

*Leave of Absence**Friday, January 23, 2004***HOUSE OF REPRESENTATIVES***Friday, January 23, 2004*

The House met at 1.30 p.m.

[MR. SPEAKER *in the Chair*]**PRAYERS****LEAVE OF ABSENCE**

Mr. Speaker: Hon. Members, I have received excuses from the Member for Couva North (Mr. B. Panday) and the Member for La Brea (Mr. H. Bereaux) to be absent from today's sitting. There was one other Member who asked to be excused, if I remember during the course of the sitting, I would let you know. Their request is granted.

PAPERS LAID

1. Report of the Statutory Authorities Service Commission for the period October 01, 2002 to September 30, 2003. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]
2. Report of the Eastern Regional Health Authority for the year 2002 to 2003. [*Hon. K. Valley*]

FINANCE COMMITTEE REPORT**Presentation**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I wish to present the First Report of the 2003/2004 Session of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on proposals for the supplementation and variation of the 2003 appropriation.

ORAL ANSWER TO QUESTION**CAPE Examination
(National Scholarships)**

- 46. Dr. Hamza Rafeeq** (*Caroni Central*) asked the hon. Minister of Education:
- (a) Would the Minister inform this House as to whether students who are writing the CAPE Examination in 2005 will be eligible for National Scholarships?
 - (b) If the answer to (a) is in the affirmative, would the Minister state what will be the criteria for the selection of these scholarships in 2005?

- (c) Would the Minister state whether a certain number of scholarships will be reserved for the CAPE students in 2005?
- (d) If the answer to (c) is in the affirmative, would the Minister state how many scholarships will be reserved?

The Minister of Education (Sen. The Hon. Hazel Manning): Mr. Speaker, students who are writing the CAPE Examination in 2005 will be eligible for national scholarships. At present, the criteria under the Cambridge GCE Advanced Level Examination are three subjects in addition to General Paper. At least two of the subjects at grade B and a grade E in General Paper.

For the CAPE Examination, similar criteria will be adopted as follows: At least two subjects at grade II in two two-unit subjects, and grade V in the third subject, with a grade V in either Caribbean or Communication Studies, which is the equivalent to General Paper Examination in the present Cambridge A' level Examination.

To clarify further, one has to understand that the CAPE syllabuses are structured in one-and two-unit subject courses: a one-unit course consisting of three modules and a two-unit course consisting of two one-unit courses or subjects.

Mr. Speaker, the one-unit subjects are core or foundation subjects, and the two-unit subjects are more reflective of the A' level subjects, but with additional content to reflect the needs of the Caribbean region in a global environment.

In response to part (c) and (d) of the question, however, further details with respect to criteria and the number of scholarships that would be awarded to students of the CAPE Examinations now form the deliberations of a committee, which is about to complete its report with recommendations for submission to Cabinet. As soon as approval is received, these matters will be made public.

Thank you, Mr. Speaker.

Dr. Rafeeq: Mr. Speaker, I thank the hon. Minister for the answer. I want to clarify. Are you saying that scholarships will be awarded to CAPE students, but at this point in time you do not know how many?

Sen. The Hon. H. Manning: As I said before, a committee is meeting. When that committee reports, which will be shortly, we would then be able to say.

Dr. Rafeeq: Mr. Speaker, can we get from the Minister as to how soon the committee would report, and we will get the answer?

Sen. The Hon. H. Manning: I cannot answer. I do not know. [*Crosstalk*]

Written Answer to Question

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WRITTEN ANSWER TO QUESTION

The following question was asked by Dr. Roodal Moonilal: (Oropouche)

**Estate Management Business and Development Company Limited
(Land Distribution)**

31. (a) Would the hon. Minister of Trade and Industry provide the House with a list of names of all persons to whom lands have been distributed by the Estate Management Business and Development Company Limited (EMBDCL) from January 2003 to the present?
- (b) Could the Minister also indicate the amount of land provided to each recipient, at what cost and for what purpose?

Vide end of sitting for written answer.

**DEFINITE URGENT MATTER
(LEAVE)**

**Nation's Schools
(Violence and Indiscipline in)**

Dr. Adesh Nanan (*Tabaquite*): Mr. Speaker, in accordance with Standing Order 12, I hereby seek your leave to raise the following definite matter of urgent public importance, namely, the failure by the Government to deal with the unprecedented, escalating high levels of indiscipline and violence in the nation's schools. [*Desk thumping*]

The matter is definite because it refers to specific acts of indiscipline and violence in the nation's schools, as reported in the *Guardian* newspaper of Friday, January 23, 2004. The matter is urgent because in many schools there are acts of indiscipline and violence stifling the education of the nation's children.

The matter is of public importance because there is a threat to life and limb of teachers and students. Many schools are affected, and, further, the future of the nation is at risk by this breakdown in the education system.

Mr. Speaker: I have carefully considered the request made by the hon. Member for Tabaquite, and I regret to advise that I have declined to accept it. May I suggest to you that you use the provisions of Standing Order 11(2) and (3).

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, before I take my seat, the other Member who sought leave from today's sitting was the hon. Member for St. Joseph, Mr. Gerald Yetming.

Finance (2003) Bill

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**FINANCE (SUPPLEMENTATION AND
VARIATION OF APPROPRIATION) (2003) BILL**

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 2003 [*The Minister of Finance*]; read the first time.

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

Question put and agreed to.

PUBLIC ASSISTANCE (AMDT. AND VALIDATION) BILL

Bill to amend the Public Assistance Act, Chap. 32:03 [*The Minister in the Office of the Prime Minister (Social Services Delivery)*]; read the first time.

ARRANGEMENT OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, in accordance with Standing Order 40(2), I seek leave of the House to deal with the second reading of Bill No. 1 on the Order Paper, followed by Motion No. 1, and the Finance (Supplementation and Variation of Appropriation) (2003) Bill.

Agreed to.

FINANCE BILL

Order for second reading read.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I beg to move,

That a bill to amend the Central Tenders Board Ordinance, the Income Tax Act, the Corporation Tax Act, the Petroleum Taxes Act, the Customs Act, the Finance Act, 1987, the Miscellaneous Taxes Act, the Stamp Duty Act, the Value Added Tax Act, and for matters incidental thereto, be now read a second time.

Our economy remains one of the healthiest in the region. Real gross domestic product (GDP) is expected to expand beyond the 6.7 per cent achieved in 2003, which was up from 4.6 per cent in 2002. This buoyant growth has been driven by the energy sector primarily from the increased liquefied natural gas production, and a 6.1 per cent increase in crude oil production. However, activity in the non-energy sector remains somewhat subdued by comparison, and expanded by a minimal .6 per cent in the nine months to September 2003.

Trinidad and Tobago's economic growth has been driven mainly by direct foreign investment, which has been directed to the energy sector. This level of foreign investment needs to be complemented by a greater level of local participation, which could be achieved through a stronger national savings effort both public and private.

The Finance Bill that is before this House provides for a number of amendments that will strengthen Trinidad and Tobago's path of economic growth through stimulating this national savings effort. Government's policy of providing additional wealth and income opportunities to the widest cross section of the national community, is being given an added boost by the enhanced allowance for sponsorship of arts, sports and culture. These and other measures were announced by the Prime Minister, the Minister of Finance, in his budget presentation for the fiscal year ended September 30, 2004.

I do not propose to go through every clause of the Bill before us, but I would seek to identify provisions which vary significantly from the existing law. I will therefore not be addressing, at this time, drafting and other errors which are being corrected in the Bill. Nonetheless, where required by Members, I would provide further explanations on any clause either during my reply or at the committee stage.

Mr. Speaker, clause 3 of the Bill provides amendment to the Central Tenders Board Ordinance, 1961. This Ordinance has been amended on several occasions and for varying reasons spanning a period from 1965 to, more recently, in 1963. This archaic piece of legislation is even older than our status as an independent nation, and needs to be brought closer in line with international best practice. In the near future, this Government will be introducing legislation to treat with the procurement of goods and services by government departments and agencies. In the meantime, and before more comprehensive legislative changes are made, the amendments before this House will speed up the procurement process while at the same time ensuring that the best value for the use of people's money is achieved.

Mr. Speaker, the amendments which are before this House seek to increase the financial limits available to permanent secretaries and tenders committees. Given the current market prices and inflation over the years, the existing limits, which can be as little as \$5,000 for permanent secretaries, have proven to be woefully inadequate. The increased limits will allow these functionaries to perform more expeditiously in the management of the organizations under their control.

At a later stage I will also be seeking an amendment to the proposals before you with respect to the increase of limits of permanent secretaries in the

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appointment of consultants. The amount increased should be from \$5,000 to \$200,000 and not to \$500,000 as proposed by clause 3(c) of the Bill.

Mr. Speaker, it is part of the function of the Central Tenders Board (CTB) to undertake evaluations of all tenders received. Except for good reason, the CTB is currently duty-bound to accept the lowest offer made. The best value, however, does not always mean the lowest price offered. In fact, the best value for any goods or services may not be the lowest price offered, but may include non-price factors such as: the experience of the supplier; the quality of the goods or services; the reliability of the service; timeliness of the supply of the goods or services; social responsibility in production, or broader economic development benefits.

In keeping with the guiding principle of best value, it is also proposed to amend section 24 of the Central Tenders Board Ordinance to authorize the CTB to accept the lowest offer which represents the best value. As such, the board is not bound to accept the lowest or any offer.

Mr. Speaker, I will now turn to clause 4 of the Bill which seeks to amend several provisions of the Income Tax Act. Our tax authorities, be they the Board of Inland Revenue (BIR) or Customs and Excise Department, are the collectors of government revenues. These agencies are the main revenue raising agencies of the State, and it is therefore critical that these organizations are run efficiently and effectively in order to preserve the integrity of the State's revenue.

This Government will be the last to admit that our authorities are operating at the optimum best. Efforts are, nevertheless, underway to create a revenue authority which will oversee the operations of the BIR and the Customs and Excise Department in order to minimize leakages in the system and to ensure that there is more compliance with our taxation laws, particularly in the area of collection. Additionally, this will also provide a mechanism by which real talent that is available outside would be attracted to this agency and therefore assist in our own objective of achieving developed country status in the shortest possible time.

At the same time, however, we need to create an environment that would facilitate trade and investment, also bearing in mind our social responsibility to those who need our protection. The amendments to our tax laws are part of the initiative to increase the administrative efficiency and simplification of our taxation system. The amendments are also mindful of the special needs of the more vulnerable taxpayers in our society, particularly our retirees.

This package which makes up the Finance Bill, 2004 will also treat with the role that is to be played by our corporate citizens in creating opportunities in the

areas of education, sports and culture. This Government recognizes the importance of saving. When people save part of their income, economic resources are released which may be invested in various projects, and in the long run the level of savings may influence the rate of economic growth.

Our existing legislation contains various tax incentives for saving which are intended to encourage taxpayers to save for certain purposes and in certain forms. For instance, saving for the purpose of retirement is subsidized through the granting of tax relief on pension funds and annuities. Incentives are also provided for people to save in the form of investments in credit unions and commercial banks. Some categories of income such as interest payable on bonds issued by the Trinidad and Tobago Mortgage Finance Company Limited and interest earned by resident individuals who have attained the age of 60 years, are already tax exempt.

Interest income earned by resident individuals that is not already tax exempt is currently taxed at source at a rate of 5 per cent. To encourage increased savings by resident individuals and to help fuel economic growth and development, the amendment at clause 4(b) of the Bill will remove altogether the tax on interest income earned, not only at financial institutions but also from the Unit Trust, with effect from January 01, 2004. This exemption will cover interest payments received by a resident individual from all classes of savings and other accounts, bonds, dividend and distribution income from local sources.

Where a bank or other financial institution has already deducted the 5 per cent tax during the month of January of this year, but has not remitted this amount over to the Board of Inland Revenue, the bank should not remit the deduction to the BIR but should credit the individual's account with the amount of tax deducted. For the avoidance of doubt and for the guidance of our financial and other institutions, a suitable amendment will be introduced at the committee stage requiring those financial institutions to credit the customer's account accordingly. We cannot make this difficult for those who would receive the benefit.

This tax exemption on interest income, however, will not apply to interest received by resident individuals from savings and other investments located outside of Trinidad and Tobago. In other words, the exemption will only apply where the paying bank is located in Trinidad and Tobago; otherwise such foreign interest income will be subject to the normal scale rates which are 25 cents for every dollar of the first \$50,000 of chargeable income and 30 cents for every dollar in excess of \$50,000. Interest which is paid, credited or accrues to a non-resident individual will be taxed at the withholding tax rate unless otherwise reduced under a double taxation agreement.

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The basic personal allowance for resident individuals who have attained the age of 60 years was increased in the year 2001 from \$20,000 to \$30,000. In order to increase the net disposable income available to pensioners, particularly government pensioners whose income, to a large extent, has been drastically reduced in times of greatest need, when health issues arise, it is proposed to further increase the basic personal allowance for resident individuals who have attained the age of 60 years from \$30,000 to \$40,000. This amendment will extend to non-resident individuals in receipt of pension income arising in Trinidad and Tobago, and who have attained the age of 60 years. These non-resident pensioners are currently not entitled to any allowances in computing their chargeable income, and the introduction of the new section 18(2) of the Income Tax Act is intended to provide relief to these pensioners, notwithstanding their non-resident status.

Mr. Speaker, in ascertaining the chargeable income of a person carrying on a trade or business, section 11(7) of the Income Tax Act requires that persons pay land and building taxes before he or she is granted wear and tear allowances. However, the existing law requires land and building taxes to be paid in the year of income in which the wear and tear allowances are claimed. In other words, if land and building taxes are paid in the subsequent year, the claim for wear and tear will be disallowed by the Board of Inland Revenue.

In reviewing our tax laws, the Government noticed that the requirement to pay land and building taxes is also contained in the mortgage relief provisions. However, the taxpayer can claim the mortgage relief if the land and building taxes are paid in a subsequent year of income. In order to afford similar treatment as the mortgage relief provision, it is proposed that section 11(7) of the Income Tax Act be amended by deleting the requirement to pay the land and building taxes in the year of income in respect of which the wear and tear allowances are claimed.

Since the removal of the requirement for individuals with emolument incomes to file tax returns, the Board of Inland Revenue has increased the number of pay-as-you-earn (PAYE) audits on employers. However, the legislation does not specifically empower the Board to conduct audits for PAYE purposes, although this power may be implied. In addition, the appeal provisions relating to PAYE are restricted to issues concerning whether an amount is an emolument, and does not provide for an appeal where the quantum of the emolument is in dispute. Further, the legislation does not establish very clear guidelines governing the appeal process where an employer disputes an assessment.

The proposed amendments contained in this Bill seek to remedy these defects by extending the issues that can be objected to and appealed against to include issues relating to the quantum of the emolument, and making provisions for persons to object and, where necessary, to appeal to the Tax Appeal Board where the Board of Inland Revenue requires them to pay taxes.

Mr. Speaker, section 119(2) of the Income Tax Act currently provides that the Board of Inland Revenue may initiate prosecution within 12 months from the date of the commission of an offence or within six months from the date that the Board becomes aware of the matter, whichever is the later period. With the establishment of the Criminal Investigation Unit within the Board of Inland Revenue, it is expected that there would be several major investigations of tax fraud.

Based on the experience of other jurisdictions as well as on the advice from our local police, investigations involving financial fraud tend to be complicated and time consuming. As such, a one-year limitation for prosecution appears unrealistic. It is, therefore, proposed that section 119(2) of the Income Tax Act be amended to provide for a limitation period of three years from the commission of the offence, or 12 months from the date on which evidence sufficient to justify proceedings come to the knowledge of the Board of Inland Revenue.

Expenses incurred by an employer for the benefit of the employees are generally charged to tax as income of an employee where the employee does not reimburse the employer. However, where an employer incurs expenses in providing pension or annuity benefits on behalf of his employees, the value of those expenses are not subject to tax where the pension or annuity policies are approved by the Board of Inland Revenue in accordance with section 134(6B) of the Income Tax Act. The Board of Inland Revenue is unable to approve these pensions or annuities taken out by employers where, for instance:

- (a) the contribution made towards these policies exceed one-third of the employee's chargeable income, or
- (b) the lump sum of gratuity payable on death or retirement of the employee exceeds 25 per cent of the capitalized value of the annualized pension or annuity.

With the recent increase in the individual's personal allowance to \$25,000 in the year 2000, individuals in the lower income bracket may now have negligible chargeable income, thereby restricting employers from making significant contributions toward the purchase of annuities for their employees. Moreover, the majority of section 134(6) plans submitted to the Board for approval provides for

a full refund of premiums to the personal representatives of the deceased employee. However, section 134(6B)(d) specifically limits the lump sum payable on death to 25 per cent of the capitalized value of the annual pension or annuity. Accordingly, most section 134(6) plans, which are currently marketed, are in contravention of the law because these provide for a full refund of premiums on the death of the employee.

In order to encourage employers to make larger contributions toward their employees' retirement income, it is proposed that section 134(6B) of the Income Tax Act be amended to allow employers to claim up to one third of the employees' gross emolument income paid by the employer, instead of the net chargeable income as currently obtains. In addition, several annuity policies have not been approved by the Board in 2003 because they contained a provision permitting a full refund of premiums and contributions upon the death of an annuitant contrary to the 25 per cent restriction on refunds. However, due to an oversight, the Board has been approving these plans with a full refund of premiums on death clause.

While the Board of Inland Revenue is not against the unrestricted refund of premiums on death, it is of the view that refunds of premiums under section 134(6) should be consistent with the other provisions in the Income Tax Act relating to deferred annuities. This House will note that under section 28 of the Income Tax Act there are no limitations on the amount of premiums that may be refunded under an approved deferred annuity plan purchased by an employee in the event of his death before the date fixed for the payment of annuities under the plan. Nevertheless, any refund of premium paid or payable under the section 28 approved deferred annuity plan on or after the death of an individual annuitant, currently attracts a tax rate of 10 per cent.

The trustee under the approved deferred annuity is required to deduct and remit to the Board of Inland Revenue the 10 per cent tax deducted from the refund of premiums, and the net refund paid will not be treated as part of the income of the recipient. To be consistent with the provisions of section 28 of the Income Tax Act, the amendment at clause 4(k) of the Bill provides for a 10 per cent tax to be paid on a refund of premiums under these special deferred annuity contracts. The draftsman omitted to include a provision dealing with the refund of premiums in the event of the death of an employee before the date fixed for the payment of annuities under the plan. Allowing a refund of premiums in the event of death is consistent with the treatment given to similar deferred annuities taken out by an individual under section 28 of the Income Tax Act.

The amendments will take effect from January 01, 2003 in order to authorize the Board of Inland Revenue to approve the outstanding contracts contained in this provision in accordance with the law. In addition, provision will also need to be made to validate the previous actions of the Board in approving plans with the full refund on death clause; these insertions will be considered at the committee stage.

Mr. Speaker, I will now provide the House with the thinking behind the provisions contained in clause 5 of the Bill. In the last financial year, the Government implemented incentives to companies wishing to sponsor sporting activities as well as audio, visual or video productions reflecting local culture, local education or entertainment. A company which contributes financially towards the promotion of sporting events, local entertainment or educational productions can claim an allowance equal to 150 per cent of the actual expenditure up to a maximum allowance of \$450,000. The Government recognizes the need for greater input by corporate citizens in the areas of sports, education and local culture, and proposes to increase the maximum allowance, which may be claimed by companies, from \$450,000 to \$1 million.

A considerable amount of sponsorship in the areas of art, culture, sports and audio/video productions is undertaken by companies in the petroleum sector. However, since the provisions of the Corporation Tax Act relating to these incentives are not specifically applied to the Petroleum Taxes Act, petroleum companies are currently unable to benefit from the incentives. In clause 6 of the Bill, the Petroleum Taxes Act will, therefore, be suitably amended so as to allow petroleum companies to benefit from these incentives.

In administering these sponsorship provisions it was observed that the Minister of Finance would be required to certify the purposes for which the financing was intended, although the technical capability does not reside in the Ministry of Finance to access these productions. In order to correct this, it is proposed that the relevant minister who is responsible for education or culture, as the case may be, should be the more appropriate person to issue certificates. This is a clear example of the dynamic nature of legislation.

I will now examine clause 7 of the Bill, which deals with amendment to the Stamp Duty Act. This House would recall that with effect from November 06, 2000, the Stamp Duty Act was amended to eliminate the affixing of postage stamps to legal documents and other instruments as a means of verifying the payment of stamp duty. Having paid the required amount of stamp duty in cash, the government agency would verify such payment by other means such as embossing or impressing by means of a dye. The amendment to the Stamp Duty Act was required to preserve the collection of revenue upon the stamping of legal documents.

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The amendment to the Stamp Duty Act in 2000 has, nevertheless, brought with it certain difficulties for public companies in respect of proxy forms distributed to shareholders and for persons executing agreements under hand. In particular, the elimination of the use of postage stamps as a means of denoting the payment of stamp duty, currently requires the submission of proxy forms to the Board of Inland Revenue for stamping, either personally by individual shareholders or by companies as a service to their shareholders.

The experience of some companies has indicated that given the strict limits provided in the Companies Act for the issuing of notices, the stamp duty office has been experiencing some difficulty in handling large numbers of proxy forms in a timely manner. The public is further inconvenienced in the case of simple agreements under hand, which were previously stamped with an adhesive postage stamp cancelled by the parties. Every such agreement now has to be submitted to the Board of Inland Revenue before it can be made valid by stamping.

The Government agrees that the relatively insignificant amount of duties collected in stamping proxy forms and agreements under hand cannot be compared to the public inconvenience caused in stamping those documents; as such, it is proposed to exempt from the payment of stamp duty all letters or powers of attorney including proxy forms as well as agreements under hand.

Mr. Speaker, I will now refer you to clause 8 of the Bill which seeks to amend several provisions of the Miscellaneous Taxes Act. The United Independent Petroleum Marketing Company Limited, commonly known as Unipet, is a wholesale company which has been collecting the Road Improvement Tax since the year 2000 without legislative authority to do so. Unipet has been dutifully remitting the road improvement taxes collected by it over to the Board of Inland Revenue. In order to regularize its role as a tax collector, the Miscellaneous Taxes Act will be amended by the inclusion of other wholesale marketing companies as collectors of the Road Improvement Tax.

In addition to making a wholesale marketing company a collector of this tax, it will also be necessary to validate the collection of this tax by United Independent Petroleum Marketing Company Limited, the only other wholesale marketing company apart from National Petroleum Marketing Company. This is dealt with at clause 12 of the Bill.

Mr. Speaker, clause 8 of the Bill deals with amendment to the Green Fund provisions under the Miscellaneous Taxes Act. The existing Green Fund provisions did not provide for proper accountability, transparency and management of the resources

of the Fund. The resources of the Green Fund are derived from taxes imposed by the State for a public purpose. In reviewing the structure of the Green Fund, this Government has adopted a model of management for this Fund which is similar to that utilized for other funds in the public system, as provided for under the Exchequer and Audit Act.

In restructuring the Green Fund, the legislative changes contained in the new section 15 of the Miscellaneous Taxes Act will facilitate its operation and administration in a manner similar to other funds such as the Road Improvement Fund and the Unemployment Fund. The Fund will, therefore, operate in accordance with guidelines established under section 43 of the Exchequer and Audit Act. Operationally, where funds are established under section 43 of the Exchequer and Audit Act, the Minister of Finance will be responsible for moneys from those funds, while the day-to-day management of programmes financed by the funds will be the responsibility of the appropriate line minister.

In the case of the Road Improvement Fund, managerial responsibility will be given to the ministers responsible for highways and local government. Similarly, it is proposed that the day-to-day management of activities financed by the Green Fund would be under the jurisdiction of the minister with responsibility for the environment. In these circumstances, the role of the existing Green Fund Agency would become redundant.

Notwithstanding the removal of the Green Fund Agency, the minister with responsibility for the environment will still need to be properly advised by competent qualified persons. Given the scope of environmental issues, the Government felt that it would be prudent to have an executing agency for the Green Fund which will be part of the establishment of the ministry with responsibility for the environment. This unit will be staffed by full time competent, qualified persons in the areas of accounting, project management and the environment, who will not only advise the minister, but will also guide community groups receiving moneys from the Green Fund.

Government has also agreed that the Environmental Management Agency, the regulatory body which is responsible for taking enforcement action against persons who do not comply with the Environmental Management Act, 2000, should not be seen to be managing the activities of any community group financed by the Green Fund.

Mr. Speaker, clause 9 of the Bill seeks to amend section 45 of the Customs Act by prohibiting the importation of all types of armoured vehicles except with

the written permission of the Minister of National Security. Presently, the Minister of National Security would be aware of importations of armoured vehicles to be used by the military. However, he would not be aware of such importations if any such vehicle is imported by a civilian or paramilitary group. There are two such vehicles which are the subject of criminal proceedings before the court.

Finally, Mr. Speaker, clause 9 of the Bill seeks to simplify the requirements for the importation of left-hand drive vehicles by returning nationals, by changing its character from an item prohibited to be imported under the Customs Act, to an item requiring a licence to be issued by the Minister of Trade and Industry. This licensing requirement focuses on the minister who will now issue a licence pursuant to the Trade Ordinance which generally provides for the importation of goods into Trinidad and Tobago. A suitable amendment to the legal instrument issued under the Trade Ordinance will also need to be made simultaneously with the enactment of this Bill.

Mr. Speaker, the proposed amendments contained in this Bill reflect Government's policy objectives and are geared towards generating the positive macro economic results that have characterized the Trinidad and Tobago economy. These are all essential elements of a comprehensive economic programme that will deliver continued strong growth, averaging in excess of 4.5 per cent, and reducing unemployment over the medium term.

These are the amendments that we propose in order to give substance to some of the promises made in the budget speech delivered by the Prime Minister and Minister of Finance. Once again, we are delivering on what we have had promised.

Mr. Speaker, I beg to move.

Question proposed.

Mr. Winston Dookeran (*St. Augustine*): Mr. Speaker, I listened rather attentively to the Minister in the Ministry of Finance outlining a number of specific measures which he said were aimed at ensuring that the Government's policy objectives of macro economic stability are maintained. Many of the specific measures are worthy of commendation, and they have been in the pipeline for some time. [*Crosstalk*] It is but the bringing together of a series of initiatives that have been undertaken in the Ministry of Finance, not so much to achieve the objectives the Minister has outlined, but to do a housekeeping job on a number of outstanding matters.

If we look rather closely at the Bill before us, we notice a trend in how these matters have been approached that was not evident in the Minister's statements. One of the main tenets of good fiscal management has been to develop a rule-based system, so that the room for discretionary powers will be limited and, in so doing, remove the temptation for the abuse of the application of those rules.

When we look at the Finance Bill of 2004, we see many specific measures in which there has been increased discretionary powers being now introduced in the legislation; increased discretionary powers in which the appropriate accountability systems have not been outlined by the Minister. For instance, we see that clause 11 would amend section 52(2) of the Value Added Tax Act to empower the President to remit or refund the whole or part of the value added tax on just and equitable grounds. It is introduction of just and equitable grounds. How will that be administered? How will that be assessed? How will we, in fact, be able to see the transparency of that particular measure? [*Crosstalk*]

Mrs. Persad-Bissessar: "President" there means Cabinet.

Mr. W. Dookeran: Mr. Speaker, in clause 10 which will amend section 4(2) of the Finance Act, 1987 to increase the rate of interest payable to employees for failure to remit health surcharge on time from 15 per cent to 20 per cent, but then we see that this clause also seeks to empower the Board of Inland Revenue to waive the interest.

Mr. Speaker, in dealing with the new provisions to increase the maximum allowance for companies for the promotion of sporting events as well as local entertainment productions, section 10(n) will be repealed and substituted by a new provision which will provide that the Minister of Education and the Minister of Culture shall issue certificates that audio visual and video productions are for educational purposes or promote or reflect local entertainment or culture respectively. Once again, a system of introducing discretionary powers without introducing a system of accountability.

Mr. Ramnath: Cro Cro stands to benefit from that.

Mr. W. Dookeran: In light of the disconnect that is taking place between this Parliament and society, one has to ask whether or not people will believe that these measures will, in fact, be fairly administered. So hidden in our provisions before us are these increased discretionary powers permeating the entire Bill, but it represents a philosophical approach that the present Government has embarked upon, which is to reintroduce into our system of governance a larger role for the State. It is in that context, when we look at the overall economy, that we wonder

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where is the basis for the Minister's assertion that in this healthy economy of ours his measures are aimed to stimulate savings and to provide support for the non-energy sector.

Let me look briefly at the non-energy sector: Four months ago when we debated the budget, we were at pains to outline to the Government that the new-found wealth which this country has been blessed with and the fact that there is, in fact, substantial flows of incomes emanating from direct foreign investment, this should be used to ensure the resilience of the economy in the long run. We talked about the fiscal deficit of the non-energy sector. The claim of the Minister that he is moving in that direction is not supported by the measures he has outlined.

Mr. Ramnath: That is why they shut down the sugar industry to spite Indians.

Mr. W. Dookeran: The Government recorded a deficit of 11/2 per cent of gross domestic product (GDP) on the non-energy sector reflecting a steady decline in the buoyancy of non-energy revenues. The non-energy fiscal deficit of the central government widened to about 10 per cent of the non-energy GDP from 4 per cent in 1998. Let us not, therefore, hoodwink the population into believing that the prosperity would continue indefinitely. The figures do suggest that in 2004, 2005 and 2006 there will be positive returns on the fiscal accounts, but beyond that, even with the most optimistic projections, we are likely to see the cycle turning. Therefore, this is the time for the Minister and the Government to take appropriate steps to reduce that non-energy fiscal deficit; we make that plea once more.

The International Monetary Fund report suggests that if the Government expenditure as a percentage of GDP remains at the projected level of 25 per cent for the next six years, this will result in a non-energy deficit of 11 to 13 per cent for the medium term. These are not only our views, the Central Bank reported that in 2003 the Trinidad and Tobago economy continued to register strong growth due mainly to the development in the energy sector. However, for another year, growth in the non-energy sector has languished. This has been largely due to the weak economic recovery in the regional economies; limited progress in strengthening the links between the onshore and offshore economies; the absence of a new source of export-led growth in the non-oil sector, and delays in the implementation of the Public Sector Investment Programme.

It is widely recognized that an agile export-based non-energy economy is a precondition for sustainable growth and employment creation, according to the Central Bank of Trinidad and Tobago's Review of the Economy prospects for 2004. This view was further supported by Republic Bank in its newsletter:

“Most recent data on the Trinidad and Tobago economy illustrate the good fortunes of the export energy sector on the one hand but the sluggish performance of the non-energy domestic sector on the other. For policy makers, stimulating non-oil sector growth in the areas such as services, light manufacturing and agriculture must be an important imperative.” [Interruption]

The Minister’s claim that he will, in fact, develop a programme for sustained macro economic prosperity in the country, cannot be supported by the measures he has outlined here today and the commentators on the economy in Trinidad and Tobago.

2.30 p.m.

I look briefly at a summary of the *World Economic Forum’s Global Competitive Report, Trinidad and Tobago* one of the very important indexes which suggests that there has in fact been deterioration in the competitiveness of the economy for the years 2002/2003 and 2003/2004. Whereas in the growth competitive index in 2002/2003 we were ranked at 37th, in 2003/2004 we are ranked at 49th. In the technology index we were ranked at 42nd, now we are being ranked at 47th; in the public institutions index we were ranked at 43rd, now we are being ranked at 56th; and in the macroeconomic environment index which is the one to which the Minister referred, we were ranked at 25th, now we are being ranked at 47th.

Mr. Speaker, these are the underlying trends which are developing in this oil-rich, healthy economy, and that is why we have urged the Government in the budget debate to develop a strategy to deal with these issues in the non-energy sector of competitiveness. When we found a ranking of the macroeconomic environment changing from 25th to 47th, it is an indication that something underlying the camouflage of the figures before us is happening.

It is true that our energy prices are in fact increasing and it is very true that we have in fact achieved better than our anticipated results. The price of oil is now in the vicinity of \$30. The Minister of Finance in the 2003/2004 budget based it on \$25 per barrel. The price of West Texas Intermediate (WTI) base oil has averaged US \$31.80 for the first three months of the fiscal year 2003/2004. It is still a mystery how the Government calculates its revenues from natural gas and we are yet to hear the price of natural gas used in this calculation. The price of Henry Hub averaged at US \$5.63 per unit in 2003 as compared to US \$3.33 per unit in 2002. So it is true that there are in fact increased revenues.

We have been told that the Revenue Stabilization Fund is under review, and according to the formula for the old fund excess revenues beyond the budgeted

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figure in a formula ought to be placed in the Revenue Stabilization Fund. We are yet to hear from this Government how they will handle this. These are the difficult issues of economic management and I want to urge the Government to tackle the hard, economic issues of management rather than to simply get away with the soft issues at this time. This is the opportunity we have to deal with the hard economic issues. [*Desk thumping*]

We have absolutely no problem with the provisions of increasing the taxable allowance of persons 60 years and over from \$30,000 to \$40,000. We would have no problem in trying to generate more savings through the measures outlined in clauses 7 and 8 in this Bill and I was very pleased to see that the Minister said that in increasing the limits for the permanent secretaries it will be raised not to \$500,000, but \$200,000 which is more manageable but we would like to see the system of accountability and transparency that would be put in place in order to have full accountability for the exercise of these discretionary powers.

Mr. Speaker, the editorial of the *Business Express* of December 24, 2003 cautioned the Prime Minister about the current gas boom stating:

“Interestingly, Manning underlined his Government’s intention to use LNG revenue to develop the social and economic welfare of the citizens of Trinidad and Tobago by placing special emphasis and significant resources on education, health, housing, social security, small business development and community enhancement.

The goal sounds laudable and we sincerely hope the Government is successful in that endeavour. Anything short of achieving that goal cannot be accepted because this is the second time since independence that the energy sector has generated the revenue needed to truly develop the social and economic welfare of the citizens. Energy resources are finite and there might not be a third time. Let’s get it right this time and put the energy windfall to good use.”

Lloyd Best who was not so conservative in his comments when he talked about how the Government is designing its expenditure campaign further noted this sentiment. At a pre-budget seminar in September 2003 Best said that revenue was not the problem since this was assured for a long time. The problem according to Best is expenditure. He said it does not matter if revenue is high or low; it is how it is spent. He said that the Government has no concept of what it is doing with regard to budget spending. He also questioned the impact of the current expenditure.

The *IMF 2003 Article IV Consultation Report* cautions the Government about increasing non-discretionary spending. According to the report, the Government needs to avoid the pitfalls from previous oil booms, wasteful, inefficient spending, and consider sustainable consumption in the context of the country's energy wealth. It warns that there is a risk that public spending may be insignificant and unproductive as occurred earlier in oil booms and crowd out the employment generating non-energy sector. Public expenditures should be tempered to what can be effectively and efficiently spent consistent with the country's absorptive capacity.

When I read these things, I recollect the hon. Prime Minister saying that he is blaming the Opposition for the instability in the country when the source of this instability is the public policy that the Government is pursuing in this nation. [*Desk thumping*] I stand here today and it shall not go unchallenged that this Opposition has been attempting whenever and wherever it can to direct the Government into an area of social stability, but the Government's public policy posture has been the source of that problem. [*Crosstalk*]

Mr. Speaker, no wonder that a very prominent citizen, Clive Pantin, the Chief Executive Officer of one of the most important non-governmental organizations (NGO) talked about the NGOs propping up the society. Mr. Pantin said that the Government's social delivery programme was inadequate. They may be large in numbers, but inadequate in effect. He said the problem was that there was too much money in the country and people did not know what to do with it. The reality is while on one hand the economy is doing well and revenues from oil and gas are at an all time high, poverty and crime are rampant in our society.

It is estimated that 300,000 persons in this country live on less than US \$2.00 a day. The pillars that are keeping the society strong are that of the non-governmental organizations according to Mr. Clive Pantin. Against a lot of stress and strain, we find the Government's economic strategy does not provide that confidence for the future. It will provide some short-term gains to a few people. In the end, it will not create a productive capacity and this has been the main thrust of what we have been saying.

Mr. Speaker, death of the onshore oil sector reform of the tax regime—I notice that in this Bill according to clause 5, the provision to increase the tax allowance for expenditure in sport, arts and entertainment has been increased from \$450,000 to \$1 million for corporations and that will be extended to the petroleum sector, but we were told that the Government had a study looking at taxation and the oil sector that will come into effect from January. I believe the exact quote in the budget speech was as follows:

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“Given the changing international petroleum environment, the Government will seek a revision of the existing oil and gas taxation regime. It is evident that the existing anomalies in the regime must be addressed as a matter of urgency. In support of this exercise, a reputable international firm of consultants was engaged in May, 2003. The consultants submitted an interim report and are expected to submit a final report within the next four weeks. The new regime will come into effect on January 01, 2004.”

We have heard nothing since on a very definite statement that was made on this issue. We look forward to see whether such revision will in fact be appropriate and we wonder if this is not something that requires public dialogue and discussion as opposed to simply being an edict on the part of the Government but it is kept in secrecy. Too many of the big issues in the country are now being kept in secrecy. It is an announcement budget: announce this and announce that, it is about time that we decide to engage the society in a manner that the disconnect which exists between this Parliament and the society will be removed. There is no doubt that there is a disconnect. We know this, we come here every Friday and talk of matters that are not relevant to society, there is a great disconnect.

I wonder sometimes what is the use of talking in Parliament. It was meant to influence public opinion over time but the avenues that are open to you to do that in this Parliament do not exist. So you are simply going through the motions of keeping parliamentary democracy alive and that is why the country is so agitated about the existence of Parliament and whether parliamentary democracy is serving the interest of this nation.

Every Thursday morning we get announcements. We hear the Acting Prime Minister defending those who want to perpetuate the thinking of ensuring that people are kidnapped in this country. [*Desk thumping*] That is the kind of announcements we get all the time, but we do not hear the big issues dealing with the economy. And this Parliament is going to become less and less relevant because there is not a system in place that will be able to engage the society into this process, and I seriously wonder what I am doing in this Parliament. But we were elected by the people to perform a job and we must do that.

Another major issue as the Minister talked about the policy macro objectives of macroeconomic stability: Is there a policy to deal with the issue of the brain drain that is occurring in the country? The figures already begin to suggest that, and are linked to the issue of competitiveness. It is now an accepted fact that a highly trained workforce is required to create economic development and competitiveness. Evidence indicates that this country is now allowing its best

citizens to leave, discouraging or not attempting to attract scarce talent, and simultaneously allowing access for unskilled migrants from anywhere. The most recent data confirm that this country is a net exporter of people according to the *Migration Report of the Trinidad and Tobago Central Statistical Office*.

Forty-seven per cent of persons migrating from Trinidad and Tobago were persons with tertiary level training according to a lecture that was given by Dr. Flose of the ILO. What are the policy and the programme of the Government to deal with that issue? [*Crosstalk*]

Mr. Speaker, I want to talk a bit on the banking system, the risk factors debt and resolve. We have seen a large amount of our resources being used to support the exchange rate in this country. The excess liquidity in the system is a result of the absence of investment projects, so there is a situation evolving where the Central Bank spent somewhere in the order of US \$380 million in 2003 to support the exchange rate. Could we continue with that order and magnitude of support? In accordance with the Central Bank's Monetary Policy Report our reserves are now in the order of \$2 billion plus. Does it make sense to have an economic strategy that requires you to spend that level of support for the exchange rate?

These are all evidences of the macroeconomic stability and the pending problems that are going to emerge about which the Minister spoke and I am suggesting to him that they need to take stock and come up with a cogent, economic strategy so that the risk factors on the stability of the exchange rate—I would go so far to say that one would expect to see the stability of the exchange rate affected. All I am saying at this stage is: could we afford to spend that level of resources to support the exchange rate? Notwithstanding that we have \$2.1 billion of reserves, our debt position remains one of concern, particularly the growing domestic debt that is emerging while the external debt remains under control.

Mr. Speaker, targeting a debt of GDP of 50 per cent by 2006, in order to pay the debt comfortably we must make sure that it does not get out of control. Again, according to the IMF Report, to achieve the above target the Central Government will need to generate an annual primary surplus in the vicinity of 4 to 5 per cent of GDP. This will require an increase of about one to three percentage points of GDP in the primary surplus up to the year 2008. So to be able to target the debt, the GDP ratio of 50 per cent, we need to have a primary surplus of 4 to 5 per cent of GDP and these are the hard economic issues that must be addressed by the Ministry of Finance. This was a superb opportunity for the Minister to inspire the confidence of the nation that he had the economic strategy to sustain the current healthy situation for the years to come.

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Our country's credit rating, in spite of the situation with surpluses and revenues remains at the B, and one of the problems that had been cited for that has been the structural unemployment in the nation, but instead of dealing with structural employment, the Government's strategy is to ensure that there is in fact more structural unemployment created.

We were promised a comprehensive plan to deal with the issues of Caroni (1975) Limited and to date there is no plan. The Opposition was saying this all along but we were the sources of instability, according to the Prime Minister. It is about time we stand up and let the public know what we have been urging the Government to do. When it came to the Caroni (1975) Limited plan, the Minister said he is coming with one, the people are now languishing. The country's sovereign rating is affected by structural unemployment. All the expert advice suggests that if you had a strategy to deal with structural unemployment in the country, you would get a better credit rating, but it is the absence of that which leaves the credit rating where it is; and these are not my words, they are also the words of the International Monetary Fund.

What do we have instead? A new imbalance developing with respect to the prices of commodities. There has been a recent trend for commodity prices in the country to rise. Consumers are paying more for basic food items compared to a year ago. Overall, the 15 items in the food basket cost 6.78 or 6.47 per cent more than they did in February 2003 at which time the level of those 15 items was \$104.68.

3.00 p.m.

Why is this happening? Why are we seeing the trend towards increases in food prices? It is because some of the structural balances are also being affected. There is a situation of low international inflation and we should not expect to have increases in food prices, but there are imbalances that are developing in the economy. In order to be able to handle these issues we need to have the plan for structural change.

Mr. Speaker, let me get back to some of the issues that were raised by the Minister—

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

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

Question put and agreed to.

Mr. W. Dookeran: I thank the hon. Member for Diego Martin Central for his graciousness.

The Finance Bill, 2004 is being promoted in this Parliament in the context of the absence of an economic strategy that would sustain the economic growth in the medium term. It is being promoted in the context of short-term surpluses that we are benefiting from today. What we see are essentially three different types of measures. One, as I said, are measures aimed at increasing discretionary powers and that is a matter that we should take seriously. Each time discretionary powers are increased, there should be a transparent accountable system to deal with that. It is contrary to the trend in fiscal management, which is to develop a rule-based system that reduces discretionary powers and allow the citizens to have the right of redress against the rules that were initiated. So the Government is moving contrary to the trends in this particular regard.

On the issue of chargeable allowances, we have no problem with that. One is at the level of increasing the allowance of persons 60 years and over, and we agree with the Minister's rationale for doing so, based on the pensioners who would benefit from that measure. But, two, with respect to the increases in allowances for corporations and the petroleum company, we would like to see a proper system of accountability put into place, for access to the use of this allowance is going to become a major public issue. Which groups can apply to these corporations and petroleum companies who in turn can apply to the Government through the income tax for reprieve, is going to be a big issue.

The Government would be well advised to outline its policy paper so that all citizens of this country, groups and NGOs who are classified under the categories of sport, recreation, entertainment or culture, would have an access to the use of this new facility. The absence of such transparency and criteria is something that we should be very concerned about that should be outlined in advance.

The question of dealing with increased allowances for permanent secretaries and the Tenders Board would appear to be reasonable at this stage, especially in light of the fact that he has reduced the figure from \$500,000 to \$200,000. So we would have no problem with that.

The tendency to introduce a system in accordance with the Exchequer Act, according to the Minister, of having certain levies administered separately, I wondered about myself, whether this should not have gone through the Consolidated Fund, or whether these are now going to be outside the Consolidated Fund; whether it is a Green Fund for environment, or whether it is the Road Improvement

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Fund. I would like to suggest to the Minister that he, perhaps, enlighten us as to whether these funds would be seen as funds outside the consolidated account or not.

The criteria that the Minister of Education and the Minister of Community Development and Culture would utilize to issue certificates for audio visual and video production for educational purposes “to promote or reflect local entertainment or culture” respectively, should be outlined as well. So that there should be an overall transparency in approach as we regain the confidence of the population that public policy is administered for all, on behalf of all and for every citizen of this nation.

These are concerns that you hear about more often than not. As a parliamentary representative I am faced with numerous complaints, whether it is at the level of social welfare certification or elsewhere—certainly in housing—of citizens not knowing what the rules of the game are. If we want to restore a sense of credibility in public policy management, we need to outline these things openly and fearlessly. There is no need to have secrecy on these issues.

I was very delighted to receive a letter from the Minister of Public Utilities and the Environment asking us to identify those areas in the constituency that require either water or electricity and so forth. It is the first time I received that and I want to congratulate her for that. But we go beyond that. We can do that with housing. We can outline a clear policy as to how houses are going to be allocated; what are the criteria and let the population know outright so that they would remove many of the suspicions and implement what is in place.

The Finance Bill, 2004, with these amendments—I should not say, amendments—with these elaborations, is worthy of consideration. Let me therefore conclude by saying that the healthy economy of which the Minister speaks, the growth rate of over 6 per cent being driven by direct foreign investment, and the measures that he spoke about, of stimulating savings are very rather minimal measures and there is a big gap in the development of an economic strategy that would sustain this country for the years beyond the oil wealth.

We are fortunate once more to have that prospect of building a country for many years to come and utilize this opportunity. Let us not fall for the temptation of dealing with the soft issues and playing politics at the expense of the nation's future. Let us not, in these circumstances, perpetuate a folly that all is well when what we need is to get down and do hard work and get the country moving. All that is happening here would go to naught if there is not a sense of social stability and social order in the nation. The focus, therefore, must be on that, if we are to

reconnect this Parliament to the people and we are to create an opportunity for the citizens of this country to feel proud of those of us who are in Parliament at this time.

I am afraid that so far we have escaped that honour. I hope that we can, in due course, be able to recapture those grounds and ensure that Trinidad and Tobago would benefit from the deliberations of this Parliament.

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

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I wish to thank the Member for St. Augustine for the comments that he has made and I would just wish to deal with some of the issues raised because I think that they are relevant.

When the Government came into power, it found itself in the situation in which the macroeconomics were okay, but social stability issues were not. Therefore, the first order on the agenda was to address that particular issue. We have taken the approach that in rebuilding a sustainable economy that first-generation reforms did its work and we are now looking at second-generation reforms as they relate to the institutions and the capacities.

The Member made a comment about the *Public Sector Investment Programme*. Clearly, that has to do with capacity issues and we have spent the last period putting in place building capacity to try to improve on that particular programme, because that is a programme that, in fact, deals with our economic activity.

I want, for the record, to deal with the question of the non-energy deficit and simply to say that in the *Review of the Economy 2003*, the non-energy sector, in fact, is moving in a direction that we think is right. The main contributors to the performance of the non-energy sector during this period were distribution, transportation, storage and communication, which grew by 6.9 per cent, and construction which grew by 3.8 per cent.

The growth rate in the construction sector in the first nine months was lower than the 5.7 that we expected, but this is because the Government's housing programme proceeded at a pace that was not what we had anticipated and that would be corrected very, very shortly. So that there are certain sectors within the non-energy sector that, in fact, by virtue of the policy prescriptions and by virtue of the activity, are, in fact, contributing to growth within the particular sub-sector. I think the impression that nothing is happening within the non-energy sector to deal with the non-energy deficit, is something that I would just like to record as information coming forward does not support that.

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In terms of the Central Tenders Board, piece of the operationalization of the increase in limits is also the question of the central audit committee of the Ministry of Finance playing a greater role in looking at the accountability issues. In fact, we have put in place in this particular new regime, the piece that says that the central audit committee would be responsible for looking at all the decisions arising out of permanent secretaries and tenders committees that have increased benefits.

The World Bank and the IMF, we are working very closely with to do two things: One, to do a country assistance programme which would basically translate a lot of the comments that came out of the Article IV consultation, into policy prescription that would be timed to achieve some of the things that you have talked about and, therefore, during the course of this year it is our intention—in fact, we have scheduled it already—to meet and treat with the concerns and issues that had been expressed, but at the same time we are going to ensure that we do not sacrifice the social aspects of our policy which basically is to look at those in our society who do not have the opportunities that we would like them to have.

In terms of the consultation, the big issue is, we have put forward as one example of this consultative process, the green paper on the reform of the financial services sector and then we took the opportunity to engage in a wide-ranging set of discussions and have inputs from all stakeholders to influence what should happen in that particular sector. In fact, we are at the stage where we are receiving comments and we propose to bring back a white paper, amended by the considerations of all the interest groups. Therefore, the question of participation, maybe that method is not an appropriate method, but certainly it cannot be said that we are not into consultation and participation. Additional to that, we have taken the view that on an ongoing basis we meet with specific stakeholders to try to understand the issues and to determine what are the requirements for support in order to grow their particular sectors.

The Revenue Stabilization Fund, we have looked at it; we have accepted in principle that it is an instrument that we must work quickly on. In fact, it is our intention to have the legislation in place. We were not able to bring it as yet, but it is certainly coming.

With regard to the credit rating agency, I think it is safe to say that the credit rating of this country has improved since we got into office. The difficulty with not getting it to “A” as yet is because when we got it, the base that we started from was low. So we start off with a low base and it has improved.

So that in terms of the Green Fund, that fund is intended to operate exactly the way the Road Improvement and Unemployment Relief Funds operate in terms of accountability. That is to say that at the end of a particular period a report would be laid in Parliament by the Minister with responsibility for the environment and at that point in time the transparency of its operation can be attested to.

Those were the particular issues that I wanted to respond to directly. The concerns that the Member has expressed in terms of the use of resources, the sustainability of our position and the question of ensuring that inter-generational wealth continues, is something that we on this side are very much concerned about. In fact, we are of the belief that we must create a society, an environment, in which those that come after us would be justly proud of what we have been able to achieve and we believe that in our continued efforts and with the support of all of us, we would be able to achieve that.

With those few remarks, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Mr. Speaker: Before the House goes into committee, I understand that there are some amendments. Are they ready?

Mr. Valley: Mr. Speaker, there is really one amendment that I think we can deal with in the Bill.

Mr. Singh: It might be substantive.

Mr. Vally: No, no. It is something we are deleting.

Bill committed to a committee of the whole House.

House in committee.

House resumed.

Mr. Speaker: Hon. Members, the consideration of the Finance Bill, 2004 in committee will be taken later on in the proceedings.

FINANCE COMMITTEE REPORT

Adoption

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I beg to move the following Motion standing in my name:

Be it resolved that this House adopt the First Report of the 2003/2004 Session of the Finance Committee of the House of Representatives of the Republic of

Trinidad and Tobago on proposals for the supplementation and variation of the 2003 appropriation.

3.30 p.m.

The Finance Committee met on January 21 and agreed to a number of proposals with respect to 2003. The proposals include the following: write-off for losses for fiscal year 2003; under Head 18, the Ministry of Finance, in the form of the former Development Finance Company Limited—\$6,965,149.03; statute barred and irrecoverable debts, National Insurance Board—\$47,609,257.81; Head 36, Ministry of Housing disbursement made to the National Housing Authority, 1975, \$1.2 million; Head 43, Ministry of Works and Transport, indebtedness of Public Transport Service Corporation to the Government of Trinidad and Tobago, \$1,127,669,542.93; Head 18, Ministry of Finance, \$474,620,300.

It should be noted that the required supplementation is to bring to account debits raised against the Treasury's suspense account in respect of the Trinidad and Tobago financial obligations to the International Monetary Fund (IMF). It should also be noted that this transaction will not negatively affect the fiscal balance. The IMF has stated that transactions with the international monetary organizations such as the IMF are recorded as transactions of monetary authorities forming part of the financial institution sector and not as transactions of the Government.

Variation of the 2003 appropriation in the sum of \$256,514,000 under six heads of expenditure are as follows: from Head of Expenditure, Ministry of National Security and Rehabilitation, \$80,314; Ministry of Education, \$117,500,000; Ministry of Works and Transport, \$28,000,700; Ministry of Social Development and Gender Affairs, \$30 million; a total of \$256,514,000. These went to the Ministry of Health, \$33,514,000 and the Ministry of Energy and Energy Industries, \$223 million.

The augmentation of funds from the above heads of expenditure were undertaken for the following reasons: Head 28, Ministry of Health, to meet inescapable contractual obligations with respect to certain infrastructural projects which could not have been suspended without incurring significant cost overruns and also meeting deadlines which were part of the International Development Bank Health Sector Reform Programme.

On Head 40, Ministry of Energy and Energy Industries, this was to facilitate the retirement of Treasury deposit warrants with respect to the following: payments made to the National Petroleum Marketing Company Limited and the

United Independent Petroleum Company Limited, for shortfalls in subsidy relating to the sale of petroleum products for fiscal year 2003 and partial settlement of debt owed to Petrotrin by the National Petroleum Marketing Company Limited which was estimated at \$686 million excluding interest as at May 2003. The debt is in respect of deficits on payments to Petrotrin arising from high petroleum prices.

Savings were available under the undermentioned heads of expenditure and for the following reasons: Head 22, in the Ministry of National Security and Rehabilitation, in fiscal 2003, funds were provided to meet the cost for the recruitment of 1,320 persons to increase the strength of the military and paramilitary forces. However, at that time only 850 persons or 64 per cent were recruited; the non-payment of arrears of increments owed to officers in the police, prison and fire services who have either migrated, died or are involved in disciplinary proceedings; the process with regard to recruitment of technical personnel for the communication network unit of the ministry was not completed in the fiscal year and restructuring of the Strategic Services Agency was not completed during the fiscal year, as the head of the agency was only appointed in June, 2003.

Under Head 26, Ministry of Education, full settlement of arrears of increments to secondary school teachers was not achieved because of the following: outstanding queries with respect to statements; non-receipt of statements by officers from other ministries; awaiting applications from retirees and legal documents which were required in certain cases were not received. Upgrading of the primary school teachers was not undertaken in the fiscal year as anticipated. The primary school computerization project Phase IV was not completed because of the non-finalization of security and supporting infrastructure in some schools. The secondary schools book grant credit card initiative was not completed during the fiscal year, as returns were only finalized in the new school term. One supplier of textbooks for primary schools did not fulfil the terms of the contract and there were late submission of claims with respect to works undertaken on assisted primary schools.

Under the Ministry of Works and Transport, the non-filling of daily paid establishment positions was due to a delay in the finalization of an agreement with the bargaining unit for workers laid out in 1998. All bills with respect to the infrastructure, rehabilitation and flood mitigation programme were not submitted in time to effect payment during the fiscal year. The tendering process with respect to the undermentioned projects was not completed during 2003; that is,

strengthening of the aviation security; traffic signal coordination and central management and restoration of Queen's Royal College.

Under Head 56, Ministry of Social Development and Gender Affairs, a number of projects under non-profit institutions were not executed during the fiscal year. These include the following: community mothers; criminal injuries compensation board; children's authority; day centres for older persons; establishment of a parole system and the halfway house for children leaving institutions.

During the meeting of the Finance Committee, various issues were raised by Members. The Chairman responded during the meeting to some of the issues raised, whilst he promised to supply responses to others. I am pleased to report that the promised responses have been circulated to Members.

I now refer to transfer funds between subheads under the same head of expenditure. With effect from August 01, 1988, Cabinet delegated its authority to approve transfers between subheads to the Minister of Finance when it agreed that requests for transfer of funds between separate subheads under the same head of expenditure should no longer be submitted to the Cabinet, but can be decided by the Minister of Finance on the advice of the Budget Division.

In keeping with this delegated authority, the Minister of Finance approved the transfer of funds in the sum of TT \$437,765,743 between subheads under the same head of expenditure. These transfers were approved based on notes received from the respective ministers requesting transfers between subheads and were done as circumstances changed and priorities were re-ordered. A statement showing the transfers approved by the Minister of Finance is attached at Appendix I and explanations for some of the more significant transfers are attached at Appendix J of the agenda which has been provided to the hon. Members of this House.

Notwithstanding the supplementation and variation of appropriation now before the House, the actual fiscal outturn for 2003, was a surplus of \$461 million. This surplus is after taking into consideration transfer of \$497 million to the Interim Revenue Stabilization Fund. This position represents a substantially better position than was budgeted at the beginning of the year; that is, a fiscal deficit in the order of \$618 million or the revised projections that were articulated in the Budget Statement 2004 of a small surplus of \$28.9 million.

The variation between the revised projection \$28.9 million which was determined in early September and the actual outturn of \$461 million as at the end of September 2003, is \$432.1 million. The variation of \$432 million occurred as a

result of increased revenue of \$.5 million and lower expenditure of \$431.6 million. The major areas of reduced expenditure are in personnel expenditure of \$256.8 million; goods and services, \$97.9 million and interest payments of \$117.7 million, while capital expenditure was \$76.2 million higher than expected. The reduced expenditure under personnel expenditure was the direct result of the failure of ministries and departments to settle outstanding arrears of salary and increments due to public servants, teachers and others.

It should be noted that due to the refusal of teachers to accept the amount quantified by the Ministry of Education, the sum of approximately \$180 million was not expended. To say that work was not done is not true. Additionally, the saving in interest payments was due to falling interest rates; reduction in open market operations and delays in the implementation of externally funded developmental projects.

I beg to move.

Question proposed.

Dr. Roodal Moonilal (*Oropouche*): Mr. Speaker, thank you for the opportunity to respond to this Motion before us for the House to adopt the 2003/2004 session Finance Committee Report. We have heard the Minister in the Ministry of Finance give what appears at first sight to be some very encouraging news on the reserves and the amount of money, over \$400 million, that the Government has been able to secure way in excess of what was budgeted and proposed in the House on another occasion. Something about that is a bit bogus. One would want to respond to that in more detail and get more information from the Minister as to what constitutes that surplus. The Minister explained the saving, but we would like to understand a bit more about the area of the surplus and why they would now receive over \$431 million in surplus. Before we get to that I want to outline some of the issues I would like to raise in this contribution.

The Minister in the Ministry of Finance also stated that upon being anointed in December 2001, and coming into office, they admitted that they found the macroeconomic conditions to be sound and favourable, but the Minister suggested that the problem was in some way on the social side. At that time there was a significant measure of social dislocation and instability. The Prime Minister indicated a significant measure. If in December 2001, there was a significant measure of instability we have come a long way. It is now complete chaos and instability in this society. We have come and gone a long way. They have completed the job of destroying the stability that the UNC worked six long hard years to build. They have succeeded there.

In the short two years that they were anointed, at the San Fernando Government Hospital, some time ago, they issued a press release asking persons to stay away from the hospital. On one occasion a couple of weeks ago, the Minister of Health came to this House and recited some numbers which appeared to sound like the lotto numbers, but they were the deaths of babies who had died at Mount Hope Hospital. It was amazing that the Minister of Health recited how many children died like an undertaker doing a job. It was 120. It is interesting that the Member who is now the Minister of Health would do that. I believe that that was part of his karmic responsibility. Having scorched the earth in central and south Trinidad, he must now come to the House and announce death. He may have more to do.

When he was the Minister of Agriculture, we want to remind the hon. Minister that in the haste to ensure social stability they retrenched 10,000 workers at Caroni (1975) Limited. That affected dozens of communities and villages. Today, we have the obscene reality of importing sugar from Guyana to put in our coffee and tea and 10,000 workers are at home mourning and unable to provide for their families. In the short period as well, as my colleague for Nariva pointed out on another occasion, the prices of food and fuel have escalated. In Nigeria, as we talk today, a general strike has been called by the trade unions to protest the increase in fuel prices. It is not coincidental that the Member for San Fernando East was recently in Nigeria.

In terms of education, the headline is chaos reigns. Yesterday there was an announcement by the Government of the appointment of retired police and army officials as wardens to go to the schools, truly like a prison. They have to protect teachers from students. The police officers are spending time in the school yard and wardens are now entering the school system, I think, at the cost of \$2.5 million, because in the education system “all hell break loose”. They call it the blackboard jungle. I am not suggesting in any way that all was perfect in December 2001. I want to indicate that the phenomena of blackboard jungle war zones did not rear its head with that level of intensity from 1995—2001. That is social stability for you.

As far as it relates to crime, a businessman was recently kidnapped as reported in the evening news and that was the fourth news item. On the newspaper of the next day, on page 5 at the bottom right corner, there was a little note that somebody was kidnapped. Kidnapping is a hobby and our citizens are becoming numb. Of course, the artiste encourages. On that note, while we have heard several institutions and individuals in the country condemning the said calypso,

we have heard from the Acting Prime Minister who always speaks on behalf of her Prime Minister, indicating that nothing is wrong with the calypso. No problem. That is their position. I expected that because that is their anthem at Balisier House. Why deny it? In fact, it is good that the Prime Minister would suggest that nothing is wrong.

Incidentally, do you know whom I have not heard? We are yet to hear from TTUTA, the Principals' Association and the Parent-Teacher Association. This is all I would say about that calypso. It encourages young boys to kidnap, murder and spend the rest of their lives in jail. If they face the gallows no problem, we would build back the economy. The calypso encourages the young children particularly in what they prefer to call the targeted areas to commit crimes and spend the rest of their lives in jail. Nobody studied that this calypso is telling young children to spend the rest of their lives in jail. That is the advice for children that the Government supports. I would say no more on that matter.

This Government has presided over two years of social policy formulation and implementation. When they came into office their social policy was premised on the fact that they had what they considered to be depressed and underprivileged communities. Recently, the Prime Minister embarked upon a series of meetings with community members. It is called a community initiative. I have a press release from the Office of the Prime Minister in which the office reported that after two weeks of holding discussions with several government agencies and visiting communities much has been done. They outlined that in two weeks, the Trinidad and Tobago Electricity Commission (T&TEC) has undertaken a massive electrification drive. Over 100 new street lights have been installed in two weeks and over 60 existing streetlights have been upgraded. The Water and Sewerage Authority (WASA) repaired pipelines in Port of Spain South, Carenage, Enterprise, Laventille and other areas. There has been improved housing and commitments have been made for painting, repair, replacement of windows, electrical rewiring, paving, garbage removal and so on. The ministry is working on other projects with self-help. When the Prime Minister walks in areas, apparently much is done.

I want to invite the Prime Minister to join me in a walk to Cuchawan Trace, Debe and Golconda where people have problems with drains, landslides, electricity and streetlights. I encourage the Prime Minister to walk in Couva if that would help to put up streetlights. That process is undermining the system of local government. Instead of providing the local government bodies with the funds to repair streetlights and put up new ones, he walks around like Santa Claus and when people come out to complain that the streetlight is bad, you fix it immediately.

Who is the chairman of T&TEC? Where is he? Put up a streetlight. That is the approach. I am amazed.

The Members of Parliament for the area, I believe that some, not all were invited, would go along with the Prime Minister and people would rush out to see the Prime Minister and complain; he would call whoever is behind him and say fix that immediately. That is government! That is Prime Minister! He would not walk in Golconda, Barrackpore and Cucharan Trace where people also have problems. *[Interruption]* We should ask the shadow Member for Oropouche. Who is that? He is the hon. junior Minister of Finance as well. On another occasion I was told that he fire that job. I wanted to invite him to see the junction of Cucharan Trace and Tulsa Village. This is their way of operating. If you are in a community, call the Prime Minister to tour and you would get streetlights; if not, forget you. If you are not in this community and you are in a next, you would get kidnapping.

Yesterday, we had another significant announcement. I knew it was only a matter of time before the former Minister of Health, the Member for Diego Martin East, made a big impact. With much fanfare the Government announced the Government Assistance for Tertiary Education Programme (GATE). After two years of thinking, reviewing, revising and planning with the finest minds at Balisier House, they have finally concocted a formula to replace the Dollar for Dollar Programme. Time and time again, they have said that they are not satisfied with the Dollar for Dollar Programme and they wanted to review it. As I understand it—the Member for Caroni East would know more about this—hypothetically, if someone's tuition fee is \$4,000, the Government would match dollar for dollar; \$2,000 from the student and \$2,000 from the Government. GATE Programme is highly developed. If the tuition fee is \$4,000, the Government would give you \$2,000 and you would put the next \$2,000. I can understand why it took so long to come up with that idea. They have an amendment to that to present another hoax in the sense that if the student cannot make the first dollar, there would be some means test concocted, in which students who cannot find the first dollar would be helped. In the old good days, we called that the Revolving Fund where students who could not get a loan or make the dollar would get a loan from the different facilities. Those funds were managed by government agencies. For the means test which they will devise in time to come, if you cannot meet the first dollar, they would put something in place. They would pay the other \$2,000. There is a means test and not everybody could get that, I presume.

At this GATE we expect that Selwyn Cudjoe would be standing there conducting these means tests and handing him the forms might be Cro Cro. We

are in trouble. I think that we may move from 47 per cent of those persons with tertiary education migrating to 100 per cent. We need to ask the Government about this. Will GATE perpetuate hate? Is GATE an obstacle to prevent students with qualifications and deserving financial help from getting the help? Is GATE the barrier? If we need to take the Government at face value it is difficult. If we need to look at them from their track record, that GATE is an obstacle to the development of the human resources of Trinidad and Tobago. If GATE is run like Helping Young Persons find Employment (HYPE) then, we are in trouble.

I am coming to the National Entrepreneurial Development Company (NEDCO) now because I want to get one of those carnival loans from NEDCO. We would bring out an ole mas band and NEDCO would give a loan for Carnival. I believe that NEDCO is spending millions of dollars helping entrepreneurs. We asked a question about the HYPE Programme. Mr. Speaker, you would recall that when they were interviewing and recruiting for HYPE at the Centre of Excellence, there was a dramatic moment on television one Sunday evening. A young man in the audience asked the convener: What am I seeing here? This is not Trinidad and Tobago. The Member for Couva South reminds us all that he was a young citizen of African ancestry. He said that when he looked in the crowd he could not see a reflection of Trinidad and Tobago. He has been vindicated because when we looked at the 450 names there was no reflection. I do not want to dwell on this matter. Their discrimination ratio in their first term was 90 to 10 per cent; it is now 93 to 7 per cent. I think that will lead to social instability. Others will deal with that.

What is interesting about this programme is that 80 per cent of those persons recruited by HYPE found themselves in government or government assisted job sites and companies. Whereas a programme like this should be used to allow young people who are qualified to get into the private sector to get the experience of working in a private company, the intention is that when this young person goes into a private company and the HPYE period is over, the private entrepreneur, businessman or woman would want to keep the person to create some measure of sustainable and long-term employment. When all the people who are recruited go into the State sector there is very little long-term sustainable employment to be created. The employment engine of the future is the private sector and not the government public service. Putting 450 young persons in the government service as a type of intern would not help to create the bridge to the private sector.

There is one company called the HYPE Construction Services Limited. They have formed their company in HYPE to recruit their participants. HYPE recruits people for short-term training on the job and they could find nobody to take these

recruits, so they formed a company and took them. You might get a NEDCO loan for this as well. This is the sinister spiral in which they are engaged. I imagine that that will lend itself to social stability.

I want to remind the House that this Government built its social programme on that pillar of social stability and indicated that their heavy social spending would serve to create jobs for young people, but when the Prime Minister went walking around many people rushed him asking for jobs. After spending about \$50 billion, apparently, it did not filter to the ground to those people who need employment. Where did it go? If persons rushed the Prime Minister and asked for jobs where did the billions of dollars go? To CEPEP contractors, middle men and women, friends of the MPs and Ministers? The other issue with that is the heavy social spending was meant to assist with the fight against crime, so that persons would be occupied and we could expect some effect on the crime level.

In 2003, there were 229 murders, the highest in the history of Trinidad and Tobago and 51 kidnappings for ransom. I believe that it was 31 in 2002. Look at the crime data coming out and at every point crime has been on the increase. It is not just murder and kidnapping but across the board. What is the effect of this heavy social spending? Why is it not having that impact on crime? That is a policy issue. One reason for that spending was to alleviate crime. The records would suggest that if that was an objective, they have failed. They have failed because as a writer said yesterday in the newspaper, they adopted “corbeaux” as pets. When you adopt “corbeaux” as pets, eventually, they dig out your eyes.

Hon. Member: Cudjoe?

Dr. R. Moonilal: Not Cudjoe, “corbeaux”. When they asked their friends to maintain what they call election peace in 2002, they thought that their friends were doing that because they loved PNM. They did not know that they have to pay a high price for election peace and these marginal seats. They did not understand that with criminal elements more is never enough. They can never have enough.

A few days ago, it was stated in the newspaper that the army was moving to demolish an illegal building at a site in Laventille. It was also stated that one of the reasons for the Prime Minister abandoning his trip to Mexico was to stay in the country to alleviate any problem emanating from that community for the destruction of the mosque. It was rechristened a community centre. If that is so, that is a serious problem. In times gone by the newspaper carried headlines like these: Government confronts Jamaat; High Risk; Concrete Barriers To Keep Jamaat Out and Government Determined To Make Jamaat Humble To The Law.

Those were headlines in the week of March 11, 1998, when there was a government in place that defended the sovereignty of our country. That was when the Prime Minister and Member for Couva North said to this nation, "I will not surrender the sovereignty of Trinidad and Tobago". That was courage under fire, not changing the name to community centre. There was a time when this country knew courageous leadership. Sadly, today, when you look at the crime figures and the failure of the social agenda of this Government, it is linked to selling your souls. When you sell your souls like that, you pay forever. It will take a great deal of will power by another government to reverse this trend because it would not be reversed by this administration. That to me is very, very clear.

The social stability that the Minister spoke about did not include violence in the schools; murder and kidnapping leading to instability and loss of valuable human resources. Today, when you talk to parents they tell you, "Thank God I get my children out. I could remain." Parents say that with pride. The Ministers as well have their children well secured abroad while they plunder this country. While they declare confidence in the Minister of National Security and Rehabilitation, they send their children abroad. That is the state of the country today. This is the social stability we face. While this is happening the Government should be investigating the La Brea Industrial Complex. We have not heard much about that. Nobody is flying off anywhere. The Government is being investigated in the Citadel matter, for awarding a licence. NEDCO is before the Auditor General. There are several matters before the court by public officers against public administration for arbitrary and wrongful actions and discrimination.

I would make a point about that quickly. This Government went to sleep by 1975 and awoke in December 2001, because they are running the country as if the world has not changed from the '60s and '70s. My father was employed by the Public Transport Service Corporation (PTSC) and drove bus for 54 years. When my father reached year 25 driving bus, he never thought, I have been driving bus for 25 years; I have never been suspended and there has been no disciplinary action. After my father worked for many years he never questioned why he never became a foreman or a supervisor. He was just happy to work. He earned his money to take care of his family. In times gone by there was not this level of citizen awareness. People never read international news. You did not have this level of concern with transparency. People worked in the public service and if they were discriminated against they said that is how the public service is and how the government behaves. Forget that. We would work honestly. If they discriminate, no problem.

Today, that is not so. The UNC is responsible for that. The line to see Anand Ramlogan is about a mile long because everybody in the public service—This is not an ethnic issue. Justice has no colour. Today, those persons in the public service who believe that the Government has wronged them by arbitrary vindictive action and victimization and the Government accused them of being obstructionist in the public service, are not taking that any longer. This is not the '60s and '70s. You cannot get away with a man driving bus for 54 years and not asking why he is not being promoted. If you promote people it must be transparent.

Mr. Manning: I do not want to interfere unduly with the contribution of the hon. Member, but when he says that his father drove bus for PTSC for 54 years, it means that he either worked past age 65 or he started to drive bus when he was age six. Please there must be credibility in what one says in this Parliament. You said it twice.

Dr. R. Moonilal: I think you should leave my father alone. My father drove bus, car and truck in the private sector at first and then with PTSC. What is amazing about the discussion is that they only heard that, they did not hear the discrimination part. It is not funny. That is why the line to Anand Ramlogan is a mile long.

While the Prime Minister was jetting off to Haiti, there was a protest at WASA. We are clear that the Prime Minister could have used BWIA or Air France. He should have learnt his lesson from Repsol. Do not go with a private jet. WASA is on the rampage for contract workers. That is the social stability that the Member is speaking about. I am reminding the House of this to make the fundamental point that their social policy is built on sand. The IMF in its report dated July 2003, told them this in what could be called firm language. The IMF in its report on policy discussions told the Government that it is using the surplus for public sector employment creation. You need to avoid the pitfalls from previous oil booms, meaning wasteful and inefficient spending. The IMF is usually a conservative organization. The IMF is suggesting to the Government that they generate surplus and do what the Member for St. Augustine suggested. Develop the non-energy sector for sustainable long-term growth. This is the IMF speaking and not the UNC. We also told them that.

Their approach to poverty reduction is increasing the number of hampers. It is not a human resource development policy. This Government is stealing the future of the children from Trinidad and Tobago by perpetuating a culture where young children feel it is more fashionable and better for their short-term gain to enrol in all the Government make-work programmes, rather than invest in their education.

I suggest to the Minister of Finance that he may have to give a homework allowance. Give parents money to keep their children at home to do their homework. If you are spending billions of dollars on make-work programmes, give parents money and tell them, "We now pay you for doing homework with your children". You cannot get better grades in Maths, English, Geography and Chemistry, if you do not do homework, if you are not at home or in some centre that is doing homework. You should invest in that. Do not invest in all these make-work programmes where at the end of them, the children cannot read and write. This is my advice to the Government. If you have so much money to spend, pay people to do homework.

This Government has already abdicated its responsibility on crime. They will start one committee and a next committee. In the budget presentation, the Government announced to business persons, I believe, you can get a tax credit if you install electronic security devices. That is a budgetary measure. That is telling the population I cannot protect you. The situation is bad, put your cameras and security equipment in place and take it as a tax credit. Is that not an admission that you cannot secure the country? You may have to go further in the next budget and provide households with a tax credit for hiring a watchman and a security guard. You cannot protect a household and the business place. They have abdicated that responsibility.

I suggest that their social policy is flawed. In the UNC we have always supported a human resource development approach whereby you ensure that the young persons in the labour market get the relevant training and exposure, not only to primary and secondary schools, but also to higher education centres. That must be done on the basis of fairness and equity. On this score the Government finds itself in quicksand.

There is something called a PNM culture. You are celebrating it this month. At the 48th anniversary celebration they are having what is called, "feel good rallies". They will feel good while the rest of the population feels bad. They would assemble and feel good. While they are feeling good, I will alert the population that there is a PNM culture of feel good. In the period before 1986, they were also feeling good.

Recently, while I was clearing some papers in my library I came across an article from *World Development Vol. 13 No. 7*, a journal. [*Interruption*] You would not know about this. Do not get involved in that. There is an article from 1985, entitled, "The Erosion of Agriculture In An Oil Rich Economy". It is the case of export crop production in Trinidad by Prof. H. Pollard of The University of Ulca,

Northern Ireland. At that time in 1985, the author warned that the uncontrolled expansion of recurrent expenditure on politically motivated job creation schemes, that have aided the withdrawal of labour from socially and financially less rewarding agricultural employment, pose the greatest danger to Trinidad and Tobago. Since 1985, scholars were warning the government about this. They went on to suggest that the reckless spending led to a decline in the work force in the agriculture sector primarily and destroyed the work ethic, so that persons in the labour market at that time, given the high spending in politically motivated public sector jobs programme did not have a strong work ethic and that destroyed the labour market productivity.

This is 2004. Have they not learnt anything? Is the party back in times? Is the feel good rally back in times? I have to be careful when I say back in times. Get the abbreviation in the right place. This is the approach to governing the country. It is not surprising that they are on track to wreck the future possibilities of the non-energy sector. Today, in the manufacturing sector they are not hiring because the business environment is generally bad. They are not investing because of the fear of crime. Persons are taking their money away.

The Government should also note the recent findings of the UWI Ansa McAl group. The psychological research centre recently undertook a poll which says in a nutshell, that 70 per cent of the people in Trinidad and Tobago have no confidence that the crime situation would be reversed. That is the population you want to work hard, produce, create jobs and invest? The crime is leading to some kind of business failure but it would be solved. NEDCO to the rescue. We would create some entrepreneurs from NEDCO. The taxpayer would rescue NEDCO. You do not have to worry about that because they have the resources. They were warned about those resources and spending. The Member for Caroni Central asked about this. When you look at the spending patterns in the appropriation schedule, you would see the huge sum of money that they are spending is circulating among friends and family. For the record, firstly, this country is rich enough for everyone to benefit. This country is rich enough for everybody to get a piece. This is not a poor country that you have to take your scarce resources and only give your party supporters. The country is not poor.

Mr. Speaker: The speaking time of the hon. Member for Oropouche has expired. I do not know if you want to move the motion now. If you wish we can take tea and come back.

Dr. R. Moonilal: I would finish in a few minutes.

Mr. Speaker: Do you think that you would finish by 4.30 p.m.? Move the motion.

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

Question put and agreed to.

Dr. R. Moonilal: Thank you very much, colleagues on the other side. [*Interruption*] Nobody could trust you. When you say no, you probably mean yes.

We are talking about their approach to discrimination. I am telling the Government and the Prime Minister that you have enough resources for everyone in this small twin-island State. You do not have to discriminate like that. I want to say further, particularly to the Members for Toco/Manzanilla and Arima, some of the more progressive Members on the other side, that they should take a look at this HYPE outline—the Member for Arouca South is progressive in other areas—at the persons who got jobs and ask themselves if in 2004, a government should be involved in this level of discrimination. I say categorically, that I would not be a part of a UNC administration that perpetuates this level of discrimination in any other way. My friend from Diego Martin Central would have to apologize next week for that.

As a young parliamentarian I am always quick to learn from seniors. I took note of the apology that the Member for Diego Martin Central gave on another occasion. I was a bit surprised because while the Member said his statement was facetious in the heat of the debate, he never said that what he said was not true. He never said that he came to the House and said something that was untrue. He just said it was in the heat of the debate. I want to tell my friend who I look up to, that if you strangle a woman in the heat of passion, the issue is not the heat of passion, the issue is you strangle. I want the Member for Diego Martin Central to issue another apology to Mr. Dumas that what he said was not true and then we would follow his example. Obviously, there is more to be said about them. After tea I will talk about voter padding and their involvement in it.

Mr. Speaker: Hon Members, the sitting of the House is suspended and we would resume at 5.05 p.m.

4.32 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Dr. R. Moonilal: Mr. Speaker, before the tea break I was making the point concerning Government's social policy agenda. I am humbly suggesting to the

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Government that its social policy is built on sand and in that respect, those of us on this side agree with the observations and recommendations of the International Monetary Fund (IMF) Report. Apart from that authoritative voice, we have seen the effects in the real world—so to speak—of poverty and unemployment as the Prime Minister goes about on his community initiatives. We have seen the escalation of crime—[*Interruption*] Is that the “feel good” rally? [*Interruption*] Okay, I will have to speak above the sound emanating from Woodford Square.

Mr. Speaker, if it is that the Government believes that all is well and the country is happy, it should only look at the data that Prof. Flose presented a few months ago at the Central Bank, which spoke about the migration patterns from Trinidad and Tobago. The Government should look at the crime statistics; it should look at the breakdown in the education system, particularly with respect to violence, to know that all is certainly not well. What the Government could do to correct it—this is where I have a couple suggestions to share with the Government—is certainly there needs to be greater transparency and greater levels of accountability. The Member for St. Augustine spoke about that. The Government needs to understand that you cannot develop countries like ours without having in place the institutions to deal with discrimination and inequality from large sections of the national population.

I want to say with all sincerity that there are still one or two positive signs on the other side; there are still Ministers who, I believe, are rather more conscientious and would be willing to understand the trauma that citizens face today. There are Ministers on the other side who, I believe, share a vision for the country, that this country could be developed in the interest of all citizens, using the resources and the wealth of the country for the betterment of all, every sector, every community.

I also thank the Member for Arima for giving us an opportunity to write to the Minister herself, and not the Ministry, to represent our constituencies to seek the type of help that constituents want.

Mr. Speaker, it is my hope that the Minister of Public Utilities and the Environment would have the political will to provide assistance to all constituencies and all sectors, and I think she does. I also hope that Members on the other side would not sabotage, impair, and undermine the Minister of Public Utilities and the Environment as she seeks to address the problems from all sectors of the national population. I compliment her for that.

I call on this Government to consider whether those on the other side—at times they like to stand in the national community and suggest that those of us on

this side only complain, quarrel, have critical points, and attack the Government, but we do not make useful suggestions. Anybody who is present in the House and listens to speeches from the Members for St. Augustine, Princes Town, Pointe-a-Pierre and several others, could believe that we do not give recommendations and suggestions.

Mr. Speaker, it may well be that the time has come where we must have a ministry of employment to undertake all the employment-related initiatives of the Government; to place all agencies that deal with employment, whether short-term or long-term, under one ministry. *[Interruption]* Yes, remove it from Balisier House, if it is there. There may be the need to create a ministry of employment that all these programmes could come under. Citizens could look to this ministry, whether it is the On the Job Training (OJT), Helping Youth Prepare for Employment (HYPE), Community-based Environmental Protection and Enhancement Programme (CEPEP) or whether it is training for energy-related skills; training in IT, whatever, we may need to synchronize all the activities of these agencies.

The other point, I think, to position this country well for our future development is that we must have some process, almost, of national reconciliation; almost a truth commission as what there is in South Africa. We should have a truth and reconciliation commission and embark upon an inquiry into the employment practices in the public service. We should have an inquiry into employment practices and end the blame game, where those on the other side would say when we were there we did “X” and now they are there they are doing “Y” so that justifies it; that balances it off.

Mr. Speaker, if you use that logic you could continue—when those of us go back on the other side should we then reverse it and continue discrimination in another way? Clearly, no! That is not the answer to the long-term problem. The answer is to stop now and implement anti-discriminatory laws, equal opportunities institutions, conduct an enquiry into employment practices in the state sector and write off—We were discussing write offs and waivers. In terms of practices, we may have to write off the practices of the former PNM government and even if you want to suggest the former UNC government. Write off people practices. *[Interruption]* Yes, start afresh, but do it in a way where you implement the laws so that any other government thereafter could also follow the law. This is the point the Member for St. Augustine made. *[Crosstalk]*

Mr. Speaker, they may choose to snigger at this suggestion, but the issue is that if you implement the laws that protect citizens, they protect citizens regardless of which party is in power. *[Interruption]* Agreed! If you implement a

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law to end discrimination, and you promote equality of opportunities it would not matter which party is in power, because there are laws and institutions to deal with it. [*Crosstalk*] In fact, Mr. Speaker, this is an example of lawlessness, because here we have the Police Bills and the Member for Diego Martin—I may have to take him before the Privileges Committee; he has offered me an inducement as a Member. He told me if I vote for it, I would get the money for the year 2000 when we were not in the House. He has offered me an inducement. Mr. Speaker, it is the friends you hang out with who are the company you keep; they encourage you with embezzlement and extortion and so on. [*Interruption*] That is a personal inducement.

I am making two points, Mr. Speaker; firstly, it is time the Government considers a ministry of employment alone, as opposed to labour, which is employment. Secondly, it is time the Government considers an enquiry into employment practices—[*Interruption*] The Member for Tobago—who did not get a job—is shouting about somebody else's job. That is quite interesting! [*Laughter*] If ever there was a misnomer—[*Interruption*]—it is a title. [*Laughter*] To come back on the substantive issue that it may help this Government to consider pulling all these agencies that run employment programmes under one umbrella. So that there would be one administration; one set of rules; citizens would know that one government ministry is responsible. They could get information and if there are any problems they could take them up with that ministry and whoever are the public officials there. That is a suggestion I leave with the Government, and that augurs well for the social stability in which this Government is interested.

I am asking the Minister of Finance if, in collaboration with his colleagues, he would be willing at a later date to announce some indicators to us, some indicators with which we would measure social stability. You must have an indicator! If you come to the House and tell us that this year we are more socially stable than last year, you must have some indicator to measure that. What are the indicators? Is it unemployment? Is it crime data? Is it mandatory patterns; how many people are leaving? Is it a scare factor? What are the indicators for social stability? [*Laughter*]

Mr. Speaker, they could make as much joke as they want. I am not surprised that they would make these jokes because while they make these jokes they are before the police, the courthouse and the Integrity Commission. All that is because they take these policy issues lightly. People who take these issues lightly end up all around, having to go to the courts and throw in the towel. They would

have to go to the court and say, I am sorry, and beg for forgiveness because they take ideas lightly.

There is a saying, how you get into power determines how you govern. They got into power and office by some very foul means, by seeking to promote propaganda against the then government in the national community. Among the several items they jumped on the bandwagon with was the issue of voter padding—[*Interruption*—but this has to do with governance. They went on this voter-padding propaganda—I must say it was successful given the tenacity of that campaign, to convince some people that in some way the then government party was involved in illegal activities, voter padding, and was in collaboration with the Elections and Boundaries Commission (EBC)—I think they attacked the EBC at that time. But the EBC is fine now.

Mr. Speaker, their key witness, whom they spent taxpayers' money to protect, in Grenada or Australia, or somewhere, has placed a statement in the public domain. Mr. Speaker, it is mind-boggling that nobody in the Government nobody in the police service, has responded to these serious allegations. [*Interruption*] It was in the public domain. The key witness said that he had known the Member for San Fernando East; they were friends; they developed a relationship—whatever that means—in San Fernando. He said because of that relationship he met the now Minister of Public Administration and Information, the Minister of National Security and Rehabilitation in the company of senior superintendents and an acting sergeant, and they gave him \$2,000 per week to go in the UNC and become a mole; a plant. These are very serious allegations, which were said in the public domain, for about a month now. These allegations were not said behind closed doors. He spoke about voter padding allegations being concocted at Balisier House. He said three men told him what to do, including a Minister of this present Government who gave him money to lie, to make allegations against the UNC. [*Interruption*] No, I want to clear my friend from Diego Martin East, immediately; he is not in this one! No, no, no, “siree”! The Member for Diego Martin East is not in this one, “he name eh call here”! The Minister of National Security and Rehabilitation, the Minister of Public Administration and Information and the hon. Prime Minister, they are the ones fingered as paying a person to give them information. But apart from that, paying a person to lie, paying someone to go in the public domain and make allegations. He said, Mr. Speaker, I told them it is not true, they said, “don't worry with that, continue lying, “the truth don't sound good in public.” Mr. Speaker, that would have been funny had it not been tragic coming from senior Government Ministers.

Mr. Singh: And the police.

Dr. R. Moonilal: And the police, a gentleman who could be the Police Commissioner sometime in the future. Mr. Speaker, this is not funny, and I am trying my best not to make it amusing! He said he was sent to Grenada by Members of this Government and they kept giving him money. Why is the Government silent? They should come in the public domain and say this person was not telling the truth and he is slandering the Government. The person's name is Richard Bickram. More than that, Mr. Speaker, if what this person is saying is not true he could face another charge.

It is amazing that when the "fella" said something in support of their propaganda campaign they said that "fella" was speaking the truth and that he had integrity. When he spoke against them they said he was speaking foolishness. They brought him to give evidence; they owe him money; he went to Balisier House. I want to move on but this is so serious. I will have to leave it here. Mr. Speaker, I ask Government Ministers, please do not allow this to go unnoticed, they should just issue a statement as they did from the Prime Minister's office yesterday about how many streetlights went up. They should indicate that this person is lying, is slandering the Government Ministers and put him in his place. We do not need this in the public domain. If you owe him money pay him because he said he has some problems now, including he is bleeding from some part of his body. So if you owe him money, pay him or tell him that he is not speaking the truth. Do not allow your Government to be tainted in that way.

Mr. Speaker, when they went on the political platform they talked about the UNC and called names of former ministers involved in all types of activities. Today they have put up National Housing Authority (NHA) structures in San Fernando and they are at war—in the courthouse someone had written in a representation that the National Housing Authority has no permission to put up these buildings and so on. She was told she was an obstructionist and that she hated PNM people. *[Interruption]* The instructions came from God. *[Interruption]* Higher than God!

This is their governance pattern; so let me put it in an analytical way because many of them remain at that level. What I am outlining are their activities, policies, and patterns. If they conduct the affairs of the public in that way, there is no wonder they cannot solve crime. How would you solve crime? It is no wonder they cannot prevent people from leaving the country. It is no wonder they could come here—praise God we have oil and gas, but the non-energy sector, the manufacturing and so on, has all but collapsed. It is no wonder that they are not

creating jobs in the private sector; we have to depend on make-work programmes and so on.

Mr. Speaker, I am appealing to the Government to stop it. I know there are conscientious Ministers on that side, so stop it. *[Interruption]* There are a couple of them and I still have hope. I want to put this Government on notice, Mr. Speaker, I spend some good time writing letters—the Prime Minister would know that. I will now be seeking to write the International Labour Organization to indicate to them that this Government is violating a convention that the country has signed to, which is a convention that deals with equality of opportunities for employment. *[Interruption]* No, child labour is for your jobs. They would then go before a committee in Geneva called the Labour Standards Committee, which hears complaints on these issues. Normally it is countries like Sri Lanka and China that go there because they have a lot of problems with labour and so on. We will write the International Labour Organization, have the Minister of Labour and Small and Micro Enterprise Development and the Minister of Finance go before that committee, and explain their policies in violating the ILO Convention. That is the next step because if they would not stop it now they may have to go to London, Washington, Geneva, for other agencies outside of Trinidad and Tobago to exert some type of influence. It does not appear that they would listen to Opposition, the civil society, or anyone. They may have to face some international tribunal, as well, on employment.

Mr. Speaker, I am sure that other Members on this side would continue the discussion started on the social policies and so on. Before I conclude, I want to thank the Member for Diego Martin East for providing the answer to us—we had asked for the names of the persons in OJT and HYPE as well. We want to thank him for the OJT applications. We hope that when young people apply to this programme that they would be treated fairly. *[Interruption]* Mr. Speaker, some time ago a young man, Arvin Bissoondial, from San Fernando had applied for the OJT, satisfying all the qualifications but he was never recruited by the OJT. He used to work in a shop in San Fernando and was shot dead in a robbery. I am hoping that if this Government gets its act together our young people would not be exposed to criminals in retail distribution trade and so on, if they are assorted in some of these programmes in a way that is equitable.

Thank you, Mr. Speaker.

Dr. Adesh Nanan (*Tabaquite*): Mr. Speaker, as I rise to speak on this Motion before the House, I hope I would not have to compete with the music outside in Woodford Square for your attention.

Mr. Speaker, we heard from the Minister of Finance, he beat his chest this afternoon in this debate. He said the Government ended the year with a \$461 million surplus. I asked a question during the Finance Committee Report in terms of the \$117,500,000 that was transferred from the Ministry of Education. The question I asked was for the non-settlement of arrears to secondary school teachers, the total number of teachers involved, and the number of applications from retirees still outstanding. This is the response:

“The Ministry of Education generated 11,984 liabilities statements for arrears of increment to teachers in both primary and secondary schools: 7,410 primary school teachers and 4,570 secondary school teachers. The value of the statement was \$244,263,641. The breakdown is \$133,528,109 primary, and \$110,735,532.”

Mr. Speaker, of the 11,984 statements generated and dispatched, only 10,421 teachers would have been eligible to apply for payment as their statement reflected a value in excess of; primary teachers 6,290; secondary teachers 4,131. But by September end only 3,140 teachers completed and returned application forms for processing: 2,442 primary school teachers and 698 secondary school teachers. The total sum paid was \$67,397 million.

Mr. Speaker, at the end of the financial year 2003, there remains 3,848 primary school teachers and 3,433 secondary school teachers to apply for arrears of increments due. In the *Guardian* of Wednesday, January 14, 2004, captioned:

“Stay in protest mode

...arrears for 1987 to 1995 are still owed to an estimated 3,000 teachers...More than 7,000 have been paid as of last year.

Although the teachers were promised payments last December, the arrears were still outstanding, Wilson said.

He said TTUTA was monitoring the situation.”

I ask the question this afternoon, Mr. Speaker, are the teachers aware that this is the Ministry’s view? Do we have a situation that we had recently with the Prime Minister and Repsol—who is telling the truth? On one hand, the Ministry of Education is saying that it is the teachers’ fault, and the teachers are saying that they have already complied and they are still waiting on their arrears. But, the Minister of Finance comes to the House and beats his chest; we have a \$461 million surplus. What we really have here is the non-payment to public officers and the teachers not being paid and he is saying we have a surplus and beating his chest.

Bogus statements in this honourable House, and I will go on to show quite clearly [*Interruption*] a lot more points.

5.35 p.m.

A question I asked—and that is why I made reference to it earlier—on the primary schools computerization project, phase four was not completed because of the non-finalization of security and other considerations with respect to the installation of hardware in some schools. To my consternation this was the reply that was received: The project consists of the installation of computer laboratories in all primary schools. Each laboratory consists of computers, one server, one printer and network. Forty-six schools have been fully equipped including software; laboratories have been installed in 68 schools and are awaiting software installation. The project is carried out on a phased basis and I got a list of the schools where computer labs have been installed.

Mr. Speaker, I did not ask that question. I asked the question based on the submission from the hon. Minister of Finance about the non-finalization of security and other considerations with respect to project phase four. I was really asking, based on the question, the number of schools involved that did not receive computers and the number of computers that should have been allocated. So to come and say we have received all the answers with respect to what was asked is incorrect and I just want to put that on the record. One question I asked and what was very surprising was the reply; one supplier of textbooks for primary schools did not fulfill the terms of the contract. And here is the reply. The reply came that one person got the contract for all 465 primary schools.

Hon. Member: Who is that?

Dr. A. Nanan: Mohammed Book Store. What message are they sending?

Mr. Speaker, the Tenders Committee in the Ministry determined that Mohammed's Book Store should get the tender for 465 primary schools to deliver textbooks. I just put that on the record. Another question I asked was about the late submissions of claims with respect to works undertaken on assisted primary schools and there was no reply forthcoming from the Minister of Finance, as mentioned by my colleague for Oropouche with respect to today's report in the *Guardian* in terms of the breakdown in the education system.

Mr. Speaker, I raised the matter on indiscipline and violence in November last year and from November last year to today, there has been an escalation in school violence—I am not challenging your ruling, but the evidence is quite clear in terms of the incidence in schools. This particular Motion before the honourable

House, shows quite clearly that what the Government has been hiding is now in the public domain. The transfers within the ministry show that there is no planning taking place. The Ministry is on autopilot. Who is the pilot I do not know. I am saying, and I want the Prime Minister to listen very carefully because I was going to call for the resignation of the Minister of Education this afternoon again. But I cannot call for the Prime Minister to remove the Minister of Education because the Prime Minister is like a punch-drunk boxer. He does not know if he is standing up or if he is going down. He could injure himself or he could injure the country.

We need help. It is the heavy body punches that are having the effect. The body punches include the flimsy excuses from the Prime Minister, the done deals, and the sleight of hand. The king of Spain, and I can continue; and the latest one is GATE. It is all adding up and that is why I would not call for the Prime Minister to remove the Minister of Education here this afternoon. But the country must be aware.

The UNC government, which they do not want to hear about, had a plan for the education system. Education was placed as the highest priority on the Government's agenda. I want the hon. Ministers on that side to listen because, if they had followed the plan—although it is a UNC plan—they would now be reaping success. Instead, what we are seeing are constant failures. I will tell you the plan because one needs to know what is the plan. Apparently the Ministry of Education is unaware of what they are supposed to do. In this particular transfer one would have seen \$8 million being transferred within the Ministry to the School Intervention Strategies Programme and the Prime Minister said to the country that the programme did not perform, a haphazard transfer coming in late.

One is also seeing in terms of the haphazard transferring, and I have documentation but I do not want to get into reading newspaper clippings. But that fiasco with the students in the private secondary schools late last year—Corpus Christi College and St. Dominic's College where the fees were not paid for the students and letters were circulated stating that they were going to be sent home and they were crying on the doorsteps of the school, is what I am speaking about. One would have seen a haphazard transfer of the payments of fees for students at private secondary schools that was not budgeted for. For the Minister of Finance to beat his chest because he transferred money from that area where there was so-called savings to that particular area is poor planning—and I do not know what the hon. Member for Arouca South is doing in her Ministry. I hope she pays close attention to what the Ministry of Education is doing because there is a planning failure in that Ministry.

The poor children were almost kicked out of school. They did not know these schools were already assigned. Just before the SEA Exams these schools were already assigned, they were the schools that were going to receive SEA students. They did not know. In fact, one parent said if they knew, they would have assisted. That is the level of poor planning in that ministry. The St. Bedes Vocational School at Mount St. Benedict—they should make a tour of that particular school. The Plan was to upgrade this school. The machinery in that school is deplorable but you do not hear anything from that side. Poor planning taking place and the transfers show quite clearly what is happening in that Ministry—smoke screen.

I have an article: Education Minister behind a wall of words. Then there is the Minister of Education in a release to students for the new term, no longer smiling. In fact, while looking at the television yesterday I could have sworn that the people who were lining up were getting ready for coffins, so many sad faces in that particular post-cabinet meeting. It is a sad state of affairs. The Minister of Education behind a wall of words. No longer smiling, sending out a message, looking like a sad sack. Pardon my term, Mr. Speaker, but this is the situation that we have reached and somebody needs to take a stand with respect to education in this country. You continue to see in these transfers all these situations taking place; the private secondary school fiasco, they rushed and sent money across to pay the students. But it was not only for the month of August. Since May, July, they owed the schools and even before that, but nobody was paying. Only when the poor children are almost to be kicked out of the school they decided they would rush and pay.

It is same thing with the school intervention strategies. We told them that the indiscipline and violence is rampant in the schools, the minister said it was 1 per cent, and now that it has escalated out of control, they can no longer sweep it under the carpet. That is all they were doing, but now the carpet is being lifted—putting wardens in schools. Let me say something about wardens in schools.

Mr. Speaker, in this transfer they were saving money because of local school boards. They said there are ten local school boards inaugurated. Nice “PR”, but have they put the monitoring mechanisms in place? Is there a monitoring committee for the local schools boards? There must be a monitoring committee to oversee the local school boards. I walked with that particular document because I want to use it here this evening to show hon. Members about the duties and powers of the board. This is not lip service. You cannot set up a board and expect the board to function without any funding. This is legislative document in the regulations. These are the duties:

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The board shall have the duties and powers including but not limited to; the development of a strategic plan for the school:

Is that being done?

In the conduct of an operational and environmental audit of the activities of the school.

In the development and implementation of school improvement plans—
and I could go on but what I want to really get to:

In the development and implementation of plans to improve the security of the school.

That is the whole idea of the local school board. It is to get the community participation in the schools. That is the basic premise on which the local school board is built. We have seen only 10 inaugurated for 2003 but by this year, 2004 there should have been many more boards set up. In fact, there should be a local school board in all the government secondary schools. That is why there is this problem of indiscipline and violence in the schools. Poor planning, total chaos in that Ministry of Education.

There are the local school boards. The Ministry of Education in 2004 should be in a phase where they make learning interesting. The secondary loan that was signed by the UNC, of course, in 1999—because it was a UNC plan they would reject it—this particular loan component is supposed to drive reform of the secondary schools. One is supposed to be in a position now where one could make learning exciting. You have to challenge the minds of the students in the classroom. [*Interruption*] The hon. Member knows very well that there is non-performance in that Ministry because the Ministry of Trade and Industry is also dealing with education in matters of textbooks. The Minister has a very clear idea of the failure of that Ministry. But because of his pride—he is my good friend so I would not say anything more on the Member for Diego Martin Central. He tried to distract me but I will get back to where I am. He failed.

What you have in that Ministry—the loan component. You are supposed to be driving the curriculum in schools now. Five core subjects, the curriculum that is supposed to be put forward in these secondary schools: English, Maths, Science and two others of the principals' choice. But that is the premise on which this thing is built and for the Minister of Education to come ad hoc, and say they are going to build blocks to put more students, the whole thing is mapped out and year—[*Interruption*] We know about your stadium experience. There is a road

map set out—I do not want to use the American terminology—there is a loan programme over a certain period of time and the loan programme recognizes the importance of local school boards, so the local school board component would be getting a kind of assistance with the powers they are given through this particular loan. But no, that is a UNC plan so they forgot that.

There are these core subjects and there is also a regulated size of the school. When this loan was being finalized, 825 was the highest limit and 350—I have the figures here if I make a mistake. Three hundred and fifty was the lower scale and 875 the higher enrolment level. Twenty new schools to be constructed but not only 20 new schools, what of the existing secondary schools? This loan was supposed to convert the junior secondary and the senior comprehensive schools so that eventually there would be no shift system. So we were moving to controlling discipline and violence in a step-by-step fashion, not this ad hoc fashion. [*Desk thumping*] Not to meet the Minister of National Security and Rehabilitation decide you are going to put wardens in schools. That is not the approach. This kind of ad hocism cannot work.

The education system is a dynamic system and you have to operate in this kind of regime. That is why it took a lot of time before a loan could be signed. There were a lot of project documents that built up to this particular loan. There is this atmosphere where you convert your secondary schools, the shift schools to all five-year and seven-year schools throughout the country. I do not know how many of them are aware.

With respect to the breakdown in funding, this loan is for US \$150 million and the government's contributions is US \$46 million. That is only for school construction. Everything else is covered by the loan. There is a whole training component that is supposed to go with this. United States forty-six million dollars is the construction component.

Mr. Speaker, out of the loan US \$25 million is for the rehabilitation of these secondary schools that are going to be de-shifted. But there was a report done where the total cost of infrastructure for all the secondary schools is over \$400 million. Is the Ministry planning for this? Apart from this particular loan there is supposed to be government funding, and that is why this \$117 million that they snatched from the Ministry of Education, they could have put that into the rehabilitation of secondary schools. Of course, they would want to tell me they cannot do that because they would have to get designs, architectural briefs and hire contractors. But I will tell them that if they did not put it there, there are a number of students of low-income families waiting to go on buses, and there are a

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number of students waiting for meals in schools. So they could use the \$117 million that they snatched from the Ministry of Education to provide more transport for the school children to go to school and to give them, as hon. Minister Manning said more “breakfases” in schools. [*Desk thumping*] It hurts me to see there is a road map and they are not following it and there is a disaster they are heading into.

Mr. Speaker, US \$455 million must be utilized to upgrade all secondary schools in Trinidad and Tobago. Tobago is not left out of the programme. So there would be an entire system where there are five and seven -year schools throughout the country, no shift system. In fact, a major part of this indiscipline and violence is the movement of children from classroom to classroom. In many of those senior comprehensive schools there is the ‘F’ block if I remember correctly and that particular block is away from the administration and that is where most of the violence takes place. So that is why the architectural briefs for the new secondary schools were so important in terms of where the principal’s office is in terms of the classrooms. And there is a teacher to student ratio and also a square footage in terms of the particular schools. It is not a vaille que vaille situation as we are seeing now in the Ministry of Education. Everything was planned out. But they do not know that. This is the year 2004 and this loan was signed in 1999. They are supposed to be so far ahead in this programme. People should be coming into this country from the small islands to see that kind of programme here. We should be a model for the rest of the world; but no; they come in to voter pad. Political integration it is called.

This particular loan makes allowance for model schools and it hurts me to enter this debate because of the situation in this country, knowing full well how hard we worked, night after night in that Ministry to get this loan to where it is today. [*Desk thumping*]

The Member for Diego Martin Central, I did not want to bring this in the debate but I have to. When we were dealing with this financial report he said we hired them on contract. That really upset me. That is the problem they are having now. They have hired Mr. Kenrick Burgess. I do not know if it is a payback for Biche. He is running the Ministry. In fact, they do not know if there is a national advisory committee on education that is supposed to be set up to assist the Minister—\$90,000 per month and when I asked the question on this particular transfer, consulting and other contracted services—\$24,850 million savings, what was that supposed to be for? No answer at all.

I told the Prime Minister, who is like the drunk boxer, to get rid of Burgess because he is a bull in a china shop in that ministry because they have completely

gone off track. There is no hope. I thought there was hope. They have gone too far. In 2004 they should be so far ahead. They are supposed to be in a stream now where the students are being attracted to the classroom and now they are chasing them away. They are going to have wardens to police the schools.

I want to talk about the information technology age because that is another burning issue. The Ministry of Education at this time is supposed to be restructured and reorganized because of this new curriculum that is being sent into the schools. The educational divisions are supposed to be linked to the Ministry. I am surprised when I read this report that savings came from plans for a number of training courses in respect of management information system units scheduled for the financial year 2003, did not materialize and this Minister of Finance came and said they saved that money. Do you know what that money is for?

Mr. Speaker, this money is to provide a database for that Ministry. The Minister is not even aware that there is geographical information system equipment in that Ministry. I am sure that is gathering dust by now. But this particular unit was supposed to be set up in that Ministry to be used so there would be a proper database for all the schools.

The Ministry is supposed to be restructured and in the restructuring, there are also the regional educational districts that need to be upgraded. These are supposed to be networked. One would have started off in that Ministry and the loan provides that it would give you a network of computers in that Ministry that would link with the divisions within the Ministry. A work station. Fibre optic network within that Ministry, and then they would move out to the educational districts where they would provide computers and link the Ministry with the educational divisions and provide two computers in every secondary school to feed back to the Ministry. That is the kind of planning that was done and nothing is happening in that Ministry with respect to information technology. Of course, they are not even going to deliver the computers because when I asked the question—phase four, they have savings on that. The Ministry of Education is in a disaster mode. The computerization is non-existent and not only that, computerization takes it even further. This is in respect of information management system.

Mr. Speaker, within the secondary schools one would start off with 20 computers and the labs and then one could move up to 40. Every single secondary school is supposed to have computer labs and the schools that I alluded to earlier are supposed to be model. There should have been five. It would have given an idea of the link between the business sector and the school. There could be the industrial site such as Point Lisas, specialized equipment coming from there into

the schools so people could see what is happening in these industries. And in different areas of the curriculum there could be specialized equipment, even in sports. All of that is no longer existing with the present government and I think the IDB should take a toll on the Government with respect to implementation. They are supposed to be auditing that Ministry in January 2004. The report will show that they have failed miserably and I am not even sure they would continue with the loan. In fact, they might just have done that to get rid of that loan because it was a UNC loan but the population must be aware that they are taking an asset and destroying it. They are taking an education system that was on the go in terms of going uphill and now they are destroying the education system. For what reason, I do not know. I do not know whom to call on to fire the Minister of Education now. I have to call on the President to remove the Education Minister.

Mr. Speaker, information management system in this day and age is a priority. They would laugh and make spurious remarks on that side but the fact is the Minister of Education is not performing. Every single day one sees disaster taking place in various areas of the country in the school system. This particular loan not only drives a networking process for the Ministry. There are multimedia centres. I have a list and I am going to read it out because the country must be aware. Multimedia learning centres in every school; 184,500 new books; 12,700 CD ROMs and videos 1,071 magazines subscriptions—of course, computer related equipment; 476 computers and monitors with appropriate software; 110 large scanners, 119 laser printers; 119 VCRs; 238 projectors and screens.

6.05 p.m.

All of that should be coming into the system. Because of the incompetence of the Minister of Education and, by extension, the Government, the education system and the children of this country are suffering. These things should already be in the schools. These multimedia learning centres were programmed for 2004/2005. Do you know what is the burning issue? They have come to this Parliament and said that we rushed the universal secondary education system. If one reads the document one would see that universal secondary education was the premise on which this loan was based.

Mr. Speaker, another issue is the library in Port of Spain. It is sad when you read some of the articles coming out on that particular library. Students cannot access the library because of the system in place and reports coming out of that particular library. I have the newspaper here, but I do not want to read that.

The loan drives a component where well-stocked libraries would be linked to the main library, but that is not happening. Libraries are supposed to be places of

learning where the children would love to read. As I speak of that particular issue, there is another area where they had—I do not like to call people's name—

Mr. Singh: Call it! Call it!

Dr. A. Nanan: I do not want to call his name.

Mr. Singh: Burgess again?

Dr. A. Nanan: No, Michael Alleyne. I did not want to call his name, but—
[*Laughter*] [*Interruption*] They pushed me into it. Michael Alleyne, Mr. Speaker.

Mr. Speaker, they hired him to revamp the secondary education system. In fact, they hired the poor man to run the school intervention programme and did not give him any money. They eventually made him the scapegoat and said, “Well, you find an answer for why the indiscipline and violence is skyrocketing in our school.” Do you know what he came out and said? He said it was the UNC secondary education plan that is causing the indiscipline and violence in schools.

Mr. Imbert: It is true.

Dr. Nanan: The Member for Diego Martin East has the nerve to say it is true?

Mr. Imbert: But you know that.

Dr. A. Nanan: Mr. Speaker, it is so sad when I—[*Interruption*]

Mr. Speaker: Order, please.

Dr. A. Nanan: I did not believe that the Member for Diego East would have said that was true. That really affects my conscience here this evening. [*Interruption*] I was going to speak for only 45 minutes, but I will speak for 75 minutes.

Mr. Speaker: Would the lower sections of both Government and Opposition Benches please allow the Member to make his contribution in peace?

Dr. A. Nanan: Mr. Speaker, the UNC government recognized that when you placed these children in these secondary schools, going for universal secondary education, there must be a remedial programme. It is important to know that the children were not just placed there. [*Interruption*] You see this homework thing, you had better scrap that. Listen to this:

A pilot reading programme will be financed...

This is not pie in the sky, Mr. Speaker. Everything is financed, the Minister of Finance, \$461 million surplus.

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“...to cope with the inadequate levels of preparation of many entering students both currently and when expansion occurs. It can either be carried out during the vacation...

But you will have that assisted programme. Not only would it be instructional, you have computer assistance too and comprehension. So, for the Member to admit that what I said was true was totally unacceptable in this House because it is not true. There should be a pilot reading programme in place. *[Interruption]* You sent Michael Alleyne out as a scapegoat—

Mr. Imbert: Michael who?

Dr. A. Nanan: Alleyne. You sent him out as a scapegoat to tell everybody it was the UNC that caused the indiscipline and violence. Be reasonable. *[Interruption]* I am so sorry, but I would probably apologize on another occasion like yourself. *[Laughter]* Member for Diego Martin Central, when you are collecting a salary you must do the work. *[Desk thumping]* You cannot go into that ministry, collect a salary and not perform. I mean, in this day and age you have to perform. *[Interruption]* I would not say that, but a contract officer must be performing at a certain level.

Mr. Speaker, I know the Minister of Finance came here to defend the Ministry of Education. I know that because I was the Minister of Education, and when we could not perform the Minister of Finance defended us. I know that he came here to defend them, but you cannot defend the indefensible. *[Desk thumping and Laughter]* You cannot! You could come, like the Member for Diego Martin East and say that, “Rain fall for the whole month and I eh do any construction”. You cannot defend this. That is why when you lay this particular document in the House you have to be prepared for the consequences. You have to be prepared to be exposed, but you did not come here with any particular spin doctoring for this particular thing, you came straight. So, when you come straight like that you must get blows and you should be prepared to accept your blows when you come to the House with that.

Mr. Speaker, I want to continue because this is substance I am dealing with here. *[Desk thumping]* It is not comic relief, as the Member said. Does the Member know what is comic relief? Comic relief is when the acting Prime Minister said yesterday that what “Cro Cro” sang, he did not mean. That is comic relief. *[Desk thumping]* On the same note, I want to congratulate the Member for Diego Martin East for his testicular fortitude. He is the only one who said that he will not tolerate that. *[Desk thumping]* So, I want to congratulate him on that statement.

Mr. Speaker, getting back to this particular structure, the Ministry of Education is supposed to be restructured. As the Ministry of Education is restructured you would see that there are specific responsibilities given to specific individuals, not like when they hired Mr. Kenrick Burgess to run all over the ministry, chase all the public servants and say, “I am the boss because the Minister of Education”—*[Interruption]*

Mr. Speaker: Hon. Member, please. The *Hansard* reporter is appealing to me that she is having difficulty hearing the Member, so, please. Continue, hon. Member.

Dr. A. Nanan: Mr. Speaker, the truth hurts, but they have to face facts.

Mr. Speaker, what they did was to hire Mr. Kenrick Burgess—he was appointed by the Minister—and he took charge, “I am the big boy in this ministry. Whatever you did was wrong, we are going to do it over.” What did he come up with? A whole management strategy all over again. I am sure the Member for Diego Martin East is doing the same thing in his ministry. I told them on one occasion—the Member for Diego Martin Central must be aware—that when you prepare for a loan all the project documents are available before. All the feasibility studies and everything else were taken care of. You brought Mr. Kenrick Burgess, who charged \$90,000 per month, to redo everything that the ministry did. You have to be serious. Sorry, Mr. Speaker. Mr. Burgess was paid \$90,000 per month. He should be fired and knocking on somebody’s door for a job. Of course, he is not getting any because of performance, unless he goes by a P—sorry, I do not want to call a political party here, but that is the situation.

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

Question proposed, That the hon. Member’s speaking time be extended by 30 minutes. *[Mr. G. Singh]*

Question put and agreed to.

Dr. A. Nanan: I thank all Members, Mr. Speaker.

Mr. Speaker, the \$117 million here, do you know that—

Mr. Imbert: You are still on that.

Dr. A. Nanan: Yes, I want to remain on this issue because the Member for Nariva comes to this House and complains time and time again and the Ministry of Education does not pay any homage to the kind gentleman who makes

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representation for his constituency. A blueprint, in terms of scope of works, was already done. They could have used that money to repair the Biche school and put the children there. [*Desk thumping*] But, no, they are not going to do that. They are going to come to this House, snatch it back and say that it is a surplus.

Mr. Speaker, we are moving on because it is a whole blueprint and I have not yet touched certain areas that I wish to touch. The networking system in this particular loan is supposed to be driving a computerization process for the ministry, but what about training? Training at every single level is financed in this particular loan. There is training for teachers, ministry personnel and all administrators. This particular training component is very important. When I saw that they moved the money from that particular area of the computerized training it was really heart-rendering to see that.

Mr. Imbert: Heart-rendering?

Dr. A. Nanan: Of course. This is a deep feeling I have—you all are just destroying the education system—or else I would not have spoken in this House. [*Desk thumping*]

Mr. Speaker, another issue I want to deal with is the construction cost. This is how we arrived at this thing. It is not a *vaille-que-vaille* situation.

“The calculation of student places required for universal secondary education is premised upon the concurrent construction of 4 new large...secondary schools through the Fourth Basic Education Project, 2 new large denominational schools, and expansion of the voucher system to include a net additional of 200 new places annually in private schools in Forms 1—5.

In accord with the Bank’s primary and secondary education strategy, we are assuming economical, cost-effective schools designs.”

But this is the interesting part:

“School building area...should not exceed 5 square meters per student, and will take into account that specialized craft will be phased out from the secondary system...”

That is the other area, Mr. Speaker. Gradually you would have this specialized craft being phased out of the system. So you would have a situation where all those schools designed for craft can now be rehabilitated to accommodate the new subjects. There was a whole mapping exercise done for the location of the schools.

Mr. Speaker, it would be remiss of me if I did not deal, in some depth, with the school violence situation. I want to take you back a little to last year because

when I raised the Matter of Urgent Public Importance in the House today, since November last year to now, there has been an escalation. I will just briefly go through the headlines: Wednesday, October 22, 2003, "Teachers refuse to work fearing outbreak of Siparia school violence"; Saturday, October 25, 2003, "Oliver blames ministry for school problems"; this one is in bold—

"TUTTA president, Trevor Oliver is calling on the Ministry of Education to immediately implement the schools' intervention strategy and blame the spiraling rate of indiscipline in the nation's secondary schools on the absence of the programme."

"TUTTA fed up with ministry"; "Students held with cutlass and cigarette". It is not students with pens and books, but cutlass and cigarettes. "Meeting over violence, school closed", this is the Tranquility issue. "Cops detain fighting students", *Newsday*, Tuesday, November 18, 2003—

"An emergency Rapid Response (E999) policeman yesterday pulled his service pistol amid a large crowd of students who had gathered along St. James Street, near Carlton Centre, San Fernando, awaiting transport home."

"Unarmed cops to be 'guardians' of schools", *Newsday*, Friday, November 21, 2003 today we have wardens. We have to ask the question: Is that programme that they have put together jobs for the boys again? "Juvenile delinquency, School violence now rearing its ugly head", *Newsday*, Sunday, November 23, 2003. [*Interruption*] I came prepared for 75 minutes, but I would speak for less, do not worry.

Now, this is the interesting one, because you said I said so. I would tell you something, I have documents, it is not only that I said so and not Tom say so either. Listen to this: Sunday, November 23, 2003, "Former Principal: Students on verge of rebellion":

"The education system is indeed in crisis and the students are 'on the verge of rebellion.' This affirmation came from Valerie Taylor, former principal of Bishop Anstey High School and current director of Bishop Anstey High School East."

"Nine-year-old stabs 12-year-old classmate", *Newsday*, Tuesday, November 25, 2003; Wednesday, November 26, 2003, *Newsday*, "School violence a result of cover-ups". Well, school reopens, Friday, January 09, 2004, "Student on ganja charge"; "Student granted \$20,000 bail"; "\$1,000 bail for Princes Town pupils". [*Interruption*] You want to know if I am talking about prisoners?

Mr. Singh: That minister got a letter of commendation from the Prime Minister?

Dr. A. Nanan: The Prime Minister's office. Thursday, January 22, 2004, "Licks for Siparia teacher"; Thursday, January 15, 2004, "Marabella principal: Students still doing own thing". I need to read this one because you need to get some information.

"Delinquency continues at Marabella Senior Comprehensive School, despite the presence of a uniformed policeman on the compound.

The officer patrols the compound from 8 am to 4 pm every day, but the school's vice principal Bill Lala Maharaj said although violence at the school has significantly decreased, the students are rude and disrespectful to the officer.

'Some of the students are bent on getting into a confrontation with the officer, and they are rude to him every day,'

Last Wednesday, a female student was found in possession of a pack of cigarettes and a Chubby bottle filled with rum."

Mr. Speaker, this is the mentality of the students under the PNM: rum, cigarettes in school, ganja and weapons. Dr. Eric Williams would be turning in his grave today because of this situation. He said that the future of the nation was in their book bags, not guns, knives and cigarettes in the book bags of children today. [*Desk thumping*]

I have much more information that I can go on and on about, but since I have made the point, I want to end the part about the—because it needs to be repeated. I would now have to call for the resignation of the Minister of Education—[*Desk thumping*—whether by fiat or otherwise. [*Laughter and Desk thumping*] In fact, I think my contribution in *Hansard* should be sent to the Minister of Education and she should send her resignation to the Prime Minister's office, forthwith. [*Desk thumping*] As I said before, we cannot rely on the Prime Minister in terms of asking the Minister of Education to resign because it appears that he is like a—

Mr. Speaker: No, no. I have allowed that to pass twice, but I think you are sailing close to breaching the Standing Orders.

Dr. A. Nanan: I accept your ruling, Mr. Speaker, although it is already in the *Hansard*. [*Laughter*]

Mr. Speaker, I have displayed, in this House, what we have seen, the sleight of hand by the Minister of Finance. If the Minister in the Ministry of Finance had come to this House and just clearly made a contribution—When I listened to him he was being very tight. He did not want to open the debate at all, but the minute the Minister in the Ministry of Finance talked about surplus and deficit, he opened

the whole budget. [*Desk thumping*] That is the mistake the Minister in the Ministry of Finance made. He tried to be very tight but he opened up the debate.

As I said before, the Ministry of Education is in disaster mode. We have seen from the evidence and it is not only hearsay—this is reported documentation. [*Interruption*] The Member for San Fernando East could laugh it off with his flimsy excuses but, as I said before, the body blows are getting to him. It is having the effect because when he takes to the street one realizes that the body blows are having an effect. It is not the Opposition that is responsible for him on the streets, it is the failure of the Government in every area. One would have seen the Prime Minister going to the various parts of the country and doing the job of other ministers. I do not want to go there, that is for another debate.

Mr. Speaker, what I did this evening was to show the Minister of Education's incompetence and the failure of the Ministry of Education. We have seen it from the transfers, the haphazard approach to the delivery of education of this country and this cannot be tolerated any more, Mr. Speaker.

I thank you, Mr. Speaker.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, there were a number of important statements made by the Member for Tabaquite but, unfortunately, I have to correct some of them. One cannot operate outside a system and be a responsible government. Therefore, when we sought to provide you with information about the difference between revenue and expenses, and provide an explanation, it was because that is a requirement for us in this Parliament.

The \$461 million surplus is a consequence of a system that we have in which transfers is a tool that recognizes the timing differences of projects and the basic activities that you would engage in over a period of time. We have explained, in great detail, that during the course of the year certain projects had certain weakness inherent in their particular implementation programmes and, therefore, we simply used the opportunity to bring others forward.

If we had a different system of accounting the result would have been different and we are working on that as part of the financial management reform process. But, at this point in time this is the system and therefore this is how we have to deal with it. Even if that were not the case, and we took out the education piece, the facts are that insofar as our interest portfolio was concerned, that is to say, refinancing high-cost debt, we still would have made a surplus because we would have spent less in repaying interest costs.

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Mr. Speaker, in the contributions of both the Member for Oropouche and, to some extent, the Member for Tabaquite, there does not seem to be the understanding, if you will, of the process by which this Government operates. This Government, basically, starts with the position where a ministry must have a strategic plan. At that particular level the policy issues are dealt with, then an operational plan comes as a consequence of that particular activity and then we have action steps. What we report on, on an ongoing basis, are the activities relative to that and if there are implementation issues, we fix them.

Mr. Speaker, some of the comments made, I addressed already and, therefore, in the circumstances that we find ourselves at this point, I think that all I need to do at this point in time is simply to say, I beg to move.

Question put and agreed to.

Report adopted.

**FINANCE (SUPPLEMENTATION AND VARIATION
OF APPROPRIATION) (2003) BILL**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Mr. Speaker, I beg to move,

That a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act 2003, be now read a second time.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Question put and agreed to, That the Bill be read a third time.

Bill accordingly read the third time and passed.

6.35 p.m.

ARRANGEMENT OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move that the committee stage of Bill No. 1 be now taken.

Agreed to.

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House in committee.

Clause 1 ordered to stand part of the Bill.

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Clause 2.

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

Mr. Valley: Mr. Chairman, I beg to move that clause 2 be amended as follows:

Delete clause 2 and substitute the following:

Commencement 2.(1) Sections 4(e)(i) and 6 are deemed to have come into operation on 1st January, 2003.

(2) Sections 4(b)(i), (c), (d), (e)(ii), (f) and (g) and 5 are deemed to have come into operation on 1st January, 2004.

(3) The remaining provisions of this Act shall come into operation upon the commencement of this Act.

Question put and agreed to.

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

Clause 3.

Question proposed, That clause 3 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 3 be amended as follows:

3 A. Delete paragraph (b) and substitute the following:

Central Tenders Board

Board to accept best offers

24.(1) After the offers have been opened, the Board or a Committee, shall at such time or times as may be deemed necessary or expedient, consider the offers so received and except for good reason, the sufficiency whereof is in the discretion of the Board or the Committee, shall accept the lowest offer which represents the best value.

(2) The Board is not bound to accept the lowest or any offer.

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- B. In paragraph (c) delete the words “five hundred thousand dollars” and substitute the words “two hundred thousand dollars”.

Question put and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

Clause 4.

Question proposed, That clause 4 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 4 be amended as follows:

4

Income Tax

- A. Renumber paragraph (a) in the second place where it occurs and paragraphs (b) and (c) as (b), (c) and (d), respectively.
- B. In the renumbered paragraph (b), in the proposed paragraph (pa), delete the word “corporate” and substitute the word “corporation”.
- C. Insert after the renumbered paragraph (b), the following paragraph:
- “(ba) by inserting after section 8, the following section:
- “Refunds
- 8A. Where on or after 1st January, 2004, but before the commencement of the Finance Act 2004, a bank, financial institution or other person
- (a) pays or credits a resident individual with the interest referred to in section 8(1)(p), (pa) or (pb); and

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(b) deducts a tax at the rate of five per cent thereon,

such bank, financial institution or other person shall pay or credit the resident individual with an amount equal to the tax deducted instead of remitting the tax to the Board.”

Question put and agreed to.

Clause 4, as amended, ordered to stand part of the Bill.

Clause 5.

Question proposed, That clause 5 stand part of Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 5 be amended as follows:

5

Corporation tax

In paragraph (b) delete the words “in the manner prescribed”, wherever they occur.

Question put and agreed to.

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

Clause 6.

Question proposed, That clause 6 stand part of Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 6 be amended as follows:

6

Petroleum Taxes

In the proposed section 18A delete the words “and 10M” and substitute the words “, 10M and 10N”.

Question put and agreed to.

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

Clause 7 ordered to stand part of the Bill.

Clause 8.

Question proposed, That clause 8 stand part of Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 8 be amended as follows:

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Miscellaneous Taxes

- A. In the proposed section 61, in the definition of “gross sales or receipts”, delete the words “which are determined in accordance with income tax principles”.
- B. In the proposed section 65 delete subsection (2) and substitute the following new subsection:
“(2) The Minister shall disburse monies from the Fund to finance activities certified by the Minister with responsibility for the environment as being for the purposes referred to in section 64.”
- C. Delete subsection (3) of the proposed section 65 and substitute the following new subsection:
“(3) The Minister with responsibility for the environment shall manage the activities financed by the Green Fund.”
- D. Delete the proposed section 68 and substitute the following new section”
“Report to Minister
68. The Minister with responsibility for the environment shall, within four months from the end of a financial year, submit to Parliament a report on the management of the activities financed by the Green Fund.”

Mr. Sharma: Clause 8(b), where it reads “The Minister shall disburse”, I think it should really be “the officer in charge shall disburse” in that the Minister does not, from what I remember, have the authority to disburse funds—only the accounting officer.

Mr. Valley: No, it is not the accounting officer. The Minister of Finance has to sign the warrant for the release of funds. He disburses the funds to the accounting officer.

Mr. Sharma: It does not indicate that in this. I am talking about after the Minister has certified. The Minister of Finance makes the release and the accounting officer spends the money.

Mr. Valley: Yes, but it has to come first from the fund and that is done by a signature on the warrant by the Minister of Finance.

Question put and agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 to 12 ordered to stand part of the Bill.

New Clause 13.

Mr. Valley: Mr. Chairman, I propose a new clause 13, which reads as follows:

13. The approval by the Board of Inland Revenue before the commencement of this Act, of a contract referred to in section 134(6A) of the Income Tax Act which provides for a full refund of premiums upon the death of an employee or director, is deemed to be valid.

New Clause 13 read the first time.

Question proposed, That the new clause be read a second time.

Mr. Sharma: Mr. Chairman, is the intention here any contributor? Why are we emphasizing employee or director?

Mr. Valley: Under section 134, it is the employer who is making a contribution on behalf of a director or the employee of the firm?

Mr. Sharma: So, it is intended that there would be no other persons covered by this?

Mr. Valley: It would either be an employee of the firm or a director. You cannot be a contributor otherwise. Only an employer can be a contributor under section 134. It is where the employer gets his deduction for pension payments for deferred annuity payments and so on.

Mr. Sharma: There would be no instance where there will be a group contributing.

Mr. Valley: No, no. The employer can contribute for a group.

Question put and agreed to.

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Question proposed, That the new clause be added to the Bill.

Question put and agreed to.

New Clause 13 added to the Bill.

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

House resumed.

Bill reported, with amendment, read the third time and passed.

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move that this House do now adjourn to Wednesday, January 28, 2004 at 1.30 p.m.

I wish to inform the House that on that date the Government intends to debate the Public Assistance (Amdt. and Validation) Bill, taking it through all its stages.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 6.55 p.m.

WRITTEN ANSWER TO QUESTION

The following question was asked by Dr. Roodal Moonilal:

Estate Management Business and Development Company Limited (Land Distribution)

- 31.** (a) Would the hon. Minister of Trade and Industry provide the House with a list of names of all persons to whom lands have been distributed by the Estate Management Business and Development Company Limited (EMBDCL) from January 2003 to the present?
- (b) Could the Minister also indicate the amount of land provided to each recipient, at what cost and for what purpose?

The following reply was circulated to Members of the House:

In response to the question, the Minister of Trade and Industry and Minister in the Ministry of Finance advises that:

- (a) The Estate Management and Business Development Company Limited has advised that during the period January 2003 to date the company did not distribute any lands; and

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- (b) Since no lands were distributed, part (b) of the question as to the amount of land provided to each recipient, the cost and purpose of the distribution of land is not applicable.