

*Leave of Absence**Friday, September 17, 2004***HOUSE OF REPRESENTATIVES***Friday, September 17, 2004*

The House met at 1.30 p.m.

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

Mr. Speaker: Hon. Members, I have received communication from the hon. Member for Arouca South (Hon. Camille Robinson-Regis) requesting leave of absence from today's sitting of the House. The leave which the Member seeks is granted.

SESSIONAL SELECT COMMITTEES**APPOINTMENT OF**

Mr. Speaker: Hon. Members, I wish to announce the appointment of the following sessional select committees in accordance with the requirements of Standing Order 71(2) of the House of Representatives.

Standing Orders Committee

Mr. Barendra Sinanan	Chairman
Mrs. Camille Robinson-Regis	Member
Mr. Fitzgerald Hinds	Member
Mr. Hedwige Bereaux	Member
Miss Gillian Lucky	Member
Mr. Subhas Panday	Member
Dr. Fuad Khan	Member

House Committee

Mr. Kenneth Valley	Chairman
Mr. Colm Imbert	Member
Mrs. Eudine Job-Davis	Member
Mr. Anthony Roberts	Member
Mr. Ganga Singh	Member
Dr. Adesh Nanan	Member

*Privileges Committee**Friday, September 17, 2004***Privileges Committee**

Mr. Barendra Sinanan	Chairman
Mrs. Camille Robinson-Regis	Member
Miss Penelope Beckles	Member
Mr. John Rahael	Member
Mrs. Kamla Persad-Bissessar	Member
Mr. Subhas Panday	Member

Regulations Committee

Mr. Barendra Sinanan	Chairman
Mr. Roger Boynes	Member
Mr. Stanford Calendar	Member
Mr. Fitzgerald Hinds	Member
Mr. Harry Partap	Member
Dr. Roodal Moonilal	Member

PAPER LAID

Audited annual financial statements of the Trinidad and Tobago Solid Waste Management Company Limited for the year ended September 30, 2002. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]

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

**FINANCE COMMITTEE REPORT
(FIRST)**

Presentation

The Prime Minister and Minister of Finance (Hon. Patrick Manning):
Mr. Speaker, I beg to present the First Report 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 2004 appropriation.

**GOVERNMENT LEGISLATIVE AGENDA
(2004/2005)**

The Attorney General (Sen. The Hon. John Jeremie): Mr. Speaker, I rise, this afternoon, to discuss the proposed legislative agenda for the year 2004/2005. There are three questions which we need to ask ourselves from the very outset—that is to say, why a legislative agenda; how and what is on the legislative agenda?

History does not tell us a lot about why a legislative agenda because there is apparently no convention in the House and my public servants could find no record of there ever having been laid an annual legislative agenda.

This is the first time an annual legislative agenda will be laid in Parliament at the very start of the parliamentary year, so the history does not help us with why. However, the Government considers that the early disclosure of its proposed legislative agenda would promote a greater sense of parliamentary democracy, order to Government business, transparency and good government.

Now if we turn to the question of how, the legislative agenda was settled as a consequence of the adherence to a number of steps, the first of which involves the consultative process between the Office of the Attorney General and the various line ministries. A team from the Attorney General's office visited these line ministries to assist them with the identification of policy issues and suggested problems in terms of solutions, and generally with respect to offering guidance on the steps to be taken to enable the ministries to submit their legislative policies to Cabinet. That was the first step.

The second identifiable step in the development of the legislative agenda involved policy development and approval by the ministry. Now with its agenda in perspective, each ministry submitted its policy to the Cabinet for approval and for the issuing of instructions for the preparation of legislation to the Attorney General's office.

The third step involved the preliminary drafting stage at the end of which there was a consideration by a sub-committee of the Cabinet—the Legislative Review Committee—and the fifth stage involves the transmission from the Legislative Review Committee back to Cabinet for its consideration of what would then be close to a final bill. The sixth and final step would be the transmission from the Cabinet to the House with respect to the various matters which are to form the legislative agenda.

I turn now to what is actually on the legislative agenda. Mr. Speaker, I shall be very brief this afternoon. It is important business, but it would place in context the

Legislative Agenda
[SEN. THE HON. J. JEREMIE]

Friday, September 17, 2004

Government Business for the rest of the year. So I crave the indulgence of my friends on the other side. I have arranged the items on the legislative agenda under separate heads, so that the first head that I propose to speak to speaks to regional and international obligations.

The goal of the Government here is to place Trinidad and Tobago at the centre of regional integration movement and to participate fully in the international organizations in which the country is a member. It is with that goal in mind that the legislation follow, so the various items with which we will deal in the coming year in furtherance of that goal shall be:

The Caribbean Court of Justice Bill

The Constitution (Amdt.) Bill (which seeks to replace the Privy Council)

The Caribbean Community Bill

The Caricom Costa Rica Bill

The Association of Caribbean States Headquarters Bill; and the

Terrorism Bill, which is being introduced pursuant to our international obligations as set out in the UN Security Council Resolution 1373 of 2001.

Mr. Speaker, with the execution among member states of Caricom of the revised Treaty of Chaguaramas, establishing the Caribbean Single Market and Economy, each member state is under an obligation to remove from its domestic laws provisions that may be interpreted as being restrictive or discriminatory against another member state in relation to trade and investment and various other matters.

Legislation in which restrictions at present appear include foreign investment, immigration, transport, services and tourism. The Government has established a special unit in the Ministry of Foreign Affairs to secure compliance by all ministries with the required removal of restrictions from the relevant pieces of legislation in obedience to our regional commitments pursuant to the revised treaty. That unit has identified the laws to be amended and ministries have evaluated the implications of those amendments on our domestic practice.

Cabinet now has before it those relevant proposals and we can expect in the coming year a series of statutes amending the Foreign Investment Act, the Companies Act, the Securities Industry Act, the Tourism Development Act and the Immigration Act. To this end, legislation would be presented to Parliament to deal with those areas of restrictions.

May I add that our obligations under the Caribbean Single Market and Economy would also include a totally new regime for consumer protection and safety for the benefit of the citizens of Trinidad and Tobago as a whole.

The second head that I propose to speak to is the head of justice and national security. The Government is very concerned about the criminal justice system and the administration of justice. It proposes in the coming year to improve its goal of improving the criminal justice system and the administration of justice generally by a number of specific enactments.

There are a number of important bills that would occupy us in the coming year that would seek to enhance and modernize the administration of justice: both civil and criminal. Among these bills would be the Bail (Amdt.) Bill, 2004; the Criminal Procedure (Amdt.) Bill, 2004; another amendment to the Summary Courts Act, 2004; Offences Against Persons (HIV/AIDS) (Amdt.) Bill, 2004; Offences Against Persons (Harassment) (Amdt.) Bill, 2004 and Miscellaneous Provisions (Administration of Justice) (Amdt.) Bill, 2004, as well as a carry-over—the Family Proceedings (Amdt.) Bill, 2004.

Some of the measures which would be addressed in those bills shall include the making of the offence of kidnapping a non-bailable offence, enabling judges to provide written directions to juries in complex matters, including complicated fraud matters; providing for the admissibility of written statements by a witness containing matters which are not in dispute; the simplification of certain evidentiary procedures, particularly in the area of dangerous drugs; the amendment of the limitation period from the usual six months to 12 months in relation to summary offences; the expansion of the right of appeal in certain defined instances to the Court of Appeal to both defendant and State in certain defined circumstances, and the clarification of rules of procedure in relation to evidence given by children.

I turn to the third head—the finance head. Mr. Speaker, the Government is committed to achieving major reforms in the financial sector in the current parliamentary term and a substantial number of bills have been included in the agenda to give effect to the policies of the Government, fiscal and otherwise. Among these bills are the Provisional Collection of Taxes Order, which is usual and which might be followed by a finance bill; the Revenue Stabilization Bill, which has recently been signed off on by the Cabinet; an amendment to the Home Mortgage Bank; the Tourism Development (Amdt.) Bill; the Venture Capital (Amdt.) Bill, which, unfortunately, lapsed during the last session and the Financial Obligations Regulations, 2004. I would like to spend some time on these particular items of legislation.

Legislative Agenda
[SEN. THE HON. J. JEREMIE]

Friday, September 17, 2004

In relation to the Provisional Collection of Taxes Order, there is an annual instrument, which Government utilizes to implement its fiscal policy, which may, if necessary, be followed by a finance bill.

The Revenue Stabilization Bill is something, which, for us, is new. It is proposed that the fund established by the Act would be a repository for the accumulated saving from petroleum taxation revenues, which exceed the annual budgeted benchmark. The fund would also be a repository for moneys earned by or arising from investments made in respect of such oil revenues. In the event of a deficit in the anticipated or budgeted petroleum revenues, withdrawals may be made from the fund and transferred to the Consolidated Fund. Of course, as we debate, other changes might be forthcoming.

The proposed amendment to the Home Mortgage Bank Act is intended to remodel the structure of the Bank to increase the number of directors and managers and the powers of those persons in charge of the bank to manage effectively the operations of the bank. We think that the bank has outgrown some of its original strictures. The effect of these amendments would be to improve the efficiency and competitiveness of the bank generally, thereby allowing it to have the necessary capital that would be needed to meet the Government's accelerated housing development initiative which, as you know, is largely an executive function. It is being circulated.

The Tourism Development Bill will strengthen the legislative framework of the Tourism Development Act as it relates to the granting of incentives. Its main purpose shall be to reinstate two benefits, that is, the capital allowance and capital expenditure and the accelerated depreciation on depreciable equipment, which is available under the repealed Hotel Development Act, Chap. 85:02. It would grant relief to the developers who qualified under the repealed Act, but who were excluded from the existing legislation.

Mr. Speaker, I need not dwell in too much detail tonight on the Venture Capital (Amdt.) Bill, which has occupied the attention of this House on another occasion, but the Financial Obligation Regulations are new and those regulations are intended to facilitate the effective implementation of the Proceeds of Crime Act, 2000. An obligation is being imposed under that Act on financial institutions and dealers in foreign exchange to maintain records and to report to the Central Bank at regular intervals on transactions above a specified limit.

In the area of trade, there are a number of legislative measures that will have a positive and enduring beneficial effect on the economy of Trinidad and Tobago.

Among these will be the Safeguard Measures Bill, which is being introduced pursuant to a WTO directive, the Anti-dumping and Countervailing Duties (Amdt.) Bill, the Fair Trading Bill, the Customs (Entry of Prohibited and Undeclared Vehicles) Bill and a Beverage Containers Bill, which is largely environmental in focus. [*Interruption*]

In the area of health, there are a number of pieces of legislation included in the annual legislative agenda, but much of what will occur in health shall be in terms of the delivery ministries. [*Interruption*] Mr. Speaker, will you help me; I can hardly hear myself. [*Interruption*]

Mr. Speaker: Order please! Order! Order! Hon. Members, please let us hear the hon. Attorney General in silence!

Sen. The Hon. J. Jeremie: Thank you, Mr. Speaker. When we do not produce an annual legislative agenda, there is complaint on the other side. When one is produced—and shall be circulated—there is a complaint on the other side. I am caught between a rock and a hard place.

Mr. Speaker: Please continue with your presentation.

Sen. The Hon. J. Jeremie: Mr. Speaker, in the area of health—[*Interruption*]

Mr. Speaker: Order, please!

Sen. The Hon. J. Jeremie: In the area of health, much of what will be done this year will involve executive action so that the legislation shall not be the mainstay of the activity of the Ministry of Health. However, on the agenda shall be the finalization of the Human Tissue Transplant Regulations, the Food and Drugs (Amdt.) Bill, 2004 and an amendment to the Pesticides and Toxic Chemicals Act.

Mr. Speaker, if you would allow me to continue above the din—this is a new place for me—there are very few items on the Government's annual legislative agenda for 2004/2005 which shall—I am the eternal optimist, but I expect that most of these items would encourage the support of the Opposition because they are so indisputably in the interest of the country.

What I have presented today is the basis of the annual legislative agenda so that the Government retains the right to legislate as the case may warrant, as circumstances develop. We have been trying to get away from the syndrome of legislation which is designed to fix particular problems. For example, if a dangerous dog happens to bite someone tomorrow morning, we are not going to rush to Parliament with legislation to deal with dangerous dogs. We have to study it. That is the purpose of a legislative agenda. It involves some thought in

Legislative Agenda
[SEN. THE HON. J. JEREMIE]

Friday, September 17, 2004

advance, but it gives us the flexibility to allow for the inclusion of items in the agenda as they come on.

I thank you.

To be printed as a House Paper.

ASSISTANCE TO CARICOM PARTNERS

The Prime Minister and Minister of Finance (Mr. Patrick Manning): Mr. Speaker, I am thankful for the opportunity to make, on the authority of the Cabinet, the following statement to this honourable House.

The Caricom Community is most important to Trinidad and Tobago. We are a major beneficiary of the Caricom integration process. Whilst we are the most buoyant economy in the Community and by far the most industrialized, we are also by far the largest exporter in intra-Caricom trade, accounting for approximately 80 per cent of exports within the Community.

We depend on the Caricom Market for our economic strength because Caricom is our second largest export market after the United States of America and it is here that our manufacturers have been able to hone their exporting skills and develop their competitive capability with which they are now targeting and penetrating extra-regional markets. It must be understood, therefore, that Caricom is a significant contributor to employment levels and the general prosperity of Trinidad and Tobago.

At the same time, Trinidad and Tobago is the largest market for regional Caricom exports and in recent years there has been a significant outflow of Trinidad and Tobago investments into Caricom destinations, as some of our leading companies find room for expansion beyond our shores. In other words, Mr. Speaker, the integration process gets deeper with every passing year and shall become irreversible in the soon-to-be-established Caricom Single Market and Economy.

Our future is therefore inextricably bound up with that of our regional family. This was the goal of both the Treaty of Chaguaramas and the Gran Anse Declaration, in both of which reside the wisdom that as small nations with essentially one history and belonging to the same neighbourhood, we need to integrate for greater individual and collective strength as we face the uncertainties of life. These uncertainties come from various quarters but there are two which the global community has had to face with increasing frequency within recent times. I refer to volatility in both the weather and in oil prices of which there is very telling evidence at present.

Some of our Caricom partners have already been hit by three major hurricanes this year and we are nowhere near the end of the season. The destruction has been truly terrible for Caricom, especially in Grenada and Jamaica, which I visited in the aftermath to bring comfort and solidarity from the people of Trinidad and Tobago to our Caricom brothers and sisters.

We are also fully aware of the plight of the Bahamas, St. Vincent and the Grenadines and Cuba, which, though not belonging to Caricom, has always been close to our Caribbean heart and with whom economic and technical co-operation is also of increasingly great benefit to Trinidad and Tobago. Indeed, Mr. Speaker, we are exporting more and more goods to Cuba and benefiting in growing measure from its assistance in health, sport and other fields.

The other area of global volatility is the price of oil, which, though fluctuating, has already reached almost US \$50 per barrel for Brent crude. Whilst oil-exporting nations stand to benefit in the short term from the increased prices of this most vital commodity, in the final analysis, all nations will be challenged by this situation which now threatens to dampen the present incipient global economic resurgence. The present prognosis is for sustained high prices resulting in increased demand and uncertainty of supply. Small developing countries like those in Caricom with essentially undiversified economies stand to experience the worst effects of escalating energy costs. How will they then continue to purchase at present levels the goods and services emanating from Trinidad and Tobago?

If our second largest market experiences diminished purchasing power, would we not automatically experience loss of earnings and increased unemployment? It is for these reasons, among others, that this Government is supporting the Caribbean Gas Pipeline Project, for which a feasibility study has been undertaken and, incidentally, concluded, and which is intended to assuage the effects of high-energy costs on our Caricom partners.

Mr. Speaker, Cabinet has examined the Caricom situation in light of these and other issues and has taken the following decisions:

- (1) A total of TT \$30 million would be provided to those countries which have suffered widespread damage as a result of Hurricanes Charley, Frances and Ivan and would be distributed in the following way:

Grenada	\$10 million
Jamaica	\$10 million
St. Vincent and the Grenadines	\$4 million

Assistance to Caricom Partners
[HON. P. MANNING]

Friday, September 17, 2004

The Bahamas	\$3 million; and
Cuba	\$3 million

- (2) We shall establish a grant facility to provide relief to Caricom States in light of persistently high prices for crude oil on the international market. This facility is to be utilized for poverty eradication in the region and will be administered by the Caribbean Development Bank under general guidelines to be determined by the Government of Trinidad and Tobago and disbursements to be determined by the Heads of Government of the Caribbean States in collaboration with the Caribbean Development Bank.

The facility will apply when the monthly average price of weighted Brent crude oil exceeds US \$30 per barrel, which is equivalent to the maximum of the target price range for the OPEC basket of goods—the equivalent OPEC price is US \$28. The effective date of the facility is July 01, 2004 and it will continue in effect for a period of one year subject to annual renewal.

The size of the facility is limited to TT \$300 million maximum in any one-year period. Deposits will be made to the fund for every month when the average price of weighted Brent crude oil for that month exceeds US \$30 per barrel. The amount to be deposited into the facility for every such month will be determined in accordance with an approved formula, whereby the total deposit in any month must not exceed TT \$25 million. The formula is a function of Petrotrin sales to Caricom countries in any given month. The sum of TT \$375 million will be provided in the 2005 estimates of expenditure to meet commitments to this Fund, retroactive to July 01, 2004. With these initiatives, Trinidad and Tobago demonstrates its fidelity to the founding principles of the Caribbean Community. I am absolutely certain these efforts will find unanimous approval in this honourable House and would be endorsed by all of Trinidad and Tobago.

Thank you.

FINANCE (SUPPLEMENTARY APPROPRIATION) (NO. 3) BILL

Bill to supplement the appropriation of the sum of the issue, which was authorized by the Appropriation Act, 2004. [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken later in the proceedings. [*Hon. K. Valley*]

Question put and agreed to.

Mr. Speaker: The hon. Member for Diego Martin West.

Mr. Singh: Under what heading?

Mr. Speaker: The Standing Orders provide that this matter could be raised at any time after question time, so I am allowing it to be raised now.

Mr. Singh: What matter?

Mr. Speaker: A motion by Dr. Keith Rowley.

TEA ROOM INCIDENT

The Minister of Housing (Hon. Dr. Keith Rowley): Mr. Speaker, today I sought and obtained your leave in accordance with Standing Order 27(2) to raise a matter directly concerning the privileges of the House at the sitting of the House to be held today, September 17, 2004. The matter concerns an incident, which took place while I was in the precincts of Parliament prior to the sitting held on Wednesday, September 15, 2004.

At or about 1.00 p.m. on that day, I was seated in the Members' Lounge in the company of the Members of Parliament for the constituencies of Oropouche, Couva South and Tobago West when the Member of Parliament for Fyzabad entered the lounge and joined the group. A conversation ensued—and maybe, Mr. Speaker, I should tell you what the conversation was about. It had to do with my raising with the Member of Parliament for Fyzabad—

Mrs. Persad-Bissessar: Mr. Speaker, on a point of order. The Speaker has granted leave on the basis of the document before him. I am not certain that the Member can go off into further matters. It is the letter of leave that has been granted. [*Interruption*] I will be guided by the hon. Speaker.

Mr. Speaker: Please continue!

Hon. Dr. K. Rowley: Mr. Speaker, I give you the assurance that I will stick to the text that you have approved.

During the conversation, the Member for Fyzabad accused me of being a racist in the performance of my duties as Minister of Housing. He repeated the accusation. [*Interruption*]

Mr. Speaker: Hon. Member for Couva South, I am appealing to you to let the Member make his presentation and do not accuse him of lying, please.

Hon. Dr. K. Rowley: He repeated the accusation more than once and further stated that the Government and political party to which I belong was inherently racist and perpetually practised racist policies. His tone of voice was loud and his language insulting and very abusive.

Tea Room Incident
[HON. DR. K. ROWLEY]

Friday, September 17, 2004

It is well established in the law of Parliament that it is a breach of privilege and contempt of the House to obstruct, insult—[*Interruption*]

Mr. Speaker: Order, please!

Hon. Dr. K. Rowley: —to obstruct, insult or molest a member while in the execution of his duties while he is attending the House or coming to or going from the House.

Mr. Speaker, May's *Parliamentary Practice, Twenty-second Edition*, page 121 states:

“It is a contempt to molest a Member of either House while attending the House or coming to or going from...”

This has been established as far back as the 18th Century where both Houses of Parliament roundly condemned assaulting, insulting or menacing behaviour against Members coming to or going from the House, seeking by force to influence them in their conduct in the Parliament.

Although I was undoubtedly gravely insulted and molested by threats and obscenities by the Member for Fyzabad prior to Wednesday's sitting, I resisted and would have continued to resist raising this unsavoury incident in the House if the offence had not been compounded by the subsequent plethora of false reports that have been fed to the electronic media and published in the newspaper about this incident. I view the continued repetition of these false allegations as a blatant attempt to tarnish my reputation and moreso to intimidate me in the performance of my duties as an elected Member of this House.

Mr. Speaker, page 285 of the *Fifth Edition* of the text, *Practice and Procedure of Parliament* by Kaul and Shakhder, which relates to both Houses of Parliament in India states:

“...insults offered to members on their way to or from the House have always been deemed high breaches of privilege. Similarly, to molest a member on account of his conduct in Parliament is a breach of Privilege.”

In the following instances Members and others have been punished for molesting Members, for harassment, for ill-treatment, assaulting Members within the precincts of the House or using insulting or abusive language against Members within the precincts of the House.

Mr. Speaker, parliamentary privileges are certain rights and immunities enjoyed by the House and its committees collectively as well as by Members of

Tea Room Incident

Friday, September 17, 2004

this House individually, which exist to safeguard the freedom, authority and dignity of our Parliament and to ensure that we as Members can perform our duties freely without hindrance. One such privilege or right is the freedom from intimidation and molestation as we go about our parliamentary business.

The Member for Fyzabad by his vile utterances verbally attacked and insulted me in the precincts of this Parliament in the most indecent and dishonourable manner. This can be nothing less than a breach of privilege. In addition, the conveying to the public of a false version of the incident by Members of this House has resulted in the denigration of this entire House and all hon. Members and has brought odium upon this honourable institution.

I therefore submit that this matter demands the attention of the House and I move that it be referred to the Committee of Privileges forthwith, for urgent and immediate action.

Mr. Speaker, as you will by now be aware, this unsavoury incident took place at approximately 1.00 p.m., before the sitting of the House on Wednesday, September 15, 2004. Arising from this incident, allegations of assault and beating resulting in physical injury and distress have been reported to the police. I have every confidence that the relevant authorities will ensure that full investigations are done and that all evidence relating to this incident will be gathered and secured for future use as necessary in the relevant quarters at the appropriate time.

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

Mr. Chandresh Sharma (Fyzabad): Thank you, Mr. Speaker, for granting me leave under Standing Order 27(2) to raise today, Friday, September 17, 2004, at the sitting of the House of Representatives, a matter concerning the privileges of House of Representatives.

On Wednesday, September 15, 2004 shortly after 1.00 p.m. and prior to the 1.30 p.m. sitting of the House, I was molested by way of assault and insulting and abusive language by the Member for Diego Martin West in the precincts of the House, namely the tea room.

On that day, the said Member used insulting and abusive language to me as well as struck me in the face and chest and threw several objects at me. I sought and received medical treatment at the Port of Spain General Hospital. [*Interruption*]

Mr. Speaker: Please! Hon. Member for Diego Martin East, the same rules that apply to the hon. Member for Couva South, apply to you.

2.15 p.m.

Mr. C. Sharma: Mr. Speaker, the medical report, which was issued by the attending doctor at the Port of Spain Hospital, and was sent to your office states that on September 15, 2004 I was examined at the Port of Spain General Hospital and the doctor found me to be suffering from the following injuries: sore tissue injury to face, chest and right hand. The doctor further went on to say that the injuries were probably inflicted with a blunt object with mild to moderate force.

Page 121 of the 29th edition of May's *Parliamentary Practice*, states:—
[*Interruption*]

Mr. Speaker: Hon. Member, I do not think we have a 29th edition of May's as yet. It could be the 23rd of 24th edition.

Mr. C. Sharma: I stand corrected. I am guided. I thought you had corrected this and sent it back. Page 121 states that:

“It is contempt to molest a Member of either House while attending the House or coming to or going from it and in the Eighteenth Century both Houses roundly condemned assaulting, insulting...Lords or Members going to or coming from the House... Members and others have been punished for such molestation occurring within the precincts of the House whether by assault, insulting or abusive language.”

In these circumstances, I submit that there are valid reasons to enquire into and punish the Member for Diego Martin West for having committed a breach of privilege and/or contempt of this House of Representatives. I therefore request that this matter be forwarded to the Committee of Privileges of the House of Representatives. I so move. [*Desk thumping*]

Mr. Speaker: Hon. Members, I have listened to the Motions of both the hon. Member for Diego Martin West and the hon. Member for Fyzabad and I will rule later on in the proceedings.

FINANCE COMMITTEE REPORT

(FIRST)

Adoption

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):

Mr. Speaker, I beg the move,

That this House adopt the Finance Committee Report which was laid on the Table at an earlier stage of the proceedings.

Mr. Speaker, the Government has been open and transparent in the management of the country's financial resources. In the 2004/2005 budget to be presented shortly and in the debate to follow, detailed accounts would be given on how financial allocations have been utilized. I am sure that the national community would be very impressed with the progress we have made over the last year.

There is not a single area of governmental activity, that the country has not moved forward as a result of careful and creative deployment of resources allocated by the Appropriation Act, 2004.

In recent times questions have been asked, sometimes with alarmist intent, about the state of the country's finances in the light of expected increased revenues from persistently high international prices for petroleum products. The Government has remained unruffled, knowing full well that at the right time all queries, sensational and sincere, will be handled with method and clarity.

In December 2003, the Executive Council of the Tobago House of Assembly (THA) agreed to acquire the Courland Estate to facilitate its housing development programme. Given the timing of that decision, no funds were provided in the Assembly's 2004 budget for this project. Accordingly, the Government proposes that supplementary funds be provided in the amount of \$90 million to the THA to facilitate the financing of the purchase of four parcels of land in Courland Estate, Tobago to continue the process of providing affordable housing for the citizens of this country.

Under the Petroleum Production Levy and Subsidy Act, Chap. 62:02, petroleum products subsidy is payable to marketing companies. This subsidy arises when the price that the marketing companies pay to purchase these products is more than what they collect in sale at the pumps.

Over the years, arrears of subsidy payment to the National Petroleum Marketing Company Limited (NP) have accumulated. As a result, NP has built up outstanding liabilities to Petrotrin for the purchase of petroleum products. It has now become urgent that this debt be settled so as to contribute to the financial viability of the state company. As at July 31, 2004 a sum of \$712,641,123 was owed to Petrotrin by NP. Through this supplemental allocation, we shall now settle this debt owed to Petrotrin by the National Petroleum Marketing Company. Petrotrin will now be in a better position to pursue its strategic objectives for the economic development of Trinidad and Tobago.

Mr. Speaker, Parliament will recall that the Interim Revenue Stabilization Fund was originally established in August 2000, with a balance of \$415 million to address the inherent volatility in oil prices and its impact on Government's fiscal position. The fund is the repository for the accumulative savings from petroleum taxation revenues above the established annual benchmark.

In 2001, an amount of \$600 million was added to the fund. In fiscal 2003, a further sum of \$497.4 million was transferred. The balance of that fund now stands at \$1.5 billion. In 2004, the Government intends to transfer \$1,263,222,890 to the Revenue Stabilization Fund. This would bring the total transfers to the fund at the end of this financial year to \$2,775,894,090. The total balance of the fund, inclusive of interest, would be approximately \$2.853 billion. We also intend to introduce and finalize the legislation for this fund by December of this year.

Our commitment to the people of this nation and to proper fiscal management has caused us to re-examine the approach to this fund. We have taken the position that in 2003, at the close of business, we should honour the principle of the fund, that is, to allocate 60 per cent of the excess revenue from oil and gas receipts to the fund. Our calculations at the finalization of the accounts for fiscal 2003, indicated that the amount for transfer to the fund, based on the final revenue numbers for that fiscal year, should have been \$973,402,930. It should be noted that an amount of \$497.4 million was transferred in fiscal 2003. We are now proposing to transfer an additional amount of \$476,002,930 to the fund. This will bring the total sum transferred, with respect to fiscal 2003, up to the proposed 60 per cent of the difference between the original estimated revenue from oil and gas and the final out-turn. We do what is right.

For fiscal 2004, the original estimated revenue from oil and gas was \$4,962,634,011. Largely because of sustained high prices, the latest revised estimate is \$5,405,940,000 resulting in projected excess revenue of \$443,305,989. Based on the present formula used to transfer excess revenue to the Interim Revenue Stabilization Fund, Government is required to transfer 60 per cent of the excess revenue to the fund. This would have resulted in a transfer of \$266 million. This is in respect of SPT, PPT and production sharing contracts.

In addition, we are also transferring an additional \$343,913,971, an amount equal to the amounts in excess of our budgeted amounts received from oil companies for royalties and other non-tax revenues. [*Thunder rolls*] I repeat, the full amount of excess revenue from oil and gas would be transferred to the fund, that is \$787,219,960. We are saving for a rainy day both metaphorically and

literally, given the kind of weather the Caribbean is experiencing—and we are experiencing right now.

Mr. Speaker, I would now like to spend a few minutes on the issue of petroleum pricing. In the current tax regime, the supplemental petroleum tax, profit tax and oil and production sharing contracts are the major sources of revenue from the oil industry. The production of natural gas is taxed as part of the profit tax. There is currently no SPT on natural gas. The Government also receives from the companies: royalties, unemployment levy, withholding taxes, excise duties and a small oil impost. The seemingly limited response of revenue collections to the sharp rise in spot oil prices during the year can be explained by several factors.

First, BPTT oil production, which fetched an average price of US \$31.06 per barrel for the fiscal year to date was 10 million barrels or 30 per cent less than budgeted. The resulting shortfall in this source was only partially offset by the increases in Petrotrin's production of 8 billion barrels which fetched an average price of US \$23.80 per barrel over the period.

Secondly, the current legislation, which was put in place during the period 1986—1990 when oil prices were low, provided oil companies with extraordinary flexibility in claiming expenses and investment allowances in order to stimulate exploration at that time. These expenses and allowances invariably increase when oil prices are high, reflecting increased investment activities by the companies. These investments were very significant this year and, as a result, the claims that arose from them were substantial and adversely affected revenues from oil companies.

For the last year, the Government has been discussing the change in the oil and gas tax regime and much more would be said on this in the next budget. As a result of these decisions, the Government expects a surplus of \$437.1 million at the end of the year. I have no doubt that those who ask will now know where the money has gone.

Thank you, Mr. Speaker. I beg to move. [*Desk thumping*]

Question proposed.

Mr. Gerald Yetming (*St. Joseph*): Mr. Speaker, first of all, I would like to record how happy we are on this side to know now that the legislation for the Revenue Stabilization Fund will come to the House before the end of this year. This has been long in coming. It is something that we have been asking for the last couple of years.

It is disappointing that the review of the taxation regime for oil and gas that had been promised from January 01, 2004 has not taken effect. The Minister in the Ministry of Finance did say that in the budget statement, something further would be said about it. We would have to wait until that time.

I could not follow some of the explanations provided by the Minister with respect to how the numbers were arrived at. I would just touch on it for a minute and maybe when we are closing the debate on this, some further explanation would be provided. I would simply make a comparison between 2003 and 2004.

In 2003, the projected revenues from the oil companies were \$2.7 billion and the eventual intake was \$4.3 billion for an excess of \$1.6 billion. You are saying that using the 60 per cent formula, \$973 million ought to have gone into the Revenue Stabilization Fund. Last year you put \$497 million in and you are topping this supplemental by a further \$476 million. That is fine.

In the notes we received in the Finance Committee, you stated that your estimate for oil revenues for this year would come in at \$7 billion. You stated that the estimated revenues which came in at budget time were \$6.2 billion for a surplus of \$787 million to be exact. Your intent is to put 100 per cent into the Revenue Stabilization Fund.

In the *Draft Estimates of Revenue* for 2004, on page 5, the oil companies' revenues were projected and estimated at \$4.962 billion. Using that figure, which is your budgeted figure, and using the revised estimate that you expect of \$7 billion, what we are dealing with is a surplus of \$2.050 billion. If we take 60 per cent of that, we would come up with \$1.23 billion, which should be going into the Revenue Stabilization Fund. You are putting \$1.26 billion. For 2004—

Hon. Enill: I thank the Member for giving way. The 4,962,634 compares with 5,405,940. What is recorded in the estimates is tax on income and profits, oil companies. What I have said is that in addition to that calculation for oil companies, I have also included in the calculation royalties and other non-tax revenue which includes the oil impost and the unemployment levy. The reason I have disaggregated it is because by law, unemployment levy and oil impost have specific applications within the law. What we have simply sought to do, at this point in time, was to do the calculation that says what is the total amount of additional revenue as it relates to the oil companies: the formula which we have been using. That would be the \$4,962,634,011. That compares with \$5,405,940,000. Sixty per cent of that would have been \$266 million. I said that we are not doing that. We are doing the whole differential, which is \$497 million.

I said that we have used the value equivalent to the increases between budgeted amounts for royalties, oil impost and unemployment levy. That increase, we have calculated and put into the fund as well.

Mr. G. Yetming: Yes, but is that the same formula you applied for 2003 when the estimated revenue was \$2.07 billion, as reflected in the estimated revenues? Your intake turned out to be \$4.3 billion for a surplus of \$1.6 billion. By your calculation, you are putting 60 per cent of that, which is why you are topping it up.

The point is, for 2003, your revenue intake from the oil companies was \$4.3 billion, utilizing a price of oil of \$25 and you are saying now that your revenue intake for 2004, using the same price of \$25 you are now bringing in \$7 billion. That is a difference of \$3 billion. It does not seem, comparing year over year, that for 2003, when your budgeted price was US \$25 and your eventual average price was approximately US \$28, for an increase of US \$3 billion, you were able to put \$973 million into the Revenue Stabilization Fund. For 2004, when your budgeted price was US \$25 and your eventual price was probably US \$31—US \$35 you are only putting approximately \$700,000,000. I had hoped that there would have been a clear statement. Probably the statement was clear. I was just missing half of what you were saying with all that was taking place. Maybe at the time of the closing of the debate the Minister could give us that further clarification.

[MR. DEPUTY SPEAKER *in the Chair*]

I think it is important for the national community because it has to make sense. They hear of US \$25 to an eventual US \$28 in 2003. They hear of US \$25 to almost US \$50. In one year the Government put \$973 million now they are putting \$700 million. At the end of the day, the fact is that you are putting the moneys in, however we arrive at the computation. You say you would put 100 per cent for the time being and it is something clearly that we are quite happy with. This has to be followed by the legislation. When that time comes we can debate on how it got in and how it came out and we will be quite happy. Thank you very much, Mr. Deputy Speaker.

Mr. Kelvin Ramnath (*Couva South*): Thank you very much, Mr. Deputy Speaker. I want to focus a little on the welcome decision of paying a debt owed to Petrotrin of \$712,000,000 which obviously accumulated over the last couple of years.

Mr. Deputy Speaker: For whom you worked.

Mr. K. Ramnath: I have to be careful. Mr. Deputy Speaker, I do not want you to provoke me.

Mr. Deputy Speaker: I am joking.

Mr. K. Ramnath: The last time I spoke in this House about Petrotrin I received a warning letter, threatening that further disciplinary action would be taken against me, so I want to be careful of what I say, to prevent having to go before the Privileges Committee, or taking anyone to the Privileges Committee for that matter.

Mr. Deputy Speaker, the issue here is that we provide a subsidy to motorists which represents the difference between the refinery gate price and the price at which the fuels are sold at the pump. For years, Petrotrin would be going to the Ministry of Finance and the Minister of Energy and Energy Industries asking that the Government would pay that amount of money which has been accumulated. The response has always been: "We will attempt to settle it." We are at a time when the Minister himself just admitted that there was a 30 per cent decrease in production by BPTT. I must say the average of US \$31.06 seem to be a little low at this point. I imagine when the accounts are settled we would see a much higher price for BP's oil. They are above the Brent by approximately US \$5. I am told by the expert Minister from Ortoire/Mayaro that it is US \$2. They have chosen, this year, to write off many of the expenses and allowances. Expenses and allowances incurred as a result of dry holes drilled and other allowable expenses. We have seen a reduction in the revenues compared to what we had expected to get.

I think we are all very happy that oil prices rose to a level that, as a country, we could benefit, particularly from a wasting asset. While our Caribbean neighbours have been undergoing great difficulty, with respect to high oil prices, we in Trinidad and Tobago have been enjoying very buoyant prices, as indicated by the Prime Minister in an earlier address. In fact, his figure was that oil prices rose to close to US \$50 per barrel.

We have continued to operate an industry based on good fortune and international events which have caused prices to rise for a very long time. When you owe an oil company like Petrotrin \$700 million you are in fact preventing such a company from innovation and the development of research and intellectual property development. You are saying to an oil company that is struggling—I do not understand why the consternation coming from an experienced oil man like the Prime Minister. The fact that you are able to average US \$23.8 per barrel over the last year, does not mean to say that you are struggling. You are not struggling. We run a refinery in which 40 per cent of the products generated from refining are sold at less than the crude: the raw material that goes into it. That is bad business. We need to ensure that there are sufficient funds available, so that that industry

can be expanded and upgraded. The last upgrade occurred and was initiated by the government of the NAR. At that time there was a visionary Minister of Energy, albeit for a short period.

Mrs. Persad-Bissessar: Yours truly.

Mr. K. Ramnath: Two months. We were able to convince the IDB to fund, for the first time, a project such as the upgrade of a refinery. It was a rather unique experience.

If oil prices were to drop to US \$28 per barrel, Petrotrin would break even, if not begin to lose money. I would like the Prime Minister who has very close contact with the company, being the Minister of Finance—I am sure that is the only basis for his close connection with Petrotrin—to get the facts straight. The breakeven point is US \$28 per barrel, given all the circumstances today. The Minister admitted that we have had a decline in land production as well. In fact, land production will decline by 2,000 barrels per day, over the next year. That will be compensated for by the increase in production in our offshore operations, which means that we would be no better off next year than we are today, in spite of the injection of capital into our drilling and exploration programme.

I am saying to the hon. Minister who introduced the legislation that the Government has to be more concerned about paying these bills on time to facilitate the company carrying out its medium and long term programmes. The Pointe-a-Pierre Refinery must be converted to the refining centre of the Caribbean. If you cannot upgrade that refinery, where almost 100 per cent of your crude can be converted into saleable, profitable products, you will go out of business.

I want to quote from an article dated August 27. This article was written by Stevenson Jacobs, Associated Press writer. It states:

“Caribbean countries, Venezuela Agree on Plan to Lower Region's Energy Costs.”

There is now an active movement in the Caribbean to work with Venezuela. I must say I welcome the facilities that have been announced today, which appear to be late in coming: the facilities granted for the eradication of poverty in the Caribbean. I do not know if that is the best way, but at least it is a step. This is out of Kingston, Jamaica. It continues:

“Energy officials from the Caribbean and Venezuela agreed Friday to create a new company that will provide cheaper oil in the region as a way to counter high crude prices.”

It is a long article.

“The new company, called PetroCaribe, was proposed by Venezuela to offset high oil prices by distributing crude and refined oil products to the Caribbean at lower prices than other dealers in the area.”

The other dealer in the area is Trinidad and Tobago’s Petrotrin. Our premium market for refined products from Trinidad and Tobago is the English-speaking Caribbean, the regional market. We have some income from the extra regional market and very low income from the international market. Here is a very bold initiative being taken by Venezuela. The article goes on:

“...countries...in this week’s talks were Antigua and Barbuda, the Bahamas, Barbados, Belize, Cuba, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia...Suriname and Trinidad and Tobago.”

Interestingly, we have not heard anything from Trinidad and Tobago with respect to this proposed initiative. I thought my friend, the Minister of Energy and Energy Industries, might have said something when this matter was first raised. It continues to be raised.

Mr. Deputy Speaker, you will recall, I do not know if you were like myself and the Members for Couva North and San Fernando East, Members of this House, when Prime Minister, Dr. Eric Williams, described such a move initiated by Venezuela as an attempt to re-colonize the Caribbean. You would recall that statement made by the former Prime Minister. If this takes root in the Caribbean, with the refining capacity of PDVSA in Curacao and the availability of special credit financing and pricing, we could very well face the possibility of losing a substantial portion of our market among the very people that we want to work with to establish this regional movement.

Today is a very interesting day in this House, apart from other matters which went before. I heard the Attorney General say that influencing this legislative agenda was our determination to ensure that Trinidad and Tobago becomes the centre of the Caribbean regional integration movement, if I may quote him. I heard the Prime Minister give a list of reasons why we should be pursuing the integration movement with greater vigour. He said we are a major beneficiary of trade, most buoyant economy, largest exporters, 80 per cent of our export goes to the Caribbean and so forth. He also said that we are the largest market for our Caribbean neighbours.

I consider this decision, to set up PetroCaribe as one which will have serious and deleterious effect on the relationship between Trinidad and Tobago and our

Caribbean neighbours. I am surprised that it took—I am not being uncharitable—the hurricane for us to begin to move with some haste to deal with extremely serious problems affecting our Caricom neighbours. They are not paying the US \$46 per barrel for oil. They are paying a lot more than that when oil prices go up to US \$46 per barrel. They are paying for products. We would have thought that there would have been—in fact this very Prime Minister has gone on record before, in a previous incarnation, of raising the issue of supporting the Caribbean through an oil facility. I do not recall the details. *[Interruption]* In the past. They have not done so. We have missed the opportunity to work with Jamaica. Mr. Chavez is now going to finance the revamping of Petrojam. In an article of September 13, it states:

“Venezuela to upgrade Petrojam

Petrojam, the state owned oil refinery is to be upgraded with the assistance of Venezuela under a programme initiated by the Spanish-speaking oil producer to assist its Caribbean neighbours.”

We could have bought all of the marketing arrangements and facilities owned by Petrojam. It was made available to Trinidad and Tobago. If we are going to be the leader of this integration movement, we must not appear to be leader only in times of hurricanes. We have to lead, not like Minister Montano, from the back. We have to lead from the front. We have lost an opportunity—I hope not; but based on this—to lead in the energy sector in the Caribbean by allowing Venezuela to take the initiative in the Caribbean. What are we going to do about Petrojam? We have had a very good working relationship with Petrojam. In fact, there have been mutual arrangements between Petrotrin and Petrojam for a number of years. I have met with officials from Petrojam. They have been crying to the high heavens for some kind of collaboration. We missed it completely. I do not know if the Prime Minister has more information than I have. We have missed it. If we have not missed it, I hope we will move expeditiously to ensure that that country, which consumes a large amount of petroleum products, does not go the way of the lure of Venezuela, as has been proposed.

Mr. Deputy Speaker, when we are talking about free trade in North America, if that were to take place within the next five years or so, it is quite possible that we could lose a substantial amount of the market for many reasons. One is that your quality of fuels has to be improved. If you have a refinery that does not have the support, so that it can expand to produce better quality fuels, as well as a larger per cent of saleable fuels at decent prices, you are going to find yourself in trouble.

3:00 p.m.

Mr. Deputy Speaker, do you know what is the solution proffered by this Government? The solution proffered was, they would look for a partner. That was not even a serious proposition. There is a lot of talk, on an ongoing basis, about looking for a partner. Employees are of the view that they are about to lose their jobs. Indeed, I hope it would not be like Caroni (1975) Limited where they got a callous Minister, or a Minister who callously and unilaterally decided, without any plan or programme, that he was going to bust the throats of persons employed in Caroni (1975) Limited.

The Government should find a way to fund the expansion of that refinery. In fact, the refinery needs no more than about \$6 billion to make it a major refinery. The other changes that are required, for instance, technology changes, could proceed on an incremental basis. But they have sat down and boasted about the revenues that are coming in because of Al Qaeda, Iraq and all kinds of international undesirable events, which have resulted in buoyant oil prices.

When oil prices go back down to \$25 a barrel, the industry would be in big trouble. We are not hearing any statement coming from the Government, with respect to what we must do as a country, to ensure that our main source of income is preserved at a level that would benefit all of us.

Do you know what has happened to oil production? BP's oil production has stumbled to about 50,000 barrels per day. We are so fortunate because of the wisdom of the United National Congress (UNC)—the vision of Mr. Finbar Gangar and the then Prime Minister—that we were able to ensure that exploration activities were fostered in the northeast coast. [*Desk thumping*] Sometime we would be receiving 80,000 barrels of oil per day. I think the Prime Minister has announced the date and time. I am sure that he would not take the credit for that decision. Because of the wisdom of the UNC's Cabinet, and the then Prime Minister, we were able to bring stranded gas to shore that remained in the north coast marine areas for over 20 years, and supply half a train to the Atlantic LNG plant in Point Fortin. That was done during the tenure of the then government, which had a vision for Trinidad and Tobago. [*Desk thumping*]

When the UNC took office in 1995, the natural gas proven reserves—using the National Gas Company (NGC) figures—were around 13 trillion cubic feet. When the UNC demitted office, the natural gas proven reserves were 20 trillion cubic feet. [*Desk thumping*] I am interested in finding out—when this Government took office over the last two or three years through certain means—what has been the

increase with respect to the natural gas proven reserves. The point I am making is that you have to plan for the future.

The Government cannot assume that oil prices would continue to rise, and they would continue to benefit from the increase in oil prices, while our Caribbean neighbours have to deal with disaster which they are faced with. We cannot continue to benefit from that market at their peril. I am not saying that the economy does not work in that way. I would leave that up to the experts.

The Government could give whatever grant they want for poverty eradication to our Caribbean neighbours, but I do not think that would deal with Mr. Chavez's initiative, to sell cheaper products to our English-speaking Caribbean neighbours. We have to find a way to ensure that this Caribbean integration movement—I hear about one history. I have a serious problem with this one history, one people and so forth. It is convenient to talk about one people and one history, when it is politically expedient. There are societies divided in the Caribbean. I would talk about that matter on another occasion. I find it more comfortable to speak about these issues in public, rather than in a Chamber where I have parliamentary privileges.

What do we do? We were promised changes in legislation. This Government should have removed the Supplemental Petroleum Tax (SPT) on all land production, more than a year ago. The Prime Minister knows better. The Prime Minister knows that as far as land production is concerned, we do not have wells producing more than 30 or 40 barrels per day. In fact, the average production is closer to about 10 barrels per day.

There are companies that have taken up the challenge thrown out by successive governments to invest in low producing wells—two, three, four or five barrels a day—and these companies have to pay SPT, when they do not have money coming from production to even drill a replacement well. The Government is stifling the initiative of local entrepreneurs, and it is paying a lot of lip-service to poverty eradication, small businesses and so forth.

There is urgent need to reform the royalty for gas since we are exporting in large volumes. It is not sufficient to say that we are going to give them a tranche to compensate them for the loss in royalties. What is preventing a Bill from coming before this House to deal with the issue of royalty of wasting assets, and one which would be welcomed by the Metropolitan cities in North America and Europe? We are hoping that in the Government's legislative agenda, we would see the introduction of that kind of legislation for sustainability. I have very little confidence that we would see much of that.

Only a few days ago, Curtis Williams said in the *Business Express*, that state-owned Petrotrin has told the Government that it could budget for an increase in crude production from Trinmar, or another 4,000 barrel of oil, according to the company's President, Wayne Bertrand. Bertrand said that Trinmar production was expected to move from its current 36,000 barrel per day to 40,000 barrels per day. However, he added that it would not mean an overall rise in the company's production, which is expected to remain at 60,000 barrels per day. So, in spite of a huge capital injection, all we are doing is maintaining the level. There is nothing wrong with that, but we must go beyond that. We could go beyond that if we make use of the entrepreneurial skills of the private sector.

The Prime Minister knows the company called Wells Services very well, which is led by Mr. Charlie Brash, who is well known. The phenomenal increase in production—this is as a result of the injection of a lot of money by that company in areas hitherto—was regarded as abandoned oil fields.

The Member for Ortoire/Mayaro knows about that matter because he worked for a small private company. [*Interruption*] I do not think he was fired; I think he retired. I would like to warn the Member to be careful of the tea room. We may have to put some yellow tape there. [*Laughter*] The progress made by that company, although it was slow, nevertheless, it was progress with respect to the whole issue of private sector involvement at a small level. No incentives are being given to these small companies. We are fighting to simply retain the level of production, or the production at the current level, and we feel that we have made enormous strides and progress because somebody causes international prices to go up.

Mr. Deputy Speaker, if the Government could be so uncharitable to a company it owns—by not paying the \$700 million owed to Petrotrin—one cannot expect any serious initiative to upgrade and expand refinery operations. Nothing has taken place since the last upgrade of the refinery. That is well known to my friend, the Member for St. Augustine, who played an important role in that expansion project. We are likely to be without a refinery in this country if we do not move expeditiously to upgrade what we have. We are likely to be at Venezuela's doorsteps asking for credit facilities to buy petroleum products from neighbouring South American companies.

What gets me is that every time someone from the other side speaks in this Parliament, we hear about this Caribbean integration movement. When the truth is told, we would hear the kinds of comments that would be coming from the Caribbean leaders about their brothers, the Arabs of the South, led by the Member for San Fernando East. I want to encourage the Government to stop dreaming

about this Caribbean pipeline project. It would never happen in my lifetime, or in the lifetime of Members opposite. The Government should be talking instead about how to maximize our productivity; how to get more production on stream; and how to encourage greater exploration.

The Prime Minister stood in this Parliament and said that Exxon had fulfilled its financial obligation with respect to exploration activities, although Exxon did not fulfill its exploration obligation. He also said that the Ministry of Energy and Energy Industries was working closely with Exxon to ensure that Exxon plays a role in Petrotrin's operation at Trinmar, so that we could explore the deeper horizons in the Soldado area. He was quick to defend the Government's position, when officials from the Ministry said that Exxon had not fulfilled its obligation under the contract. I trust that the Prime Minister would tell us one day about that matter. I know that he would not lie to this Parliament. All I could say is that I have not heard a word about the proposal to have Exxon work with Trinmar in some contractual arrangement, so that we could explore the deeper horizons in Soldado.

[MR. SPEAKER *in the Chair*]

On the Prime Minister's arrival, I think a press conference was hurriedly called at Piarco International Airport, when certain elements within the board of Petrotrin and elsewhere, were being advised by certain people from the Ministry of Energy and Energy Industries to say the wrong things. I think that matter resulted in some persons being fired from the board. I know the Prime Minister was quick to announce that serious efforts were on the way to deal with this issue.

Mr. Williams: Would the Member please give way?

Mr. K. Ramnath: I am sorry for not looking.

Mr. Williams: At this moment, the reinterpretation of the existing data is on the way in a project team which involves Petrotrin, the Ministry of Energy and Energy Industries and Exxon personnel. In addition, a 3-D seismic survey is being acquired over the north marine area in the Gulf of Paria, which would be integrated with the 3-D seismic data in the Trinmar area, to conduct the exploration activities that we spoke about.

Mr. K. Ramnath: I know of the activities, Sir, but I am asking a simple question. What are the contractual arrangements? That is what I am asking. We could hire just about anyone to do seismic interpretation or reprocessing; we could hire any company to do a number of things, including seismology and so forth.

Mr. Williams: I have put it on the record of this House that coming out of these studies, there is a minimum of five wells to be drilled, and Petrotrin would be the operator and the wells would be funded by Exxon. That is in the record of the Parliament.

Mr. K. Ramnath: Mr. Speaker, it appears that we have to take a Motion, as the one that we are debating today to pay subsidies, to get this kind of information. I presume that the Minister is saying that there is a working arrangement with Exxon and a contract has been signed. All I am asking is whether that arrangement with Exxon has anything to do with the fulfilment, or lack of fulfilment, of the work obligations on the east coast.

We need to tell the country about these matters. The Government has a Minister of Energy and Energy Industries who needs to tell the country what is happening. I do not know if the Minister has appointed Prof. Julien to speak on his behalf, with respect to some company called Evolving TecKnologies and Enterprises Development Limited (eTecK) and so forth, and whether the energy sub-committee of Cabinet runs the Ministry of Energy and Energy Industries, or whether the Minister has any say, or whether the Minister caused the removal of his Permanent Secretary, or the Permanent Secretary was summarily removed by the Prime Minister. You see, I am hearing about all of these matters. As a Member of Parliament, I am confused; far less what is going to happen outside there with people who are concerned about the oil sector.

Mr. Speaker, I raised this matter because I am concerned about the declining production of the current producing horizons in the country. I feel confident that with an aggressive policy on energy, we could increase our present level of production. The focus of the Government was always on public relations. I want to reiterate that we should be in a position to pay this subsidy to Petrotrin on a more frequent basis, to allow Petrotrin the cash to carry out its operation. I am sure that the Prime Minister is aware of the burden of financing the cash flow of a company of that size. That results from the failure of the State to pay the money that is owed to the company when it sells petroleum to National Petroleum Marketing Company.

I also think that it is about time that we look at the usefulness of the National Petroleum Marketing Company (NPMC). I have had the opportunity to be with that organization and it is a hopeless organization. That organization is archaic and antediluvian and it has outlived its usefulness. We could provide the same level and better level of service to the motoring public, by simply putting to rest a state-owned company that is a burden on the taxpayers. We have been hearing talks

about an avjet fuel line from Pointe-a-Pierre to Piarco; instead of trucking. It is cheaper for these aircraft to refuel in Barbados than at Piarco at this time.

Mr. Williams: No, it is not.

Mr. K. Ramnath: It is cheaper! That is why they chose to refuel there. We could be a major refuelling centre for traffic coming out of Africa to the United States of America, if we were to have a more efficient refuelling arrangement at Piarco.

Mr. Williams: It is not cheaper.

Mr. K. Ramnath: In this day and age, in a small island like Trinidad, with a multiplicity of pipelines and so forth, we are unable to come forward with a proposal to construct a pipeline to pump avjet fuel from Pointe-a-Pierre to Piarco, which is probably not even 20 miles. One would expect the Minister of Energy and Energy Industries to make a statement in the Parliament with respect to these matters; one would expect him to make a statement during the budget debate; and one would expect him to make a statement when he goes to the opening of these methanol and ammonia plants and so forth, about some positive things that the Government is doing. Instead, we have to truck avjet fuel from Pointe-a-Pierre, on behalf of NPMC into Piarco, which makes the cost of the fuel extremely high. *[Interruption]* Do you want to respond? What I am saying is the truth. I would leave much of what I have to say about energy matters for the budget debate, and I would deal with the Caribbean pipeline.

Mr. Speaker, the Venezuelan initiative worries me. I think we need to do much more than fund a poverty eradication programme in the Caribbean. We should set guidelines for the fund operated by the Caribbean Development Bank (CDB) and so forth. We need to do something differently; we need to arrange some kind of credit financing for petroleum products for those islands. The formula could be worked out by the experts. We must show that we are taking the lead in the Caribbean, in the area of energy. If we are only talking about poverty eradication, I do not think that the message would get to those islands. I think we should be talking about how we are going to deal with the energy needs of those countries and how we are going to assist those countries.

His Excellency the President delivered an Address to this nation and he talked about poverty eradication in this country. He also talked about the major gap that exists between the rich and the poor. I am quite sure that the paper which would be published with respect to his Address to the Parliament would have some relevance at the appropriate time.

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

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

Question put and agreed to.

Mr. K. Ramnath: Thank you very much, Mr. Speaker. The interest shown in PetroCaribe is demonstrated by the number of times leaders have been speaking about the issue. On September 10, 2004 it was reported that countries in the Caribbean are hurting from high cost of imported energy and they are banking on the new entity, PetroCaribe, which proposes to offer oil at cheaper prices—the brainchild of Venezuela President, Hugo Chavez. PetroCaribe has also received approval from a number of countries that attended a meeting last month in Jamaica to discuss the proposal.

Where are we with respect to this initiative? That is the question I wish to emphasize today. I would like to hear from the Prime Minister, or the Minister of Energy and Energy Industries, how the Government intends to deal with this most serious problem. In spite of their agenda, they know very well that much of their Caribbean initiatives would not see the light of day. Those matters are not going to create meaningful Caribbean integration. For me, I would put my neck on a block in a court in Britain than in a court in the West Indies. My position is very clear. I cannot go against the party's position otherwise I would face the prospect of some disciplinary action, if the party were to think otherwise. [*Interruption*] Do not be too anxious, we would tell you at the appropriate time.

The people in St. Vincent, Grenada, Barbados and Cuba are not involved in this matter. They have no interest in these institutions when their burning concern is their survival. They are already poor and made worse off, almost destitute, by the ravages of this recent set of events. They want some structural changes in their economies and environment and so forth.

This Government has failed to lead the people of the Caribbean; this Government depends on an adviser, who comes from a banana republic in St. Vincent—they do not even have banana now in that country—and tells us what we should do in Trinidad and Tobago. That adviser is here every Monday morning advising on unitary statehood. This Government must take the initiative otherwise it would lose the opportunity that Trinidad and Tobago has to take the leading role in the Caribbean. Whilst they are talking about Caribbean pipeline, Chavez would have re-colonized the English-speaking Caribbean, and other

countries that the Prime Minister is so fond of, because of the progress that those countries have made. [*Desk thumping*]

For whatever it is worth, I want to advise the Government that they should seriously look at this initiative; they should support developing Trinidad and Tobago as the refining centre of the Caribbean with a modern refinery; they should look at the operators in the industry and give them the incentives to continue in secondary recovery, by providing them with opportunities—the tax regime—that would allow them to develop their small fields that would create more employment for the people of Trinidad and Tobago, rather than to celebrate a debt that it would be paying to Petrotrin, which accumulated over the last three years, and which has been denied to that company, resulting in its inability to carry out its programmes.

I hope that we would hear from the Government at the appropriate time, a comprehensive statement on energy, rather than these airy-fairy statements about Caribbean pipeline to Guadeloupe and so forth.

Thank you very much. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, the answer to the Member for Couva South, as it relates to Petrotrin and the whole question of assistance to keep Petrotrin whole, is being dealt with and would be implemented, so that this particular issue—in the manner in which it has arisen—would not be a feature of the future.

Insofar as the Member for St. Joseph is concerned, the tax on income and profits that the Member referred to, as it relates to the 2003 numbers, went something like this: The original estimate for oil companies was \$2.7 billion, and that ended at \$4.3 billion. However, if I were to take a computation and include property tax and other non-tax revenue, that original estimate would have gone to \$3.6 billion, and the actual out-turn, \$5.7 billion. The Revenue Stabilization Fund simply deals with revenues from oil companies and, therefore, the sum of \$1.6 billion was as a consequence of the difference between \$4.3 billion and \$2.7 billion.

Insofar as this year is concerned, if you take \$4,962,634, the appropriate increase has to do with \$5,405,940. That is the comparison. In a real sense, on the oil companies' revenue of which supplementary petroleum tax (SPT), petroleum profits tax (PPT) and public sharing contract (PSC) are in the computation, the differential there is about \$443 million. Now, why is that so? That is so as a consequence of lower production and higher opex and capex. The net revenue at this point in time is equal to that.

Finance Committee Report
[SEN. THE HON. C. ENILL]

Friday, September 17, 2004

If we did the same calculation—that is to say, if oil companies add royalties and other non-tax revenues—if you take the difference between the original estimate and the revised estimate, you would get a figure of \$787 million, and we have decided to fund 100 per cent of that figure for this particular year.

Mr. Speaker, I hope that clarifies that position, and in the course of the budget debate, I am sure that a lot more of these matters would be dealt with. On that note, I beg to move.

Question put and agreed to.

Resolved:

That this House adopt the First Report of the 2004/2005 Session of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on the proposals for the supplementation and variation of the 2004 appropriation.

FINANCE (SUPPLEMENTARY APPROPRIATION) (NO. 3) BILL

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

That a Bill to supplement the appropriation of the sum of the issue which was authorized by the Appropriation Act, 2004, 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.

RULING ON MATTER OF PRIVILEGE

Mr. Speaker: Hon. Members, earlier on in the proceedings, both the Member for Diego Martin West and the Member for Fyzabad raised two issues in the House. I shall now give my ruling with respect to both matters.

Hon. Members, the success and effectiveness of any institution are dependent upon that institution being able to function in an orderly manner and the extent to which it adheres to standards of discipline, dignity and decorum. This is all the more relevant when one is referring to the parliamentary institution which embodies the will of the people and is entrusted with the responsibility of safeguarding the nation's democracy.

The facts before me are that an altercation took place in the Members' Lounge of this Parliament, prior to the sitting of Wednesday, September 15, 2004, which allegedly involved the use of abusive and obscene language, physical assault and the damage of dining room tableware.

Legislatures in many countries are not immune to disorders and disturbances. Fistfights and boisterous scenes in many representative institutions abroad are not uncommon. On many occasions, police intervention has been sought to control the unruly and violent behaviour of members. This, happily, has never occurred, and I hope will never transpire in this honourable House.

Within recent times, the use of unparliamentary expressions, disorderly conduct, and more than acceptable crosstalk and tumultuous debates have recurred with disturbing regularity in this House, so much so that Parliament is now perceived as too confrontational, and there are concerns in the wider society of falling standards of propriety by Members of this House.

In the United Kingdom in 1994, a committee set up to consider standards of behaviour by Members of Parliament recommended and I quote:

“Members shall at all times conduct themselves in a manner which will tend to maintain and strengthen the public's trust and confidence in the integrity of Parliament and never undertake any action which would bring the House or its Members generally into disrepute.”

Hon. Members, privilege may be regarded as a group of rights or rules that are designed to enable the Legislature to function properly. The constitution of a breach of privilege requires one of a number of things such as the molestation, or threatening of a Member, or blackmailing or frustration of a Member in one of a number of ways that impair the Member's freedom of speech and action, and hence the proper carrying out of the Member's duties, or the holding up of the Member to public ridicule, to such a degree so as to impair the performance of the Member's or the House's duties. Parliamentary privilege exists to protect the integrity of the House and the parliamentary process.

Hon. Members, the powers, privileges and immunities of this House, have, in part, been codified and may be found in the House of Representatives (Powers and Privileges) Act, Chap. 2:02. Others are to be found in the Practice and Usage of the House of Commons in the United Kingdom. I have turned to these two sources to determine whether the matters, which the Members for Diego Martin West and Fyzabad have brought before me, are indeed ones which require the attention of the responsible Committee of this House.

Ruling on Matter of Privilege
[MR. SPEAKER]

Friday, September 17, 2004

The precincts of Parliament are those areas which are under the Speaker's control and administration on behalf of the House. The law of Parliament states that persons who obstruct or insult or otherwise endeavour to prevent Members going about their duties in the precincts of Parliament or when going to or departing the House may be held to be in contempt of Parliament. And, indeed, insults offered to Members on their way to or from the House have always been deemed high breaches of privilege. Such insults could emanate from strangers but may also originate from the lips of Members themselves. This is why Speakers, including this Speaker, have repeatedly warned Members not to allow banter in the Chamber to get out of hand.

The issue of an alleged physical assault is however a completely different matter, and one which may properly be the preserve of the criminal law of the State. Notwithstanding this, for a Member to be physically assaulted while on his way to attend a sitting of the House is a flagrant contempt of this House.

I now turn to the question of whether the matters complained of should validly fall to be investigated by the Committee of Privileges of this House.

Hon. Members would therefore agree that parliamentary privilege is concerned with protecting the integrity of the House. We need to bear in mind that outside their strict parliamentary duties, Members are in the same position as any other citizen and are not protected by parliamentary privilege, though they may have other legal protections on which they can rely. Members engage in public debate on public issues outside Parliament—this is right and proper—but such discourses do not attract the protection of parliamentary privilege, unless they fall within the narrow range of possible scenarios which can negatively affect the parliamentary process.

The privilege against molestation or assault is available to a Member only when he is obstructed, or in any way molested while discharging his duties as Member of Parliament. In cases where Members were assaulted while they were not performing any parliamentary duty, it was held that no such breach of privilege or contempt of the House had been committed.

Therefore, in determining whether there is a prima facie breach of privilege, the Speaker must differentiate between actions, which directly affect Members in the performance of their duties, and actions which affect Members but do not directly relate to the performance of their functions.

The fact that the alleged incident took place in the precincts of this Parliament and, indeed, in the Members' Lounge, prior to a sitting of this House, in my mind,

places it within the jurisdiction of this House. Moreover, having regard to the publicity that this matter has generated and its potential to bring the House and all Members into public ridicule, and erode the dignity of this honourable House and its Members, I find it difficult to dismiss it as not worthy of the attention of this honourable House.

Members of this august House should not lose sight of the fact that as Members, we are expected to set the pre-eminent example for the wider society, which takes a cue from its leaders. This is especially important and most urgent in the context of the breakdown in the social order, the polarization of the two major ethnic groups and the brutality which is permeating so many layers of our society. Members of Parliament should seek to unite the country for the greater good of all, rather than to divide it for some unknown, ill-conceived and misplaced objective.

I therefore rule that, prima facie, a case of breach of privilege has been made out in both cases and refer these matters to the Committee of Privileges for full investigation and report. I so rule.

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 Friday October 01, 2004 at 1.30 p.m. I want to inform Members opposite, that on that day the Government plans to debate, through all its stages, the Caroni (1975) Limited Vesting Bill which is on the Order Paper.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 3.45 p.m.