropriation Bill setting out the expenditure for the financial year October 01, 1998 to September 30, 1999.

Mr. Speaker, the Provisional Collection of Taxes Order, 1998 sought to give effect to some of the measures contained in the budget presentation for the new financial year 1998/1999 and came into effect on October 05, 1998. Furthermore, this Order was confirmed by resolution of the House of Representatives on October 21, 1998.

The Bill which is before hon. Members contains measures outlined in the last budget presentation which I presented in this honourable House on December 12, 1997 and October 05, 1998 respectively. It also contains certain other fiscal measures.

Mr. Speaker, Part 1 of the Bill describes its long title which provides for the provision of the duration of certain taxes and duties for the incorporation of the amendments made by the Provisional Collection of Taxes Order, 1997/1998 and to introduce other provisions of a fiscal nature and for related matters. I would give some details as to what is contained; the Bill whilst lengthy, is really simple in its content.

Part II of the Bill amends the Old Age Pension Act, Chap. 32:02. Clause 2(a) increases old age pension from \$349.85 per month to \$449.85 per month for the period January 01, 1998 to January 31, 1999. Together with the food subsidy of \$70.15, this would result in an increase from \$420.00 to \$520.00 paid to old age pensioners and this sum as is said is in respect of the period January 01, 1998 to January 31, 1999.

Clause 2(b) and 2(c) would also amend the Old Age Pension Act by increasing old age pension, but it also consolidates the old age pension in the food subsidy so that one single increased payment of \$620.00 would be made to old age pensioners. This measure would take effect from February 01, 1999.

The revision of the old age pension is but one aspect of the reform of the pension reform package which this Government would be presenting to the people of Trinidad and Tobago. The implementation of the first phase of the pension—

Mr. Valley: I wonder whether the Minister could clarify clause 2(c). This clause seems to be undoing what clause 2(a) and 2(b) intends to do. Clause 2(c) talks about deleting subsections (1) and (1A). Clause 2(a) talks about substituting in subsection (1), and clause 2(b) inserts (1A), and clause 2(c) is deleting (1) and (1A). I am wondering whether there is a problem there. I have brought it up so you could have a look at it.

Sen. The Hon. B. Kuei Tung: I do not think there is any problem. Unfortunately, what I am trying to do is put into law two different measures, one which was announced in 1997 and one in 1998. If there is a difficulty with respect to wording, I would consult with my technocrats.

I appreciate the guidance given by you, but let me explain what I am seeking to do. I am seeking with one Finance Bill to change the pension periods for two different periods and it may appear—*[Interruption]* I would refer it to the legal draftsman.

As I was saying, Mr. Speaker, the revision of the old age pension is only one aspect of the pension reform package which this administration would be presenting to the people of Trinidad and Tobago. The implementation of the first phase of the pension reform programme is currently engaging the attention of the Attorney General who is preparing legislation which would be presented to Parliament in a few weeks' time.

Part III of the Bill amends the Public Assistance Act, Chap. 32:03 which was amended in 1996 by, among other things, providing for disability allowance. The qualification requirement for this allowance was structured along the same lines as the old age pension and catered for individuals with disabilities to be placed in a separate category. The intention of the disability allowance programme, is to cater for individuals who are physically or mentally challenged, or visually or hearing impaired. However, in administering the disability allowance, it was found that the disability provision in the Act was too wide and lends itself to abuse by unscrupulous members of the public.

What has happened is that persons with illnesses such as asthma, hypertension and arthritis are now applying for disability allowance. In fact, almost all the persons between the ages of 40 and 65 years, who are currently receiving public assistance, are now coming forward with medical reports and applying for the allowance.

Within the first year of its implementation, there had been over 7,600 applicants and of these, approximately 3,600 had been approved. Those who had been rejected have since lodged appeals and some persons have approached the courts for redress. If the legislation is not tightened, we could end up with what may be described as runaway expenditure under this programme.

The problem seems to be that the disability provision is totally dependent on the certification of a government medical officer. What this amendment does,

therefore, or seeks to do, is to give the local Public Assistance Board the authority to determine a person is so disabled that he is unable to earn a living, or in fact, not earning a living. It should be pointed out that the need for a medical report has not been dispensed with, since the applicant would still be required under the Public Assistance Disability Regulations of 1997 to be certified by a government medical officer as being permanently disabled from earning a livelihood as a result of visual, mental, hearing, or any other physical impairment.

Part IV of the Bill amends the Students Revolving Loan Fund Act, Chap. 39:05 by transferring the management of the students revolving loan programme to private sector financial institutions. As I indicated in my budget presentation for the financial year 1998/1999, post-secondary education is a major building block in the development of our human resource requirements. In recognition of the many difficulties encountered by many students in accessing adequate funding, the Government-run students revolving loan programme currently makes provision for the grant of concessionary financing for students to pursue specific areas of study.

A parallel students loan programme guaranteed by the Government is managed and operated by the commercial banking sector and can be accessed to pursue any course of study. The rate of interest charged on these loans is considerably higher than that of the Government-run programme.

Under the proposal to transfer the management of the students revolving loan programme to financial institutions, loans to students would be limited to areas of study approved by the Minister of Education. These loans would not exceed the sum of \$100,000 per annum for a period of five years and Government would not only guarantee the loans, but would subsidize the rate of interest on these loans up to a maximum of 10 per cent.

Part V of the Bill amends the Motor Vehicles and Road Traffic Act, Chap. 48:50 by increasing the special registration fee payable on locally assembled foreign used motor vehicles. These special registration fees were increased by the Provisional Collection of Taxes Order, 1998 as follows:

- (a) motor vehicles with engine size not exceeding 1799 cc—\$30,000;
- (b) motor vehicles with engine size exceeding 1799 cc, but not exceeding 2499—\$50,000;
- (c) motor vehicles with engine size exceeding 2499 cc, but not exceeding 2999 cc—\$70,000;

- (d) motor vehicles with engine size in excess of 2999 cc—\$90,000.

Mr. Speaker, the assemblers of these locally assembled foreign-used motor vehicles have been able to convince the Government of the need to provide relief with respect to the new registration fees so that with effect from October 05, 1998, that is the date on which the Provisional Collection of Taxes Order, 1998 came into operation, the new structure in relation to these fees would now be as follows:

- “(a) motor vehicles with engine size not exceeding 1599cc—\$20,000;
 (b) motor vehicle with engine size exceeding 1599cc but not exceeding 1999 cc—\$30,000.00;
 (c) motor vehicle with engine size exceeding 1999cc but not exceeding 2499cc—\$50,000.00;
 (d) motor vehicle with engine size exceeding 2499cc but not exceeding 2999cc—\$70,000;
 (e) motor vehicle with engine size exceeding 2999cc—\$90,000.”

These changes with respective registration fees structure would necessarily involve refunds to persons who paid the new fees on or after October 05, 1998. Applications could be made by the relevant persons for a remission of the fees by the President pursuant to the Motor Vehicles and Road Traffic Act, Chap. 48:50.

Mr. Speaker, Part VI of the Bill amends the Income Tax Act, Chap. 75:01. In clause 6(a), the rate of business levy levied on the grocery seals of sales of a business is to be reduced from the current rate of 0.33 per cent to 0.25 per cent. This clause also exempts a business from payment of business levy for the first three years following its registration and raises the threshold for the business levy from \$150,000 to the sum of \$200,000.

Clause 6(b)(i) exempts from tax, interest income on loans made by financial institutions to fund projects within the small business sector under the Small Business Development Company regime. This amendment would provide an incentive to the small business sector which can contribute significantly to the development of our economy. In this context, it is proposed that Government implement an Enterprise Development Support Programme designed to develop, harness and increase the level and quality of entrepreneurship in Trinidad and Tobago. This programme would target young persons between the ages of 18 and 35 years who have completed the business plan, had the necessary training and

experience in the proposed business venture and are willing to work with a mentor.

Mr. Speaker, clause 6(b)(ii) seeks to exempt from tax, interest payments on bonds issued by the Trinidad and Tobago Mortgage Finance Company Limited for the purpose of providing loans to first-time home owners.

Clause 6(b)(iii), exempts from tax the lump-sum death benefit payable through a pension plan. Mr. Speaker, you would know that it is the common practice for employers to provide employees with life assurance benefits and this benefit which is usually twice the annual salary at death is provided in one of two ways, one via a group life assurance policy or through the employer's pension plan. The pension plan would often reinsure the benefit by taking out a group life policy itself.

Mr. Speaker, the income benefits derived from these provisions are taxed differently. In the case where the benefit is paid directly by a group life policy, the benefit is tax free. However, if it is paid through a pension plan it becomes subject to the payment of tax.

2.30 p.m.

The proposed amendment to section 8(1)(x) of the Income Tax Act would allow the lump-sum death benefit paid through a pension plan to be tax free. This measure will take effect from January 1, 1998.

By clause 6(c)(i) and (ii) of the Bill, a deduction in section 10(4) of the Income Tax Act will be allowable in respect of reasonable expenses incurred for tertiary education at institutions approved by the Ministry of Education. The aggregate amount of this deduction, together with existing deduction in respect of mortgage interest payments shall not exceed \$18,000, and is available to the taxpayer on his or her own behalf or on behalf of the taxpayers' children.

Clause 6(c)(iii) would amend section 10(5)(a) of the Income Tax Act so as to allow the mortgage interest paid on owner/occupied property as a tax deduction, provided the appropriate lands and building taxes are paid without any restrictions as to the year of payment.

Mr. Speaker, you will recall that in 1994, an amendment was made to the Income Tax Act whereby a claim for mortgage interest paid on owner/occupied properties would not be allowed as a deduction unless lands and buildings taxes on the property had been paid in the year of income. This measure resulted in very harsh penalties for the taxpayer who did not pay his land and building taxes on time.

Finance Bill
[SEN. THE HON. B. KUEI TUNG]

Friday, December 4, 1998

Under the Lands and Buildings Taxes Act, a person is liable to pay a 10 per cent penalty and interest of 15 per cent on arrears of lands and buildings taxes. However, although the taxpayer may have paid the penalty, he would not be allowed the benefit of the residential mortgage interest as a deduction in a particular year of income where he had failed to pay in that year, the relevant taxes payable under the Lands and Buildings Taxes Act or the Municipal Corporations Act. In such a case, his liability to tax would be increased because of the disallowance to his claim for mortgage interest relief.

To adjust this irregularity in the system, it is proposed to allow the mortgage interest as a deduction for tax purposes, provided the taxes under the Lands and Buildings Taxes Act and the Municipal Corporations Act are paid at the time the claim is made for deduction in respect of the mortgage interest.

Mr. Speaker, you will also note that similar provisions exist in the Municipal Corporations Act in respect of claims that may be made by a company for deduction of wear and tear. As is with residential mortgage interest claims, no deduction is currently allowed unless the company has paid, in a particular year, the relevant taxes under the Lands and Buildings Taxes Act and the Municipal Corporations Act. It is therefore proposed to amend the Municipal Corporations Act so that the wear and tear claims of a company may be allowed where the company satisfies the Board of Inland Revenue, that the taxes have been paid at the time that the claims are made. These measures would take effect from January 1, 1998.

With respect to clause 6(c)(iv), the Bill would amend the Income Tax Act by delinking mortgage interest tax deductions from tax deductions in respect of pension fund, deferred annuity or national insurance contributions. As a result of the 1998 Budget, an individual is currently entitled to claim as a deduction, residential mortgage interest payments, including interest payments on bridging finance and contributions to an approved pension plan or deferred annuity up to a maximum of \$18,000 per annum, in addition to the basic deductible allowance of \$20,000.

Given the proposal to reform the pension regime in Trinidad and Tobago, it was proposed in the 1998 Budget that the mortgage interest relief, including interest payments on bridging finance, be delinked from pension fund, national insurance and deferred annuity contributions. As I mentioned earlier, the extent of the tax relief in respect of these contributions will be limited to a maximum of \$18,000.

Clause 6(d) of the Bill provides for the allowance of deduction for up to 150 per cent of the expenses reasonably incurred by businesses in training and

retraining of their employees. This measure is in recognition of the need to continuously upgrade our human resource skills so as to ensure that businesses remain competitive and continue to grow and develop. This measure is to take effect from January 1, 1999.

Clause 6(e) and (f) seek to amend section 11 and 11(A) of the Income Tax Act to ensure the proper operation of the system whereby assets are pooled for the purpose of calculating the rates of depreciation of certain assets. The concept of pooling was introduced by section 11(A) of the Income Tax Act, whereby assets acquired after January 1, 1995 are pooled into classes specified in the Seventh Schedule to that Act. Mr. Speaker, assets which were acquired prior to January 1, 1995 are, however, not admitted into the pool and are currently written in the manner that existed before the introduction of the pooling system.

Under the pooling system, Mr. Speaker, the wear and tear rate applicable to items in a particular class of assets is applied against the aggregate expenditure incurred in acquiring the assets in that class. It is intended that assets would lose their identities once pooled, and wear and tear would be computed on the written down balance of each pool at the end of the income year. For instance, where in a year of income the aggregate expenditure incurred by a business in acquiring assets in a particular class is \$100,000 and the wear and tear rate for that class is 25 per cent, then the written down value of that class to the end of the taxation year would be \$100,000 minus the \$25,000, that is, \$75,000.

Mr. Speaker, however, certain provisions in the existing legislation militate against the operation of the pooling system. It is therefore proposed to remedy this situation by restructuring the relevant provisions of the Income Tax Act to give recognition to the pooling system. As a result of the proposed amendments to the Income Tax Act to give recognition to the pooling system, the balancing charge or allowance provision contained in section 11 of the Income Tax Act would need to be revised so as to defer the recognition of a balancing charge or allowance until the entire class or pool has been written down or the value of the pool results in a credit balance. These measures will take effect from January 1, 1998.

Clause 6(g), (h), (i) together with clause 6(c)(iv) mentioned earlier would de-link mortgage interest tax deductions from deductions in respect of pension fund, deferred annuity and national insurance contributions. Incidentally, Mr. Speaker, with respect to clause 6(h)(i), I would be proposing at the appropriate stage, a very minor typographical amendment to this provision so that the word "deleting" appearing after the words "subsection 14" should be deleted from this clause.

Finance Bill
[SEN. THE HON. B. KUEI TUNG]

Friday, December 4, 1998

Mr. Speaker, by clause 6(j) both publicly quoted companies and private companies would be permitted to establish Employee Stock Ownership Plans (ESOPs). In addition to being attractive savings instruments, ESOPs can be used to strengthen employees' ownership of the production process. The present law governing ESOPs has proven to be inadequate in its application to our liberalized economy. To make these plans more transparent, attractive and investment-friendly to employees as well as to employers, it is proposed to introduce new legislation:

- (a) to allow the shares of parent companies, whether registered locally or abroad, to be held as assets of an ESOP where the plan allows for such asset participation;
- (b) to allow foreign companies with ESOPs to establish profit-sharing plans in Trinidad and Tobago. The shares of these companies must, however, be listed on an approved overseas stock exchange before these foreign ESOPs can be registered locally;
- (c) to allow certain employees to whom these foreign plans relate to be applicable to the following categories:
 - (i) where the foreign company is registered under the Companies Act, 1995, the employees of the foreign company who are employed in Trinidad and Tobago; and
 - (ii) employees of a subsidiary of a foreign company where the subsidiary is either incorporated in Trinidad and Tobago or registered under this Companies Act.

The proposed legislation would also allow another method of funding to enable the trustees of an ESOP to borrow funds to finance the purchase of shares in the company. Furthermore, Mr. Speaker, interest on such borrowed funds may be fully claimed as a tax deduction in the hands of the employee members.

As an interim measure, before the enactment of the new ESOPs legislation, I propose to amend the Income Tax Act to clarify the point that both publicly quoted companies as well as private companies would be accorded similar treatment with respect to the establishment of ESOPs.

In the 1997 Budget Statement, delivered on December 12, 1996, I announced the withdrawal of claims for deductions by individuals with respect to deeds of covenant being in favour of charities and sporting bodies. However, through a

drafting error the sections of the Income Tax Act dealing with deeds of covenant in excess of one year were not deleted. Clauses 6(k), (l) and (m) seek to give effect to the necessary deletions.

2.40 p.m.

Mr. Speaker, clause 6(n) of the Bill provides for the increase of the income threshold for filing tax returns from the existing \$12,000 to \$50,000. This proposal relates only to persons whose sole source of income is from office or employment. It must be emphasized that this measure does not exempt taxpayers whose total income falls below the \$50,000 threshold from paying taxes. The onus will now be placed on the employer to ensure that his employees' PAYE payments are correctly deducted and remitted promptly to the Board of Inland Revenue.

Mr. Speaker, as you noticed, this administration has pursued a very vigorous policy of reducing rates of tax within the constraints of our general revenues. However, to ensure that we do not erode our own revenue base, we must strengthen our tax administration, and by clauses 6(o) to (z), various amendments are made to the Income Tax Act with the view to strengthening compliance of the taxing provisions and ensuring a more efficient collection of taxes. For argument sake, clause 6(o) seeks to amend section 82 of the Income Tax Act to make it clear that a trustee in bankruptcy will be required to submit all details of the assets and property to the Board of Inland Revenue before any property under his control is distributed.

Now, Mr. Speaker, under section 82(2) of the Income Tax Act, every assignee, liquidator, administrator, executor and "other like person" is required to obtain a certificate from the Board of Inland Revenue before distributing any property under his control. The certificate of the Board would certify that there are no taxes outstanding by the company in liquidation or the estate of a deceased taxpayer. Failure to obtain the Board's certificate before distributing the property will render the person distributing the property liable for the outstanding taxes. This, Mr. Speaker, is the law as it presently stands.

Section 82(2) does not expressly apply to a trustee in bankruptcy and there is some dispute as to whether that trustee can be considered as another "like person" under that section. So, clause 6(o) seeks to remove any doubt as to whether the section, in fact, applies to the trustee in bankruptcy by specifically referring to that person in section 82(2). In this regard, I will again at the appropriate time propose a minor adjustment with respect to the drafting.

Finance Bill
[SEN. THE HON. B. KUEI TUNG]

Friday, December 4, 1998

The proposals of clause 6(p), (r) and (u) of the Bill seek to enhance the collection of taxes by the Board of Inland Revenue by allowing the Board to make assessments within six years of the year of income or three years from the date the tax return is filed, whichever is the later period.

Mr. Speaker, the Income Tax Act provides for the Board of Inland Revenue to make assessments in respect of a particular year within six years after the income year. It is possible for a taxpayer to file a tax return on December 31 of the sixth year following the year to which his income relates. This action by the taxpayer results in frustrating the Board as the Board is unable to act on information contained in the tax return or to raise an additional assessment or, for that matter, to even accept the assessment made by the taxpayer himself. This is clearly an abuse of the system. So, clause 6(p), (r) and (u) of the Bill plugs this loophole by amending sections 83, 89 and 116 of the Income Tax Act.

Mr. Speaker, under the Income Tax Act, a person may object to assessments made by the Board of Inland Revenue. However, as a result of a recent judgment of the Tax Appeal Board, the Board of Inland Revenue is not permitted at the objection stage to vary any assessments upwards by relying on any new issue which may have arisen as a result of information obtained by the Board during its determination of an objection. This limitation of the Board severely hampers its ability to properly charge taxpayers the correct amount of tax based on all of the information available. Clause 6(q) therefore seeks to amend section 86 of the Income Tax Act by allowing the Board of Inland Revenue to raise any new issue at the stage of the objection based on new information and to thereby increase assessment.

Section 99(5) of the Income Tax Act provides that the PAYE payments deducted by employers from the emoluments of employees are deemed to be held in trust for the state. One would expect that such moneys would not be subject to attachment in the event of liquidation or bankruptcy of a business. However, some companies in receivership have claimed that for this provision to apply, PAYE moneys will have to be kept separate from other moneys of the business and be traceable. Having regard to the fact that PAYE are moneys due to the state and do not belong to the employer, clause 6(t)(a) seeks to amend section 99(5) of the Income Tax Act to clearly state that PAYE deductions are held in trust for the state, whether or not those amounts have been kept separate and apart from the employer's other moneys.

Mr. Speaker, in order to encourage compliance with the tax laws, it is proposed to increase the amount of fines associated with offence under the

Income Tax Act. The existing fines have been on the law books for decades and do not seem to act as a deterrent for taxpayers. In clause 6(s) of the Bill, the fine of \$600 on summary conviction for failure to file declaration forms (commonly known as TD1s) will be increased to \$3,000. Clause 6(t)(b) would increase from \$40 to \$75, the fine payable by a person who fails to deliver an account of the amount of PAYE tax deducted from his employees' emoluments.

Clause 6(v) would increase the fine payable by an employee of the Board of Inland Revenue on conviction for disclosing confidential information belonging to a taxpayer from \$5,000 to \$15,000. The fine payable by a person who is convicted of hindering a Board of Inland Revenue employee from doing his or her job will be similarly increased to \$15,000. Offences for tax fraud are dealt with by section 119 of the Income Tax Act and clause 6(w) would increase the fine for such offences from \$8,000 to \$50,000.

The general offence provision under the Income Tax Act is to be found in section 121 of that Act, so that a person who is guilty of an offence under the Act is, unless some other penalty is specifically provided for, liable on summary conviction to a fine of \$15,000 and to imprisonment for two years or both such fine and imprisonment. Clause 6(x) would increase the general fine from \$15,000 to \$30,000. Furthermore, Mr. Speaker, where regulations are made by the President under section 125 of the Income Tax Act, failure to comply with any of the regulations would carry, among other things, a fine of \$2,000. By clause 6(y), we propose to increase that fine to \$5,000. In addition, the existing law requires persons who deposit money with a financial institution to whom it is paid or credited interest of \$250 or to whom interest becomes payable in respect of a deposit exceeding \$10,000 to supply the Board of Inland Revenue file numbers to the financial institution. Failure to supply that number will, on summary conviction, be met with a fine of \$5,000 and to imprisonment for one year. It is proposed by clause 6(z) to increase the fine to the Board of Inland Revenue to \$15,000.

Mr. Speaker, on quite a different topic, clause 6(aa) of the Bill, the rate of depreciation on computers would increase from 10 per cent to 25 per cent. This increase in the depreciation rate on computers recognizes the rapid change in information technology where the view is widely held that the maximum useful life of a computer is four years. By clause 6(bb) of the Bill, an employer who claims an employment allowance in respect of an employee cannot also claim the wage or salary paid to that employee as an expense incurred in the production of income. Mr. Speaker, you will recall that the employment allowance was re-

introduced into the tax laws in 1997 when the Income Tax Act was amended to grant an allowance of 200 per cent in respect of every additional worker whom a person engaged in a trade employs at a salary not exceeding \$4,000. The amendment to the law did not, however, make it clear that an employee is not entitled to claim both the employment allowance as well as the deduction for wages or salary. Clause 6(bb) seeks to clarify the point beyond a doubt.

The whole of Part VII amends the Corporation Tax Act, Chap. 75:02. It makes similar amendments to the Corporation Tax Act as are to be made to the Income Tax Act in respect of business levy and so forth. So, Mr. Speaker, it really is not necessary for me to enunciate all of these all over again as it affects Corporation Tax. Part VII of the Bill reintroduces the amendments that are necessary for the Income Tax Act, as I discussed earlier. Part VIII of the Bill amends the Stamp Duty Act, Chap. 76:01. In an effort to strengthen the compliance and the enforcement capabilities under this Act, it is proposed to increase penalties related to offences under the Act.

For argument sake, it is proposed by clause 8(c), (e) and (f) that the \$1,000 fines provided for in sections 80, 82 and 85 of the Stamp Duty Act be increased to \$15,000. Section 78 of the Stamp Duty Act makes provision for certain offences related to fraud and provides for imprisonment for two years on conviction but does not also provide for a fine. Clause 8(b) of the Bill provides for a fine of \$15,000 to be also included as a penalty under this section. Clause 8(d) also seeks to increase the fine for defacing stamps under section 81 of the Stamp Duty Act from \$100 to \$3,000. Also, clause 8(g) would amend section 87 of the Stamp Duty Act by increasing the penalty which may be recovered in the Magistrates' Court or the High Court from \$2,500 to \$15,000.

With regard to the proposal stated at clause 8(a) of the Bill, this House will note that transactions involving the conveyance on sale of residential properties valued at an amount not exceeding \$300,000 are exempt from the payment of stamp duty. However, there is no penalty to prevent a person from purchasing a residential property and obtaining the benefit of the exemptions at reduced rates and, thereafter, converting the property to commercial use the very next day. It is, therefore, proposed at clause 8(a) that where residential properties are converted into commercial use within one year of conveyance on sale, such property should be charged stamp duty at the full rate applicable to commercial properties. In addition, the onus will be on the purchaser to inform the Board of Inland Revenue

of any alteration in the use of a residential property for commercial use. Failure to notify the Board of such change will render the purchaser liable to a fine of \$15,000.

With respect to the proposed increases in the fines under the Stamp Duty Act, as well as under the Income Tax Act, the new monetary penalties are the maximum amount that a court can fine a person. It does not mean that in a given case, and depending on the circumstances, the court could not impose a lesser fine. The court could indeed impose a lesser fine but may not impose a fine exceeding the amount as stated in the legislation.

Part IX of the Bill relates to amendments to the Miscellaneous Taxes Act, Chap. 77:01. Clause 9(a) amends the Act to allow the Board to inspect the books and records of financial institutions to ensure that the correct taxes are paid in respect of financial services income. Clause 9(b) to (f) is mainly administrative. It amends the Act to allow the Ministry of Local Government to have direct access to the Road Improvement Fund in respect of maintenance of roads under its purview. The allocation out of moneys in the Road Improvement Fund should, however, be up to a limit of 50 per cent and not a straight 50 per cent of the amount in the fund.

Clause 9(g) allows the President to remit or refund taxes and penalties payable under the Act. The Miscellaneous Taxes Act imposes penalties in respect of various taxes collected pursuant to the Act where such taxes are not paid over to the Board of Inland Revenue within a specified period of time. These penalties are not unique to this Act. Similar penalties exist with respect to the income tax, the financial services tax and the value added tax. However, the Miscellaneous Taxes Act, unlike other existing legislation, contains no provision which allows the President a discretion to waive or remit taxes and penalties. This amendment to the Act is proposed in order to correct this disparity.

Part X of the Bill would amend the Customs Act, Chap. 78:01. By clause 10(a) of the Bill, the rate of exchange used in the valuation of imported goods shall now be the rate on the day the goods were placed on board the first aircraft or ship for export to Trinidad and Tobago. Clause 10(b) amends section 45(4) of the Customs Act to allow for the importation of vehicles specially constructed for use by disabled persons and acquired through purchase or gift. Previously, such vehicles could only be imported if acquired as a gift.

By clause 10(c)(i), it is proposed that the rate of duty on imported beer be reduced from \$4.50 per litre to \$4.00 per litre.

Finance Bill
[SEN. THE HON. B. KUEI TUNG]

Friday, December 4, 1998

2.55 p.m.

Mr. Speaker, clause 10(c)(ii) and (iii) would reduce to nil the customs duty on computer diskettes. Clause 10(c)(iv)—(XI) would impose new rates of customs duty on fully assembled motor vehicles. Clause 10(d) would allow machinery, equipment and materials used for the manufacture or generation of electricity to be added to the list of conditional duty exemptions at the Third Schedule of the Bill.

Part XI of the Bill amends the Insurance Act, Chap. 84:01, to allow the local insurance industry to market foreign currency denominated insurance product.

Part XII of the Bill amends the Value Added Tax Act of 1989. Clause 12(a) would amend the Value Added Tax Act to provide that the supply of international travel or international package tours is regarded as taking place in Trinidad and Tobago, if the journey also originates in Trinidad and Tobago, or Trinidad and Tobago is the place of issue of the ticket for travel. This has been a major loophole that we intend to address with this Bill.

Clause 12(b) would increase the registration threshold under the Value Added Tax Act, from \$150,000 to \$200,000. Clause 12(d) would amend section 34(3)(B)(iii) of the Value Added Tax Act, to more clearly state the intent of this section. Clause 12(e) would zero rate items such as artificial joints and limbs, pacemakers, hearing aids, crutches, surgical belts and trusses, computer hardware, parts, accessories and software, as described in the First Schedule in the Customs Act.

Part XIII of the Bill amends the University Students' Guaranteed Fund Act 1994. These amendments are consequent on the management of the Students Revolving Loan Fund being transferred to private institutions. Part 14 of the Bill sets out the commencement dates of the various clauses of the Bill.

Mr. Speaker, as you could see, this Finance Bill seeks to remedy a number of the problems we have had administratively in the Board of Inland Revenue. It brings into law a number of measures announced both in the 1998 as well as that 1998/1999 budget.

Mr. Speaker, I beg to move.

Question proposed.

Dr. Keith Rowley (*Diego Martin West*): Mr. Speaker, under normal circumstances it would have been very difficult to reply to the very tedious

presentation of the Minister of Finance. However, I assure you, that presentation is not going to affect me in anyway, except, insofar as I propose to refer to this whole question of taxation.

The matter before us is a Bill and it says in fairly ominous English:

"AN ACT to provide for the imposition or variation of certain taxes and duties..."

I place emphasis on the word "imposition," because this issue about taxes is something in Trinidad and Tobago today. If I were in this Government I would have advised my colleagues to leave well alone and not mention the word "tax". "Tax" as defined in the dictionary is a "compulsory contribution to the support of government levied on persons, property, income, commodities or transactions."

Most citizens find taxation burdensome or, in fact, oppressing. Some citizens, even if they have no problem with the idea of tax or its service through government, find taxation to be a strain or a heavy demand. Under those conditions, given the behaviour of this Government, in what it has done and is doing directly, and what it is permitting indirectly, while it has the legal authority to impose taxes on the population, this government has absolutely no moral authority whatsoever, to tax anybody—[*Desk thumping*]*—*the reason being, that you do not tax people for fun. You do not tax the population because you get up and have a "vaps" to impose a penalty. You tax the population to obtain revenues with the intention, hopefully, to service the population's need.

Mr. Speaker, I would use two areas of governmental activities to demonstrate to you why the clarion call inside and outside this Parliament, to this Government, must be "no new taxation for maladministration!" It has to be that, because what the Minister of Finance spent the last hour and a half doing is telling us about what benefits existing, that are going to be removed and what taxes he would levy in certain areas, taking money from people to take into the Government's control. To do what? To further fuel the haemorrhaging through maladministration and to provide larger resources to be stolen by his friends in the rampant corruption that exists in Trinidad and Tobago today. [*Interruption*]

Mr. Speaker, I am going to ignore them. I am not talking to them, but to you. This afternoon, fortuitously, the Member for Caroni East told the Parliament in response to a question I filed about how Caroni (1975) Limited lands were being disposed—the question was asked whether the price paid was consistent with commercial open market value. That question was put to the Minister of

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

Agriculture, Lands and Marine Resources but, unfortunately, he is not here. The Member for Caroni East answered and said yes, the price paid was consistent with open market value. Mr. Speaker, nothing could be further from the truth!

So while the Minister of Finance is here, belabouring us with his tedious presentation about raising a penny here, or a 10 cents and 5 cents there, let me explain how this Government has gone about dealing with real money. Before I do that, I would draw your attention—since I am talking about Caroni (1975) Limited—to page 3 of today's *TNT Mirror*, under an article which says:

"Caroni's 1999 crop in danger."

This is the same Caroni (1975) Limited that had a disastrous crop in 1998! We are now being told that the 1999 crop is in danger. Listen to why it is in danger as I quote:

"Up to last Tuesday, the government had not responded to a request from the company for a paltry \$5 million for urgent repairs needed for the new mill at the Ste. Madeleine factory.

And with six weeks to go before the start of the 1999 crop-harvesting, fears are that the factory will not be ready.

Requests have also been made for other small sums to meet repairs to Caroni's cranes, trucks and other rolling stock..."

Here is Caroni (1975) Limited managers saying that the crop is in danger, which means great losses are to come, for the Treasury to fund from the taxes that the Government would levy, because paltry sums for things such as cranes, the mill and so forth, cannot be provided. But when Caroni (1975) Limited has the opportunity to sell industrial land to InnCogen that is earmarked to make a billion dollars in profit with no benefit whatsoever to the people in Trinidad and Tobago. How were the lands disposed of?

The same Caroni (1975) Limited that is going to the Minister of Finance, who came here to tax me, my grandmother, "meh tantie and meh nenen," has an opportunity to make land available for industrial use in the industrial heartland, we heard this afternoon that land which Brechin Castle leased to Point Lisas, this is how it was done.

I quote from page 62 of the Yorke Power Funding (Cayman) Limited—we will come to this at another time—this is the prospectus for the InnCogen scandal.

This is InnCogen talking to the world. They do not talk to us, because when he came here to tell us about his statement in Parliament, the statement was interesting for what it did not tell us. But listen to the prospectus about Government assets which is being funded by a bankrupt Caroni (1975) Limited through the Treasury:

"Caroni (1975) Limited, a state-owned company...has leased a portion of land... to Innercob Industries (Trinidad) Limited ('Innercob') for sixty years and four days, commencing on June 1, 1998....The Head Lease provides that Innercob may use the Lot for industrial purposes. The rent is forty cents per square meter per year for the first five years and fifty cents per square meter for the second 5 years."

Mr. Speaker, when you work out what is US 40 and 50 cents per square metre, contrary to what the Minister of Public Utilities told us this afternoon, it is the biggest sweetheart deal that has passed in this country in my time. [*Desk thumping*] And I know, because I was the Minister responsible for land when a land policy for state and public land in Trinidad and Tobago, which is supposed to guide Caroni (1975) Limited, was put in this Parliament.

That policy is: two per cent of the open market value for agricultural land, I think it is 2 1/2 or 3 per cent for residential land, and 5 per cent of the open market value for industrial land. That is the lease rent. Therefore, a formula exists as to how land should be dealt with. I know for a fact that Caroni (1975) Limited has been and is guided by that policy until the Innercob deal came about. As soon as they came on the scene Caroni suddenly does not know how to attribute cost and value to its industrial land.

I would explain how Caroni (1975) Limited went about dealing with a piece of Caroni land at the area around Kay Donna. In negotiating a lease rent with the owner of 5.75 acres of land there, Caroni (1975) Limited, using the formula I just described requested a premium—which is a one-off payment—of \$2.1 million. That is this year. That works out to about \$365,000 per acre! On top of that, an annual rent for the 5.75 acres of \$120,000 per year, which works out to \$21,000 per acre.

Thus, for residential land on the Southern Main Road, east of Valsayn, Caroni knows to ask for a premium of \$2.1 million. It knows to command a lease rent of \$21,000 per acre, but down in the industrial heartland in Brechin Castle, this is what we were told this afternoon—you heard it—for 80 acres in Brechin Castle,

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

40 cents per square metre. This works out to be a premium of \$2 million. So for 80 acres in Brechin Castle, in the industrial heartland, next to Point Lisas, Caroni asked for less premium than it asked for five acres in Curepe for housing. [*Desk thumping*].

3.10 p.m.

Therefore, the national policy is that the housing rate is less than the industrial rate. That passed through this Parliament. Agriculture is the lowest rate you pay, housing is the next highest rate and industrial rate is the highest rate. Therefore, \$365,000 per acre at Kay Donna but \$10,000 per acre at Brechin Castle and they ask for \$2 million premium. That is why the short pants man could tell the world that he got land at 40 cents per square metre. [*Desk thumping*]

Then the same Minister, when this matter came to the Parliament the first time, got up here and sought to distract us by talking about PNM minister taking bribe from oil company and to this date he can provide no information. He got up here this evening and spoke an untruth again telling us that the Caroni (1975) Limited lands were leased at open market value.

Mr. Speaker, nothing is further from the truth. In fact, I spoke to him privately before on the InnCogen matter. I gave him the benefit of my advice as a friend and told him had he not been linked to this party and this Government we might have been liming partners. Today I call for his resignation. [*Desk thumping*]

Mr. Speaker, \$2 million premium. They want to tax poor people left, right and centre on a little motor car. They want to take away the benefit—look at this document saying that unless you are totally cripple you cannot get public assistance. This Minister has the lack of conscience to tell me I must vote on Part III to amend the Public Assistance Act to replace Part (d) so it must now read that if, in the opinion of the local board, you are so disabled that you are unable to earn a livelihood. So unless you are an absolute cripple you will cease to get the public assistance from this Government but if you are InnerCob you can get land at 40 cents per square metre. Do you understand the wickedness and the corruption of this Government, Mr. Speaker?

Let us examine this closely. For a premium of \$2 million it means that they are paying you \$25,000 an acre. But at Kay Donna, as I told you, it was \$365,000 an acre. In other words, InnerCob is paying 10 per cent of the market value. I am only comparing it if it was being used for residential purposes. In fact, it is being

used for industrial purposes as the document itself says so it should be even more than that.

Mr. Speaker, you do not even have to go to Harvard University to understand that because if you look at the boast of the InnerCob people and you look at the prospectus that they put out you will see that this InnerCob gold mine is such that it is going to repay its bond debt in eight years. But, interestingly enough, that is the same eight years in which they have a tax free status and they are geared to make \$1 billion in profit. But making \$1 billion in profit what do the people of Trinidad and Tobago get? They get their land taken away at US 40 cents per square foot and the Minister comes here this afternoon and tells us that 25 cents per square, US 40 cents per square metre which is the equivalent to 23 cents per square foot. Where in Trinidad and Tobago can you buy land or lease land on that basis? At 23 cents per square foot? Not in El Tucuche, Caroni Swamp, Chacachacare, not even on Chatham Island you can get that, but in the industrial heartland, as Point Lisas grows and expands, next door in Brechin Castle.

Then the same Caroni (1975) Limited that is here—I just read for you how the crop is in danger because with six weeks to go small sums have not been made by the Treasury to get them going. Hear what they have agreed to do with InnerCob, “outercob” and the short pants man. Caroni (1975) Limited agrees under the head lease, among other things, to provide, maintain and upkeep the roads necessary to provide ingress and egress for a lot over Caroni (1975) Limited private road leading to InnerCob. So Caroni (1975) Limited has taken on the responsibility to even maintain the road to go to InnerCob; the same Caroni (1975) Limited that gave away the land for 23 cents per square foot and this Minister comes here and tells me I must vote for a Bill to tax people to get money to subsidize Caroni (1975) Limited after it had one opportunity here to make some money on this land.

I worked it out. If Caroni (1975) Limited had used the normal accepted policy of this country and used that land as industrial land and used the 5 per cent industrial rate, if they had used the Kay Donna rate which is housing, on the land down there for the billion-dollar-profit making InnerCob plant, they would have been getting \$29 million in premium in June. If they had got that \$29 million in premium they would not have been here bleating about waiting for \$5 million from the Government and threatening the crop because on the first of June when they signed this head lease they would have received a premium of \$29 million. After that \$1 million per year in lease rent and since the lease is for 60 years that

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

is \$60 million that they had coming to them. So the deal would have been worth \$87 million and that is if they use it at the residential rate.

If they had used the industrial rate they would have got another one third on top of that. It is over \$100 million gone down the drain to InnerCob from Caroni (1975) Limited, the bankrupt state company. That is facilitated by that Minister and the Government of Trinidad and Tobago which is taxing people to support the waste at Caroni (1975) Limited. Mr. Speaker, if ever Caroni (1975) Limited was guilty of scandalous behaviour and should have absolutely no access to the Treasury this is signed, sealed and delivered. [*Desk thumping*]

In fact, it raises the question now, and I want to raise it now, whether, in fact, Caroni (1975) Limited, as a producer of sugar and rum where all the other efforts are peripheral and chronic failures, whether that company should not be confined solely to lands that are required for producing sugar and rum and the other lands being managed differently.

Again, fortuitously, I asked today how many persons have managed to lease land from Caroni (1975) Limited in the last two years. The Minister told us 35 persons; 100 applied and 35 got land. I want to know how many of these local citizens, 35 people, 35 companies got land from Caroni (1975) Limited at \$10,000 per acre. How many? So it is one price for the law-abiding honest people of Trinidad and Tobago and 10 per cent of that price for short pants man, InnerCob and “outercob”. Do you understand? Then they want to tell me I must use the vote of Diego Martin West to vote for this Bill to tax people. Mr. Speaker, I hope I have demonstrated to you how this Government has no moral authority to add any new tax to anybody in Trinidad and Tobago.

Let me use one other area of governmental expenditure and management to point out to you why I say the Government should not be allowed to put any further tax burden, whether it is 10 cents or 10 million cents, on the people of Trinidad and Tobago. Because it has the authority to run the country the Government also has a responsibility to appoint people who are competent and have the required integrity to manage the blocks of funds that are managed away from the Cabinet.

This Government's record to date is a dismal failure and to demonstrate to you once again, Mr. Speaker, how this Government has no moral authority to tax anybody and why there should be no further taxation under this maladministration, let me go east to the Airports Authority—appointment of the

right people. The first thing this Government did which threatened the abuse of public funds is to appoint an individual of questionable character who is a client of the Airports Authority to manage the Airports Authority. That is the first thing the Government did; not concerned about conflict of interest. When we raised the question of conflict of interest with respect to the management of the NIB and the Maritime personnel put there by the Minister of Finance, extending to the airport contract, we were told in this Parliament that there was no conflict of interest. This Government does not know the meaning of the phrase. They put a client of the Airports Authority to manage the Airports Authority; another agency which is managing, receiving and spending large amounts of state funds and the minute they run into the red they do one of two things. They threaten workers jobs or run to the Treasury for money; two options available.

Mr. Speaker, I want to demonstrate to you how the Minister of Finance should not be allowed to raise one cent under this Bill today until we have a full-fledged enquiry into the administration of the Airports Authority and get proper accounting for the moneys of the state which are being spent. *[Desk thumping]*

Mr. Speaker, I want to put it on this parliamentary record because certain matters of the Airports Authority became public not too long ago. The Prime Minister, I understand through the news media, has said he will have some enquiry. I know what that means. We had an enquiry: the Deyalsingh Report. We know how the Government handled that. We were supposed to have an enquiry into NFM, we have not had that. We were supposed to have one at NP, we had that; it is under his bed. Now we have the Airports Authority. First thing we have is a conflict of interest.

Let me demonstrate the conflict of interest insofar as it results in fraud at the Authority. I have here, Mr. Speaker, the Minutes of the Airports Authority for October 22, 1998. Having been in the Cabinet before, I am familiar with this document and its format but what I see here shocks me. The short point is that the Airports Authority of Trinidad and Tobago is keeping two books. In the September—*[Interruption]* This is the Parliament, it is confidential in here as well. They are cooking the books at the Airports Authority like any normal two-bit scampish operation; keeping two books.

When you look back at the Minutes for the months leading up to September you see a company called Briko Air Services where the Chairman is the principal in that company, so let us call it the Chairman's company, owing the Airports

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

Authority substantial sums of money and it is recorded in the previous—over \$200,000. Mr. Speaker, every month the officers of the Airports Authority will put into the Minutes the computer print-out page on the client's debt arrangement. Interestingly enough, in September that format was changed and instead of putting in the computer print-out form with everything untouched, a typed version was put in with one change. Of all 25 debtors, debtor number nine is Briko Air Services, the Chairman's company, and his debt just suddenly jumped from \$203,000 to \$73,000 just like that.

3.25 p.m.

All the way up through the agency he owes \$203,000 but between the financial comptroller and the chairman that has been changed to \$73,000, but then they forgot to change a page which shows how all the debts have been serviced over the years. It says that for the period in which that money disappeared from \$203,000 to \$73,000—hear what it says:

“Payments not received on arrears.”

So the same document that says “payment not yet received on arrears”, two pages in front have a new format, but the only change is that the chairman's company is now owing \$131,000.

Mr. Speaker, this is fraud. This is how the public funds are being plundered by this Government and its agents and this must stop! [*Desk thumping*] Because when we see the big picture, this is happening all over the country in too many agencies.

Mr. Speaker, when you look at it on this same page, the average payment for all the private debtors on the arrears is 45.3 per cent. The chairman's company, 3 per cent. There is a conflict of interest in this being allowed to happen; terrorizing the board; terrorizing the agencies; terrorizing the workers to permit this to happen. The workers at the Airports Authority are the unhappiest workers in Trinidad and Tobago today because of their employer. [*Desk thumping*] I would come back to that. This is the kind of thing that is happening up there and the unfortunate thing about it is that the vast majority of members of that board are there by virtue of positions they hold in public administration. They cannot resign and walk away because they are there by virtue of the post. They have to sit there and watch the political appointees plunder our Treasury in this way.

Mr. Speaker, talk about waste. The same chairman of that authority—who is aiming to spend funds from the taxes that he wants to levy today, which is going

to get money by depriving poor people on public welfare because they are not totally cripple—has a visa card. In nine months, the chairman of the Airports Authority ran up over \$200,000 worth of personal expenses which is equivalent to \$22,000 per month charged to the Airports Authority. Do you understand? As if that is not bad enough, Mr. Speaker, they are operating illegally. Listen to how this Government is behaving with public resources. Because money in the public equals jobs.

You would have seen, Mr. Speaker, this big fiasco about a VSEP at the Airports Authority. We are talking about raising taxes from the very said people; over 100 employees who are being bullied out of the agency. The agency has no organizational chart which says that if there is a VSEP and 80 people are released there would be 80 people less. No, this Government is of the view that it must conduct an affirmative action programme by having a revolving door arrangement where some people are given VSEP and they are replaced with other people.

If this Government is in fact pursuing an affirmative action programme, then it should justify it to the country and tell us what it is doing. *[Desk thumping]* I will not support the argument that in Tobago you go to an office and all the persons there are of one ethnic group; and if you go to a state agency in Caroni you would find the same thing. I would understand that to mean that in the Tobago community the vast majority of persons, by historical antecedents, happen to be of one ethnic group so it is acceptable that you go to a Government office in Tobago and find one set of people in there. In Caroni (1975) Limited, 95 per cent of another grouping. No fuss about that. The whole country knows that Central Trinidad has the majority of people of East Indian origin.

This Government believes, considering the airport is in the corridor, and there is a mix of people there. Through its agencies, this Government is pursuing an affirmative action programme by subterfuge, sending some people out and encouraging them to take VSEP, bullying them to the tune of \$12.8 million in VSEP and replacing them immediately with their friends and party supporters. *[Desk thumping]* Do you understand, Mr. Speaker? They are also doing it improperly and illegally.

I told this House before that I am comfortable with everybody in this country so I could deal with any issue involving race, class or religion in this country. *[Desk thumping]* I can do that. I am the only Member of Parliament in this country who ran for election in Tobago and in Trinidad. Do you understand? I am

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

a citizen of this country. You can bully the President of the PSA but you cannot bully me. I got my facts. *[Interruption]*

Mr. Speaker, I am hearing a noise from someone on the Bench on the other side. I want to tell that item that I was a Minister of Agriculture, Land and Marine Resources for four years, managing thousands of people not of my race and there was never one comment in this country about my conduct. Never once. *[Desk thumping]* So I could ignore him.

I want to put on the record, Mr. Speaker, part of the contents of a memorandum from a member of the board of the Airports Authority to that chairman of the board, dated October 21, 1998, which goes like this:

“I wish via this medium to record and communicate, as others have verbally done on numerous occasions, my continued disappointment with the calibre and accuracy of the Minutes of the Board...”

So, it is not only the finances they are juggling, but the board’s minutes too. This is a board member recording this for the chairman’s benefit. The member goes on to say:

“It is quite inaccurate to state, *inter alia*...”

that a particular director

“was the **only** director who was against the introduction of the VSEP. This matter has NOT been properly presented to the Board of Directors to enable the Board to make an informed decision, one way or the other, about the merits or demerits of introducing VSEP to the Authority. The mini-presentation...was an attempt *ex post facto* to justify an apparent introduction of VSEP.”

That is how the board knows it. That is how it goes. Listen to what the chairman wrote to the Minister the following day having received that missive from a member of the board about this whole question of rotating staff at the Airports Authority:

“Dear Minister,

Pursuant to previous meeting and discussions on VSEP at the Airports Authority, I now wish to advise that at the closing date of September 17, the Airports Authority has received 116 applicants both from Trinidad and Tobago. This plan met with agreement from the PSA and Estate Police

Association and strategies are now being put in place. I therefore submit this for the approval of the honourable Minister.”

Of course the Minister approved it. So, a VSEP is being put into effect at the Airports Authority without the approval of the board, with the connivance of a chairman and the Minister.

Mr. Speaker, if this kind of thing is not corrected, it has the potential to create serious social disorder in this country. I call on the Government to cease and desist and at this moment I am calling on my colleagues on the other side to intervene in this matter. I am calling for an inquiry into the administration of the Airports Authority to rectify these matters before they become explosive social and economic issues. *[Desk thumping]*

Mr. Speaker, the airport is riddled with corruption. Imagine the chairman is writing to the board saying—this chairman whose money that is owed to the Authority is disappearing into thin air is writing the board and saying:

“Dear Member,

You are hereby advised that the Deputy Chairman...has not been appointed to act as Chairman of the AATT during my absence. The Minister of Works...was advised of this before my departure.”

So, the chairman is decreeing that the deputy chairman is not authorized to hold the next meeting while he is out. Let me tell you what the law says. The law says that the Authority shall meet once a month and Article 7(3) says that the chairman or in his absence, the deputy chairman shall preside at all meetings. That is the law of Trinidad and Tobago.

3.35 p.m.

The chairman writes the board and tells them when he is not there, do not allow the deputy chairman to preside. That is illegal, it is improper and we know why. Then the chairman says he is running the company from long distance, but I would not bore you with that Mr. Speaker. Sufficient has been said to point out to you that moneys are at risk at the Airports Authority, squandermania is in flow and corruption is the order of the day.

Under law, the regulations of the Airports Authority require the Tenders Committee to manage the award of contracts but taking a leaf out of Central Government’s page, at the Airports Authority the Tenders Committee is awarding

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

contracts even when the tender is not put into the box. You do not believe me! Memorandum of June 24 by a senior officer to another officer:

“When quotations were opened I advised that the quotations be reinvented because the original request was not supported by a Bill of Quantities and that the quotations were not dropped in the tenders box.”

Do you understand now why we woke up one morning and discovered that the car park at the airport was under new management? How they got there, only God and the UNC knows. In the month of August alone that car park had revenues of over \$400,000. So, for the year we are looking at \$5 million. That is the kind of earnings. What does the contractor do there? Put up a little booth and put one person on one side to give a ticket and one person on the other side to collect money and collecting \$5 million per year and pays peanuts to the Airports Authority. But the Minister of Finance comes today and tells me I must vote to deprive some handicapped person of Government welfare because he needs the money. I say no way! Not on his merit. If the Minister of Finance could find his friends to fund like this, he should find money for the poor and suffering of Trinidad and Tobago.

The Airports Authority awarded a contract to friends out there. No tender, no competition. The Airports Authority removed a contractor who had been servicing the country for years with all the skills, personnel and reputation and gave it to a contractor whose only claim to fame—and his largest and single electrical contract—was to have installed the lights on that Tunapuna connector road. Friend of the Minister puts some lights on the road and the next thing he is the preferred contractor for electrical works at Piarco International Airport. Do you understand? Our very lives are at risk. After he gets the contract, he goes looking for staff, trying to raid staff from the same companies that were there before. That is how our moneys are being spent. No wonder we are hearing that at the Piarco International Airport, this is not working, that it is not working, this is at risk, blacklist comes in because this is the kind of management that exists at Piarco International Airport.

Mr. Speaker, I have called for the inquiry. I have given enough information to show that not only people's jobs are at risk but social stability is at risk, corruption is the order of the day and there are people out there who believe that they are above the law.

The air-conditioning contract was given to a partner. How can we, in all honesty, say that we are building a quality nation when corruption of this scale

and the InnerCob scale, the Caroni (1975) Limited incompetence and negligence are staring us in the face, and when an Independent Senator talks about quality corruption and nonsense, the Prime Minister jumps on his back with his veins and his eyes, and his mouth frothing? I am saying this Government is facilitating behaviour in this country that could lead us to destruction in a short space of time. [*Desk thumping*]

Simple matters. The Airports Authority pays travelling allowances to preferred officers and the same authority, having paid travelling allowances to these preferred officers, rents motor vehicles and gives to them.

Mr. Speaker, I was in the Cabinet when we sought to streamline the emoluments of members of boards in state agencies and we put in writing a Cabinet instruction to agencies what the emoluments and perks should be for all the various agencies including the Airports Authority. Unless somebody on the other side gets up and directs me to the Cabinet Note, the date when it went into effect, and tells me when did the chairman of the Airports Authority have the right to have a motor vehicle available to him but he has one costing \$206,000.00—he can buy a car. Even though the Cabinet says that as chairman of that authority no motor vehicle is part of his package but he can override the law and say that the deputy chairman cannot preside, then what is the little matter with a motor car? That is what we face from time to time.

Today, even before we have the inquiry, I am calling for the instant dismissal of the chairman of the Airports Authority. [*Desk thumping*]. He is an appointee, chairman of the Board. Dismiss him.

Mr. Speaker, do you think I am being harsh? Listen to this one.

I told you about conflict in public management and affairs. Since I know myself the Light Aeroplane Club uses the Piarco International Airport and by extension is a tenant of that agency. Here is what this board and this chairman writes to the Light Aeroplane Club in October and says to them, giving them one month's notice that their lease has expired on April 30 and it has not been renewed. That is going to create a problem for you and I will give you free advice:

“It is suggested that you liaise with Briko Air Services where alternative arrangements can be negotiated for the hanging of your aircraft.”

So the Airports Authority divests itself of its own tenants and revenues and directs it to Briko. This is corruption; it is conflict of interest.

Mr. Speaker: Hon. Members, the speaking time of the Member for Diego Martin West has expired.

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

Question put and agreed to.

3.45 p.m.

Dr. K. Rowley: Mr. Speaker, I do not know if you are very observant of the commercial activities in and around Port of Spain like I am. There are some spots around Port of Spain that have a different business every time you pass because the one before "buss". Eventually, you come to the conclusion that that spot is blight. No matter who goes there, at the end of the day, the business "buss". I am fearful that Piarco International Airport is becoming like that. What is there about Piarco International Airport that attracts everything that is bad about Trinidad and Tobago?

In doing my research and following the media on this matter, I have noticed a very curious appointment at that airport. Mr. Speaker, do you recall when the Deyalsingh committee was appointed? There was a certain secretary called Rampersad Hardwar. He was secretary to the Deyalsingh Commission which said that we must fire Birk Hillman and terminate the contract. Now I see him as secretary to the board of the Airports Authority. He is there terrorizing people left, right and centre, having been imposed on the Authority by the Minister. Even as they pretended to advertise the job; even before the board could adjudicate on the application, they were told who the secretary should be.

What is there about Piarco International Airport that attracts this kind of thing? What is there about the Minister of Works and Transport that he is guiding these kinds of processes? What is it about this UNC Government that no matter how hard we try to show them the correct way—whether it is with National Flour Mills, National Petroleum or Caroni (1975) Limited—at the end of the day it ends up as maladministration of the worst kind?

Will any of the money the Minister of Finance extracts from the taxpayers by virtue of his impost be used to pay the \$12.8 million forced VSEP at the Airports Authority? It is not about reducing staff for economic purposes. As fast as they remove one person, they bring in another one—sometimes two. It is not about VSEP, as we know it, where there is an oversized agency whose number is reduced

by offering VSEP, and at the end of the day ends up as an organization that is slimmer and more economically managed. No! It is not that. It is a change of faces. I want to know, and the Minister must tell us today, whether the Ministry of Finance will fund that VSEP.

If the Ministry of Finance is not funding that affirmative action programme, and it is funded out of revenues of the Airports Authority, the Airports Authority will go into deficit. Who will fund that deficit? The same Ministry of Finance, he calls the taxpayers of Trinidad and Tobago. So, in fact, we are being called upon one way or another to fund this nebulous programme of affirmative action. It is “we time now”, so they will change the structure of the Airports Authority at the cost of \$12.8 million, even before they get the board to agree on it.

I appeal to my colleague from Naparima, who has great interest in government finances and conduct: Do not go to the Chamber of Commerce and pelt any stones! If he wants to pelt any stones, he should take up his bed and walk. If he does that now, the people of this country would recognize him for the man that he is.

Mr. Speaker, I say to every one of my colleagues on the other side who heard what I have said this afternoon that unless he or she is prepared to refute the facts as presented, he is condemned by his silence. He is as guilty as the recipient of the cash at the Airports Authority because he has the authority to rectify it. If he chooses not to intervene on behalf of the people of Trinidad and Tobago, he stands condemned forever.

When they invited us to form what they called a government of national unity, we had our misgivings. The chickens have come home to roost. [*Loud desk pounding*]

Mr. Speaker: I just want to indicate that from time to time I am told by the technicians that excessive pounding on the desks has the effect of putting this very delicate system out of compliance.

If it is desired that we continue to hear the contribution of the hon. Member, I suggest that we be a little more gentle.

Dr. K. Rowley: Mr. Speaker, I know I can always count on you for total protection. There are those in the Government, especially the Prime Minister, who like to mouth off about equal opportunity and being a fighter against discrimination. Let me point out an act of discrimination.

I mentioned earlier, quoting from the Member for Caroni East, that industrial land under the state umbrella is being made available to a billion-dollar profit

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

company. They can get that land at Brechin Castle on lease for \$10,000 per year. I know, because I was the Minister responsible for lands, that a little proprietor in Tobago is offered, by the state, a lease of one acre of land for a little guest house at the cost of \$24,000 per year. So, somebody in an area like bed-and-breakfast/small hotel, where the margin of profit is very small and the losses chronically present, if he wants a piece of state land in Tobago, he has to pay the state \$24,000 every year.

However, we read of some entity with 10 bank accounts all over the world, aiming to make billions in guaranteed profits because they have a government guarantee and a take-or-pay contract, that can get premium industrial land at half the price. If that is not discrimination, tell me what is!

3.55 p.m.

Mr. Speaker, we can take these things lightly. I heard the Minister make reference to deed of covenants, I am going to make a statement and if I am wrong, I stand corrected because I see he has made a "tack back" on deed of covenants.

The Minister of Finance knows that in this country there are many of our citizens who, at the end of any day depend on these charities for shelter or moreso, for food; and a number of these charities depended on those contributions through those covenants. While the Government is foregoing millions of dollars to its friends and favoured sons and daughters, it has removed the incentive for citizens to contribute to these charities to put food in the mouths of our less fortunate citizens.

When the Government was shamed in the Parliament for its heartlessness, the Minister of Finance gave the country the assurance that he would leave the measure as it is, preventing the public from contributing to these agencies and charities, but he, as Minister of Finance would make \$10 million available to these bodies. My information is that he has not made 10 cents available to them. He comes here today and discovers that a little loophole exists in the law; he revisits the item under the Corporation Tax Act, by deleting section 7(9)—this matter about enabling claims for the deduction of corporations—deed of covenants.

I would like the Minister to tell us as Minister of Finance that he took away the avenue of charity from starving children and old persons in this country and as promised, he gave them the \$10 million instead. Tell us that this afternoon! Or he could do like my friend from Caroni East and be damned by his lack of truth.

Mr. Speaker, this Government is skylarking with the lives of the people of Trinidad and Tobago. [*Desk thumping*] Even those who are in greatest need are feeling the pinch of this Government and while the agencies are doing what they like, the Prime Minister, instead of staying here and managing this crowd of ne'r-do-well is going off to London to come back here with some plastic, cork, glass dotishness about receiving some award for tourism or whatever. People are starving here because the Minister of Finance has taken away from them the generosity of those persons who have hitherto contributed to their upkeep and even a promise to those persons he did not keep.

I appeal to the Minister of Finance, as a former colleague of mine—I mean no harm, I am just calling attention to the job he has to do—to give the NGOs the \$10 million from last year and give them the \$10 million this year. If you do that, Sir, St. Peter might—he just might—change the plan he has for you.

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Deputy Speaker, I was in the Cabinet not too long ago and one of the things which we did was to modernize the Customs Department of the Government of Trinidad and Tobago which took us about three years. We trained persons, computerized and so forth. That is why when I asked a question in this Parliament about whether any Cazabon painting had come into this country and whether it was declared and for what value, and whether duties were paid; I wanted to know if the system was working. The Government with great aplomb announced that no Cazabon painting came into this country within the last 18 months.

It is either the system is not working, and by the system not working, the Government would have lost over a quarter million dollars in revenue in one fell swoop, because a particular citizen of Trinidad and Tobago did purchase a Cazabon in England, paid the tax up there, and by the time it left the United Kingdom and landed in Trinidad, it had a value of \$1 million and the duties and taxes on that would have been \$277,000. It is in the country, but the Government tells us it is not here and they have received not one cent. I hope they know if that painting, or any other like it appears in this country, it is uncustomed good and is subject to seizure.

Mr. Deputy Speaker, when the Minister says that in relation to the Customs Act that:

Paragraph (a) would amend section 23(4) to allow the rate of exchange for valuation of goods imported to be the rate on the date of exportation of goods from the country of origin."

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

That is plenty "ole" talk about peanuts! The big money is passing through the eye of the needle. This Government is not about peanuts, Mr. Deputy Speaker, this Government is about truckloads of cash.

Innercob, a billion dollars in profit, five percenter gets the Caroni (1975) Limited land and then unleashes it to the money-making company. InnCogen does not appear in front Caroni (1975) Limited you know, because InnCogen is the billion-dollar company. It is the short pants Innercob that appears and pleads poverty and gets Caroni (1975) Limited land at \$23.00 per square foot.

Mr. Deputy Speaker, there is a big fanfare for the students loan. The Government is going to guarantee in such manner and on such terms and conditions as it thinks fit, loans up to \$100,000. It sounds great. In today's world, \$100,000 to train a student is nothing to crow about because if that student has to go to Mount Hope to do medicine, \$100,000 ceiling would ensure that many students do not get into Mount Hope because that is just a drop in the ocean. I am advised that it is \$50,000 or \$60,000 a year to do medicine, , and it does not involve living expenses, and if one has to go abroad, TT \$100,000 would not take you very far.

Mr. D. Singh: How much do you want?

Dr. K. Rowley: How much do I want? I want back the \$54 million you gave to Birk Hillman, to give the students [*Desk thumping*] I want that back, and I want from Caroni (1975) Limited the \$29 million which you gave Innercob because if we had a pool of \$50 million and \$30 million from the rice, we would have been able to provide our students with a ceiling higher than \$100,000. Insofar as we are limiting our students in this way, we are limiting our national development. Insofar as the moneys are not available to do that, the corruption is costing us already, so do not come here and "guff" your chest as though you are doing anything big. This is limiting.

You are giving your partner in the airport and the airport car park is putting out absolutely nothing and making millions at the state's expense, but you are making a big song and dance about limiting students to \$100,000 in student loan—I wonder what my friend from Tobago East would say about that—and limiting the period of repayment to a period of five years, but InnCogen could get 30 years' take home pay contract, and eight years tax free to make billions of dollars, but you are limiting students to repay \$100,000 in five years. We cannot support that at all.

Mr. Deputy Speaker, there is something here which I hope the Minister, or one of his colleagues would explain to us because it says that clause 12 would amend the Value Added Tax Act as follows:

"In section 16(5) to provide that supply of international travel or international package tours as taking place in Trinidad and Tobago if the journey also originates in Trinidad and Tobago or Trinidad and Tobago is the place of issue of the ticket for travel."

What does that mean? Do you understand that? I hope it could be clarified for those who are less fortunate because if it means what I think it means, then I have a problem with it.

Sen. Kuei Tung: It is a measure designed to address a loophole where people had been buying tickets and not paying value added tax because the tickets are clean, they are purchased overseas. We have changed the law to make sure that all tickets, as long as the journey starts in Trinidad and Tobago, wherever they are purchased—it could be Timbuktu—have to pay VAT.

Dr. K. Rowley: That is precisely what I have been saying. They know how to be efficient to penalize people. Do you see how far the Minister of Finance has gone Mr. Deputy Speaker? He has gone all over the world to make sure that if you have a child in this country and somebody sends a ticket for him to go on a vacation, or somebody working in New York sends a ticket for his or her mother to spend a vacation, when the ticket arrives, this little old lady would have to find 15 per cent to pay tax on a ticket that was not issued here. *[Interruption]* So inefficiency only applies to those tickets? It does not apply to the squandermania of the Airports Authority; it does not apply to the squandermania in the NYC contract; it does not apply to the Maritime \$52 million; it does not apply to the Huggins building; it does not apply to the rice, but it applies to some old lady whose daughter sends her a ticket. Shame on you, Mr. Minister of Finance!

I am not impressed by your talk about efficiency because if you tell me there is no avenue by which a person receiving a gift of a ticket can evade that tax and you are taxing him black is white, beginning to end because of efficiency, I say to you, you have no concern about people's feelings or their condition. The only time you are concerned is when your friends are involved in making big bucks. If you are so concerned about Government's money, get up here this afternoon and tell me that we are going to have the investigation into the Airports Authority to make sure that those millions of dollars do not continue to be misallocated. Tell me that this

Finance Bill
[DR. ROWLEY]

Friday, December 4, 1998

afternoon! I am not holding my breath. Tell me we are going to have the inquiry into National Flour Mills to find out who has been responsible for calling the Prime Minister's name in the Indian rice deal. Tell me that! *[Interruption]*

It is before you conveniently. The ticket which the old lady got was before you to impose a 15 per cent VAT on people who receive a ticket to go on a little vacation. Money-hungry, Mr. Minister of Finance, talking about efficiency, taxing people to death to make up for what they are thieving. *[Desk thumping]*.

4.10 p.m.

Mr. Deputy Speaker, PART X (d) says:

“in the Third Schedule, List ‘I—FOR APPROVED INDUSTRY’ by inserting after item 83, the following item:

‘84 Machinery, equipment and materials used for the manufacture of generation of electricity.’”

Mr. Deputy Speaker, with your permission, I will repeat that. They are going to exempt from customs duty: “

“Machinery, equipment and materials used for manufacture or generation of

We have always had T&TEC in this country. T&TEC is state-owned, but as you know, Mr. Deputy Speaker, it is exempt from corporation tax. At the moment I am not sure whether T&TEC had been paying customs duty on its imports. I want the Minister to clarify that for me when he gets up—if he is able to; if he is not able to, he should not worry.

In 1994/1995 Government's policy changed and we decided to allow into the electricity generating matter, non-governmental involvement for profit. So we divested 49 per cent of the generating capacity of T&TEC, creating a new company called PowerGen in which T&TEC retains 51 per cent. I know that PowerGen has not imported generating equipment, largely because in the first phase of its existence here, the intention and the idea was that it would upgrade the existing plant, but insofar as PowerGen has to bring in any plant, any time in the future, we did not change the law to exempt PowerGen—in which we own 51 per cent—from even paying customs duty. We now find, as this matter is before the Parliament, that “Machinery, equipment and materials used for the manufacture or generation of electricity will be exempt.”

Mr. Deputy Speaker, what is it about InnerCob and InnCogen that sweetens the Government so? They are getting a Government guarantee. The guarantee is for more money than the plant requires to fund their losses abroad. They got a take or pay contract for 30 years; they got Caroni lands for peanuts; they are now getting customs duty exempt on the equipment that they bring in, and they have elements of the Government in their pocket.

Hon. Member: You cannot say that.

Dr. K. Rowley: I cannot say that? Who is saying otherwise? *[Interruption]* So why does the Minister come here today and tell us untruths, that Caroni leased the land at commercial rates to a friend of the Prime Minister of 20 years? Why?

Mr. Deputy Speaker: Hon. Member, you have one minute to wind up.

Dr. K. Rowley: Mr. Deputy Speaker, even if you are not generous enough to give me that minute—and I know that you are—I do not need it because I have made my point. This Government is presiding over the worst aspect of maladministration anywhere in the Caribbean. In fact, what I have outlined here as being the epitome of the description of this Government, is describing us in Trinidad and Tobago as an ordinary, banana Republic, where the Government and its agencies are for sale. That is how it is!

Mr. Deputy Speaker, having demonstrated that, using two agencies, the Airports Authority and Caroni (1995) Limited, I conclude, again, where I began, by saying that the call to the Government from the people of Trinidad and Tobago is, no new taxation to fund your corruption and maladministration.

I thank you, Mr. Deputy Speaker.

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. Deputy Speaker, we came here to debate a Finance Bill, but what did we hear from Members on the other side? We heard nonsense about alleged maladministration, rampant corruption, stealing and so forth, and I am still listening to hear the proof. All we had from Members on the other side was a contribution from the Member for Diego Martin West full of rottweiler's sound and fury signifying nothing. I believe that this must have been motivated by the fact that we have before the Parliament—

Mr. Deputy Speaker: Hon. Members, the Member for Oropouche sat very quietly as we heard the Member for Diego Martin. It would be nice if he is given his just due.

Hon. T. Sudama: Mr. Deputy Speaker, thank you for your protection, but I do not need it. I have dealt with them for 17 years and I could deal with them at any time and anywhere; this “dotish” bunch of Opposition, the worst Opposition we have ever had.

Mr. Deputy Speaker: Would the Member please withdraw the word “dotish”.

Hon. T. Sudama: Yes, Mr. Deputy Speaker. They are the worst bunch of Opposition Members we have ever had in the history of this Parliament, signifying nothing.

This Bill is about the variation of taxes, except for the little addition for registration fees for motor vehicles, it imposes no new taxes, but the Member went on and on, talking for 75 minutes about the imposition of new taxes. This Bill does nothing of the sort, but the Member is using it as an avenue to talk about a recurring issue. They have nothing to talk about, it is either Caroni (1975) Limited, InnCogen, Airports Authority, NFM; that is the be all and end all of the consciousness of their thinking.

Mr. Deputy Speaker, what we have had introduced today in this House—and I am going to speak about it at length, it is a pity I only have 10 minutes before the tea break—is the whole issue of affirmative action at the Airports Authority, where there is an attempt to redress what he says is an ethnic imbalance. I want to take it from there because the Member has no problem with employment in Tobago being confined to persons of African descent. He has no problem with employment at Caroni Limited being confined to persons of East Indian descent.

Dr. Rowley: Mr. Deputy Speaker, I did not say that.

Mr. Deputy Speaker: Member for Diego Martin West, the hon. Member has to give way.

Mr. T. Sudama: No, I am not giving way, I have a few minutes before the tea break. As I said, he has no problem with that, but at the Airports Authority, where 5 per cent of the staff are Trinidadians of East Indian descent, they have a problem with that. Do you know why, Mr. Deputy Speaker? For them, it should have been none whatever because the PNM was born in racism and it was reared in racism.
[Interruption]

Mr. Valley: Every time they get up to talk, it is about racism. *[Interruption]* It is so stupid.

Mr. Deputy Speaker: Hon. Member for Diego Martin Central, order, order!

[Mr. Valley leaves the Chamber]

4.20 p.m.

Mr. Deputy Speaker: Order!

Mrs. Robinson-Regis: You are a racist!

Mr. Hinds: Sick!

Hon. T. Sudama: They talk about Caroni (1975) Limited. Mr. Deputy Speaker, let me tell you about the position at Caroni (1975) Limited. At the factory level, the clerical level and the administrative level in Caroni (1975) Limited, the employment is mixed. That has been something that has been analyzed and it is a fact. At the field level in Caroni (1975) Limited—at the level of field operation—95 per cent of the people are of East Indian descent. This is because other people do not want to get involved in that kind of activity, that kind of labour and those kinds of wages. That is why it has remained there.

A few years ago, Mr. Deputy Speaker, I had the cause to investigate this whole issue and I wrote about it. If I may be permitted to quote myself, this is from a compilation I put together called *The Political Uses of Myth or Discrimination Rationalized*. This is why they have come. Many people in this country, including the Opposition, the vested interest and the media—remember how they highlighted the issue of employment at Piarco Airport and put it in the front page in red; a fellow called Lennox Grant did that to ferment racial antagonism in Trinidad and Tobago. The media are a part and parcel of this attempt to destabilize the Government of Trinidad and Tobago.

[MR SPEAKER *in the Chair*]

I wrote about it in 1991 and it was under the heading of State Enterprise Staffing:

“The sector of the economy now controlled by the state enterprises and statutory authorities is not only sizeable but provides thousands of jobs in the country and the more lucrative ones at that. Consequently, the employment practices of these entities are a matter of critical concern to citizens of this

country simply because a large area of employment is controlled by them. It is of course true that many of these enterprises were taken over by the Government as going concerns and therefore the Government would have inherited, *at that point in time*, the respective work forces with their ethnic composition. Thus, in the case of the Telephone Company, BWIA, Trinidad/Tesoro Oil Company, Trintoc etc., the Government acquired control of enterprises whose work forces were primarily non-Indian. In the case of Caroni Ltd., it would have been overwhelmingly Indian, especially in the area of unskilled and agricultural labour. *The vital question, however, is whether there has been a bias in employment practices exercised against Indians in the period since these enterprises have been taken over by the Government.* On this score, there has been numerous complaints by Indians seeking employment in these organizations and, from general observation of the ethnic composition of their staff, there seems to be justification for these charges. But there has been no comprehensive and independent investigation of the ethnic breakdown of the employees in the state enterprises and statutory authorities, let alone of employment practices pursued by them. And it would be very revealing to look at the ethnic composition of the respective recruitment divisions of these organizations.

Then, there is the situation where the Government started businesses from scratch such as the Iron and Steel Company and some petrochemical and fertilizer companies at Point Lisas, among others. Though located in an area of predominantly Indian residence, these enterprises recruited work forces which were overwhelmingly non-Indian. In the case of Iscott, more than seventy per cent of its regular employees today are African. Much has been made of an alleged monopoly by Indians of employment opportunities at Caroni Ltd. I am not sure if such a situation existed among the clerical, skilled and administrative cadres prior to 1975 when the Government acquired majority control of Caroni Ltd. But, if it did, the period from 1975 to the present has been used to redress any imbalance in favour of Indians. The only reason why Caroni Limited's field labour force has remained overwhelmingly Indian is that the back-breaking work and low wages hold no attraction for non-Indians."

This is as a result of a survey I conducted, but let me quote what Selwyn Ryan wrote. I wrote that! Let me quote to them what a champion of the PNM has written, Prof. Selwyn Ryan, and I quote from the *Express* of September 8, 1991:

“Ryan states: ‘It is now well established that what the PNM achieved was not the elimination of patronage politics but its nationalisation. Such patronage as was formerly dispensed by politicians at the municipal and county council levels was now centrally located, a process which helped to reduce the importance of these bodies in the eyes of voters who now focused their importuning gaze on politicians at the national level. Special works projects, DEWD, petty and not so petty contracts, subsidized housing whether on a rental or ownership basis, scholarships to study at home and abroad, licences, soft loans through the windows of the ADB, DFC or the IDC were some of the new vehicles used to dispense PNM patronage.

The PNM also relied heavily on the state-owned public utilities and state enterprises to dispense patronage. It likewise developed to a high art form the practice of priming the patronage pump in the period immediately preceding elections. *particularly among groups and in areas where its voting support was concentrated.*”

This is Selwyn Ryan.

“Now when we add to this formidable list, patronage dispensed through employment in the Public Service, Teaching Service, Protective Services and other quasi-governmental and statutory organizations, the comprehensive reach of the influence of patronage and discrimination becomes astounding.”

This is not me; this is Selwyn Ryan, reporting in the *Sunday Express*. So, we have listened this afternoon to a whole 75 minutes of attacks on this Government about patronage, discrimination and corruption, and I am quoting a distinguished champion of the PNM who has spoken about PNM patronage, discrimination and corruption and the comprehensive reach of that.

On the issue of Caroni's lands and Caroni's contract with InnCogen for the use of land, when the PNM was in power, I want the Member for Diego Martin West to tell me how much the Government or any of the state enterprises paid to Caroni for the lands at Point Lisas. They paid not a penny for any housing lands they took

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

away from Caroni (1975) Limited! Not a penny! The racing complex and all the Point Lisas housing estates, not a penny to Caroni (1975) Limited.

Dr. Rowley: That is not true!

Hon. T. Sudama: That is true.

Mr. Speaker: Hon. Members, particularly on the Opposition Benches, it is not right that when Members from the other side are speaking, Members should carry on conversations in this way. The Member is actually supposed to be speaking to me, as indeed, the Member for Diego Martin West had to remind somebody on the Government benches, and what is happening is that the Opposition is getting into the habit, maybe a strategy, of engaging whoever is speaking in constant conversation, which is not right. Please, let us bring a little order and decorum into the House. You will all have an opportunity of speaking. I assure you of that. Please continue.

Hon. T. Sudama: Thank you, Mr. Speaker. On the whole question of what kind of land was transferred to the Innercob, InnCogen group of companies, we are told that it is industrial lands. The land which was transferred in the present form was agricultural land. This only becomes industrial land after one puts in the infrastructure for industry and, therefore, when one negotiates for land, one negotiates for land in its present form. Therefore, if one negotiates for land in its present form, one has to negotiate on the basis of its current use and on that basis, what we are saying is that the prices which have been agreed upon were prices agreed for agricultural land on which sugar cane is currently growing and was grown. The land we are talking about is agricultural land which later on is going to be converted for industrial use, but for that conversion to take place, all the infrastructure had to be put in: the roads, utilities, all of those had to be put in before it becomes industrial land.

I heard an argument this afternoon that what has been happening is that Caroni (1975) Limited was selling industrial land. Caroni (1975) Limited, as far as I know, is not an industrial development company.

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

4.31 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Hon. T. Sudama: Mr. Speaker, when we took the tea break, I was responding to the Member for Diego Martin West on a number of unfounded allegations he

made against the Government and his accusations that it was engaging in affirmative action in employment practices at the Airports Authority.

When that matter was raised and highlighted in bold, red letters on the front page of the *Express* newspaper, as to the alleged displacement of certain workers at the Airports Authority, and a response came from the management of the Airports Authority—which, of course, was not given the same prominence, but a response did come—as to the processes of employment, and as to the proportion of employment of the various groups and so forth, at the airport, I thought that matter was put to rest. Lo and behold, today, in a debate on the Finance Bill, consequent upon the budget presentation, the Member for Diego Martin West has sought to raise that very issue in an attempt to paint this Government in a certain light.

It is totally regrettable, because as a result of that misadventure on the part of the *Express* newspaper, a senior journalist there had to take his leave. Simply because the media and certain elements thereof are engaged in a programme to attempt to destabilize and to create anxiety in this society. They have not accepted the fact—and this is at the bottom of the whole objective and is the motivating force—up to today, three years later, that there is, in fact, a change in government; particularly a change of government headed by the Member for Couva North. This is not accepted, either by the media, the Opposition or certain vested interests in this society, and they choose every opportunity, however irrelevant, to raise issues in order to bring this Government into what they conceive to be disrepute. But the records will show the successes of this Government and its performance in office in the last three years.

Mr. Speaker, I would have thought that if they chose to speak at all on this Bill, they would have spoken about the context in which the Bill was put before the House, the economic situation, the environment in which we have to operate today in Trinidad and Tobago, and then looked at the measures and relate them to the environment to see whether we are proceeding on a path to stabilize the economy, to create opportunities for people and to pursue the programme of enterprise development, on which I would say a great deal today, because it is something foreign to their thinking: how to develop and empower the people of Trinidad and Tobago, develop their potential and capacities.

This is foreign to them, because much time was spent by the Member for Diego Martin West in speaking about how the Minister of Finance was taking

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

away some sort of concessions granted for charitable purposes, some taxation allowances and so forth. What we are trying to do is rationalize that aspect of the taxation code. We are not taking away anything. But their focus is on dependency; how to give handouts and focus on institutions that are there to give handouts. That is necessary for some people, but our focus is not only that, but it is to empower people so that they would not be in need of charity, they would be taken out of their state of poverty and they would be able to stand on their own two feet. That is the different focus and perspective that we bring to the issue of governance in Trinidad and Tobago.

He spoke about our having no moral authority to tax. I already made the point that there is very little in terms of imposing tax in this measure before us, apart from a minor adjustment to the registration fee for foreign used vehicles assembled in Trinidad and Tobago. That, in fact, was not a taxation measure, but was a measure intended to restrict the inflow of those vehicles into the country.

This Bill is not about imposing taxation. In fact, as I go through it I would show that it is about reducing and varying taxes on small business, the business levy and increasing the ceiling for businesses subject to VAT and that sort of thing—that is all—with the objective of giving the small man, small businesses and small enterprises in Trinidad and Tobago a boost and an incentive for them to participate in the economy. Because this Government is focused on increasing the participation of citizens in the economy. We want to create a property owning democracy in this country. I would explain how we are going about doing that and where we are putting the emphasis.

How have we been managing this economy in the last three years, particularly in the last year or so in which the international environment has become rather unstable and uncertain? How has this Government managed? Mr. Speaker, if I say that we have managed well, they would say it is self-congratulation and self-praise. I would quote the International Monetary Fund and its assessment of what we have done in Trinidad and Tobago. This is the last consultation which ended in June or July of this year, and it has now produced a report. I would quote from that report and indicate in no uncertain terms, this is not our assessment. It is an assessment of an independent, objective, hard-nosed, foreign, multilateral institution—which has been doing this kind of thing for very many countries across the world—that has no sympathy for a UNC Government. It has no reason to be soft on this Government and would tell the international community as it is. It is its mandate to do so.

I quote from the latest report called *Public Information Notices* and it is the notice of May—August, 1998 Volume No. 2. I want this to be digested by the other side, who hear but do not listen. They are deaf and immune to arguments. I would put this whole thing in the context of which this Bill has been introduced, and how this Government has been dealing with the economy. The assessments of the executive board of the International Monetary Fund were as follows:

"Directors commended the authorities..."

That is the authorities in Trinidad and Tobago. As I said before, this was June 15, 1998; the executive board concluded the article for consultation to Trinidad and Tobago just a few months ago.

"for having successfully pursued sustained growth with low inflation in recent years"

Particularly in the last three years of course.

"The economy is now experiencing an investment boom in the petrochemical sector, which would sharply accelerate economic growth in 1998. Directors endorsed the authorities' efforts to maximize the beneficial spillover effects of this boom on the rest of the economy by increased attention to infrastructure investment needs."

Of course, the airport we are building in Trinidad and Tobago is part of the overall physical infrastructure we are putting in place in order to promote the growth of the economy. The article continued:

"However, Directors noted the impact on the public finances of the recent drop in oil prices and the temporary loss of revenue due to the intensified use of investment tax credits..."

The intensified use of investment tax credits is across a range of industries that includes InnCogen and Innercob, and is not confined to them, because it is part of the Government's policy to make Trinidad and Tobago an investment-friendly location.

They have nothing to talk about so it is Innercob, InnCogen, NFM and airport. That is the be all and end all of their thinking. I continue to repeat:

"as well as the challenges posed to the effectiveness of monetary policy by the rapid pace of innovation in domestic financial markets. In this environment,

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

Directors supported the authorities' efforts to maintain a prudent fiscal stance and to move promptly to restore the effectiveness of monetary policy instruments."

This Bill is about a prudent fiscal stance endorsed by a world international authority on these matters, not the rabble-rousers on the other side or the people in the media who know very little and do not care about these matters. [*Interruption*] They are bent on one thing. Their bias is so obvious and pointed.

The article also stated:

"Directors supported the authorities' efforts to maintain the 1998 central government fiscal surplus target by cuts in discretionary expenditure, while noting the importance of increasing the proportion of expenditure on education, health, and social programs."

Therefore, while there is need to reduce the discretionary expenditure which has been brought about by events outside of our control in the international environment, what is happening in the world oil prices and so forth, at the same time, we are making sure that the critical areas of the economy, particularly in the areas of social infrastructure, education, health and the social programmes, are being maintained, so that we do not have that sort of imbalance emerging.

5.20 p.m.

It is in that context that we introduced the Budget of 1998—1999. The Bill before us is to give effect to some of the measures which were proposed in that budget. As I said, there is a plan. The Member for Diego Martin West said that this Government does not care, this Government wants to take money away from poor people. It is this Government that has increased old age pension payments three times in three years. Today we have pension payments to old age pensioners at the unprecedented level of \$620 per month; unprecedented in the whole history of this country.

We are also a caring Government. We have said that we are amending the income tax laws so that lumpsum benefits paid under any employers' pension plan would be exempt from income tax. People who are bereaved and they get some money in order to meet payments during that period, that would be exempt from tax; a caring government.

What we have said is that in order for us to spread the benefits of a growing economy, in order for us to deal with the unemployment situation, in order for us

to get people out of the poverty trap, we have to encourage small business and micro enterprise in Trinidad and Tobago. What we have done is reduce the business levy from 0.33 per cent of gross sales to 0.25 per cent which, of course, will help these businesses and we are exempting from business levy a business with gross sales not exceeding \$200,000 which is really small business; where the present limit was \$150,000 we put that limit to \$200,000. We have brought more small businesses into the ambit of exemption. Therefore, we are promoting that policy of assisting small business enterprise development in Trinidad and Tobago.

We have also said, as part of the programme that is before us today, that we will exempt financial institutions from tax received from loans made to fund projects within the small business sector under the Small Business Development Company. By exempting financial institutions from tax on the interest received from such loans what is envisaged is that more loans will be made available at a lower cost to small businesses. Again, this is a move to enhance the development of small businesses in Trinidad and Tobago.

For resident individuals the interest received on bonds issued by the Trinidad and Tobago Mortgage Finance Company for the purpose of providing loans to first-time home owners. By giving that concession and exempting such interest from tax we are encouraging home ownership, particularly for the lower and middle income groups.

By providing a tax deduction in respect of pension funds and deferred annuity contributions or deductions to the National Insurance Scheme to the tune of \$12,000 what we are attempting to do is encourage savings in Trinidad and Tobago. As you know, Mr. Speaker, our domestic rate of savings is rather low for a country that aspires to a high growth rate and which wants to finance more of its development from its own resources. Therefore, we have to use every means and every avenue in order to promote such savings in Trinidad and Tobago and here we have a measure which is directly related to that.

We have not stopped there. We said that training in the various skills which are required in the economy is an essential part of the growth process. If we want to be competitive and survive in a very, very competitive and fierce world of trade, we have got to encourage our citizens to become more trained, to retrain, to become more skilled, to acquire higher levels of education and so forth. Therefore, this component has been put in to help employers, that is if you spend

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

\$100 on training or retraining of employees, you can claim \$150. You can claim 150 per cent of what you have spent on retraining and training. Therefore, we are trying to encourage employers to do a lot more of that.

Mr. Speaker, this Bill forms part of the overall strategy of the Government. Training, caring for the aged, assisting small enterprise developments, trying to boost the level of savings. One other area in which we have a particular interest is to enhance the stakeholding of people in Trinidad and Tobago. If you have a stake in something you are motivated to produce. If you have a stake in the society you will be a good law-abiding productive citizen. If you have a stake in the economy you will, again, try to enhance your position and increase your income and your participation.

Therefore, as the Minister of Finance said earlier, what we are doing is trying to boost the Employee Stock Option Plans available to employees throughout the private sector in Trinidad and Tobago and in order to encourage them to own shares but it is not just a question of owning shares. You own shares in other people's companies but we also want to actively facilitate participation in the wider economy at any level. First of all through the stock exchange. We want to have a stock exchange which is accessible to all groups. We are now putting a regulatory mechanism in place to improve the performance of the stock exchange of Trinidad and Tobago. We want to encourage many more companies to put their shares on to the Stock Exchange in order to raise additional capital or to go on the Stock Exchange for the first time in order to raise capital. We are providing the appropriate incentives for the listing of companies and corporations.

As we inculcate investment ethic in Trinidad and Tobago through the—we will do so also through having proper financial instruments and this being made available to people in the society. They will use these instruments as avenues for savings. Different people have different needs.

What we have our vision focused on is a shareholding democracy of equity stockholders who may, initially, be investors and founders of business or holders of equity in enterprises. As we move along this path we are also, at the same time, putting measures to serve as catalysts for the initiatives of small and independent, individual businesses, not only to get these things started to have incubators for small businesses established and to encourage them but to put things in place—the investment and the environment—for them to grow into larger businesses.

Mr. Speaker, this is our view of how we think the economy of Trinidad and Tobago should be structured. The economy of Trinidad and Tobago—

Mr. Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. R. L. Maharaj*]

Question put and agreed to.

Hon. T. Sudama: Mr. Speaker, these are serious issues. When we come to this Parliament we ought not to come here to listen to the nonsense spouted by the Member for Diego Martin West who seems to have a fixation.

You have a situation in Trinidad and Tobago—what would you do in order to put this society on a growth and development path, to redress the imbalances in Trinidad and Tobago, to make this a shareholding democracy, to improve trading levels, to make this a more competitive economy, to give everybody a stake, to bring the small people into the economy? What would they do? They have not a clue except to come here and talk about NFM, airport deal and so forth.

We said this Bill is also about financing the infrastructure and, of course, we said that we would also assist students. We are saying that the interest earned by financial institutions who give loans to students has been exempt from tax in order for that benefit to be passed on and to be made available to more people. The Bill is also about dealing with the physical infrastructure and the Road Improvement Fund. The Road Improvement Fund is now going to be shared between the Ministry of Works and Transport and the Ministry of Local Government.

Today, I do not see the Minister of Local Government but he is an achiever. When you look at what he has done with the Unemployment Relief Programme and with the Road Improvement Fund in the short period of not even a year, he has repaired roads in so many areas and constituencies and they come here to talk about discrimination. It amazes me. These people amaze me.

We never had so many roads repaired and so much attention paid to infrastructure under local government as we have had under this Government and under the Minister of Local Government.

That is why we are putting it here that 50 per cent of the proceeds of this Road Improvement Fund will go to the Ministry of Local Government and its benefits will be maximized for its usage in all the local government areas. There are a few

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

disgruntled members, and I think the chairman of Tunapuna/Piarco Regional Corporation, who has political ambitions, likes to be in the news all the time. He wants to fight Tunapuna so he wants to be in the news all the time so he makes all kinds of spurious charges and challenges the Minister to do this and the other. We have become used to the antics of these PNM types and will deal with that in due course.

5.35 p.m.

We have our work to do and this Government will proceed to do it regardless of what they may say and regardless of the allegations they may raise, unfounded and so forth as they may be, and regardless of their attempts to distract this Government from its path of bringing a better life to the citizens of Trinidad and Tobago. Check our record under our capital programme and you will see how this money is distributed for the benefit of people in all areas of this country. This is what this Bill is about. Instead of coming here to talk about the Finance Bill and what its objectives are in the wider perspective of the path that we have chosen to follow, they come here with a lot of ravings and rantings.

When the Road Improvement Fund was under the Member for Diego Martin East, first of all he could not get reports to the Parliament in time, and when the reports came, there were many irregularities. Many non-existent roads were fixed by the Member for Diego Martin East when he was the Minister of Works and Transport. Then, certain roads, for example, Paramin, was fixed with concrete. That is what one could call a long-term investment. He was not satisfied with boulders and gravel, so he fixed agricultural access roads with concrete. That is what you call concrete development for certain areas. That is the way they spent money, now they come here to talk about moral authority? Do they have any moral authority? You all squandered \$16 billion.

In 1986 when oil prices fell, this country was handed over to the NAR government bankrupt. The Treasury was completely bankrupt. Oil prices went down to about \$9.00 per barrel. Today, look at the difference in management. Oil prices are hovering at about \$10 per barrel but do you hear any talk about crisis? There is no talk about crisis. We are not forced to run cap-in-hand to the IMF because we have managed the economy in a way that despite the drastic and dramatic fall in international oil prices, we are still able to keep the economic ship afloat. Look at the difference now to what transpired in 1986. In 1982 this country had the highest level of foreign reserves in its history, US \$7 billion, and in a matter of a few short years it was all gone.

It was as I said in another context, criminal profligacy on the part of the PNM government, but today they come here to talk about moral authority to rule and to tax when they left this country in a state where it ought never to have been, given the largeness of the windfall that we received between 1973 and 1982. Never should we have experienced what this country went through in 11 continuous years of negative growth under the PNM. The NAR inherited part of that, but it started under the PNM.

Miss Nicholson: That is why you bailed out.

Hon. T. Sudama: Do not let me deal with you tonight. Do not provoke me.

Miss Nicholson: I am not afraid of you.

Hon. T. Sudama: I am not afraid of you either. You think I am afraid of you?

Mr. Speaker: The hon. Member for Oropouche and the hon. Member for Tobago West both know, having regard to the vast experience they have in this House, that that is not the way either of them should behave.

Hon. T. Sudama: Thank you, Mr. Speaker and I will address my remarks to you. *[Interruption]* Any way, I do not think the NAR exists any more.

What I am saying is that we have to compare the difference in management. What transpired under the PNM, under such huge windfalls and government reserves and despite the fall in oil prices our net international position is becoming more and more positive. Today, Mr. Speaker, our net international position is in excess of US \$1 billion despite the falling oil prices. This shows the vast difference in the way some people can manage the economy and the way others had the capacity to manage. The facts are there, endorsed by the International Monetary Fund. When the Member for Diego Martin East was in charge of the Road Improvement Fund, we did not know where the money went. *[Interruption]* Yes, he beautified the highway five times. He spent money five times on some beautification of the highway and now he talks about moral authority.

Mr. Speaker, do you remember from the time the PNM government came into office in 1991, it was in a matter of months that the insurance for the port was changed from CIC, without any tender and so forth, to a firm called M&M whose director just happened to be the campaign manager for the Member for Diego Martin East. It just happened to be M&M and they are talking about moral authority.

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

I do not want to go into all the other issues and so forth but then there was this methanol issue at Point Lisas where there was an offer—I am referring to an article in the newspapers where Mitsui had agreed to pay US \$51 million for 25 per cent of its shareholding of the methanol company. It was US \$51 million for 25 per cent. Lo and behold, they sold 24 per cent for US \$18 million to Ferrostaal. Now, if there is no irregularity there, we would like to know, but they come here, at the drop of a hat, to talk about irregularities, corruption and so forth. This is under the PNM of 1991 to 1995. I do not want to go into the issue of National Fisheries at this hour. I do not have enough time to delve into those matters, but you cannot come here to talk about moral authority.

5.45 p.m.

A synonym for PNM was corruption and you come here to talk about moral authority against this Government and about allegations here and there. They are like a Christmas toy. You chain it up, and it can speak a bit. It has a little voice in it and you chain it up and what do you hear? Airport, InnCogen, NFM and then the chain runs out. In order for this thing to start one has to chain it again. They come back in another sitting and they get chained up again, InnCogen, NFM, Airport and whatever; chain up again, and that is the way they are going. This is the Opposition that wants to be Government.

In my whole experience in this Parliament, it is the worst; I call them the straggling, leaderless Opposition led by the Member for San Fernando East, the Monica Lewinsky of the local politics. He is not here to listen to whatever happens here. His pastime now is to go in the Square at certain hours—and now he has gone after Mottley.

I just want to indicate to the country that I myself have very little to fear from this kind of Opposition. I do my work. I have given the advice to my colleagues. We will deal with the media. We have been dealing with the media for decades and we have survived. It is because we go and reach the people. We will devise ways and means of leading the whole of Trinidad and Tobago.

I want to tell them something. They feel somehow by getting the media on their side and attacking this Government that they have a good thing going. I want to quote how we view it. And this is what is happening in America where the media are more sophisticated

Finance Bill

Friday, December 4, 1998

“By huge margins Americans do not want to hear more about the Monica Lewinsky scandal and they say that the media have the same moral standards as President Clinton or lower ones.”

Could you imagine what they will say about the media here in Trinidad and Tobago?

“The poll of a thousand Americans nationwide conducted for New York Magazine on October 14—18 found that 79 per cent of Americans thought the media distorted or rearranged facts to make for better copy.

To be sensational. That is their job. To engage in lies, half truths and innuendoes.

“Seventy-one per cent said the more respectable media had sunk to the level of the tabloids and 67 per cent thought media morals were the same as Clinton or even lower.”

That is the American media, perhaps the most sophisticated in the world and this is what Americans think of them.

I tell my colleagues, I tell the population, do not worry too much about the media. A fellow also wrote in the press that the media are condoning lawlessness. They went there at 4.00 a.m.—TV6. How did they know there was going to be a protest in Mayaro and the burning of tyres; except, it was orchestrated? You could have the biggest event in broad daylight here and they would not come but they went down there. We have to go out, we have to devise our strategy to get our message out to the people, the citizens of this country wherever they may be, media or no media. They do not worry me at all. I have little concern for them. I lose no sleep over the media in this country, none whatsoever.

In my constituency I do my work, and I advise everybody here to do their work in their own constituencies and to appeal at the national level and reach people in their own homes. The media do not vote. The few stragglers that were in a protest march the other day, they do not determine an election. It is those people in their homes, they determine an election: how they think, what they do. Whatever one wants to talk about this Government has its work to do. We have presented four budgets and a Finance Bill. It is all part of a strategy we have to sustain growth in Trinidad and Tobago. It is all part of a strategy to have the benefits of that growth distributed a little more equitably than it has been done in the past. I am not saying that we have arrived at that stage of equity, but we are

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

working towards a more equitable distribution. But more important, we want to include everybody in the economic process. We want to be as inclusive as possible and those who, for one reason or the other, do not have or feel they have a stake in it, whether as employees, workers or as owners and shareholders, we want to bring them into the fold. We want to have a participatory, stakeholding, shareholding economy and society. We set our vision which the PNM cannot even conceive of because their vision is cast in the mud. Their vision is cast in the mire of corruption and discrimination. That is where their vision is. We have another vision and that vision includes the PNM. Our duty is to lift everybody including the PNM and make them see things in a different light; make them to be citizens of Trinidad and Tobago who will be exemplars in their own areas. We want to encourage them to do that. We want to bring them into the fold.

Mr. Speaker, what else do we want to do? We are focussing on the communities. I have already spoken about some of our strategic objectives and concerns: to increase the stakeholding and shareholding; the way in which we incorporate ourselves into the world economic order. If we do not do that in a way in which we can have some measure of discretion over our own economy, if we are not competitive, we will not survive. This means not only encouraging investment to come to Trinidad and Tobago, but what we produce should be produced in a manner which can be sold competitively outside, and we must have a measure of control over that process.

We also want to be able to have greater control over our foreign exchange earning capacity and to encourage thrift in the society which can then be directed to longer term productive investment. It is only in that way we are going to build the foundation for more self-reliant growth and development. We want to empower the population and to promote development in the communities. If you see the strategy of giving more and more power to local government authorities, more and more power to community-based organizations, we want to empower the communities so that they could take charge of their own destiny in the community at a certain level, that they can create their own infrastructure, that they could access information and that they could get involve in the educational and training opportunities at the community level.

5.55 p.m.

This is the vision we have for this country. As hard as it might be for the PNM, we want them to share in that vision because they are all citizens. Although they cannot lead in that exercise because they do not have the capacity to do so, we want them to benefit.

This Finance Bill is part and parcel of that—a limited part, perhaps, because this is a very long-term programme with a vision to lift Trinidad and Tobago and put it on a path of sustainable growth and development.

As the Opposition, the other side will talk and attack the Government. That is expected of them. I have no problem with that, but at the end of the day, I would like them to lift their focus a little. Do not be limited by that. Do and say something that will give some encouragement to the people outside; that they are people who think a little; that they want to take the society in a certain direction.

I did not really come here to make any explosive speech today. I came to win members of the PNM over to join with us in developing Trinidad and Tobago. *[Interruption]* I do not wish to speak about the Member for La Brea's involvement in Petrotrin. I have a whole dossier on what he was doing at Petrotrin, which is the reason he had to hastily submit his resignation. I do not have the time to go into this at this hour. Today, I am trying to be as generous as I can to the Opposition. I have never been in a more generous mood. I am trying to be conciliatory to the other side: trying to make them see our vision.

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

Hon. T. Sudama: Mr. Speaker, I thank you. I hope that in trying to win them over to our vision of making a Trinidad and Tobago society of which we will all be proud, I may have made some movement tonight in that direction.

PLANNING AND DEVELOPMENT OF LAND BILL

Joint Select Committee (Appointment of)

Mr. Speaker: Before we get to the contribution of the Member for Diego Martin East, I would like to return to "Announcements By The Speaker". I had neglected to indicate that I had received another piece of correspondence from the President of the Senate dated December 3, 1998, which reads as follows:

"Dear Mr. Speaker,

Appointment of Joint Select Committee

Finance Bill
[HON. T. SUDAMA]

Friday, December 4, 1998

At a sitting held on Tuesday December 01, 1998, the Senate agreed to the following resolution:

‘BE IT RESOLVED that a Joint Select Committee of Parliament be appointed to consider and report on a Bill entitled: ‘An Act to provide for the orderly and progressive development of land in both urban and rural areas and to preserve and improve the amenities thereof, for the grant of permission to develop land and for other powers of control over the use of land and the design, construction and occupation of buildings, to confer additional powers for the protection of the environment, and the architectural and cultural heritage, and for the acquisition and development of land for planning; and to provide for purposes connected with the matters aforesaid’;

BE IT FURTHER RESOLVED that the evidence taken by the Select Committee of the Senate in the previous session be referred to the Joint Select Committee of Parliament;

AND BE IT FURTHER RESOLVED that six (6) members of the Senate be appointed to serve with an equal number from the House of Representatives on this Joint Select Committee.’

The Resolution being agreed to, the Senate appointed the following Members to serve on the Joint Select Committee:

Mrs. Carol Cuffy Dowlat

Mrs. Vimala Tota-Maharaj

Mrs. Agnes Williams

Mrs. Nafeesa Mohammed

Prof. John Spence

Prof. Julien Kenny

The Resolution is accordingly forwarded for the attention of the House of Representatives.

Yours sincerely,

Ganace Ramdial”

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, in reference to what I had stated earlier to which the House had agreed, I now move the following motion:

Be It Resolved that a Joint Select Committee of Parliament be appointed to consider and report on a bill entitled, “an Act to provide for the orderly and progressive development of land in both urban and rural areas and to preserve and improve the amenities thereof; for the grant of permission to develop land and for other powers of control over the use of land and the design, construction and occupation of buildings; to confer additional powers for the protection of the environment, and the architectural and cultural heritage, and for the acquisition and development of land for planning; and to provide for purposes connected with the matters aforesaid.”

Be It Further Resolved that the following six Members of this House be appointed to serve with an equal number from the Senate on this Joint Select Committee:

Mrs. Kamla Persad-Bissessar

Dr. Adesh Nanan

Dr. Vincent Lasse

Mr. Chandresh Sharma

Mr. Colm Imbert

Mr. Jarrette Narine

FINANCE BILL

Mr. Colm Imbert (*Diego Martin East*): Mr. Speaker, we have just been treated to a very weak and rambling presentation from the Member for Oropouche who, obviously, has not even read the legislation before the House and whose pronouncements are so absurd that I think it necessary to set the record straight.

Let us start with absurdity number 1: “PNM government never paid Caroni (1975) Limited for its lands.” During the tenure of the PNM administration, it wrote off advances given to Caroni (1975) Limited in the sum of \$2000 million, for land and other things. I do not think there is any other area in the country which received so much money. That gets rid of absurdity number 1.

Let us deal with the problem at the Airports Authority. The problem is that one cannot enter into a voluntary separation programme, which has as its primary

Planning and Development of Land Bill
[MR. SPEAKER]

Friday, December 4, 1998

objective reduction in the wage and salary bill at a state enterprise which would lead to greater efficiency and less dependence on the Treasury, less requirement for taking away public assistance from the crippled, when after the persons have been separated by the Authority, persons are re-employed in the same or similar jobs, with no significant reduction in the numbers, the wages or the salaries. It is an economic absurdity. This is our point.

Why offer a voluntary separation programme to reduce expenditure so that there will be less dependency on the Treasury and less need to impose taxes, which is our purpose today, and then bring back new people and send the wage bill back up?

6.05 p.m.

The point which my colleague from Diego Martin West was making is that it appears that this system of replacement of workers—because that is what it is; you take out some and put in new ones—appears to be a secret programme of affirmative action.

Mr. Speaker, we have to be honest in this country. Is that the way the UNC Administration wishes to redress what it perceives to be an imbalance? We have to be honest in this country and face facts. They are too casual in this country with issues.

The Member for Oropouche carried on for 15 minutes before the tea break quoting himself making allegations of racial discrimination and at the end of his 75 minutes, he talks about reaching out to the PNM. What hypocrisy! At the beginning of his speech, he accuses the PNM of the worst forms of discrimination and at the end, he reaches out—or so he says—to the PNM.

There is a very dangerous trend taking place in this country which I urge the Government—because it is their responsibility—to address. I read in the newspapers today that there is a controversy at Petrotrin about a flag, a religious symbol which was put up on the compound during the Divali celebrations, and so it should. It is a celebration of a particular religion which was relevant during the Divali celebrations and the flag was relevant at that time. The flag is still there, and I hear the new managing director of Petrotrin indicating he does not know what to do. He does not know what to do? Freedom of expression. The flag is up and it is not coming down; controversy and tension is building up at Petrotrin, and he does not know what to do. Take the flag down! This is what is happening in this country. People are not facing reality. This nonsense has to stop. Many of

these things are created by ourselves and I urge the Government to deal with this. Deal with it! There is something there to inflame passions in the country and people talking foolishness and do not know what to do. Take down the flag, what is the big deal?

This is a serious matter and this is not a religious state. It is not an Islamic fundamentalist state where everybody has to wear certain garments and not drink alcohol and pray five times a day and so forth. This is not Iran. It is a country where people are entitled to freedom of religion and worship and we must be very careful as a Government not to offend other groups in the society, so I urge the Government to deal with that. We have lived in peace and harmony in this country for a long time and I do believe that the different groupings would still be able to live in peace and harmony once our leaders do not cause divisions in the society.

I look at the other bits of nonsense which the Member for Oropouche is espousing. There was a complaint about Caroni (1975) Limited being deprived of income. The said Caroni (1975) Limited has to receive a subvention from the Ministry of Finance through taxes raised from little people in this country. Taxes like special registration fees, business levy and so forth, and my colleague from Diego Martin West was able to bring evidence that Caroni (1975) Limited had not been efficient in establishing terms and conditions for land rent and premiums to the InnCogen people. He was able to demonstrate that in the case of the land at Kay Donna, Caroni was demanding \$365,000 per acre in premium, whereas at InnCogen, \$25,000 per acre which is less than 10 per cent and the country was being denied \$27 million.

What does the Minister of Planning and Development say? We are treated to an absurdity that land rent and lease premiums—and he has to be talking about state land—are determined on the present use and not the future use, but the lease for this Innercob group allows for the lot to be used for industrial purposes, and the very Minister of Finance in this Bill is enunciating Government's policy completely contrary to the rubbish to which I had to listen in the weak defence and the attempt to inflame tensions from the Member for Oropouche.

It is in the explanatory note which says:

“Clause 8 would amend the Stamp Duty Act, Chap. 76:01 as follows—

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

Paragraph (a) would insert a new section 47B to provide for the charging of enhanced duty when residential properties are converted to commercial use within certain period...”

So the Minister of Finance is recognizing that if you are using land for a particular purpose and it is converted to another purpose, you have to pay money to the state. It is in this Bill. That is Government’s policy coming from the mouth of the Minister of Finance, and the Member for Oropouche is telling us that you have to charge a rate and not to worry about the industrial plants and all the money which would be earned on that land now. Utter rubbish! Mr. Speaker, he is a stranger to the truth because I know that he would have sat in Cabinet and matters would have come to him relating to land rent and premium, and he knows what he was saying was not true, it was just an effort to deceive people.

I am asking the Government to get this money back from InnCogen. They owe this country \$87 million, \$27 million in premiums, and \$60 million in rent. Go and get the money back from InnCogen! Then, maybe, we would not have to be so tight as the Minister would want us to be in a definition of what is a disabled person, which is now being changed from the previous definition to someone who is so disabled that they cannot earn. They tighten up everything. Is that a caring Government?

There is someone in my constituency right now who is blind who has not gotten public assistance payment for two months. Why? Because this caring Government is changing the definition of the word “disabled”. At least that is what he was told. He did not get his November payment, nor his December payment. You could say what you want. That is a fact.

When we called the Ministry of Social Development, we were told they were moving the person from the previous definition to the definition of a disabled person and these things take a little time. That is what is going on in this famous caring Ministry of Social Development. “Bear with us, these things take a little time”. So this poor man who cannot see and cannot work, has not received public assistance for November and December and may not receive it for January. He is being screened by the Ministry of Social Development to see if he could really see, if he regained his eyesight, so he must suffer. I had to give him money yesterday because of the callousness of this UNC Administration; take out of my pocket and give this man. That is what is going on in this country. The caring Government of the Member for Chaguanas.

Mr. Speaker, it is no secret that our parliamentary salary goes to charity. That is what we do. I do not know what you do on that side, but on this side, quite a bit of our parliamentary salary goes to charity to help poor people. I do not know what you do with your money. I ask the Government to be careful of what it is doing to the poor people of this country. Be very, very careful.

While I am on that and the Minister of Social Development, I would ask the Minister to be very cautious of his actions. Earlier this week, I received a message on the voice mail on my home telephone from the Ministry of Social Development inviting me to some function which is taking place in my constituency on Saturday. I really did not pay it any mind because the message says: "We did not know how to locate you, so we are leaving a message on your

This morning I opened the newspapers and I see that the National Lotteries Board is adopting Paramin. I said, what foolishness is this, let me look into this matter. This is what I discovered, Mr. Speaker. The Minister of Social Development has declared that Paramin is below the poverty level. He declared that Paramin is a basket case. So the Minister of Social Development tells all my farmers and all my self-sufficient people in Paramin that it is below the poverty level, a basket case. Having declared them to be below the poverty level, he has passed Never Dirty, Vegas, Caledonia, Trou Macaque, Waterhole, Bournes Road and all those areas, finding himself in Paramin which is the food basket of North Trinidad where the people are proud of their independence and he declares them as a basket case.

Then I am told that the National Lotteries Board has agreed under the Poverty Eradication Programme of the Ministry of Social Development to adopt Paramin and, of course, my colleague from the Ministry of Finance who has electoral ambitions is going to be there to launch the Poverty Eradication Programme sponsored by the National Lotteries Board which comes under him in Paramin. What a joke! They are taking lotteries money to finance their political campaign in Paramin. It is an utter disgrace, Mr. Speaker, an utter disgrace, but I am happy. Give out the money, give everybody. Give them! Give the people of Paramin millions of dollars. I am happy for them and would encourage them to take every cent they get from this cheap politicking.

6.20 p.m.

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

I am putting the Minister on notice that I am going to be monitoring this programme. These are taxpayers' funds. The money from the National Lotteries, it is not the UNC's money. I would like to know how they are spending the money; what it is being spent on; and how does one qualify. I would bring a question in this Parliament if he does not tell me. I would like to know whether UNC activists are going to be paid salaries from the National Lotteries Board because of poverty eradication. I would like to know if UNC activists are going to get groceries under the guise of poverty eradication. I would like to know if UNC activists would get motor cars through the National Lotteries Board under the guise of poverty eradication. So I would be at the ceremony tomorrow and I will be monitoring it to make sure that there is no abuse. It is shameful!

[MR. DEPUTY SPEAKER *in the Chair*]

Miss Nicholson: I was not going to do that.

Mr. C. Imbert: No, I am going. They are going to abuse the programme, so I am going. It is my constituency. Mr. Deputy Speaker, I have let the cat out of the bag.

What is happening in this country, Mr. Deputy Speaker is that you have taxpayers' dollars being siphoned off into the pockets of UNC supporters and financiers in a number of different ways. Let us see if this National Lotteries programme is not that. I will tell you one that is, Mr. Deputy Speaker, and it is illegal as far as I am concerned.

When the Member for Couva North got up in Mid-Centre Mall and instructed Ministers and state boards that they must no longer advertise in the press, that they must advertise in the *Rising Sun*, he was declaring the intention of the UNC Government to be corrupt. Imagine getting up on national television and instructing ministries and state organizations to take taxpayers' money and give it to a party political newspaper—put it in the pocket of UNC supporters. That is what is going on in this country. Mr. Deputy Speaker, millions of dollars from Petrotrin, National Flour Mills, the Airports Authority, National Petroleum and NIPDEC, on the instruction of the Prime Minister, going to a private organization, under the guise of fighting the media. It is just a simple and not very hidden effort to steal the people's money and put it into the pocket of his party. I call on the Prime Minister to stop that now. That is against free trade. Every newspaper in this country has a constitutional right to advertisement income from the state. The only newspaper that

does not have that right is the *Rising Sun*. That is illegal. That is naked corruption. That is directing money out of the Treasury into a party fund. *[Interruption]*

Dr. Rowley: Do you believe he was a member of the press?

Mr. C. Imbert: Imagine the Member for Nariva, while he was masquerading disgracefully in the *Express* as a balanced writer—he did not appear balanced to a number of people—all the time he was a UNC candidate, now supporting this naked corruption, taking state funds and putting it into a political party by executive fiat, no less by instruction. Corruption, Mr. Deputy Speaker, corruption.

Mr. Deputy Speaker, I join with my colleague from Diego Martin West; we cannot support this Bill because the “tiefing” has to stop first. Imagine they want to take away money from the crippled and the blind. The old woman who needed a ticket to go for heart surgery in New York, who got a gift, now has to pay VAT, but InnCogen walking away with \$87 million in Caroni. That is efficiency, UNC style! They say they are modernizing the system, they are plugging the loopholes, they are broadening the tax net. They are giving an 8-year holiday to InnCogen, where InnCogen would make \$900 million tax free, but they are broadening the tax net to take up cripples and little old ladies. That is what is going on in this country. Absolute rubbish!

Mr. Deputy Speaker, let me deal with some of these measures. Imagine the Member for Oropouche, in his ramblings, told us that this administration is encouraging savings in the country. This is the same administration that amalgamated the tax deduction for mortgage interest and pension contributions and left it in place for one year until the pressure became too much on that brilliant Minister of Finance. The same UNC Administration that amalgamated mortgage interest deductions and pension deductions into one lumpsum of \$18,000 now talking about encouraging savings. They do not know what they are doing.

Mr. Deputy Speaker, look at the refunds they have to give on foreign-used vehicles. I have been in this Parliament to hear the Minister of Finance say when they open up the foreign-used vehicle system: Let poor people get a car. Then they said, too many cars in the country and probably no more poor people, so put taxes on. They spoke about pollution, traffic congestion.

The Minister of Social Development spoke about rampant corruption in the foreign-used vehicle assembly industry, money laundering. The Member for

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

Chaguanas is on record when he said that they had to stop it because of criminal activities, theft of motor cars and so forth. Now, in this legislation they have reverted the two smaller engine capacities to the original amount. So the pollution done, the congestion done, the theft done, the money laundering done, no more criminals in the Bamboo. What utter foolishness, Mr. Deputy Speaker. They do not know what they are doing. All they are doing is reacting to political stimuli. Their supporters reside in the Bamboo, it is in the constituency of St. Augustine, so in his typical style, the Member for St. Augustine worked on the Government—the same way he did with the Deyalsingh Report; nag them, threaten them, bully them—until they reversed the registration fees announced in the budget.

As I said, Mr. Deputy Speaker, they are just reacting to political stimuli. All the reasons given about pollution and congestion now fall by the wayside. These foreign-used cars would no longer pollute, would no longer congest and everybody involved is honest. Two months ago, however, when the budget was brought here, all of them were thieves, money flowing out the country, they blocking the road and congesting the environment. This is the kind of Government with which we have to deal. It is a Mickey Mouse Government; they do not know what they are doing. They have no plan and no policy; none whatsoever.

6.30 p.m.

They were told on the day the budget was brought here that they were doing foolishness, but they had to be terrorized by their political financiers before they reversed the taxes. Utter nonsense! We come here to provide for the imposition of taxes and duties, but the Minister of Finance will not tell us what is going on with the economy. Yet again, our brilliant Minister has "vooped"; the second year in a row. Last year, against advice, he pegged the oil price at US \$19 per barrel and it dropped to US \$14. This year, he pegged it at US \$14, against advice, and it is now US \$10. Because it is all funny money!

What this Government does not understand is that all of the predictions in the budget about value added tax (VAT) and customs duty and so forth is just funny money. They work out how much they want to spend then they work backwards to get the price of oil, add the VAT they feel they are going to get and come and say they are brilliant economists. That is what is going on in this country. Nobody could be so wrong so many times, Mr. Deputy Speaker, unless they have no regard for the integrity of the job. Nobody could be wrong so many times!

I have said, and I will say it again, this administration and some of the senior members of this administration are far too concerned with extra-curricular activities and wining and dining and carrying on than with running the country's business. That is why we see all of this foolishness in this legislation today. My colleague from Diego Martin indicated that there is a provision limiting loans to students up to \$100,000. You, Mr. Deputy Speaker, are a medical doctor. You will know that with a loan of \$100,000 nobody can attend a reputable medical school in the world. There is no reputable medical school in the world where someone can enter and qualify for TT \$100,000. Too many extra-curricular affairs. They do not think.

While we are on that, I would like the Minister of Education, somewhere in his "para-dig-ms", to consider the fact that at the present time loan funding is not generally available to students of law, and the Member for Couva South may be aware of this. One of the courses of study that is not approved is law, and law students in Trinidad and Tobago have to pursue a course of study in several of the years at Cave Hill or Mona, and they find it extremely difficult if they are from underprivileged backgrounds. As far as I am concerned, it is a gross inequity. I ask the Government, whatever they are doing in the milieu, the mass and sea of corruption, to have a little heart for young people in this country who want to study law and medicine. Surely, this TT \$100,000 limit should not apply to the study of medicine, and please include students of law who have to go abroad—through no fault of their own—within the various loan arrangements that are available. As far as I know, the student revolving loan fund does not lend for law and I would like him to look into that and address that anomaly.

Mr. Deputy Speaker, this becomes even more ridiculous when one looks at what the Government is doing with regard to tax deductions for expenses incurred in tertiary education of children. There is an \$18,000 provision for mortgage interest. Now, we are being told that expenses on tertiary education of a child can be claimed within that allowance, but there is no increase. Many parents who will be sending their children to school will have a mortgage; they will own a home and would have taken a loan and have a mortgage. If one is a parent and paying a mortgage, how is one going to avail oneself of this tax deduction for expenses on tertiary education for one's children? One would have to pay off one's mortgage? Live in the road?

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

The Government has got to be more serious about what it is doing. If it wants to assist people with tertiary education, do not amalgamate it into the provision for mortgage. It makes a nonsense of the situation. If they want to encourage savings, as the Member for Oropouche said—which is completely contradictory to the policy enunciated by the Minister of Finance over the last three years. He has enunciated on many occasions that he has no intention of using policy to encourage certain areas, he said that many times. However, if the Member for Oropouche is now saying the Government wants to encourage savings so it is giving tax deductions for pension and for mortgage interest, let those provisions be focussed on that aspect of the national savings. If the Government wants to encourage people to go to university, then let the tax deduction for tertiary education be separate and apart from mortgage interest deductions. But, of course, they do not listen. Maybe a year or two from now, perhaps we will be in this House debating a budget or finance bill and see, belatedly, as in the case of the pension and mortgage, the Minister come back and separate tertiary education and mortgage. They have no plan; absolutely no plan, Deputy Speaker.

I have to return now to some of the nonsense uttered by the Member for Oropouche. Listen to this gem: The Minister of Local Government is an achiever.
[Laughter]

Dr. Rowley: Ask his wife!

Mr. C. Imbert: The Minister of Local Government has the achievement of being the first Cabinet Minister in this country to be publicly accused of domestic violence. That is what he has achieved. Let us go on: “The Minister is paving roads in all areas, especially PNM” . I had to sit in this Parliament and see a provision brought here where \$16 million was approved for expenditure under the Minister of Local Government and every single one of the roads was a UNC road in a UNC constituency or UNC local government district. Every cent! He did not give us a penny. That is achievement.

In the one report in three years—it should have been six—the one road improvement report laid in three years—it is supposed to come every six months; out of \$130-odd million spent on roads in Trinidad and Tobago, \$125 million was spent on UNC areas. That is the public record. One can go through the list of the roads and see for oneself. It has been laid in this Parliament; \$125 million out of \$130 million spent on UNC roads; \$16 million out of \$16 million spent on UNC roads. That is the achievement of the Minister of Local Government, and the Member for Oropouche says it is just a few disgruntled people. Fire is burning in

Mayaro, Maloney and all over the country. I opened my newspapers and all I saw was flames, but he says it is a few disgruntled people. If the UNC administration is going to treat the people of this country like that and refer to them as a few disgruntled people, then it is clear to me that it has already given up. It is now a lame duck Government on a downward spiral.

Mr. Speaker, it is interesting that the Member for Oropouche is parroting the dangerous words of his leader with regard to the media. In our Constitution, the media are entitled to special constitutional freedoms. It is one of the few constitutions in the world where the media have that kind of freedom, but according to the Member for Oropouche, the media are engaged on a plan to destabilize the society; the media have not accepted there has been a change of Government and the media do not accept that the Government is headed by the Member for Couva North, and they are using every effort to bring down the Government and to bring the Government into what the media perceive to be disrepute, not what the UNC perceives to be disrepute.

A sum of \$900 million tax free to InnCogen, the media did that; \$30 million squandered in rice, the media did that; \$54 million to Birk Hillman for doing nothing, the press did that; \$52 million to Maritime for the Winsure matter, the press did that; \$150 million for Ish, the press did that, too. Now, a \$3 million house in London belonging to a high Government official, the media did that. Let me repeat it: a \$3 million house in London belonging to a high UNC official; the press did that! Playing he does not know. Now, as I said, using National Lotteries money—the people's money—to fund the UNC campaign in Paramin; the media did that, too. I guess the media will do that tomorrow too.

Mr. Deputy Speaker, I will not listen to the Member for Oropouche. He has spent 17 wasted years in this Parliament. He is redundant, irrelevant and obsolete. He is dated. We heard the stories about Nazi Germany, such as the situation where they are burning a man in front of you and saying, “We coming to help you, man”. The man is on fire, they are shooting someone else but, “I have come to help you”. The Member for Oropouche reminds me of that; taking money out of crippled people’s pocket, but they want to help the country; they want to help the people. It is just a few disgruntled people who are against the Government.

Listen to this: “The UNC is focussed on increasing the participation of people in the economy, creating a property-owning country.” Yes! Property owning? Is

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

that so? There are many UNC men buying many houses in Trinidad and Tobago. They are owning plenty property now. It is true. The cat has come out of the bag.

6.45 p.m.

More and more UNC Ministers must have Mercedes Benz. They must have houses all over the place; in foreign countries too. That is how you have a "property" owning country". "All PNM know is to give handouts." I hope the Minister is not coming to give handouts in my constituency. I am putting him on notice. I hope that is not what he intends to do.

Mr. Deputy Speaker, as we go through this legislation, you have to ask yourself, what is wrong with the UNC administration that they are so incompetent? The decision to apportion 50 per cent of the Road Improvement Fund to the Minister of Local Government was announced in the 1997/1998 budget. The decision to give the Minister of Local Government responsibility for the unemployment relief programme and 50 per cent of the funds from the Road Improvement Fund was announced in this Parliament almost one year ago.

We have had two budgets. [*Interruption*] Yes, it was announced in this Parliament almost one year ago, but with the incompetence of the UNC administration, two budgets have passed and it is now coming in this Finance Bill to deal with this matter. That should have been dealt with in January or February of 1998. They are making it retroactive. Members on that side do not even know what is going on. If you look at some of the dates here, you will see that it is retroactive. The incompetence of this administration, acting illegally and bringing retroactive legislation into this House, because they are too busy bringing in paintings and all kinds of things, and then shipping them back out of the country. [*Interruption*] We need to talk about that.

I read a newspaper article where a local art dealer indicated that a painting was brought into this country, but he also indicated that it was not for the hon. Minister opposite. It was for somebody else. Mr. Deputy Speaker, they feel that they are so clever, they do not realize what is going on. They are trying to hide the fact that a painting was brought into this country for a high government official, uncustomed. They did not pay duty. They admitted that the painting came in—that is the first admission—then when a question is filed in Parliament by my hon. colleague from Diego Martin West, all of a sudden, the painting never came.

The man in print, in the newspaper said, "Yes, the painting came in," but not for Hon. Kuei Tung, hon. Minister of Finance, but somebody else. When we asked the question, "Boy, nah, don't know nuttin' about dat; dat did not come here!" It is customs fraud that we are talking about—

Hon. Singh: "Yuh make up dat."

Mr. C. Imbert: —\$300,000 for one artifact!

Dr. Rowley: "Yuh wife should slap yuh, keep quiet!"

Mr. C. Imbert: "So dey ship out de painting, dey feel dey smart."

Let me come back to the callous disregard of this administration for poor people. A big song and dance in the budget and in the House, and we see today clause 12(e) of this Bill which states:

"in Schedule 2 inserting after item 27 the following items:

'28 The items contained in the First Schedule to the Customs Act...being orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body;..."

But when this was announced in the budget, people who have to care for the disabled made the point, "what about wheelchairs?" The most expensive item that a disabled person would normally have is a wheelchair, and I see that it has come back here. What is going on? Therefore, all these disabled people in wheelchairs must not get relief. Mr. Deputy Speaker, if I am wrong I should like to be corrected.

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

Question put and agreed to.

Mr. C. Imbert: Thank you, Mr. Deputy Speaker. Is it that wheelchairs are already exempted, or is it that the Minister does not like people in wheelchairs? He does not like crippled, blind people: they must not get public assistance. Now he does not like people in wheelchairs. [*Laughter*]

If I am wrong, I stand corrected. If wheelchairs are already exempted, I stand corrected.

Mr. Breaux: None of their friends bringing down wheelchairs, that is why.

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

Mr. C. Imbert: In clause 2 we see that old-age pension is going to be amended. We have not heard of the Government's intention with regard to national insurance pensioners, and we really need some clarity. There has been a lot of speculation as to what would happen to persons who are in receipt of national insurance pensions. Would they continue to receive these pensions in addition to the old-age pension of \$620? There is a lot of ambiguity on this matter, because there is a view among many in this country that quite a large number of persons would lose income. It needs to be clarified.

We also see in clause 6(n) the Minister has now decided to abolish income tax returns for persons earning \$50,000 a year; again, for efficiency, to reduce the backlog in the Inland Revenue Department. The onus is now being placed on employers. But what about refunds if the employer is deducting too much tax? How does the employee deal with that? How would employees know that the correct amount of tax is being deducted? How would they know that the tax is being deducted at all?

This Government has this tendency to make these reckless moves, all in the support of populist politics. In the same way they abolished licence fees for motor cars, and now we have a spiralling of car thefts, and you see jalopies on the road, fender falling off, tyres smooth and so forth. What is the reason? When it was necessary for persons to file information with the Licensing Authority, it introduced a certain discipline into the system, so that the whole question of ownership could be traced through the motor vehicle licence. It was a way of controlling car stealing, and a means of controlling the maintenance of vehicles. This Government in its populist thinking, abolished licence fees. All kinds of old jalopies are on the road now killing people; car breaking in half and so forth.

Now the Government wants to remove income tax and encourage fraud, all in the name of populist politics. It appears that anarchy is to be the order of the day, because we heard the Member for St. Augustine encouraging people to protest in his capacity as acting Prime Minister, when there is a dangerous practice in the country of people burning tyres in the road. [*Interruption*]. Did you hear what he said, Mr. Deputy Speaker? The man who acts as Deputy Prime Minister, he wants to burn tyres!

Hon. Humphrey: Around your neck! [*Laughter*]

Mr. C. Imbert: He thinks that is a joke. It is the same way, when prior to the 1986 elections, the Member for St. Augustine encouraged people to take state property and to break into NHA homes and squat. He told them that it was their

own so they could take it. When it happened he went on television crying, "My brothers and sisters, please come out the houses!" Now people are burning tyres in Mayaro and Maloney and the Acting Prime Minister says, "Congratulations, what you need to do is protest more; burn some more tyres!" That is the answer.

At least the Member for Couva North—I do not know what he did in London, maybe he went for a medical check. Maybe he had some medical treatment, but at least when he came back, he put paid to that foolishness about protests.

Therefore, you have the Acting Prime Minister saying to protest, but when the real Prime Minister came back he said do not protest. [*Laughter*] That is the enunciation of the UNC's policy. It is very difficult for me to support the measures before the House because this Government is trifling with the people. The Minister is behaving like the manager of a shop, watching five cents and ten cents, putting pressure on poor people; when we see millions of dollars being siphoned off, put into the party newspaper and in the hands of activists in constituencies that they feel they might have some success in, and so forth.

We see a situation at the airport where a particular contract is 50 per cent above market value. There are also situations such as where a particular favoured son of the Government is getting about \$70 million he does not deserve; where the Attorney General declared the contract to be illegal; where the Government-appointed board puts an ad in the newspapers and says that the Attorney General said no such thing. Imagine that! The Attorney General declares the NYC contract to be illegal and makes a valiant effort to save money so that it could be used to give public assistance, old-age pension, student loans, tax relief for tertiary education and all of the things that we see in this legislation before us today.

The Attorney General declares the contract to be illegal, a contract where a UNC supporter gets a \$225 million favour, at that time; 100 per cent more than the going rate; \$100 million could go to public assistance, but no! State appointed board, chaired by the friend of the Minister of Finance declares that the Attorney General never gave such advice, publishes it in the newspaper, and that board is still in office!

That is why you would not see any resignation of the Chairman of the Airports Authority; reducing fees to himself; taking away Airports Authority land from the Light Airplane Club and telling them to rent it from his company; running up \$200,000 in personal expenditure.

7.00 p.m.

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

He is not going to resign, he is going to flourish and prosper because he has to manage the corruption in the Piarco Airport contract. He is not going to resign, he is there to do a job. So no matter what evidence my colleague from Diego Martin West brings about the rampant corruption, mismanagement and nepotism at the airport, the Chairman has to do his work. He has to work for his money. We understand what is going on in this country.

We understand why there are so many errors; why the Minister of Finance has no policy on vehicles; why he could flippantly say there are too many cars in the country and he is trying to reduce pollution in October but in December, no problem, pollute the atmosphere, congest the roads and send out the foreign exchange. No policy, Mr. Deputy Speaker. No policy whatsoever. *[Interruption]* “You can say what you want, I just want you to spend some money in my constituency and give them plenty money”.

When you have this rampant corruption going on in Trinidad and Tobago when the Government tells ministries to put money into the pockets of the UNC through the *Rising Sun* newspaper, when the National Lotteries is directed by the Minister of Finance to put money into the pockets of UNC activists. *[Interruption]* It is a fact, put some in other people’s pockets as well; not just UNC activists.

Mr. Deputy Speaker, it is the people's money. You have to put it in the pockets of crippled people. That is the point I am making. Put it in the pockets of blind people, the little old woman who needs heart surgery. That is where we expect them to put the money from National Lotteries because under the Act part of the National Lotteries Fund is to be used to help charitable causes. We do not want them to abuse the fund, that is what I am saying. Do not abuse the fund. Give it to poor, blind people. That is what we are asking you to do.

Mr. Deputy Speaker, I am sure that this entreaty from the Member for Oropouche will have absolutely no effect on my Members. We will not forget Flour Mills; we will not forget Airports Authority; we will not forget InnCogen; we will not forget NP; we will not forget the rice; we will not forget the non-functional mill at Caroni (1975) Limited; we will not forget domestic violence accusations in the Cabinet; we will not forget it, Mr. Deputy Speaker. We will not forget the Maritime pay out, we will not let it rest. They can say what they want. They can adopt the attitude of the Member for St. Augustine of callous contempt for the people of this country. They can adopt the pleas of the Member for Oropouche, “all yuh doh talk about that nah. All yuh be nice little boys, doh talk

about that". They can adopt that approach but we on this side have a responsibility to expose the corruption that is taking place in this country, the waste of people's money, the siphoning off of state funds into the pockets of party supporters, the nepotism, squandermania, deliberate efforts by this Administration to create division in this country, discrimination and the polarization. We have a right to speak out against the polarization that is being inculcated by this Administration. I, therefore, cannot and will not support these measures.

I thank you, Mr. Deputy Speaker. *[Desk thumping]*

Miss Pamela Nicholson (*Tobago West*): Mr. Deputy Speaker, I just want to make a brief intervention in the discourse here this evening on the Finance Bill.

I am very concerned about the area of Students Revolving Loan Fund. I observe that section 10 will be repealed and a new section to deal with the duties and functions of boards will be instituted. I have no problem with that because I feel it is very important that we should have a board or a body to decide on the areas that you are going to fund from a student loan fund that the students could get loans from and that it would be subsidized. But I have a very big problem with what is happening. While this is going on what is happening with the scholars of the country? I say this because I have two cases of two medical students. *[Interruption]* Mr. Deputy Speaker, I seek your protection from the Pointe-a-Pierre infidel, please.

Mr. Deputy Speaker: The Member for Tobago West has asked for protection and I think she is entitled to that. *[Interruption]* Order.

Miss P. Nicholson: I have some grave concerns with our national scholars. They are our intellectuals. *[Interruption]*

Mr. Deputy Speaker: Member for Pointe-a-Pierre, order please. Any more statements like that will be dealt with accordingly.

Miss P. Nicholson: Thank you, Mr. Deputy Speaker, you understand.

I am very concerned and I think this is the place and the time to raise this question. I would like to know what is happening with our national scholars. Bright young people, as my colleague from Diego Martin West would say, poor people children. They study hard, they win national scholarships and when they are being accepted at the St. Augustine Medical School the only thing they are really ensured about is the tuition fees. The tuition fees are paid yearly or every

Finance Bill
[MR. IMBERT]

Friday, December 4, 1998

semester but there is a grave problem with boarding and lodging and money to pay for books. The quantum is insufficient and those same young people have to come to their representatives and other people in their constituencies have to get loans for them.

I understand that crisis and it must be a crisis of all poor people children who win scholarships. They are the brightest in our country based on the examination. We have an examination and we have a system.

It is my view and I would like the Minister of Finance to pay some attention to this area. If we are trying to correct the Students Revolving Loan Fund and address the problems in the loan fund, the whole question of fees for the scholars of the country must be addressed.

The money for books is insufficient. These are people who nobody can afford to assist. While we are addressing the loan fund I would like the Minister to also address what is happening to the scholars with respect to tuition fees. Everybody feels that is sufficient but the boarding and lodging fees and the book allowance are totally insufficient and need to be addressed and it is felt that the Government must address this. If they are addressing the situation where people can get their loan funds, something must be done for our brighter scholars in the country and poor people who sweat their blood out in this country for the development and the advancement of the country. They must benefit, especially when they are doing it legally. They are not thieving anything. That issue must be corrected. [*Desk thumping*]

I have a grave concern also with—well, not grave concern. I concur with the Minister of Finance when he is trying to make the body that is dealing—if I understand it correctly; because sometimes you may feel you understand and things mean something totally different. If it is an independent board to address the loan fund I support what he is doing there very much. But I have another concern. Will the board be addressing board loans for students throughout the country? Or is it just a loan fund? There are state agencies and corporation bodies giving loans up and down the place, left, right and centre. I want to find out if this body will be dealing with that. If they will be taking control of all the loans in the other institutions—if I understand this correctly what the Government is saying here is we have a crisis situation where any and everybody can come for loans and also where people can take any amount of money, so we are going to limit the money to \$150,000. You must look at the needs of the society and the areas for which you need trained people. Those are the areas that you are going to address.

other institutions doing the same thing. That is double spending the finances of Trinidad and Tobago. We are the taxpayers. It is our money—and our parents' that set up the St. Augustine Campus. It is our taxpayers' money that set up the Medical School at Mount Hope, but yet we are seeing a lot of double spending taking place and there is no clarity.

Mr. Deputy Speaker, one does not know, probably, about something for Tobago, San Juan/Barataria, Diego Martin Corporation or WASA. That is the

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

question I am asking. I am very concerned because when we are making these financial changes and want to upgrade how the money is spent, it is very critical and important that we know when there is a loan fund whether it is for Trinidad and Tobago, everybody in the country, or for a few schools.

I am very concerned, that is why I asked my question. I am not against it if it is that Tobago could get 100, 200 or 1,000 per cent more or, if Diego Martin could get 500 per cent more. I would be pleased, but I would like to know. You know I am an obstructionist. I, the obstructionist, would like to know how taxpayers' money is being monitored. [*Desk thumping*] That is my concern.

Mr. Deputy Speaker: The Member should not impute improper motives to any Member in this House; obstructionist.

Miss P. Nicholson: No, Mr. Deputy Speaker, it is I who am the obstructionist. I am the obstructionist. I am the obstructionist who was in a Cabinet. I am gone now and everybody is hand in hand. This is the obstructionist standing up here and I am standing up for principle. [*Desk thumping*] The obstructionist is standing up here for the Financial Regulations of the Tobago House of Assembly. I am standing up for that. [*Desk thumping*] Not one soul is bound to vote for Pam because I came here for the well-being, the welfare and development of the people of Tobago. They begged me to do this and I sacrificed everything to come and do it. [*Desk thumping*]

Mr. Deputy Speaker, I am not crawling or begging anybody. I am saying that if the country is still Trinidad and Tobago, it must run across the line. If we in Tobago have our own system, I am not against that. I would be happy, but I want to know that it functions in a principled fashion. I want to know where the needs are. We would like to know that the scholarships are advertised. We would like to know that the people are interviewed by an independent body like what the Minister of Finance is trying to do here. [*Desk thumping*]

Also, we want to know that when you award scholarships, wherever the schools are, they are recognized schools; so that when they come back you will be able to employ them in the country. I am very concerned about that so I am appealing to you. That is why I remained here. I do not like to waste time. I am so happy that I do not have time to waste now. I decided that I must sit here because I want to raise this question. Under the Exchequer and Audit Regulations can the Assembly—the individuals who own the money—give grants to people? Will that be a part of your changes here, to guarantee, in such manner and on such terms and conditions as you think fit, loans up to \$100,000, granted to financial

institutions within the meaning of the Financial Institutions Act for the benefit of students?

Mr. Deputy Speaker, I want to know whether if I say to an individual that I want \$60,000 to go to a Pre Med school, it will be given to me and I do not have to pay back. If I have two children going to medical school and they come to you, will you just say, "Give Mary Tom and her two children scholarships"? If I go to John Tom and say, "I want three scholarships for my children for engineering", will you say, "Give John Tom, but if Pam and hers come, none for she because
[Desk thumping] Those are my questions this evening on behalf of the people of Tobago and the people of Trinidad and Tobago. That is what I am asking. I feel that this is an important question now that we are dealing with improving our efforts to make the Student Revolving Loan Fund better, because it is felt that there is need for a board that could look at the needs of the country and that you will deal with the scholarships there and will limit to a certain point.

Mr. Deputy Speaker, I want to know if that runs across the line. That is all I am asking. I am not against you, but I am asking whether this is the system that will be running across the line with respect to Government agencies. Does your system give grants after I have already paid for the year and I come and you say you would give me \$20,000 for last year? Will you give grants?

7.25 p.m.

My appeal, the obstructionist Pam's appeal, is—I believe in honesty, integrity and morality. *[Interruption]* I would not waste time with people who only beating up their wife and that kind of thing. Have you noticed I talked about just treatment, fair treatment—recognize the fairness of the lady—I am very concerned because this is one of the questions that anybody who is in charge of our finances must address. Is it that we have our own system in Tobago and, we do not get any assistance from Trinidad? We want to know. Are the foreign scholarships sent to Tobago also to be advertised? We want to know. We want to be exposed to them. We also want to know those we are exposed to, because you are in charge Mr. Minister.

Two or three months after the Tobago House of Assembly Act the financial regulations should have been sent to the Tobago House of Assembly. It is nearly two years now and you have not done anything like that, so our finances are in disarray. The obstructionist is not afraid—and they said you told them—and who told them that I am the obstructionist why their thing did not come? I do not

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

know. I thought that I was tickling you to get the financial regulations ready. I did not know I was the obstructionist.

Sen. Kuei Tung: I said that?

Miss P. Nicholson: Go and read any *Tobago News*; in last week's *Tobago News* in the back page—they did not call names but the insinuation is on you all, led by the Minister because they said you and them, hand in hand and things going sweet.

In terms of the regulations: the law—and the Member for Tobago East always talks about being lawful: a legal system. Up to now, nearly two years the financial regulations cannot get to the Parliament to go to the Tobago House of Assembly and everybody, who is on whose squad could get scholarships whether they know ABC or not. After I looked at this I said, well, I think I have the opportunity here to raise this question with the Government side and with the Minister who is responsible for finances in the country. The people want to know about the fairness, the justness; people want to know whether the scholarships would be advertised so that all the young people or the scholars could apply and go before—although I am one who feels you really never get anything independent but, at least, let it appear to be independent and let there be equity.

I want to know whether this is the governmental system, whether the Exchequer and Audit Regulations, whether the Minister of Finance is in control or whether he is really using that. In the budget he said he was not doing anything against that, but the Minister is allowing anything to happen from a financial basis and this is why I am raising it, because we want a system where all the young people who have their A'Levels can apply. We want to know if you have a system where there are certain schools they will have to attend. We want to know if there will be a system; because with the loan fund, it is said if it is the University of the West Indies, one should do the course in Trinidad. We want to know all those things. We want to know when you send people on pre-med all over the world if they will be returning; and if there is a contractual system whereby when they return they would serve the people.

That is one of my concerns. I hope I have articulated it clearly and distinctly to the Minister of Finance. I will be very happy, on behalf of the people of Tobago generally, and the independent team, for him to answer that.

Mr. Deputy Speaker, the most important aspect of democracy is participation and involvement of the people in the management of their affairs. This is the essence of the whole democratic tradition we are talking about; and we always try

to espouse, that we have a democratic system. Progressively, we have introduced measures and programmes that reflect this aspiration of ours. The introduction of the regional corporations is the latest step that we took in that direction over a 10-year period that has been introduced, and it has been done against the background of decentralization and devolution.

It is the latest step we took in this direction and the most sophisticated and forward-looking countries practise this in one form or another. Switzerland has its cautious referendum system on all critical issues. The United Kingdom is devolving power to Scotland, Ireland—the Prime Minister was there recently—the greater London area, decentralization. In the United States of America the towns, cities, communities manage themselves with minimum interference from the states and the federal government.

Mr. Deputy Speaker, when that Act was put together certain powers were given to the municipal bodies. I want to ask a number of questions. We in the newly independent countries, instead of decentralizing, tend to concentrate power in the hands of the central government. That is why I have a problem. I am not too clear on the miscellaneous taxes. I would like the Minister to give me some information.

In 9(b)it states:

“in section 45(1), by inserting after the words ‘may identify’ the words ‘and local roads in Trinidad and Tobago which the Minister responsible for local government may identify;’

I have quoted this section because I want to find out what is the role of the municipal bodies. This is a recent development that one observes in this country. The Government, by divine definition knows their needs, wants, problems and solutions. We are seeking to deny them the right to protest in this country. That is what is happening here now. The Prime Minister of this country in the *Express* of Wednesday, December 2:

“PM: Don’t waste time in protests.

Instead of joining senseless protests...the world of the future belongs to those who use their time and energy to educate and train themselves.”

I agree. It says he was critical of protests.

“Last week faced with demonstrations in Mayaro and Maloney, Housing Minister who was then acting Prime Minister said there was nothing wrong

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

with protest. Humphrey said: 'The way to get things done is to protest about things that you are not happy about.'

So there is a contradiction. On one hand Deputy Prime Minister says protest, when you protest you are going to get action and on the next end, the Prime Minister says that gone out. The same Prime Minister who used to lie down in front of a bus and jump up all over the place. I never see protest so in my life. Now other people trying to get their interest, he says it is not good again.

From Caroni, right into town.

7.35 p.m.

He joined up with Joe Young, the OWTU man and all those fellas with the bus. Now that Mayaro say: "We want roads and we want work so we jumping up and we burning up, but is road we burning up, we not burning up anybody place". They say: "No, that ain't good." Mayaro say: "We want employment." They say: "No, that ain't good. It senseless." Give the corporation in the Mayaro area more power and money instead of giving Tunapuna more money. [*Interruption*]

I will not answer him. He thinks everybody in town is "dotish". Every single human being in Trinidad understands this strategy. It is as clear as day. Put the power in the hands of the Minister so that he can control the money and spend it discriminately in their areas. Do you know why I have "bore in" on this, Mr. Deputy Speaker? I was not too clear on clause 9(d) so I said let me ask a question because I am an obstructionist. I am always obstructing for Tobago.

"Allocation from fund	46A. Out of monies in the fund fifty percent shall be allocated to the Ministry with responsibility for highways and main roads and fifty percent to the Ministry with responsibility for local government for the purpose of repair and maintenance of roads under their purview."
--------------------------	---

I thought 50 per cent and 50 per cent made 100 per cent. There is a body called the Tobago House of Assembly. What portion of the 100 per cent is given to the Tobago House of Assembly?

There has been a new development over the last 18 months in another important governmental institution, which is sited in Tobago. Are they getting 5 or 10 per cent out of the 100 per cent? Or, is it 50 per cent for the Ministry of

Works and Transport and 50 per cent for the Ministry of Local Government? Will this be put in the hands of the Minister who is always flogging, pulling out gun, jumping up on road, telling everybody that he is in charge of them? He cannot pull any gun on Pam.

Mr. Singh: Do you want to see my gun, too?

Miss P. Nicholson: I am sitting down. Mr. Deputy Speaker, I am seeking your protection.

Mr. Deputy Speaker: Order! Order!

Miss P. Nicholson: Mr. Deputy Speaker, I would like protection from you. This man is attacking me. I am talking about the fact that according to clause 9(d), 50 per cent of taxpayers' money is going in his hands. Tobago must get some. He was very absurd and rude over there. If he wants to say anything, let him get up and talk. [*Interruption*]

I would never trouble that fellow, he has to learn for himself. I will never interfere with the Member for Arima, because I know 2000 is not running away at all. He is bound to learn. He can tell Sis. Pam anything he wants and I will smile, but I am not allowing the Member for Pointe-a-Pierre to say anything. He is just bold and out of place. [*Interruption*] Running away? He will come back there and crawl.

That is the question I wanted to ask the Minister of Finance. I was not clear on clause 9(d). I believe that this concerns the Road Fund. How will the Minister deal with the Tobago House of Assembly in this? It is not stated here. I believe that this will need to be restructured. Will the Ministry be giving Tobago its share? I will be happy if the Minister would deal with that.

We fail to recognize that in the system we operate, it is only through protest and demonstration that they would let us know how the problems we have created impact upon them and their right to survival.

The media must not reflect in film or in writing the concerns of the people. The people themselves have been told that protesting is of no avail. It is clear that we are moving towards over-centralizing of power. The amendments we seek to enact at sections 46, 47 and 49, are entrenching the Minister of Local Government. The Government is clearly taking a retrograde step and this is an excellent opportunity to recognize the regional operation and to expand their areas of responsibility. What should happen is that the 50 per cent should be shared between the regional corporations, so that they can spend it in their areas.

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

7.45 p.m.

The Minister of Local Government frustrates these bodies, he is a frustrator, and by seeking to interpose himself between these bodies and the people, creates the frustration which results in these demonstrations all over the country.

Mr. Deputy Speaker, this Government, especially the Prime Minister, the Minister of Housing and Settlements, the Attorney General, and the Minister of Planning and Development are keenly aware of the frustrations created by a democracy that does not work, and of the need to take care of constituents and the frustrations they demonstrate on the streets of the country. Nobody has ever demonstrated more than the Prime Minister of the country.

The Minister responsible for Local Government is at best insensitive. Any representative of the people who can take pride in portraying himself as a sheriff riding into town with a gun of some kind in his hand can only be hoping to suppress the people whose repressive action—*[Interruption]* That is why I do not want him to take the few cents they have for Tobago. That is why I am asking what does the Minister mean, and how are they going to share up that section? Should not the Government be using this opportunity to signal a new relationship between the islands? *[Interruption]* I am glad I gave you the opportunity to feel it and understand the Government. You are so rude and out of place, I would not say the other words I want to say inside here.

Mr. Deputy Speaker: Member for Tobago West, and Member for Point Fortin you are making it extremely difficult.

Member for Tobago West, can you kindly address the Chair and nobody else?

Miss P. Nicholson: Sure, Mr. Deputy Speaker. When I hear the asides, I do not like to get turned off, but at times I get a little turned off. I tell myself I would not say anything to him, but you know—

Mr. Deputy Speaker, you know I would not ignore you. My concern is section 46A which deals with the division of the funding which talks about 50 per cent to the Ministry of Local Government, and 50 per cent to the Minister of Finance and I would like the Minister of Finance to address that. So there are two areas about which I am concerned. The Students Revolving Loan Fund and what would he be doing to correct the problems which our scholarship winners have as I articulated

earlier in terms of tuition fees, board and lodging and the book grant, which is far too inferior and you would know that, Mr. Deputy Speaker. I would be pleased if the Minister could answer those questions.

Thank you.

PROCEDURAL MOTION

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Deputy Speaker, I beg to move that this honourable House continue to sit until the conclusion of the Finance Bill.

Question put and agreed to.

FINANCE BILL

Mr. Barendra Sinanan (*San Fernando West*): Mr. Deputy Speaker, on behalf of my constituents, the country and on behalf of all of us here, including the Member for Nariva, I thank Dr. Rowley for his contribution this afternoon.

After listening to him, I am forced to ask the question whether there are any honest Members opposite, whether there are any Members pure of heart, and whether there are any Members with some semblance of conscience. Because, so far, nobody on that side has said anything to allegations made—which are very serious ones—by the Member for Diego Martin West. [*Desk thumping*] I hope that when those on that side respond, we do not have to hear about the late John O'Halloran, or whoever else. Let us talk about what is happening in this session of Parliament with these Members of Parliament. That is what we must concern ourselves with. Let us not concern ourselves with those who have gone beyond, but with those who are living.

I want to seek some clarification from the Minister of Finance on clause 2(c) of the Bill which states:

“A person whose total income does not exceed the sum of six hundred and twenty dollars a month or such other sum as may be specified by Order of the Minister shall, if he satisfies the statutory conditions specified in section 4, be paid a pension at the monthly rate of six hundred and twenty dollars.”

Here we are talking about persons whose total income does not exceed \$620.00 per month would get \$620.00 per month. What about the situation where

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

there are persons getting old age pension and also NIS pension which would exceed that \$620.00? Are you saying by this section that persons in receipt of income, for example old age pension and National Insurance Board pension which, when combined exceed \$620.00 per month are limited to \$620.00? I want you to clarify that.

Secondly I would like to refer the Minister to section 6(b)(10) which refers to pensions where it talks about the payment of a lump sum on the death of a person. It says:

“On the death of a person a lump sum death benefit is paid under his

When the Minister presented his budget, I got the impression that one would be allowed a deduction of up to \$12,000 for all pensions whether it is an employee pension scheme, or an individual one. For example, if I were to have an individual pension policy and I pay whatever premium, I was under the impression that I could deduct \$12,000 from that, but this does not say that. It talks about an employer's pension plan so it gives the impression of an employee and an employer situation where the employee is contributing to a pension plan and it is limited to that. I wish the Minister could clarify that in his winding up.

There is another bit of clarification I need which is in section 6(o)(1)(a) where you are amending after section 82. It is saying here that on a distribution, every assignee, liquidator, administrator, executor, trustee or other like person in bankruptcy shall submit to the board full details of the assets and property distributed within one month of such pension.

Again, I am saying that that one-month period, in my humble opinion, is too short a time. You may have a person distributing property under liquidation of a company, or an executor and he has distributed that property. You are putting a limit of one month after he does that to file his records with the Board of Inland Revenue. What happens if that executor, trustee or liquidator goes on a holiday? You are forcing him to file that return with the Board of Inland Revenue within that short period of one month so I am suggesting that you look at this provision to extend the one-month period to perhaps three months. I think the present law is a year, I am not sure, but I am suggesting to the Minister that this one-month period in which to file returns at the Board of Inland Revenue is too short.

Lastly, I wish to refer to Part VIII of the Bill which deals with stamp duty and I find it very curious that the hon. Minister spoke about no new taxes, and so did the Member for Oropouche. Here it is that Part VIII of this Bill which deals with stamp duty talks about increased stamp duty. My understanding is that stamp duty is a tax, so how could both Ministers say there are no new taxes in this Bill? This is a new tax, and to me, it is a very retrograde type of tax.

Mr. Deputy Speaker, I would give you an idea of the stamp duty paid on properties. Right now, properties are classified as residential and non-residential. For residential purchases, implying that there is a house on the land, for a consideration of \$300,000 or less, there is no stamp duty; from \$300,000—\$400,000, you pay 5 per cent; \$400,000—\$500,000, you pay 7½ per cent; and over \$500,000, you pay 10 per cent. So for your first \$500,000, that is \$12,500, and anything in excess of \$500,000, you pay 10 per cent. For example, if you buy a property for \$800,000, you pay \$12,500 plus \$30,000, that is \$42,500, therefore, you would see that stamp duty in fact raises a fair amount of revenue for the Government. The Minister is on record as saying that income tax which goes in its widest sense to include personal income tax, corporation tax and stamp duty far exceeds income to the Government from petroleum taxes. Here is a situation where taxes on income, personal, corporation and stamp duty exceed all other taxes, the most major one being taxes on petroleum.

With respect to property that is non-residential which would include commercial, agricultural, industrial, anything that is non-residential is as follows: 2 per cent up to \$300,000; 4 per cent between \$300,000 and \$400,000, and anything over \$400,000, 7 per cent and in this case it is not a graduated thing so in whichever band you fall, that is the tax you pay.

For example, if you purchase a property which is non-residential for \$500,000, you pay 7 per cent which is \$35,000. Right now the stamp duty on residential and commercial properties is extremely high and we want to encourage the purchase of property and to get people involved in building, in the construction industry, and encourage people to acquire property, but there are some very punitive taxes here.

8.00 p.m.

These taxes are very high. Previously they used to be about 2 per cent, so this is a very punitive tax. Now to tell somebody that you bought a residential property and within a space of—this amendment is suggesting that if you change the use of

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

a property within one year, you have to pay something like \$15,000. Let me read clause 8, Mr. Deputy Speaker. It says:

“47B(1) Notwithstanding anything in this Act, where residential properties are converted to commercial use the tax chargeable shall be—

(a) if the conversion took place in one year the rate applicable for commercial properties;”

So you may have, for example, a purchaser buying a residential property on one acre of land for \$1 million. On that basis he pays \$62,500. The use changes; it has now gone to commercial, but the commercial rate at its highest band here is 7 per cent, so he is paying less taxes. When one converts at the higher bands one is paying less taxes. So, Mr. Minister, look at that.

It talks also in (b):

“...if the conversion took place after one year but within two years one half of the rate payable for commercial properties.”

If you look at the bands and apply this formula, you would be losing money. Nevertheless, I am not on the point about losing money. I am totally against this clause, because it is really a primitive thing to tell somebody if they buy a residential property and within the space of two years the use changes they have to pay this punitive tax. This is akin to saying that if one consumes electricity after 10.00 o'clock, one pays a higher rate, or if one uses water after 10.00 o'clock at night, one must pay a higher rate. *[Interruption]* Yes, it is a retrograde step. So I am asking the Minister to look at it again in terms of the bands because one could actually be losing money, depending on which band it falls under.

Mr. Deputy Speaker, let me give an example of how this is unfair. Suppose a chap buys a residential freehold property in Westmoorings for \$1.8 million—which is what properties in that area would cost—and he leases that property for a long period, he migrates but he has his arrangements set up whereby the lessee would pay by standing order to his bank account. The lessee, under the terms of the lease, can change the use of the property, but you are now penalizing the lessor for something the lessee has done of which the lessor is not aware. Is that making sense? So I ask you to look at this again, Mr. Minister. Are you understanding what I am saying?

Mr. Kuei Tung: This clause was intended to try to treat with people who bought a property for private use and thereafter converted into commercial use. I am not sure if there is a transfer of conveyance.

Mr. B. Sinanan: I do not think you are right in terms of trying to block the loopholes because when you tender the deed for stamping you have to produce your land and building taxes receipt and that must be in the name of the vendor. You will see if it is registered as a private or commercial property because there would be a different building tax.

The property is leased by the owner of the property so he is called the lessor and the person who takes the lease is the lessee. In that head lease a person can do anything, including changing the use. But when he leases it, it is done so as a residence, but the lease permits him to operate commercially. He may have an upstairs and downstairs building, and that is very common but it has not been addressed here.

There are situations throughout the country, as the hon. Member for St. Augustine had alluded to in a previous debate, where people live upstairs and there is a commercial activity downstairs: a parlour, rumshop and so forth. What the Minister is doing here is penalizing people. How do you attempt to clarify that or to impose this tax?

Let me get back to the first example I was giving you because I think you are a little lost. As I said before, it is freehold land, lessor leases to the lessee; the terms of the lease say that you could do anything; it was bought as residential property—the person pays a residential rate of stamp duty; within six months the lessee decides that he is going to operate, let us say a casino, the use changes and it becomes commercial, but the lessor or the owner is somewhere in Timbuktu and he does not know, but the lessee is permitted to change the use. You are imposing a penalty here on the lessor and he does not have a clue that it has been imposed on him. He comes back to Trinidad a couple years after and he is faced with a fine of \$15,000 or imprisonment for two years.

I am asking you, Mr. Minister of Finance, to look at these things simply because I think these clauses need to be thought out very carefully. I reiterate that in terms of the conversion at the higher bands, you would be actually losing money. In terms of the examples I have given you, it is unfair to the leaseholder of the land and I think it is a very retrograde step. What you are attempting to achieve, you would not be achieving here at all and believe me, people would get around this.

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

Mr. Deputy Speaker, I want to end on the same note on which I started. I read in the local press about five Members of the Government going to India to meet with Indian parliamentarians, or something like that, and some of them may have gone to see a holy man and so forth.

8.10 p.m.

Mr. Deputy Speaker, I hope that those Members who go to see Sai Baba or whoever he is, know that he is a holy man. I do not think that he would condone or accept what some Members or their supporters are doing in this country. Many Members on that side wear something called a Raksha on their hand. They should read the holy books and understand the significance of that.

Some of those honourable Brahmins and honourable Indians on the other side do not know the significance of that thing on their hands, and are playing with fire. [*Interruption*] Be careful! While they are trying to appeal to the ordinary masses outside there, they are playing with something. There is something called Karma, they should be careful.

On that note, Mr. Deputy Speaker, I thank you for your attention, and again appeal to the hon. Minister of Finance, to look at some of the issues I have raised about this Bill.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Deputy Speaker, I am pleased to take part in this debate at this late hour. I have just about eight issues I would deal with rather quickly.

I would start where my colleague ended. I think he was making the point that we are seeing a lack of thought with respect to the implementation of these measures. I think that theme runs through most of the measures. There are some measures that I agree with such as the reduced business levy from 0.33 per cent to 0.25, I do not think anybody would have any problem with that. But when we look at some of the others we see some dysfunctional consequences coming out of them.

My colleague, Dr. Rowley, in opening the debate today, made the point that there was a high level of maladministration in the Government involving corruption and so forth. The Member for Diego Martin East said it quite clearly, that the Government gives the impression that it does not know what it is doing, and that is the theme running throughout.

We can start with the issue of allowing companies in Trinidad and Tobago to issue foreign denominated policies. On the face of it, it looks good. The Minister said in his budget speech that one could go on the internet and apply for a policy in some foreign currency, therefore, he wanted to level the playing field and allow local companies to issue foreign policies. But with a bit of thought, one would know that if one allowed that, what one is, in fact, doing is creating an increased demand for scarce foreign exchange. As long as you understand that, and consider how you are going to deal with that situation, that is fine.

When you allow that, remember these insurance companies would be looking for foreign investment, there must be matching. If they are issuing a US dollar policy and the policy owner has to pay his premiums in US dollars, that money is going out to be invested in some mutual fund somewhere outside of Trinidad and Tobago, because they are not accepting the risks of a change in the foreign exchange rate. They are not holding that risk. What this means is that the amount of foreign exchange available for training purposes would consequently be reduced. When that happens, it means you are creating the environment for a deterioration in your foreign exchange. All I am saying is that we have to understand what we are doing. It sounds nice, let us do it, but does it make economic sense? Is it in the best interest of our country?

I ask the Minister to look at it again, because that is not the end of it. If you are talking about a deterioration in your foreign exchange you are talking about inflation and all kinds of consequences. The Minister knew that he was unable to raise \$200 million. He boasted in the budget speech about the fact that he raised \$200 million at 8.25 per cent. In fact, he raised \$150 million, and he could not tell us what the rate was. The rate was a floating rate and the poor Mr. Minister got himself locked into a swapped transaction, because he thought that the original transaction was sold up. He, therefore, arranged a swap transaction out of the floating rate, into a fixed rate transaction on the date that the original transaction was to be closed.

When this did not happen, because one of the banks decided that given what was happening in this part of the world, the price had to go up on the floating rate, Mr. Minister was left holding a swap transaction for \$200 million on a floating rate basis, and had no primary transaction. Having a secondary transaction, eventually when the transaction was closed at \$150 million, obviously he had certain problems with the swap transaction. Perhaps he does not even know that in the Ministry as yet.

Finance Bill
[MISS NICHOLSON]

Friday, December 4, 1998

He knew that he could not get his \$200 million. He was locked in. I do not think the \$150 million transaction even came in as yet. I think the agreement is signed but there is difficulty funding it. If he had that difficulty raising funding on the local market, consider how much more difficult it would be when your insurance companies are putting your foreign exchange externally in retrofunds and so forth, and you cannot find money externally in US dollars. You would not be able to depend on the local banks then, because if they do not have \$150 million now, they would not have it then. It sounds nice. His friends may want it, they may be clamouring for it, but if it becomes popular it would create real, serious difficulty.

Mr. Deputy Speaker, issue number two deals with motor vehicles. In the budget of 1998, we were informed that January 1, 1998 was the last year for the common external tariff (CET), and while we could not make the final reduction on January 1, it would be done on July 1, 1998. In the 1998/1999 budget, we see a reversal. Motor vehicle tax, customs duties 20 per cent, going up to 25 per cent. Motor vehicle tax at 30 per cent, customs duties going up to 35 per cent. That is not CET!

Earlier today, the Prime Minister in paying tribute to our Caribbean son Mr. William Demas—may God rest his soul—mentioned the fact that if we really wanted to follow in his footsteps we would work toward a single market and economy. What he did not say is that in doing so, Trinidad and Tobago must take a leadership role. My friend from Naparima knows that Caricom looks to Trinidad and Tobago for that leadership, and we cannot be flip-flopping on that initiative with respect to the single market and economy. We have, in the face of odds, to go that course. If we say that we have a commitment to CET and January 1 is that date, then we come down to the 20 per cent and we do not move.

I think that it is a retrograde step to increase customs duties on motor vehicles. It is going in the other direction with respect to their whole commitment to CET. We note, however, that there is a special carve out with respect to vehicles under 1599 cc. Our country is becoming rather suspicious, and when we say that, we make an obvious assumption that this is a benefit for a particular friend. But more than that, we note that when we attempt to deal with things in a piecemeal manner.

In 1997 the Minister came to this House and said quite clearly that "this thing about a locally assembled foreign used industry is really not on the cards; there is no such industry; it makes no sense sending persons to Japan to dismantle a

vehicle to send it down here to have them reassemble the vehicle; let us stop fooling ourselves!" I am asking, the same structure he outlined in his 1997 budget presentation, why was it not instituted? He knows clearly that it is not working; allow the people to bring their foreign used cars.

Cars could leave Japan assembled. This thing about sending someone up to Japan to buy a knocked down vehicle to bring it here, that is merely increasing costs. I think that while there is a need for the foreign used vehicles in Trinidad and Tobago, I suggest that it first of all be properly regulated, and that we do away with this nonsense talk about a foreign, locally assembled, used car industry. I think it is important that we simply allow the people to bring in the vehicles and sell them. Vehicles must not be more than five years old because we really do not want to be importing other persons garbage. In the Ministry of Trade and Industry and Consumer Affairs there is no policy position outlined for foreign used cars; we need to correct that. Simply adjusting the tax on those foreign used cars, to my mind, is insufficient.

Then there is this con job that this Government uses with respect to VAT exemption. What can one say about this guy from Oropouche? For 17 years in this Parliament, every time he gets up you know exactly what he is going to say. He is nothing more than an out-and-out racist! I think I have a lot of patience, but it is sickening at times to sit here and every time he gets up—I can remember when he had just come from the hospital the last time, I sent him a note which said, "welcome back".

One expects that with illness one would reflect on the fact that we are mere mortals and perhaps we should change our ways and live in a particular way. [*Interruption*] [*Crosstalk*] But I could write his ending, the bile and the bitterness that comes out of him every time he opens his mouth! But like his colleagues—especially the Minister of Finance—what he does not seem to understand is that when you talk about VAT exemption you are not giving the small businessmen a benefit when you raise the threshold for VAT.

If you say that the threshold is now \$200,000 rather than \$150,000, it means that a small businessman who was able to recover VAT on his purchases before, is now not able to do so.

8.25 p.m.

Finance Bill
[MR. VALLEY]

Friday, December 4, 1998

They are increasing the cost of the small businessman doing business. They are not doing him a favour, they are not helping him. They are putting a further burden on him. You can work it out. If I have a business and I have \$150,000 I have to pay VAT on my purchases. Let us say my purchases are \$100,000, I pay VAT on that and if I am unable to recover some part of that then I am worse off. VAT is really on value added. They are not doing a favour to the small businessman when they raise the threshold.

Let me look at the health issue and I want to say now, Mr. Deputy Speaker, that what is happening at the San Fernando General Hospital to me is simply amazing. I am on the side of the nurse and I want to ask the Minister of Health to maintain his stand. If those doctors want to go on strike, my friend, then you know what to do. There are too many prima donnas in Trinidad and Tobago. Just deal with them!

Housing, Mr. Deputy Speaker. In the Bill there is the provision to allow tax free interest on bonds for Trinidad and Tobago Mortgage Finance. I want to take the hon. Minister back to his 1998 budget where, on page 31 he said:

“Accordingly, I propose to raise a Tax Free Housing Bond in the amount of \$300 million and make these funds available for financing housing for this sector.”

There was no \$300 million tax free bond in 1998.

When we go to the 1998/1999 budget on page 30, the Minister of Finance informs us with respect to housing:

“Mr. Speaker, in support of our thrust in the Housing Sector Government proposes:

To amend the Corporation Tax Act to allow the Trinidad and Tobago Mortgage Finance Limited to issue tax free housing bonds for the purpose of lending to first time home owners.”

I thought the term “tax free housing bond” was a defined term. What is normally understood by that is that one would get a deduction for the contribution. In other words, if I buy the tax free housing bond for \$10,000 then I get that \$10,000 as tax deductible, like the national tax free savings bond. It does not mean simply giving exemptions on the interest earnings on the bond. So that what

the Minister said in his Budget Statement is not what is being done here in this Finance Bill.

More than that, when one considers the fact that interest on savings at the bank on fixed deposits and so forth is taxed at a mere 15 per cent, one can see that this is going to have very little effect on attracting funding for long-term mortgages. One has to remember that when one is talking about Trinidad and Tobago Mortgage Finance one is looking at long-term bonds. What would be the rate of interest given the fact that they offer subsidized interest rates? At what rate of interest would they issue these bonds to make them attractive to an individual who has to pay in any case? More than that you have to remember—

Mr. Deputy Speaker: The sitting will be suspended for half an hour.

8.30 p.m.: *Sitting suspended.*

9.04 p.m.: *Sitting resumed.*

[MR. SPEAKER *in the Chair*]

Mr. K. Valley: Mr. Speaker, when we took the dinner break I was dealing with the provision on housing in the Bill and making the point that we have noted the change from what the Minister said in his budget speech of last year, as well as this year. In fact, the provision was to allow for tax-free housing bonds by TTMF. We see that has now changed to interest exemption on these housing bonds.

Mr. Speaker, I am making the point that that would have a very marginal effect on raising funding for housing and, obviously, is not in keeping with the policy position outlined by the Member for Oropouche when he said that his Government wanted to have a property-owning democracy. I would agree that the more we encourage individuals to own their own homes the level of commitment that one would obtain to the country would be higher. That in itself is a very good move, but I think the provisions in the Finance Bill would not achieve that. I have argued for some time now that given the fact that long-term providers of funds are, in fact, the insurance companies and pension funds which are, in the main, non-taxable, for example, with respect to the pension fund, of course, they pay no tax on their interest earnings; insurance companies pay no tax on their statutory fund, they pay normal tax on their surplus but they are exempt on the statutory fund.

Finance Bill
[MR. VALLEY]

Friday, December 4, 1998

A tax exempt interest will not really be attractive to them. If Government wants to provide mortgage funding for first-time home owners it seems to me that they may have to give a direct subsidy in terms of interest to these long-term providers. I think that is going to be less costly by even attempting to go through this route. As a fact, there is that need, but more importantly there is the need for overall housing policy if we really want to ensure a property-owning democracy.

Mr. Speaker, of course, this brings us to the whole area of the level of squatting in our country—in spite of the fact that we now have an Act that is supposed to be dealing with the squatting problem—where there still seems to be certain problem. There is a Motion on the Adjournment when we will look at that matter in a bit more detail.

I come next to the provision with respect to the Student Revolving Loan Fund and again, I am having some difficulty understanding what is the intent. When I look at the Explanatory Note it says that:

“Clause 4 would amend the Students Revolving Loan Fund Act, Chap. 39:05 by inserting a new section 18A which would provide for the Government guarantee of loans granted by Financial Institutions to students following courses of studies approved by the Minister with responsibility for education up to one hundred thousand dollars and to subsidise interest on those loans up to ten percent.”

Mr. Speaker, when I go to clause 4, I am not seeing any of that. I do not know whether I am missing something. Clause 4 provides, at 18A, for the guarantee. I have looked at it on a few occasions. [*Pause*] I am sorry, it is at (b):

“pay over to the relevant financial institutions interest on such loans not exceeding ten percent.”

I am glad that is here because I wanted to make another point and I was looking for that. I missed it the first time around.

I am saying that when I looked at the Explanatory Note I thought that was an excellent provision to provide low-cost financing for students. My one difficulty that remains with respect to this provision is that we are talking about “courses of studies approved by the Minister with responsibility for education”. I am wondering whether we really ought to have that condition. While I would agree that if one is being granted a scholarship—yes, you may want to direct the students into particular courses of study—one should pursue the particular course

for which one thinks one has the talents at an educational institution and the Act defines clearly what is an educational institute. It says:

“An educational institute means the University of the West Indies or any other institute of learning designated by the board as an educational institution for the purposes of this Act.”

So, it would seem to me that as long as the student is going to an educational institute, as defined by the Act, he should be allowed the loan because he has to repay the loan. Yes, the Government is subsidizing it but I do not think that we should get involved in this type of state planning as it were, to direct our young students what they want to study.

9.10 p.m.

My problem is that the world is changing so quickly, and I do not know what the needs would be five or ten years from today. I think that yes, if you are giving a scholarship to the individual, then you may want to say you have to approve the course of study. But if the individual has an obligation to repay the loan, why does he not have a freedom of choice to determine his programme of study? Why does it have to be a course of study approved? I agree it ought not to be in a mickey-mouse university. It ought to be in an educational institute as defined here. But, should you really tell me what I should study? I will object to that. If I am not studying what you want me to study, am I not qualified for a loan although I am a citizen? After I graduate I would be a taxpayer. Quite frankly, I am just a lover of freedom and I think we need to look at that.

The other point I want to make is with respect to the small businesses. I think yes, there is a provision in the proposed legislation that says the interest earned by the financial institution would be tax exempt. I wonder whether a similar provision ought not to be made for the small business loan. In other words, some subsidizing interest. As a fact, yes, the old system of direct lending by the Small Business Development Company had certain problems and I agree that we should out-source the financing. The financial institutions are better able to do that. Providing small business loans at 17 1/2 and 18 per cent is really burdensome on a small business. While with the tax exemption the intent is that there would be a reduction in the interest rate. I do not know whether that would materialize and even if it does, I think the reduction would be small.

The Government can consider making an investment in small business and if they would consider the same way they see the wisdom in providing subsidized

Finance Bill
[MR. VALLEY]

Friday, December 4, 1998

interest to students studying, it is the same way they may want to consider providing a subsidized interest rate to the small business person, especially now we are talking about teaching entrepreneurship in schools and having the young person get involved at a very young age. I recommend that the Minister considers allowing for some interest subsidy to the small business sector.

Mr. Speaker, from practical experiences and problems faced by the small businessman, I can tell you that bank financing for small business is extremely burdensome and that we ought to look at that sector. The sector employs quite a number of persons. In any society we know that it is the small business which employs the majority of people and we need to do things to encourage that sector.

Old age pension. I made the point in opening and I am still at a loss. The Minister said he would look at it. I suggest that he does. It seems to me that we are including some provisions and immediately we are taking them back out. Part II of the Bill 2(a) and (b), we include certain provisions and then by (c) we delete them immediately. Perhaps, I am missing something but that is my reading of that clause.

I think my colleague from San Fernando West raised the point that subclause (c) (1) talks about a monthly total income of \$620.00. The question is: what happens if the person earns \$621.00? Is there some type of harmonization? I note the Minister spoke in his budget presentation on page 25 about the need for harmonization and I quote:

“Last year, Government increased the benefit received by Old Age Pensioners from \$420 per month to \$520 per month. For many of our Senior Citizens, this benefit is their only source of income. Senior citizens are entitled to an Old Age Pension only if their total income is less than \$416.00 per month.

At this level, they are entitled to receive an Old Age Pension of \$520, providing a combined income of approximately \$936 per month. However, if their total income is more than \$416, even by a single dollar, they lose their entitlement to Old Age Pension. In other words, for having an extra dollar of income, the pensioner loses the entire \$520 per month. This is a grave injustice which must be addressed.”

In the Minister's recommendation he said:

Finance Bill

Friday, December 4, 1998

“...I propose to link the NIS Retirement Pension and other income to the Old Age Pension by the introduction of a sliding scale as part of the harmonisation process.”

I am not seeing that here.

“...in the case of the Old Age Pension, I propose to consolidate the food subsidy with the pension payment into a single pension payment, with effect from the first of February 1999.”

And we are still using this definition of total income.

I do not know whether there is the harmonization mentioned in the budget statement and perhaps, we may want to look at that also.

Another issue that is troublesome to me in the Bill is the provision which allows an individual earning up to \$50,000 per annum to be exempt from filing an income tax return. Again, on the face of that it looks quite good. It is optional. In 1997 there was that provision which reinstated the employment allowance which allows an employer to claim a deduction for \$200.00 of the amount actually paid to an employee. I think that person's salary had to be up to \$4,000.00 per month. Perhaps, it is simply the fact that that was \$4,000 per month and this is \$4,000. I just wonder whether we have the independent verification that would otherwise be possible if the individual making up the \$50,000 per year had to file.

When an employer files his return with the Inland Revenue Department they can easily check the salary claim and verify that by the tax filed by employees. If employees earning up to \$50,000.00 no longer have to file, there is no independent verification. And if an employer can now claim a deduction of \$8,000 per employee, I wonder whether we are allowing a large area for creative employment in terms of salary, in terms of individuals. It seems to me that if I am getting a deduction of \$96,000 and I know my employee does not even have to file, I could well do with the deduction for \$96,000.00 if I have to, I can declare tax; I do not have a problem. An employee making \$4,000.00, tax at 15 per cent that is \$7200.00 per annum. I can pay tax of \$7200.00 and get a deduction of \$96,000 per employee.

9.20 p.m.

I can pay an employee \$2,000 and claim I am paying him \$4,000. Are we putting a higher burden on the administration of the Board of Inland Revenue to

Finance Bill
[MR. VALLEY]

Friday, December 4, 1998

police this? I do not know. Do they have the systems in place to ensure that employers are not becoming creative? We need to look at it.

There is the matter of public assistance. At the same time the Government is boasting about how they have provided increased pensions to old age pensioners. It seems, on the face of it, that they are restricting the application of public assistance. I think a clause was brought into the Public Assistance Act which allows a disability benefit from age 40. We are moving from that to say, in the explanatory note, that public assistance would be limited to the severely handicapped. I have looked at the Act and it appears that was not the intent. There were disabled persons, but other persons could have claimed under that legislation.

It is said that one of the requirements of the market economy in which we are heading is that there must be ample provision for those least able to compete. While competition is good and one would expect that the vast majority of the society would be competing, the state has to provide that social safety net for those who fall. It is in that vein that we ought to see public assistance. Old age pension is fine, but one has to be old to qualify for it. The person who is unable to compete may need public assistance from time to time. If we are restricting the application of public assistance, we need to look at it once more.

Mr. Speaker, those are the issues that relate to the Bill, but as my colleague said earlier, the whole purpose of the tax change is to position our economy in a certain way. The views expressed in the budget, 1998/1999 or even earlier, really have not changed. We see dark clouds on the horizon and no action being taken by the Government to avert or to prepare for those clouds. It is now becoming fashionable to blame what is happening internationally. The fact is that we have not really started to feel the effects of what is happening internationally.

What has happened in Trinidad and Tobago so far, in my opinion, has to be placed squarely at the feet of this Government. They came in, they met an economy on the upswing. In 1995, the economy was in its second year of very strong growth. The momentum was there and growth has continued since then. That is not of their doing because the only new project that this Government has brought is InnCogen and, of course, we are glad we had nothing to do with that. That is the only one they can claim.

The Member for Oropouche today, quite boldly, attempted to lay claim to things of which he knew nothing—investment in the downstream energy sector.

He was in opposition when we were doing that and he was criticizing us for putting it in place. He talks of things about which he knows nothing. He talked about selling 25 per cent of the shares to Ferrostaal—the same 25 per cent of the shares that they sold to CLICO. I do not know where he gets his information. He completely misses the ball in everything.

With respect to the economy and especially given the fact that oil prices seem still to be heading downwards, I think it is critical that the Minister, even at this time, starts looking at his numbers. We are aware—and he knows it—that the budget numbers were padded severely. I think that he should come clean with Parliament and tell his colleagues that we cannot do it. If he wishes, he can make a decision. As I have said, there is nothing inherently wrong with running a deficit budget, as long as he knows what he is doing. He can say that his income would be \$12 million but he would like to spend, say \$14 million for reasons (a), (b), (c) and (d). He may want to reduce taxes as an investment. It happened in Jamaica. He can give a tax break which will generate new investments so that his tax take two years down the road would be much higher than what he gave away. That is the whole concept of investment. What is terrible is that he comes to the Parliament and says all kinds of nice things and that he expects all this revenue, knowing that it will not be there.

We are getting into the Christmas season. One hopes that immediately afterwards, the Minister would come to the Parliament and state the economic health of our country.

We look forward to that and to working with the Government to put that in place. I thank you.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. Speaker, I thank you, Members opposite and my colleagues. I admit that there was a certain amount of tedium in the presentation, partly because this Bill is filled with numbers. I clearly articulated in my presentation that I am attempting to clean up many years of problems that have arisen at the Board of Inland Revenue. There was, in particular, section 6, which takes the entire alphabet and more in the number of subsections that I had to use to adjust the administrative problems at the Board of Inland Revenue.

9.30 p.m.

Finance Bill
[MR. VALLEY]

Friday, December 4, 1998

I thank Members, in particular the Member for San Fernando West whose input has been extremely useful to me, given the fact that he has had a long history of being involved in conveyancing, stamp duty, and the Board of Inland Revenue. It did occur to me that some of the contributions which were made seem to have suggested that some Members on that side were not quite prepared, and certainly did not stick to the text of the Bill and instead we were treated to a discourse of maladministration, InnCogen, the Airports Authority and so forth.

I certainly admire the oratory skills of the Member for Diego Martin West and I am sure I speak on behalf of Members on this side when I say that we would have wished we could have risen to such an occasion. I state, on behalf of this side, that he is getting better and better in Opposition so we owe it to him to make sure that he continues to excel in Opposition and remains there.

I gather from the way the contributions were made, that Members on the other side would not support this Bill, and I find that odd because I cannot believe that they would not support an increase in old age pension. I am sure they are not going to vote against giving the senior citizens in this country an increase in their old age pension; I am sure they are not going to vote against things like reduction in business levy. I am sure the Member for La Brea is not going to do that. I know him too well, and I know where his heart is. I am sure that making loans to small business development cheaper and more easily accessible is something that would be supported by Members on the other side. I do understand the lack of support to areas, especially the administrative provisions in this Bill that would make the Board of Inland Revenue much more efficient. So I could understand their lack of support that would make us a little more efficient in those areas.

Having said that, I address some of the concerns raised by Members and I would be happy to give any further explanation which I can as we go from section to section. The Member for Diego Martin West had asked me whether the funds for the VSEP for the Airports Authority are being funded by the Ministry of Finance. I was not even aware that there was a VSEP offered by the Airports Authority so I thank him for the information. Certainly, no request for funds had been made. *[Interruption]* They had not asked me for any funds, so I am not aware of it.

The Member for Tobago West asked about the student revolving loans, and while she was speaking I was wondering whether she is confusing this with the

scholarship committee of the Government because at one time she was talking about transparency and so forth.

The Act really addresses the Students Revolving Loan Fund which, as you know, is for any student whether you are a scholarship winner or not who wishes to study can apply to the Student Revolving Loan Fund. The board has a responsibility in their own law, because I am proposing to change the law not so much with respect to the question of transparency and its administrative arrangement as much as trying to make it affordable. What has happened is that there are two arrangements that are made now, one where there are financing institutions which offer loans to students that are guaranteed by the Government, and there is the Student Revolving Loan Fund which is operated by the Government and which students can also access.

My proposal is, instead of confusing students who are not sure which fund to approach—whether it is the private financial institutions, or the Government, and rather than be paying, thinking that they may have to pay different rates of interest and what have you—to amalgamate both under the financial institutions and have Government subsidize the rates of interest. With that in view, we have come here with the Finance Bill to first remove it from under the purview of a board in the Government and put it under the financial institutions, and subsequently we would subsidize the rate of interest which the fund charges so there would be one fund with one set of rules and principles and people would not have to be applying to two different funds and not being sure which one is the better one. As a matter of fact, seeing that they are both Government-sponsored, it is unfair for people to be applying to competitive funds.

I am not aware of the question of grants so I am not in a position to answer that. As I said, this has nothing to do with the scholarship committee and the scholarships or grants which are being offered by WASA, T&TEC, THA and so forth. This which I am addressing is principally the Student Revolving Loan Fund.

As far as the Road Improvement Fund for the Tobago House of Assembly is concerned, I am seeking to put in place something which was agreed upon by Cabinet earlier this year, and that is that the Road Improvement Fund which, under law, had only been made available to the Ministry of Works and Transport is now being split between that ministry with its highway programme, as well as the Ministry of Local Government, so that it can get access to it.

We are merely changing the law to say that the Ministry of Local Government can access up to 50 per cent because it may be a little less than 50 per cent. It is not that we are saying that it has to be split down the middle. We do this so that we may have some measure of flexibility with respect to road maintenance and road repair.

As far as the Tobago House of Assembly is concerned—

Miss P. Nicholson: Sir, could you go back to clause 46(a) and give some clarity? It does not say that, you know. I was questioning the allocation.

Sen. The Hon. Brian Kuei Tung: In my presentation, I indicated that I had planned to amend the actual Bill before you, and I thought the copies of the amendments were circulated. It did say in the amendments, that I plan to change it from 50 per cent to “up to 50 per cent.”

As far as the Tobago House of Assembly is concerned, we have not quite ironed out precisely how—we have to remember that this Road Improvement Fund is quite different from the Consolidated Fund and whereas funds are moved from the Consolidated Fund in a particular manner, funds from the Road Improvement Fund were not addressed, I believe, by the Tobago House of Assembly Act and, therefore, we have to deal with it administratively, meaning that the money is actually accessed by the Ministry of Works and Transport, and/or the Ministry of Local Government and that would ensure that the Tobago section would get its funds from either Ministry. That would have to be dealt with administratively, because we have not yet worked out the Tobago House of Assembly accessing the Road Improvement Fund. It is not allowed by law as I am told, but that does not mean that we would deny Tobago access to road improvement funds.

As I said in my earlier remarks, the Member for San Fernando West did give us the benefit of his experience with dealing with stamp duty matters and as I was indicating to him privately, I would have liked to have seen a little movement in the exempt portion of residential stamp duty. I am still in the process of doing a complete review of that, and I am hoping that even though we have done some amendments, I understand his comments because I am not familiar with the workings of that section, but I would undertake to look at it between now and Tuesday.

I am satisfied with his comments with respect to the fact that it could only happen with collusion between the two departments. If I am happy with that, I am prepared to make the necessary amendments at the other place and bring it back here, but in the meantime, please let me do a little more work on that and I would see if I could get it sorted out.

The Member for Diego Martin Central talked about the impact on insurance companies offering products in foreign denominated currency. And whilst the law is changed here, we have not yet put the regulations in place as to exactly how it is going to be arranged. I did run this past the Central Bank officials with respect to the drain, or the demand for foreign currency and I had been given the assurance that in their studies they did not think there would be an excessive demand for foreign currency in this sense.

I will say, though, that the intent was that you should pay for a foreign denominated currency product with foreign currency so that one assumes you are not going to be buying a foreign denominated currency product with TT dollars. I would take on board your comments. As you say, I want to level the playing field, as it were, but by the same token I had to be concerned about the demand for the foreign currency.

Let me explain to you what you must have picked up in the market. With respect to the US \$200 million bonds I had discussed in the budget, we have had agreement with the three banks that they were going to raise the US \$200 million for us. As a matter of fact, the terms and conditions had already been satisfied or agreed to by the time I read the budget, but it really was not meant to be a new issue. This money, as you would recall, was raised last year November. It was \$150 million for one year, and this year we intended to put it on a longer term. So we went out to the market to see what was going to happen and we had an agreement and, even though there was agreement, a number of banks ran into some little problems with respect to their own cash flows and they came back to us to renegotiate.

I did not have a difficulty in renegotiating, but it really became an administrative nightmare, and in order not to create any further problems I said let us settle on the \$150 million which required no funds because it was already loaned to the Government last year for one year, and we are now attempting to raise an additional US \$150 million. *[Interruption]* As I told you, it is a roll over on longer terms.

As far as the swap is concerned, I went to see if I could have gotten a fixed rate, but we were negotiating the swap on a fixed rate at the time when we thought we already had the \$200 million in place, but it really does not matter because as you know, a swap really means that any part of my portfolio could become fixed, so any part of the portfolio that was floating in US dollars—and we do not have the number of US dollars floating—can now be swapped so it does not say that I have to swap a particular issue, but if I have a portfolio in different areas it does not have to match any of the bonds and it is not predicted.

Mr. Valley: It is the intention.

Sen. The Hon. Brian Kuei Tung: I know you have superior ambitions, but not superior knowledge.

On the question of Caricom, it is exempt from the CET and each member country is allowed to apply whatever rate it chooses on certain goods including motor vehicles, jewellery and certain goods of that kind. Luxury items, guns and so forth are in a group of classes that is exempt from CET. In other words, each member country or all member countries can treat it however it wants.

The question of increasing the customs duty on motor vehicles is not in breach either in spirit, principle, or fact with respect to CET or Caricom. Therefore, there is no need for you to be concerned about us not leading by example. As you know, on July 1 this year we did meet the objective of Caricom by being one of those up front who had met its full five-year schedule.

I understand some of the concerns raised with respect to the non-filing up to \$50,000 and I understand the relationship you are making with respect to the employees' allowance as well as the non-filing for \$50,000, and one could say there is a way you could get around and create a claim which is far in excess of what you are entitled to.

9.45 p.m.

In my discussion with the Board of Inland Revenue, they keep saying that it is more convenient for them to go to the employer and do the audits, rather than have all auditors' employees come to them. In any case one has to be mindful of the fact that the way we are moving in terms of tax administration, people who earn less than or maybe up to \$50,000 would eventually pay no tax. *[Interruption]* We are moving towards that. There is already a \$20,000 tax deduction in any case and as you said, it is no more than about 10 or 15 per cent of the excess that really

Finance Bill

Friday, December 4, 1998

becomes the tax liability, if at all. Most of the people we have looked at paid very little tax under \$50,000 and we felt it was a nuisance having to go through this rigmarole. We would certainly expect that if one has overpaid tax that one would file a tax return and, therefore, claim one's tax, but the option now falls on the taxpayer. There is absolutely no obligation for anyone, whose sole source of income from employment is under \$50,000, to file income tax.

With respect to public assistance, disability payments, we are merely trying to tidy something that has become a little cumbersome for us. Everyone who has a cold or is under stress is now claiming disability assistance because they think they are entitled to it. That is the way the system has been. We felt that the system has become so clogged with applications that we are unable to deal with it and we are really not reaching the people whom we want to help. As I said, people with hypertension are getting medical certificates and saying that they are unable to work. That, however, is not a permanent condition and we are trying to address persons who have permanent disabilities, rather than those with temporary disabilities or otherwise.

Mr. Speaker, on the urging of my colleagues, I wish to recommend this Bill 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.

Clauses 1 to 5 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 propose an amendment to clause 6 that reads as follows:

“(h) Delete the word ‘deleting’ occurring before the word ‘all’.

(o) A. Reletter paragraph (a) as paragraph (b) and paragraph (b) as paragraph (a).

B. In the relettered paragraph (b):

- (i) delete the word '(1)' and substitute the word '(2)';
- (ii) delete the word '(1A)' and substitute the word '(2A)';
- (iii) substitute for the words 'one month' the words 'three months' occurring in the last line.

C. delete paragraph (c);

Mr. Valley: Mr. Chairman, could the hon. Minister explain the effect of clause 2(c) or A and B?

Sen. Kuei Tung: I have been advised that clause B is the increase for the period January 1, 1998 to January 31, 1999. Clause B(1A) then gives the actual period, so you get an increase from \$300.00 to \$449.00.

Mr. Valley: That is the intent, but will this do it?

Sen. Kuei Tung: I have been assured that it will do it. With respect to clause A the increase is the rate of pension referred to. In clause B, the consolidation takes place; it is the consolidation of old-age pension and food subsidy. Clause C merely states the period. I have been told that there is no conflict, that clauses A and B are not deleted by C, as you are suggesting.

Mr. Valley: Clause C talks about deleting subsection 1 and (1A). What is this 1 and (1A) they are talking about? Clause A talks about substitution in subsection (1). I am assuming that this subsection 1(c) is what we are talking about here.

“By inserting after subsection 1 the following subsection 1(a).”

I am assuming that is the one referred to in C.

Mr. Maharaj: Mr. Chairman, according to clause 2, the 2(a) would come into effect on January 1, 1998 and be effective until January 1999, and thereafter there would be a consolidated single payment of \$620.00. If one looks at clause 14 of the Bill one would see that this provision in C(1) would take effect on February 1, 1999. Have I gotten it across to you?

Mr. Valley: Okay, I understand that, but to me it would have been simpler to say, in clause C, from February 14, 1999, or what have you.

Mr. Maharaj: You see, the drafting is not so simple. It is a technical drafting style.

9.55 p.m.

Mr. Sinanan: Mr. Chairman, I am sorry, can we just go back to 2(c)(1), where we talked about total income? What this says is that, if previously you exceeded \$620, you are now limited to \$620.

Sen. Kuei Tung: We are now increasing it by \$100, but I am also moving the income qualification from \$5,000 a year to \$7,840 per year, so if you are earning up to \$620 you can get a pension. If you earn \$620 and over, you will not get a pension, and that is total income, from all sources.

Mr. Valley: This is a minor point; given what you have just pointed out, there is absolutely no need for 2(b) where it states:

"...has effect from 1st January, 1998 to 31st January, 1999."

But in the back here you were saying (c) was effective, so (c) gets rid of (a).

Sen. Kuei Tung: There is one other amendment that was not circulated, which came out during the debate. I do not know if you can help me to remember exactly what section it was. The one where we said that we would increase it from one month to three months for the—

Mr. Valley: Mr. Chairman, I have an issue with 4(c), but we could come back to it.

Mr. Sinanan: It was 6(o)(a).

Sen. Kuei Tung: Clause 6(o)(a) where it states:

"...within one month of such distribution";

It should read, "within three months."

Mr. Valley: Mr. Chairman, could we go back please to 4(c), the issue about having the "courses of studies approved by the Minister with responsibility for education"? I wonder whether the Minister would consider changing this to the students pursuing courses at educational institutes?

Sen. Kuei Tung: There is a change later on with the Students Revolving Loan Fund Board, in which the board makes recommendations to the Minister. So the board is still in place even though I am moving the money from under the jurisdiction of the board to a financial institution.

Mr. Valley: Conceptually, this is a loan, do you really want the Minister to determine—

Sen. Kuei Tung: That is what it was before.

Mr. Valley: What we are asking now is correct. Do you really want that, or do you want the student to pursue the course of study with which he is comfortable?

Sen. Kuei Tung: The only reason I would want to retain it as is, is because I do not have unlimited funds, and in a case where you have limited funds, you want to give priority to your own needs rather than the need for some Jane or whoever who wants to go and study something, for which there may not be any jobs available in Trinidad and Tobago. Our emphasis should really be to service the needs of the country first.

Mr. Valley: We are moving into the 21st Century, so one would think that we would see the need to start developing our human resource, and depending on how we treat them they may come back, even if after some years, when they have gained some experience externally.

I take the point that a limitation should be based on the level of funding available. I ask the Minister to look at it, see whether we ought not to be a bit more liberal.

Sen. Kuei Tung: It would put more demands on the institution that we could not satisfy, therefore, I ask that we hold our hands with this for a while. If the Fund becomes bigger then, maybe, the time will come when we could open it up to any course of study. But because the fund is still very limited—

Mr. Valley: Do you really want to put that decision in the Minister's hand to say what students should study?

Sen. Kuei Tung: There is a section where we have changed the procedure and the responsibility of the board, and the board has a responsibility to the Minister.

Mr. Valley: Who sets up the board, not the Minister himself?

Sen. Kuei Tung: The law stipulates who the board is. I think the Chief Personnel Officer is on it, other members, permanent secretaries and so forth.

Mr. Valley: Unlimitation could be a constraint, but I think we still need to make it with the view to, perhaps, changing it later on.

Sen. Kuei Tung: I support that, but I do not have the funds to lend for every course of study.

Mr. Valley: Mr. Chairman, I would just like to ask the Minister to look at 6(b)(i) and (ii). It may be a typographical error. This was not what you intended in your budget statement.

Sen. Kuei Tung: No, but this is what, in fact, took place. We have actually raised the money. The TTMF is now issuing tax free bonds. It is an interest exempt bond.

Mr. Valley: So this is what you had in mind?

Sen. Kuei Tung: Yes.

Mr. Valley: In fact, you issued tax free bonds.

Sen. Kuei Tung: Then it issued an interest exempt bond, if that is what you described there.

Mr. Valley: People bought it long term for 35 years.

Sen. Kuei Tung: I am not sure about the terms and conditions of the bonds. Mr. Chairman, may I propose that we deal with clause 6 subject to the amendments.

Mr. Maharaj: I think the Minister wants to move that clause 6 be amended in terms of the circulated draft.

Question put and agreed to.

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

Clauses 7 and 8 ordered to stand part of the Bill.

Clause 9.

Question proposed, That clause 9 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, I beg to move that clause 9 be amended as follows:

"A. In paragraph (a), insert after subsection 40A(2), the following:

' (3) For the purpose of exercising its powers under subsection (1) the Board shall have the same power as under sections 117 and 118 of the

Finance Bill
[HON. B. KUEI TUNG]

Friday, December 4, 1998

Income Tax Act except that the words 'except a person engaged in confidential professional relationship with such person' in subsection (1) of section 117 shall have no application under this subsection."

Question put and agreed to.

Clause 9, as amended, ordered to stand part of the Bill.

Clauses 10 and 11 ordered to stand part of the Bill.

Clauses 12 and 13

Question proposed, That clauses 12 and 13 stand part of the Bill.

Mr. Valley: Mr. Chairman, with respect to this threshold, does the Minister still believe that this is in the best interest of the small business people? I am making the point that as you increase the threshold you are really putting a burden on the small businessman, that he pays tax on his purchases—

10.10 p.m.

Sen. Kuei Tung: The option is always there. If he feels that he would be put in a disadvantaged position he can. You are not obliged to register for VAT purposes if your income is below the threshold.

Mr. Valley: That is not so.

Sen. Kuei Tung: Yes.

Mr. Valley: No. If you say that under \$200,000 you cannot register, you cannot register. Tell me, because that is my understanding.

Sen. Kuei Tung: My understanding is that it was always your option.

Mr. Valley: Could I get a clear indication from you now?

Sen. Kuei Tung: As far as I understand the tax laws for equity if ever you have an opportunity where you do not have to do something like that but you are paying tax, you must claim it back. It is just like the option for the \$50,000. The law is now saying if you earn up to \$50,000 from employment you are not required to file a return.

Mr. Valley: But in this case—

Sen. Kuei Tung: If it is to your advantage to register they cannot refuse to register you.

Mr. Valley: According to the Act—I am asking you to advise me because I want to be able to tell the bank people—

Sen. Kuei Tung: Let me tell you what I will do. I will have it verified and if what you say is true, I will have it rethought before the other place on Tuesday. But there are cases where you are right, where it becomes a hardship, but the intent was always that if your gross income is so small, rather than subject you to registration and having to keep and submit reports and so forth, you are no longer required to do it.

Quite frankly, what you are supposed to do is make sure that your price recovers the VAT input. That basically is how it is supposed to work and you are not breaking the law. In other words, your cost of doing business would have included recovering the input VAT that you have paid, but you are not required to make a return to the Board of Inland Revenue. That is why I assumed the option was always yours because if you are unable to, then you have no choice but to register and claim back your VAT. I would have to research it, as I said.

Question put and agreed to.

Clauses 12 and 13 ordered to stand part of the Bill.

Clause 14.

Question proposed, That clause 14 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, I beg to move that clause 14 be amended as follows:

- A. Delete in Column I “9(g)”; and
- B. Insert in Column II against the words “9(e)” the words “1st January 1998”.

Question put and agreed to.

Clause 14, as amended, ordered to stand part of the Bill.

Mr. Maharaj: Mr. Chairman, can we go back to clause 9(d)?

Mr. Chairman: Hon. Members, the question is that we revisit clause 9(d).

Question put and agreed to.

Mr. Maharaj: Mr. Chairman, we have already amended clause 9(d) but we want to amend it further. On the fourth line of clause 9(d) there are the words “fifty per cent” which should be deleted and in its place should be inserted “the remaining portion”. The clause should read:

“Out of the moneys in the fund up to the limit of 50 per cent shall be allocated to the Ministry with responsibility for the highways and main roads and the remaining portion to the Ministry with responsibility for Local Government for the purpose of repairs...”

Question put and agreed to.

Clause 9(d), as amended, 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 amendments, read the third time and passed.

ADJOURNMENT

The Attorney General (Hon. Ramesh Lawrence Maharaj) Mr. Speaker, I beg to move that this House do now stand adjourned to Friday, December 11, 1998 at 1.30 p.m. On that day we shall have Private Members’ day but I do not know if the Opposition will have anything more to add to this Motion.

Mr. Speaker: Hon. Members, there was a matter to be raised on the Motion for the Adjournment. I understand that there is agreement by both sides that this will be taken next week.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 10.20 p.m.