

Leave of Absence

Friday, July 15, 2005

HOUSE OF REPRESENTATIVES

Friday, July 15, 2005

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 Caroni Central (Dr. H. Rafeeq), requesting leave of absence from sittings of the House for the period July 15, 2005 to July 31, 2005. The leave which the Member seeks is granted.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Arima Corporation for the period of account January 01, 1998 to September 30, 1998. [*The Minister of Works and Transport (Hon. Colm Imbert)*]

To be referred to the Public Accounts Committee.

2. Annual audited financial statements of First Citizens Bank Limited and its subsidiaries for the financial year ended September 30, 2004. [*Hon. C. Imbert*]
3. Annual audited financial statements of the First Citizens Trust and Asset Management Limited for the financial year ended September 30, 2004. [*Hon. C. Imbert*]

Papers 2 and 3 to be referred to the Public Accounts (Enterprises) Committee.

4. The Summary Courts (Service of Summons) (Family Court) Order, 2005. [*Hon. C. Imbert*]

ORAL ANSWERS TO QUESTIONS

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, there are two questions for oral answer on the Order Paper and I would seek the leave of the House to defer these matters to the next sitting of the Parliament and to give the undertaking that these questions will be answered at the next sitting.

Mr. Speaker: I must remind you that a similar undertaking was given by the hon. Leader of the House. I hope your undertaking will be fulfilled.

Hon. C. Imbert: Certainly.

The following questions stood on the Order Paper:

**List of Projects and Programmes
(Details of)**

17. Could the hon. Attorney General provide this House with a list of all projects and programmes involving state enterprises, statutory authorities and other state institutions in which parliamentarians have been engaged by the State, as well as the amount of moneys paid for their services since January 2002 to the present time? [*Dr. A. Nanan*]

**Jerningham Junction Community Centre
(Commencement of)**

33. Could the hon. Minister of Community Development, Culture and Gender Affairs inform this House when construction of the Jerningham Junction Community Centre would commence? [*Mr. M. Ramsaran*]

Questions, by leave, deferred.

**DEFINITE URGENT MATTER
(LEAVE)**

**Bombing Incident
(Port of Spain)**

Mr. Ganga Singh (*Caroni East*): Mr. Speaker, in accordance with Standing Order 12 of the House of Representatives, I hereby seek your leave to move the adjournment of the House for the purpose of discussing the following matter of urgent public importance, namely, the horrific bombing incident in Port of Spain on Monday, July 11, 2005.

The matter is definite since it points to a specific act of criminal cruelty in the heart of the capital city of Port of Spain.

The matter is urgent because the detonation of the bomb on Monday, July 11, 2005 gravely injured several persons and gave rise to damage, destruction and disruption.

The matter is of public importance because the bombing on Monday represents a new threat and danger to the safety of the citizens of Trinidad and Tobago and the security of the State.

Further, there is widespread fear of a recurrence of an event of this nature.

Mr. Speaker: Hon. Members, I have considered the Motion moved by the hon. Member for Caroni East and, in my opinion, it qualifies to be discussed under Standing Order 12. Is it the wish of the House to discuss this matter?

Assent indicated.

Mr. Speaker: This matter will be stood down to 6.00 p.m. [*Desk thumping*]

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

Mr. Speaker, despite prevailing uncertainties in the global arena, the Trinidad and Tobago economy continues to register strong positive growth with real gross domestic product (GDP) at closer to 7 per cent in 2004, accompanied by a subdued core inflation of 1.63 per cent and a further strengthening of the balance of payments. Amid these buoyant economic conditions, the financial sector also registered significant growth and continued rapid transformation. Notwithstanding this very encouraging trend, the major challenge for the Government lies in ensuring there is social equity and robust expansion in the non-energy sector, which grew by a mere 2.9 per cent in 2004. The key medium-term objectives for the period 2005 to 2007 include:

- promoting an equitable society by working relentlessly towards the eradication of poverty and reducing imbalances in the society;
- developing our human resources with a view to producing a competent, productive and knowledgeable workforce; and
- sustaining robust economic growth by pursuing sound macro-economic management and targeting key economic sectors towards higher value-added activities.

Mr. Speaker, the Bill that is currently before this House represents just one of Government's strategies in the attainment of its objectives. The legislative provisions contained in this Bill seek to give effect to measures which were announced by the Prime Minister in his budget presentation for the fiscal year ending September 30, 2005.

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The philosophy behind several of the measures contained in the Bill before you has been dealt with extensively during the budget debate and I will not repeat what has already been said in October of last year. I will nevertheless make reference to these measures insofar as they impact on our legislation framework. There are other fiscal measures, in particular the petroleum taxation measures, which are new to this House and I will consider these in greater detail.

Mr. Speaker, we propose in summary to achieve the following: As it relates to the National Lotteries Control Board (NLCB) we propose to amend the law to allow the board to apply its revenue towards the acquisition of property.

Insofar as pensions are concerned, we propose to amend the Old Age Pensions Act to increase the monthly pension as agreed in the budget.

Insofar as disability is concerned, we propose to amend the Public Assistance Act to increase the disability assistance grant.

Insofar as income tax is concerned, we propose to amend the Income Tax Act to increase the basic personal allowance to give relief to low income taxpayers.

To include in the revenue receipts two categories of persons who have been excluded from the payment of taxes. One is in relation to private institutions and the other to the employees of charities.

To exempt from the business levy, the gross sales of receipts of an approved small company.

Under the Corporation Tax Act, we intend to make it clear that corporate citizens could make one-year Deeds of Covenant.

We expect to amend the Second Schedule so that members of the public travelling abroad would be allowed an exemption for customs purposes to the tune of \$3,000.

We also propose to amend the Securities Industries Act to approve two additional commissioners. The Pension Act to make the holders of certain offices in the education system allowances definable for pension purposes.

We propose to transfer the assets of the liabilities and assets of the Dollar for Dollar Fund to the GATE programme.

Mr. Speaker, of course, we propose the revision of the petroleum taxation regime because it is being structured in nine key areas.

Mr. Speaker, because of the weight and the nature of the amendments, I will now examine the Bill clause by clause.

Clause 1 of the Bill which cites the Short Title of the Bill is self-explanatory and needs no further explanation.

Clause 2 of the Bill will amend the National Lotteries Act. The National Lotteries Control Board (NLCB) has developed new strategies in order to maintain a competitive edge. These include the housing of specific operations under one roof to accommodate the studio and storage facilities which are currently outsourced. These plans take into consideration global trends and anticipate the national as well as sectoral development plans.

In this regard, several new games will be introduced that have proven to be an attraction to tourists. These games will help to improve our tourist industry which has an important role to play in Government's plan for the development of the non-oil sector. Underpinning all of this is the need for the NLCB to conduct its operations in a physical environment that is commensurate with its expanding activities.

Mr. Speaker, the present location of the NLCB simply cannot meet the demands of its growth and vision. The board has identified an appropriate property which is suitable for its operations and the efficient conduct of its business.

However, a review of the existing legislation governing the NLCB reveals that the Board does not have the legislative support to allow it to use its revenues towards the acquisition of suitable accommodation. As a body created by statute, the NLCB is vested with certain powers stipulated in its enabling legislation and cannot assume unto itself powers which it may not have. Mr. Speaker, whilst it is recognized that, as a body corporate, the NLCB has certain inherent powers under section 37 of the Interpretation Act, including the power to acquire and dispose of real and personal property, section 21 of the National Lotteries Act restricts the use of its revenue.

As currently formulated, section 21(1) of the National Lotteries Act specifically states that the revenue of the board shall be applied in defraying the following charges:

- the payment of prize money;
- the remuneration, fees and allowances of any committee of the board;

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- the salaries, fees, remuneration and gratuities of employees of the board; and
- working operations.

Any balance of revenue remaining after defraying the specific charges identified in section 21 is to be paid into the Consolidated Fund.

Therefore, in the absence of clear authorization under section 21 to apply its revenue towards the acquisition of property, it appears that the board cannot invoke its residual powers under the Interpretation Act to acquire such property. This has the effect of denying the NLCB an opportunity to implement strategic decisions that can enhance its overall development.

To this end, clause 2(c) of the Bill seeks to empower the NLCB to apply its revenue towards the acquisition and enjoyment of real and personal property for the purposes of the board.

Clause 2(a) of the Bill also seeks to amend section 9 of the National Lotteries Act to fill a lacuna in the law by enabling the NLCB to exercise powers that are incidental or conducive to the attainment of its objects.

Clause 2(b) will also create a new section 20A to specifically enable the board to acquire and hold property while also permitting the disposal of property which is no longer required for the purposes of the board.

I will now turn to clauses 3 and 4 of the Bill. These clauses would amend the Old Age Pensions Act by increasing the monthly and basic old age pensions to \$1,150 and \$1,050 respectively. Prior to October 08, 2004 when the budget was presented, the Old Age Pensions Board paid \$1,000 to persons 65 years of age and whose monthly income did not exceed \$100. Persons with an income of \$101 to \$1,000 per month received an old age pension of \$900.

Under the Old Age Pensions Act, there is a distinction between the “monthly pension” and the “basic pension” paid to recipients of the old age pension. The income qualification for both the basic and monthly pensions will be adjusted as follows:

- a person whose income exceeds \$100 per month but does not exceed \$1,000 per month will now be paid a basic pension. No old age pension will be paid where the income of a person exceeds \$1,000. The basic pension has been increased to \$1,050; and

- a person whose income is less than \$100 per month is now paid a monthly pension of \$1,150.

In order to protect the Old Age Pensions Board, it is necessary to include a validation provision covering payments of the increased monthly and basic pensions which were authorized by the board with effect from October 01, 2004.

In relation to clauses 5 and 6 of the Bill which deal with amendments to the Public Assistance Act, this House will recall that the Minister of Finance in his 2003 budget presentation indicated that the disability assistance would be upgraded with effect from fiscal year 2004. As is evident from the amendments to the Public Assistance Act, steps have been taken to upgrade this benefit in accordance with the commitment of the Government.

The disability assistance grant has been increased from \$650 to \$800 with effect from October 01, 2004. Like the old age pension provision, it was thought advisable to include a validation provision to protect the board in their payment of the grant from October 01, 2004. This validation provision is to be found at clause 6 of the Bill.

Mr. Speaker, I will now examine clause 7 of the Bill which proposes amendments to the Income Tax Act in the following areas:

Clause 7(1)(a) of the Bill seeks to provide, with effect from January 01, 2005, relief to low-income resident taxpayers who have not attained the age of 65 years, by increasing their basic personal allowance in ascertaining their chargeable income for tax purposes.

Section 18(1) of the Income Tax Act will be amended as follows:

- for individuals with a gross annual income not exceeding \$30,000, the basic personal allowance will be increased by \$5,000 from \$25,000 to \$30,000.

I should point out here that we are dealing with gross and not net income;

- for individuals with a gross annual income exceeding \$30,000 but not exceeding \$35,000, the basic personal allowance of \$25,000 will be increased by an additional \$5,000 less one dollar for every dollar of gross income above \$30,000; and
- where individuals are in receipt of a gross annual income in excess of \$35,000, the basic personal allowance will remain at \$25,000.

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The other income tax matters dealt with by clause 7 of the Bill are in relation to sections 136 and 139 of the Income Tax Act.

Mr. Speaker, sections 133 to 141 of the Income Tax Act provide a scheme for the taxation of benefits in kind received by employees and directors of companies.

However, section 136(5) also provides that these provisions should not apply to persons employed by schools or other educational institutions. We are proposing that this amendment be deleted. Times have changed considerably and this provision may have been relevant in the days gone by when private educational institutions were few and far between and pay packages of employees at these institutions were unattractive. Mr. Speaker, this is clearly not the case today. Substantial benefits in kind received by individuals employed by private educational institutions as part of their remunerative package, currently escape taxation. In these circumstances, section 136(5) of the Income Tax Act, which allows for the tax exemption of these benefits, will now be removed with effect from the commencement of this year of income, that is from January 01, 2005. This measure is stated at clause 7(1)(b) of the Bill.

Mr. Speaker, further, the provisions in the Income Tax Act which provide for the taxation of benefits in kind restrict this tax treatment to benefits paid by companies carrying on a trade or engaged in investment. These provisions do not apply to persons employed by charities or municipalities and, as such, benefits in kind paid to the employees of charities and municipalities escape the taxation net. The Government sees no justification for continuing in this favoured tax treatment to employees of these charities or municipalities.

It should be emphasized here that it is the employees of charities and not the charities themselves that are covered by this measure. Let me clarify here that the profits of approved charities will continue to be exempt from corporation tax. Section 139 of the Income Tax Act which provides for this special tax treatment is therefore to be repealed from January 01, 2005. This amendment is to be found at clause 7(1)(c) of the Bill.

Mr. Speaker, I will now refer to clause 8 of the Bill. Clause 8(a) will exempt from the business levy the gross sales or receipts of an approved small company referred to under section 16A of the Corporation Tax Act. This exemption is intended to mitigate the impact of the recent increase in the national hourly minimum wage from \$8 to \$9 on small businesses.

In order to qualify as an approved small business under section 16A of the Corporation Tax Act, the Minister of Finance, after consultation with the Business

Development Company Limited, would issue a certificate of approval to a small company which, among other things:

- is locally owned and controlled;
- has machinery, equipment and working capital the value of which does not exceed \$1.5 million;
- has potential for creating permanent jobs;
- has at least five permanent employees; and
- makes optimum of locally-produced raw materials.

At clause 8(b), (c) and (d) of the Bill, the Corporation Tax Act will also be amended to make it clear that our corporate citizens can make one-year deed of covenant to benefit charitable and sporting organizations approved by the President.

The provisions of the corporation tax which will be affected by this proposal are subsections (3) and (5) of section 7 and the table under section 19. A new section 10 O will be inserted.

Mr. Speaker, in order to understand the proposal at clause 8(b), (c) and (d) of the Bill, it will be necessary to digress a bit to 1997 when certain amendments were made in the Finance Act of that year. Deductions for payments made by individuals under a deed of covenant were abolished in 1997 because taxpayers abused the use of covenants. In order to remove this deduction from the legislation, section 21 of the Income Tax Act was deleted. The repealed section 21 provided for payments under one-year deed of covenants to be claimed as a deduction in ascertaining the chargeable income of the donor.

Section 21 also applied to companies through section 19 of the Corporation Tax Act. Members will note that under section 19 of the Corporation Tax Act, certain provisions of the Income Tax Act are incorporated into the Corporation Tax Act with the necessary modifications. However, the existing table under section 19 of the Corporation Tax Act continues to make reference to the repealed section 21 of the Income Tax Act as a provision which applies to companies.

It was intended that companies should continue to claim a tax benefit where one-year covenants were made. However, through inadvertence, the Corporation Tax Act was not amended to include a provision similar to the former section 21. Clause 8(b), (c) and (d) now seeks to include provisions similar to the former section 21 of the Income Tax Act.

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The effect of deleting section 21 from the Income Tax Act meant that since 1997, companies were only entitled to deductions for deeds of covenant lasting for several years. This was not intended and in fact the Board of Inland Revenue has continued since 1997 to approve one-year deeds of covenant, although without legislative authority to do so.

Mr. Speaker, deeds of covenants usually stipulate the amount to be donated to charity during a year of income. Although there may be an obligation to pay an amount in a year of income, the company may actually pay less than the amount of the covenanted donation. In such a case, the company will only be entitled to the actual expenditure incurred.

In addition, the company will not be able to claim the covenanted donation as a deduction in ascertaining their chargeable profits for a year if the deed under which the covenanted donation was made was not properly stamped by the Stamp Duty Office. This is to ensure that the State collects the stamp duties payable on these transactions as soon as possible. This provision is similar to the mortgage provision claims made by homeowners, who are denied their mortgage deductions where the relevant property taxes payable under the Lands and Buildings Taxes Act or the Municipal Corporations Act are not paid.

In order to give effect to Government's intention, it is necessary to amend the Corporation Tax Act by the inclusion of a provision similar to the former section 21, but with one notable variation. Mr. Speaker, you will recall that tax incentives were introduced recently to benefit companies wishing to sponsor sporting activities. Covenanted donations are not contemplated here. A company which contributes financially towards the promotion of these sporting events, can, under section 10I of the Corporation Tax Act, claim an allowance equal to 150 per cent of the actual expenditure, up to a maximum allowance of \$1 million. In order to be consistent with the allowance claimed under section 10I of the Corporation Tax Act, and more so to preempt the use of creative tax strategies, deductions in respect of covenanted donations made by companies to sporting bodies approved by the President will now be limited to \$1 million.

Other covenanted donations to charitable institutions, apart from the limitation of 15 per cent of the total income of the company, will not have this additional monetary restriction of \$1 million, unless of course the payments also qualify for a deduction under sections 10G to 10K of the Corporation Tax Act. Sections 10G to 10K provide for special tax allowances where companies make grants for the following: art and culture; scholarship; sporting activities and sportsmen; and local audio, visual or video production.

Further, in order to protect the Board of Inland Revenue, it will be necessary to validate the actions of the board regarding its approval of covenanted donations made by companies prior to the coming into operation of the Finance Act 2005. This validation is to be found at clause 9 of the Bill.

Mr. Speaker, with your leave I would like to deal with Parts X, XII, XIII, XIV, XV and XVI of the Bill and then return to clause 10. The remaining parts of the Bill deal with proposals relating to the taxation of petroleum companies and I would like to get the less complex amendments out of the way.

Part X or clause 13 of the Bill deals with amendments to the Customs Act. The Second Schedule to the Customs Act will be amended at item 6(aa) so that members of the travelling public would legally be allowed, with effect from October 08, 2004, the exemption from customs duty payable in respect of goods not exceeding \$3,000 in value.

Mr. Speaker, you will recall that the Prime Minister had announced in his 2004/2005 budget presentation that the increase in the baggage allowance would take effect from October 08, 2004 when the budget was read. The goods covered by this exemption are goods which were acquired abroad or in local in-bond shops for personal or household use or as souvenirs or gifts.

Further, Mr. Speaker, a validation clause has been inserted at clause 13(2) to validate the actions of officers who would have given effect to the spirit of the measure announced by the Prime Minister in his budget presentation of October 08, 2004.

Part XII or clause 15 of the Bill seeks to amend section 9 of the Securities Industry Act, 1995 so as to increase the complement of commissioners on the Trinidad and Tobago Securities and Exchange Commission (SEC) from five to seven commissioners. In accordance with the existing law, the additional commissioners will be expected to have wide experience and ability in legal, financial, business or administrative matters.

Mr. Speaker, the policy development function of the SEC is quite demanding, not only in terms of the time required for attendance at meetings but also with respect to the scope of the matters that must be considered in the context of an emerging securities market that is evolving at a rapid pace.

In addition to the policy development role that the commission discharges in accordance with its capital market development mandate, the commission is required

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to hold hearings on matters such as legislative, enforcement and market initiatives. As such, increased membership on the commission will allow the commission to attend to matters more expeditiously.

I will now deal with Part XIII or clause 16 of the Bill. Clause 16 of the Bill makes provision for the inclusion for pension purposes and certain allowances paid on or after December 06, 2000 to the holders of the offices of School Supervisor I, School Supervisor II, School Supervisor III, Director of School Supervision and Chief Education Officer pending the transfer of these offices to the teaching service.

In December 2000, the Government had agreed to the payment of interim allowances to school supervisors, the Director of School Supervision and the Chief Education Officer pending the transfer of the said officers to the teaching service. These officers are the reporting officers for school principals and teachers and perform a vital role in the management of our education system. The intention of the Government is that these interim allowances should be treated as emoluments to be taken into consideration in the calculation of the pension of these school supervisors.

Unfortunately, the pension legislation is not very clear and there have been varying opinions as to whether these interim allowances should be included in the computation for pension purposes. As the law currently stands, allowances such as personal allowance, inducement allowance and house allowance are specifically included as pensionable emoluments.

However, the lawyers are not settled on the interpretation of whether the reference in the Pensions Act to “fees paid out of the Treasury by way of salary” includes these interim allowances. As a result, the proper calculation of the pension of these schools supervisors in accordance with Government’s clear intentions has been held in abeyance since 2000.

Mr. Speaker, as I indicated earlier, the offices of schools supervisor, the Director of School Supervision and the Chief Education Officer are critical in the management of our education system. These officers, many of whom have since retired, have served our country selflessly in the pursuit of an improved structure for our children.

The least any government can do is to treat these retired officers properly in their most vulnerable moments when their spending powers would have been whittled away.

The amendment, though small in size, is of great significance to our educators and should take effect from the date when the payment of the interim allowances was authorized on December 06, 2000.

Part XIV or clause 17 of the Bill is simply intended to correct a typing error in the last Finance Act in 2004, which omitted to include the word “35” in order to identify the section in the Value Added Tax Act to be amended.

If I may remind Members of the exact provision, section 11(a) of the Finance Act, 2004 sought to amend the Value Added Tax Act, 1989 so as to permit the Board of Inland Revenue to apply a person’s vat refund to any other type of tax liability that is income and corporation taxes. However, there was a typographical error in the amendment contained in the Finance Act, 2004 in that the section 35 of the Value Added Tax Act was not expressly stated.

Part XV or clause 18 of the Bill deals with the transfer of the assets and liabilities of the Dollar for Dollar Fund into the Government Assistance for Tuition Expenses (GATE) Fund.

Mr. Speaker, GATE represents a new funding mechanism for students at tertiary institutions and replaces the Dollar for Dollar Education Plan. Under the GATE programme, half of the cost of tuition payable by any student enrolled in tertiary programmes at public as well as accredited private tertiary institutions will be met by the Government.

Further, private sector and other institutions wishing to participate in the plan will be required to register with the National Accreditation Agency which was established to ensure that citizens have access to the highest quality of tertiary education at institutions in Trinidad and Tobago.

The significant difference between the GATE programme and the Dollar for Dollar Education Plan lies in the application of a means test under GATE to assess students who are unable to pay the remaining tuition. Where it is determined from the means test that certain students cannot afford the remaining tuition, the Government will pay the entire tuition fees for such students.

Given Government’s decision to replace the Dollar for Dollar Plan with the GATE programme, it is necessary to terminate the Dollar for Dollar Fund and to establish the GATE Fund in accordance with section 43 of Exchequer and Audit Act. The GATE Fund was in fact established in December 2004.

Mr. Speaker, there are currently ongoing obligations and liabilities under the Dollar for Dollar Fund that Government must meet. The Dollar for Dollar Fund cannot therefore be terminated until these liabilities are fully extinguished or alternatively are transferred to the GATE Fund.

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Clause 18 seeks to transfer these liabilities to the GATE Fund with effect from the coming into operation of the Bill before hon. Members. Members should note that a legal notice removing the Dollar for Dollar Fund from the First Schedule to the Exchequer and Audit Act, has already been prepared and should also come into operation on the same day that this Bill is assented to by the President.

Part XVI or clause 19 of the Bill deals with the commencement date for the extension of certain tax and other benefits to the Caribbean Court of Justice (CCJ), the Regional Judicial and Legal Services Commission and the Caribbean Court of Justice Trust Fund.

Only very recently, this House approved an Order which was made under section 9(2) of the Privileges and Immunities Act, Chap. 17:01, and published in the *Gazette* in May, 2005. Under this Order, certain privileges and immunities were extended to the CCJ, judges of the CCJ, members of the Regional Judicial and Legal Services Commission, the Caribbean Court of Justice Trust Fund as well as officers and servants of these institutions. These privileges and immunities are in keeping with the terms of the agreement establishing these institutions to which this country is a signatory.

In order to protect their independence and impartiality, judges and officers of the CCJ and members of the commission and trustees of the fund shall enjoy the following privileges and immunities.

- immunity from suit and legal process as is accorded to an envoy of a foreign sovereign power; and
- exemption from taxes as is accorded to an envoy.

Whereas the Order which was recently approved by Parliament and published in the *Gazette* clearly provides for the effective date from certain privileges and immunities to the CCJ and the trust fund are to be extended, the effective date for the extension of similar privileges and immunities to the judges of the CCJ were not expressly stated in the Order.

Having only been published in May 2005, this would mean that the benefits under the Order with respect to the judges of the CCJ will take effect from the date of publication in May of this year.

Mrs. Persad-Bissessar: Why have you not proclaimed the Act?

Sen. The Hon. C. Enill: The effect of this would be that the judges could technically be required to pay taxes on their incomes received prior to the publication of the Order. This was clearly not the intention.

Mrs. Persad-Bissessar: You have not proclaimed the law but you have to pay all this money. They have not proclaimed the law.

Sen. The Hon. C. Enill: In keeping with the intention to protect the independence and impartiality of judges of the CCJ, all remuneration, whenever received by these judges, should be exempt from taxes and the legislation under which the Order was made, allows for such Order to be made retrospectively. Mr. Speaker, you will note that this exemption is not exclusive to judges of the CCJ. The remuneration and allowances paid to judges of our local courts are also exempt from taxes. [*Crosstalk*]

With a view to correcting the error contained in the Order, clause 19 of the Bill seeks to standardize the effective dates for the application of privileges and immunities to the date on which the CCJ Trust Fund and the Regional Judicial and Legal Services Commission were established that is on August 22, 2003. The commencement provision in the Order would therefore deem clauses 3, 4, and 5 of the Order to come into operation on August 22, 2003.

Mr. Speaker, the Caribbean Single Market and Economy (CSME) is critical to the region's economic future and provides a new platform not only for economic integration amongst Caribbean countries, but also for greater competitiveness in the global marketplace. In order for the CSME to fully achieve its objectives, it is important that there should be a permanent, central, regional institution which could definitively pronounce on the rights and obligations arising out of the CSME. That permanent, regional institution is, of course, the CCJ, which is expected to be at the heart of the region's efforts to successfully accomplish new approaches to business operations and trade relations within the CSME structure.

In creating the environment for one large single economic space, it is imperative that there are few, if any, restrictions in the movement of people, capital and the providers of services within the region. To this end, Trinidad and Tobago has been moving apace in the removal of trade and other restrictions from its laws in order to create opportunities for investment previously unavailable to companies and businesses within the region.

Mr. Speaker, I will now discuss the petroleum measures which are to be found at Parts VII, VIII, IX and XI of the Bill. Mr. Speaker, I am pleased to announce that the Government has agreed on the broad elements of a revised petroleum taxation regime and intends to bring amending legislation to this Parliament in the very near future after there has been dialogue with stakeholders in the industry.

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Mr. Speaker, you will recall that in the budget statement of October 08, 2004, the Government committed itself to establishing a revised energy tax regime. This commitment was made in the context that more than 10 years had elapsed since the last review of our energy tax regime in 1992.

Since that time, the Trinidad and Tobago economy has undergone a structural and fundamental change. The gas and gas-based sub-sectors have assumed a dominant position within the energy sector and within the international community, so much so that the country is now being referred to as a gas-based economy.

Mr. Speaker, the expanding activity in the gas and gas-based sub-sector was reflected in the re-based national account series which used the year 2000 as the base year instead of 1985. It was this re-basing and the capturing of the importance of the gas and gas-based sub-sectors during the last decade which revealed that the economy was becoming increasingly diversified and transformed.

It therefore came as no surprise to this Government that in 2003, the real economic growth rate was put at 13.2 per cent almost double the rate of the previous year. In 2004, the economic rate of growth was 6.2 per cent and on the basis of current evidence the rate of growth is on a similar path.

Mr. Speaker, the Government's decision to establish separate taxation regimes for oil and gas was therefore timely as it was appropriate. Accordingly, the Government appointed a technical team under the chairmanship of Prof. Kenneth Julien. The mandate of the team was to review several issues relating to petroleum matters, including separate tax regimes for crude oil and natural gas.

As an initial step, the technical team presented an interim report on certain anomalies and shortcomings within the existing petroleum taxation regime. The team advised that those anomalies and shortcomings could be addressed immediately in order to ensure that the petroleum legislation was comprehensive, easily administered, predictable and transparent.

2.15 p.m.

Mr. Speaker, in designing the measures for the new petroleum legislation, the team had wide-ranging discussions with the relevant stakeholders. The technical team agreed that the interactive process with the stakeholders had been largely fruitful and had raised a number of technical issues which required expert advice.

To that end, the technical team sought the advice of a technical consultant, Prof. Pedro Van Meurs, who has considerable knowledge and experience in designing oil and gas fiscal systems in the international arena.

It is in this context that I am pleased to take you through the following measures which represent only phase I of the plan to re-engineer the taxation structure for petroleum companies operating in Trinidad and Tobago. These measures seek to correct certain anomalies and shortcomings in the existing law so as to ensure that our petroleum legislation is less ambiguous, more transparent and easier to administer.

The centrepiece of the legislative framework governing the petroleum sector is the Petroleum Taxes Act, which imposes two different taxes: the petroleum profits tax or the PPT and the supplemental petroleum tax or the SPT. Other pieces of legislation, in particular the Unemployment Levy Act, the Fiscal Incentives Act, the Income Tax (In Aid of Industry) Act, the Income Tax Act and the Corporation Tax Act, all have consequences for the taxation of this very important sector.

This Government has agreed to restructure the petroleum taxation regime in nine key areas:

Firstly, the computation and assessment of the supplemental petroleum tax (SPT) on crude oil will be restructured. In order to correct the anomaly arising from gas expenditure being included in the allowances claimed against crude oil income for SPT purposes and the problems associated with the granting of the allowance, the SPT will be restructured in a manner which would eliminate these problems and also generate additional revenue.

In particular, it is expected that the Government will realize a greater share in the windfall than presently obtains and will receive SPT at prices above US \$15 per barrel for land oil and US \$16.50 per barrel for marine oil.

On the other hand, where the price of crude drops below US \$15 per barrel, there will be no liability to pay SPT.

It is important to note that a company's expenditure profile for both crude oil and gas alike will no longer affect the SPT take. The restructuring will entail the following:

1. the SPT will now be calculated on gross crude oil income less royalty and overriding royalty;
2. the restructuring will also involve a removal of all other allowances and discounts from both crude oil and gas expenditure for the purposes of calculating the SPT.

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Mr. Speaker, SPT is a tax on crude oil and the administrative difficulty encountered in allocating expenditure to crude oil as against natural gas can be overcome simply by removing all allowances and discounts, with the exception of royalty deductions.

In particular, the following allowances will no longer be granted with effect from January 01, 2004:

Geological and geophysical	50 per cent;
Exploration	100 per cent;
Investment	40 per cent;
Heavy oil	100 per cent;
Enhanced recovery	100 per cent;
Field discount	20 per cent; and
Production discount	20 per cent.

The removal of the allowances and discounts is provided for at clause 11(f) of the Bill by the repeal of the provisions in the Petroleum Taxes Act relating to allowances, that is, section 22A, geological and geophysical allowances; section 25, exploration allowance; section 25B, heavy oil allowance; section 26, investment allowance; section 26A, enhanced recovery allowance; section 26B, recapture of allowances; section 26C, allowances to be claimed in the same financial year; and section 26D, deductibility of allowances; sections 4 and 5 of the Third Schedule, field discount and production discounts, respectively.

The threshold for marine operations will be increased from US \$13 to US \$15 per barrel. The threshold for land operations with licences issued before January 01, 1988 will be increased from US \$14 to US \$16.50 and those issued after January 01, 1988 from US \$14 to US \$18.

SPT rates will be reduced on the basis of the following framework for both land and marine operations. Where the price of crude oil falls below US \$21 per barrel, the bands will increase from US \$1 to US \$1.50 and the rates will be reduced by 5, 4, 3 and 2 percentage points. And where prices are above US \$21 per barrel, the bands will be retained and the rates reduced by 3 percentage points and will be applicable to both land and marine operations.

This new structure will ensure that when oil prices are high, the Government gets a proper share of the windfall profits and the companies will benefit from a built-in incentive when the prices are low. The existing rates are contained in Part B of the Third Schedule to the Petroleum Taxes Act, and will be replaced by a new SPT rate structure referred to at clause 11(l) of the Bill.

The revised structure widens the price bands where prices are below US \$21 per barrel and raises the tax threshold from US \$13 per barrel to US \$15 per barrel for marine operations and from US \$14 per barrel to US \$16.50 per barrel for land operations.

Mr. Speaker, clause 11(l) of the Bill seeks to alter the Supplemental Petroleum Tax regime by replacing Part B of the Third Schedule. It is intended that the new rate structure should take effect from January 01, 2004 along with all the other provisions which affect the petroleum industry. For the avoidance of doubt, I will propose at a later stage that the Bill be amended by the insertion of a new subclause (2) at clause 11. Clause 11 will therefore be broken into two subclauses.

The new clause 11(2) of the Bill will provide that clause 11(1)(l) of the said Bill is to take effect from January 01, 2004, notwithstanding the provisions of any other written law. Mr. Speaker, in situations where legislation is to have retrospective effect, it is imperative that there be no ambiguity inherent in the particular provisions of the Act as a whole. This precaution is necessary so as to avoid any assertion by a disgruntled taxpayer that the amendment contained at clause 11(1)(l) of the Bill is inconsistent with the provisions of section 22 of the Petroleum Taxes Act or even section 27 of the Interpretation Act.

Mr. Speaker, the second key area in the restructuring of the petroleum taxation regime relates to the computation and assessment of the supplemental petroleum tax on a quarterly basis. This is intended to correct the problem associated with the computation of the SPT where a company's accounting year was different from the financial year. Under the existing law, the financial year is defined as the period of 12 months commencing on January 01 in each year. However, because a petroleum company may have an approved accounting terminal date which does not coincide with the financial year, this poses administrative difficulties for the Board of Inland Revenue.

Where for example, a company's accounting year spans two financial years, this would mean that there will be in effect two different rates of SPT. Why? This is because the SPT due for a particular quarter is calculated using the weighted average annual crude oil price, which is arrived at based on sales for a financial year, that is a calendar year commencing on January 01. For instance, a company whose accounting year commences on April 01 will calculate SPT using figures from April to December in one financial year and apply a separate rate of SPT based on the sales figures for January to March in the other financial year.

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In addition, because the liability to SPT is calculated using the weighted average annual crude oil price, which we have already stated is based on sales for the entire financial year, a company is able to defer the payment of taxes to the latter part of the year. This is because, in arriving at a company's SPT liability for the first quarter, that is, from January to March, the company will use whatever actual sales figures are available during that quarter.

However, in calculating the weighted average annual crude oil price, the company will use estimates or planning figures for the remaining months of the year. There will thereafter be a mix of actual sales and estimates in arriving at the weighted average annual crude oil price. Because estimates or planning figures are invariably lower than actual sales, a company is able to defer the bulk of its SPT liability to the end of the financial year when the actual figures would be known.

Mr. Speaker, the amendment which is proposed seeks to solve the problems I have just identified by ensuring that the SPT is computed and assessed on current income on a quarterly basis. The quarterly calculation will be based on a weighted average crude oil price, which will use actual income derived from disposals made within a particular quarter and not from sales for an entire year as the calculation of the weighted average annual crude oil price contemplated.

In order to ensure that actual figures are used and to eliminate the need for estimations, companies will be granted a period of 15 days after the end of a quarter to report their income. This will resolve the twin problems of using different rates of SPT and deferring the payment of SPT. The weighted average crude oil price will be calculated on a quarterly basis, thereby removing the difficulties arising from the application of the company's accounting period for SPT purposes and the use of the estimates or planning figures in the calculation of the weighted average annual crude price.

Since the restructured SPT will now be akin to a severance tax or royalty, the weighted average price of crude will be calculated on a quarterly basis and the SPT will therefore be collected quarterly on the basis of actual data with collection on the 15th day of the month following the quarter. The quarters are expressly stated by the periods ending March 31, June 30, September 30 and December 31.

Thirdly, production-sharing contracts are to be subject to SPT. This will address the anomaly whereby production-sharing contracts which are required by law to pay the SPT are excluded from the provision which determines the applicable SPT rate to be used in the calculation of the SPT. The Third Schedule, Part A, section 2 of

the Petroleum Taxes Act will be amended to include the words "or contract unless the PSC specifically exempts the contractor from this obligation".

Fourthly, producer of condensate to be liable for SPT. This will correct the anomaly whereby condensate from a natural gas pipeline generally is subject to the SPT but some of the condensate nevertheless escapes the charge since it is recovered after the gas was sold.

The law will be amended to state that the initial producer or licensee of the natural gas from which condensate commonly called "drip" or "pipeline condensate" is recovered will be deemed to have produced the condensate so recovered from a gas pipeline and will be responsible for the payment of the SPT on that condensate. The volume of condensate so recovered will be determined through a technical certification procedure from samples taken at the well-head, bearing in mind that the modernization of the gas pipeline network would allow for the distribution of wet gas from several sources.

Fifthly, rationalization of the utilization of first year and annual allowances. This will correct the anomalous situation whereby companies can claim three allowances in the first year and may not include the first year allowance in the computation of the residue. Parts II and III of the Income Tax (In Aid of Industry) Act will be amended at clause 14 of the Bill as follows:

1. to remove first year allowances from both Parts II and III;
2. to allow annual allowances for Part II from year one on a straight line basis; and
3. to allow annual allowances for Part III from year two or from the year of commercial production, whichever is earlier, on a reducing balance basis.

Sixthly, the periodic computation of SPT, petroleum profit taxes (PPT) and the unemployment levy. This will correct the anomalies created by the wording of section 7 of the Petroleum Taxes Act and section 9 of the Unemployment Levy Act whereby petroleum companies are required to compute and pay taxes on a current year basis but the legislation does not adequately express this.

Section 7 of the Petroleum Taxes Act will be amended to provide for SPT to be computed and paid on a quarterly basis while PPT, though computed annually, would be paid quarterly on a current year basis. This is to be found at clause 11(a) of the Bill.

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Section 9 of the Unemployment Levy Act will be amended to provide for the unemployment levy to be computed on the taxable income chargeable to PPT and paid on a quarterly basis. Mr. Speaker, this amendment is to be found at clause 10 of the Bill.

Seventhly, non-deferral of capital allowances. In order to correct the anomaly associated with the non-deferral of capital allowances, the Income Tax (In Aid of Industry) Act as well as the Fiscal Incentives Act will be amended to provide for companies to claim allowances only in the year in which the allowances become due. The Income Tax (In Aid of Industry) Act will therefore be amended to state the following:

1. the annual allowance under section 17 Part II will be granted from the year in which the expenditure was incurred;
2. the annual allowance under section 24 Part III will be granted from the year after the expenditure was incurred;
3. failure to claim the allowances in the above manner will result in forfeiture of the claim. Furthermore, the annual allowances for any given year would be computed and allowed as if the company had made the claims for annual allowances in the relevant years;
4. the amendment will be applicable to companies governed under the Petroleum Taxes Act and the Corporation Taxes Act.

Eighthly, incurring of decommissioning or abandonment costs. Such costs will only be allowed when they have occurred.

Ninthly, redefinition of management charges. The definition of management charges will be amended to include head office charges, foreign research and development fees and other shared costs charged by head office.

The cap on the allowance for management charges will be increased from 1 per cent to 2 per cent of all expenditure, exclusive of all management charges, depreciation/capital allowances and other special allowances granted by the Income Tax Act or Petroleum Taxes Act.

Mr. Speaker, the Government has taken the decision to review the petroleum taxation every three years and it has also agreed that the technical team would continue to seek the advice and guidance of Prof. Pedro Van Meurs on the regime for natural gas.

Finally, Mr. Speaker, in light of the sound technical and analytical work conducted by the team, the Government wishes to convey its deepest appreciation to the

members of the team for their excellent and outstanding work on the matter of establishing a revised petroleum taxation regime. [*Desk thumping*]

The measure contained at clause 11(d) of the Bill is really a tidying up measure [*Interruption*] and will amend the Petroleum Taxes Act by granting to companies in the petroleum industry certain incentives which were proposed but not implemented in the last Finance Act, in 2004.

Mr. Speaker, you would recall that tax incentives were introduced in 2003 to benefit companies wishing to sponsor sporting activities as well as audio, visual or video productions reflecting local culture or 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 \$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. Although the Finance Act, 2004 extended the 150 per cent allowance for art and culture and sponsorship of audio and video productions to the Petroleum Taxes Act, the incentive provisions as they relate to the sponsorship of sporting activities and sportsmen were inadvertently excluded from the Petroleum Taxes Act.

Petroleum companies are currently unable to access this incentive since the provisions of section 10(1) were not specifically applied to the Petroleum Taxes Act. It is proposed, therefore, to amend the Petroleum Taxes Act so that the tax incentives relating to the sponsorship of sporting activities and sportsmen could be claimed by companies in the petroleum sector. This amendment will take effect and come into operation from January 01, 2003 when the incentives should have in fact taken effect.

Mr. Speaker, the economic outlook for Trinidad and Tobago remains positive. Our medium-term growth is robust, with real GDP expansion forecasting at about 6.5 per cent this year and possibly 7.5 per cent in fiscal 2006. Energy exports are solid, inflation is largely under control and there have been positive job-creation spillovers from the hydrocarbon sector into the service and construction sectors. Our sustained period of strong economic growth has boosted job creation, with the latest unemployment data suggesting a reduced jobless rate of 7.7 per cent.

Although our overall fiscal outlook points to yet another surplus at the end of this year, this Government is mindful of the tremendous work that is still required in all areas as we move closer towards our goal of attaining developed country

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status by the year 2020. The provisions contained in this Bill reflect Government's general objectives in the attainment of its goals.

With this, Mr. Speaker, I beg to move.

Question proposed.

Mr. Gerald Yetming (*St. Joseph*): Mr. Speaker, this Bill before us is to amend about 13 pieces of legislation, plus it touches on the Dollar for Dollar Fund and an Order for the Privileges and Immunities for the CCJ and so on.

Most of what this Bill does really, is to put into legal effect a lot of what was presented and approved by this House in the Budget when it was presented in October, 2004. So really, I am not going to reopen the debate on all these measures. It is, to me, almost a formality that these pieces of legislation have to be touched. The first issue I would really like to raise has to do with why it took 10 months for this Bill to come before us.

You have a budget presented in October for a year beginning October 01, 2004 and we have before us a Bill touching on 13 pieces of legislation to formalize what we had approved way back in October. One might even want to say that there is some contempt for the Parliament in this thing coming at this stage.

Mr. Speaker, the Ministry of Finance has four Ministers. If we say that one is the Prime Minister, so we can put that aside; if the Member for Diego Martin Central has substantial ministries, that is fine, but we have two others, who I would believe have a lot of time on their hands. Why should it take 10 months for this simple thing to come before us? We are adding further words to describe the people in this Parliament, as we go. The Member for Diego Martin West described us as "idiots and cowards", and now we are adding "contemptuous" and we are adding probably "incompetent".

Hon. Member: Diego Martin did not say that.

Mr. Ramnath: He was referring to his men.

Mr. G. Yetming: You know, I have to agree with the Member for Diego Martin West, because how would you describe an individual who gives up his professional life; gives up salary many times in excess of what he gets in here; gives up incentives compensation; and gives up substantial stock options? How would you describe a professional giving up a substantial part of his private practice or all of it? How would you describe a Minister in business who has to go through a process of selling his shares or creating a blind trust and having to walk

a fine line with respect to ethical issues? How would you describe people like that who make all of those financial sacrifices for \$10,000 a month?

Hon. Member: Civic minded!

Mr. G. Yetming: The Member for Diego Martin West is absolutely correct. *[Interruption]* How would you describe an individual with a baby and young children having to leave home seven nights a week on the campaign trail? How would you describe an individual having to sacrifice family life to come here for \$10,000 a month? The Member for Diego Martin West is absolutely correct!

Mr. Manning: Man with a social conscience.

Mr. G. Yetming: We have a new bunch of individuals out there, because we keep hearing about a third party. There is a bunch of new individuals out there who, I hope understand the sacrifices they have to make, to come here for \$10,000 a month. They will have an opportunity in 2007 or 2006. They have an opportunity—

Hon. Member: The date is in their back pockets.

Mr. G. Yetming:—because a lot of people out there now seem to believe that they have all the answers to the problems of the country, and there will be an opportunity in 2007, 2006 or late 2005—

Hon. Member: Whichever comes before. *[Laughter]*

Mr. G. Yetming:—to join this bunch—

Hon. Members: Of idiots.

Mr. G. Yetming:—that the Member for Diego Martin West so correctly named. We do not only have idiots and cowards in here, we have cowards out there too, you know!

Mr. Speaker, there is a group of opinion shapers in this country running advertisements every day, calling on the 36 Members of Parliament—most times and sometimes the 69 Members of both Houses together—*[Interruption]* Well 36, 31, the Speaker and the President of the Senate, 69.

Mr. Valley: Sixty-eight.

Hon. Member: What do you have with 69? *[Crosstalk]*

Mr. G. Yetming: We have some opinion shapers out there, who are calling on all the Members of Parliament—69, 68, and 36 sometimes—to do something about crime—cowards because they are afraid to challenge the Government;

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[*Desk thumping*] to confront the Government to take action on crime; and cowards because they fear they do not want to lose their friends in Government—the opportunities, the business, the contracts and so on. And in a way, to avoid confronting them directly and frontally to deal with crime, they call on all of us.

In 2003 when the situation in the country with crime was getting bad, a number of people—housewives from Lange Park and people from businesses in Chaguanas—had a peaceful walk in Chaguanas to highlight the problems of crime in the country, I did not see these opinion shapers and shakers around the place. In fact, when three Members of Parliament and some other bystanders were arrested for a peaceful walk, they were nowhere around.

When in 2004, the businesses of Penal decided to shut down their business for a day to highlight the problems of crime—because it was bad in 2004—one business remained opened, Kentucky Fried Chicken.

Hon. Member: Who is running that? [*Crosstalk*]

Mr. G. Yetming: Who owns Kentucky?

Mr. Manning: They made money like water that day. [*Crosstalk*]

Mr. G. Yetming: It is all well and good to stand up and shout and scream about action on crime, but when you are called upon to show your concern, you do not act. When in May, 2004, more than a year ago, this party mounted a massive walk from Rienzi Complex to Mid Centre Mall—thousands of what is now being described as “UNC constituents” came out—did these opinion shapers and shakers come out? No! In fact, if they had come out then, the Government may have found it necessary to take action and we may never have found ourselves in the crisis we are in today with crime.

2.45 p.m.

They waited until we were in a crisis; now they are shouting for the 36 Members of Parliament (MPs) to do something about it. That has to do with the fact that the people inside and outside of this House are exactly what the Member for Diego Martin West described us to be.

Mr. Singh: “Bobolees”; everybody beating up on us.

Mr. G. Yetming: Mr. Speaker, today I will comment on three of the Acts being touched by this Finance Bill. The others have to do with the budget and so on. Whatever does not have to do with the budget, the changes are acceptable, so we are not going to engage in a debate on something that we agree on.

I want to talk about the Corporation Tax Act, which comes in Part VI of the Bill on page 4, where with respect to annual deeds of covenant, you are seeking to validate from 1997. Because of an error in whatever and the actions of the Board of Inland Revenue, you are now imposing a cap of \$1 million where claims are made and no deductions will be allowed for a host of things. If you claim the \$1 million under this deed of covenant, you will not be allowed deductions under 10(E), 10G, 10H, 10I, 10J and 10K—training, arts and culture, scholarships, sports and so on. If you look at subsection 5 at the bottom of page 5 it says:

“For the removal of doubt a company which is granted an allowance under this section shall not also be entitled to a deduction under sections 10E, 10G, 10H, 10J and 10K...”

I am dealing with the language of the Bill. It suggests that if a company claimed \$150,000, which is way below the million, if it is granted an allowance under this section it shall not be entitled to any of these other things. So while he did not use \$1 million, but he used \$100,000, he will still not be able to qualify for the allowances under 10E, 10G, 10H or whatever it is. I only mentioned that so you can give consideration to it and at committee stage we can deal with it.

In respect of the unemployment levy, which is Part VII, page 6, I just want to make the point that the main thing you want to do there is to provide for quarterly payments. The unemployment levy currently applies only to people engaged in petroleum operations. The question is: Why go through two pages of amendments to the Unemployment Levy Act, when we could just repeal the Act and adjust the petroleum tax rate? I know that may not be possible now in the amendment to this Bill, although we could look at it in committee stage, but it is something you can consider.

The main thing in this Finance Bill before us is the Petroleum Tax Act. I would have preferred that as part of the reform of the energy tax regime you came to the House comprehensively, with all the elements of reform: oil, gas, everything together. When you say that this is phase one and that it is dealing only with anomalies and shortcomings, some of the changes proposed here are not anomalies and shortcomings. Therefore, to come with this now and then to come with something else later down the road, particularly to deal with natural gas, I think it would have been better for us to comprehensively look at whatever the reforms might be in one; notwithstanding the intended separation. [*Interruption*]

Mr. Manning: The point made by the Member for St. Joseph is well taken. In fact, it is something that we had to contemplate. Unfortunately, because of the complex nature of these reforms, they had to be done on a phased basis. While the

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regime, as it relates to oil, is ready at this time, the regime for natural gas is not yet quite complete. We had the option of putting all together in the budget when it is presented either in late August or early September, together with the rest of the reforms of the tax structure in the non-oil sector; that we thought would have been too big a package at any one time. It is best for easy assimilation to do as it becomes available and that is why it is being done in this way. Of course, the sooner we put this in place, the sooner we get the remedies associated with it.

Mr. G. Yetming: I appreciate the comment from the Prime Minister, but the changes we have before us now, if approved completely without amendments, they will bring in additional revenues to the Government, because you are going back to 2004 to start with—and that is the subject of separate comment—but in the long-term, I am not too sure that these changes are in the interest of the industry, our reputation and our international competitiveness, as it relates to foreign investors. I will explain why.

The Minister in piloting this Bill made reference to the wide consultation. I am sure he had wide consultation. My question is: Were the critical points advanced by the different companies, both the small local operator and the major multinational, really taken into consideration in crafting the changes that we have before us? I am not too sure that in removing some of the incentives and benefits we have in the Bill before us, in a high risk, high capital intensive industry, it is going to be beneficial to the industry in the short and medium term.

Just to move off a bit from the specifics of the Bill, putting in comprehensive reform to generate substantial additional revenues is good, if the revenues will be spent to the full benefit of the people of Trinidad and Tobago. But when the additional revenues are being raised to spend recklessly, both in Trinidad and Tobago and abroad, it just does not make sense. I will give an example.

We are spending billions of dollars courting the islands of the Caribbean. If I could use some satire here; we have the Prime Minister courting these islands with billions of our dollars and you have this Venezuelan guy wearing a beret and a military uniform and he comes and flashes some dollars and “all ah dem went”. [Laughter] They turned their backs on the man who has been courting them and providing billions of dollars to them. [Crosstalk]

Mrs. Robinson-Regis: Prove it! What billions? Show the billions. [Crosstalk]

Mr. G. Yetming: I will clarify that point. Whether it is hundreds of millions or billions—[Crosstalk]—when you write off US \$300 million for Guyana—[Interruption]

Mrs. Robinson-Regis: “You write off dat.”

Mr. G. Yetming: We are not talking about the Government; the country—
[*Interruption*]

Mrs. Robinson-Regis: “You do that!”

Mr. G. Yetming: The Prime Minister represents the country.

Hon. Member: “The UNC write it off!”

Mr. Speaker: Order!

Mr. G. Yetming: When you agree to sell 1.1 million tonnes of LNG—is that the quantity—at some preferential rate to Jamaica, for 20 years at a competitive price that we know nothing of, that translated—[*Crosstalk*—it could be billions. [*Laughter*]

Mr. Manning: Mr. Speaker, my friend from St. Joseph was going extremely well until he started to subscribe to the figure of speech called exaggeration.

Mr. Imbert: Hyperbole.

Mr. Manning: It is not billions. Trinidad and Tobago could not afford to give billions in assistance to anybody; we just could not afford it. No government and certainly not this Government has done that.

Mr. Ramnath: It is the principle; sit down, sit down; you had your chance.

Hon. Member: The Government was spurned.

Mrs. Robinson-Regis: You like to mislead the Parliament and the country.

Mr. G. Yetming: We heard of the oil facility of \$375 million; you can correct me if I am wrong.

Mr. Manning: It was \$300 million a year.

Mr. G. Yetming: I read \$375 million. It was reported recently in a newspaper that the Prime Minister said that has gone to \$1 billion. Is that what you said?
[*Crosstalk*]

Hon. Members: Ooh!

Mr. Imbert: Noo! [*Laughter*]

Dr. Rowley: Have you gone mad?

Mrs. Robinson-Regis: You continue to mislead the Parliament and the people.

Mr. G. Yetming: When you add the oil facility, the LNG preferential or whatever it was to Jamaica, the \$375 million—I read somewhere you were quoted as saying that has gone to \$1 billion—

Mr. Manning: That is not so.

Mr. G. Yetming:—the trade support facility, \$100 million, and so on; it adds up.

Mr. Manning: So on and so what?

Mr. G. Yetming: Whether it is \$500 million, \$600 million or \$700 million—*[Crosstalk]* I will come to my point in a minute.

Mr. Speaker: Order!

Mr. G. Yetming: The fact is that after spending all this money in this courting, the Caribbean islands turned their backs on the Prime Minister, once this guy came along with his beret and uniform and flashed some dollars. We call that locally, “horn”. *[Laughter]*

Mr. Imbert: “We get horn?”

Mr. G. Yetming: And they went without protection; they did not read the agreement to see whether they were protected. *[Laughter]* They just went. *[Laughter]* A little satire.

I also make the point that we all must stand with the Prime Minister when he refused to sign the agreement. *[Desk thumping]* In the national interest, we must stand with “de” man. He did the right thing; in spite of the treatment meted out to him, we must stand with him. When he upbraided them—

Mr. Ramnath: “I fraid dat man, boy; I eh standing with him.”

Mr. G. Yetming:—they turned to him and said, “We love you, but we want he too; so go and talk to him and leh we see if we could have this ménage à trois.” *[Laughter]*

Putting that aside, I think we must say that whatever must be done to maintain our relationship with the Caribbean, whatever must be spent, within reason, must be done. But we can only continue to stand with the Prime Minister if he would share with us what his policy position is with respect to, not just the Caribbean, but maybe with the rest of the world. I will explain what I mean. This courting of Castro and Chavez, notwithstanding the fact that our main trading partner is the

United States—I just want to let the Prime Minister know that Colin Powell's favourite singer is Sparrow and he is of Jamaican parentage. Condoleezza Rice is a different kettle of fish and he may not get the support from her as he may have gotten from Powell. She is a classical pianist type; not a Sparrow type; *[Laughter]* so if we are going to take some steps that are likely to offend our main partner, then for us to stand with you in the national interest, we must know precisely where you are going.

When we hear of a political union with Barbados, Guyana, then subsequently Grenada and St. Vincent, and now we are hearing about a united Caribbean, we do not know. *[Laughter]* We do not know whether policy is being developed on the run. We do not know whether his Cabinet colleagues are aware of how this foreign policy position will end up. *[Crosstalk]* That is why when Chavez did what he did—*[Interruption]*

Mr. Manning: Would you be kind enough to give way? Mr. Speaker, it will take too much time to go into certain details of some things, but I am prepared to spend the time after this Parliament is concluded to teach my good friend some lessons in diplomacy. *[Laughter]* It is clear that that is necessary.

Mrs. Persad-Bissessar: Careful, Gerry. *[Laughter]*

Mr. Ramnath: Walk with protection! *[Crosstalk]*

Mr. G. Yetming: I am prepared to take whatever lessons in diplomacy the Prime Minister wishes to give to me; I would want to believe that he would share, not just with me, but with everybody on his side—

Mr. Rahael: He has already done that.

Mr. G. Yetming:—and everybody on this side, what the lessons in diplomacy are.

Mr. Ramnath: Go and see about the hospital in San Fernando.

Mr. G. Yetming: The fact is that we on this side and the citizenry out there are not sure where we as a country stand with respect to our relationship with the rest of the world. When we see moves being made that we do not understand, then we must raise questions. If the questions are raised here in an undiplomatic fashion, well, I am prepared to accept whatever he may wish to share. *[Crosstalk]*

The other thing about PetroCaribe is that it is not just simply free, cheap oil, but this ALBA (Application of the Bolivarian Alternative for the Americas) arrangement is also a threat. If you leave it up to Chavez, ALBA is likely to replace the Free Trade

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Area of the Americas (FTAA) and, therefore, our manufacturers could begin to be threatened if this PetroCaribe arrangement takes hold; so there are wider implications than just cheap oil. I am sure the Prime Minister understands that, which is why he did not sign it. If we have to continue to stand with him as a country, in relation to the rest of the region and the world, we must know what he is about.

The background to the amendment to the petroleum taxes started in the 2003 Budget, which the Prime Minister delivered in October 2002. At the time he said that work was nearing completion for the implementation of a new fiscal regime for gas as well as adjusting the fiscal regime for oil to reflect the new realities. He also said that the revision will arrive at increasing the Government's take "while maintaining the incentives for increased investment". I just want to stress the words, "while maintaining the incentives for increased investment". So you want to increase your take, but you want to maintain your attractiveness for investment.

In the 2004 Budget delivered in 2003, the Prime Minister indicated that a reputable international firm of consultants was engaged in the year 2003. They submitted an interim report and a final report was expected in the next four weeks. That would have taken us down to near the end of the year and a new regime was to come into effect on January 01, 2004. I noticed that the Minister in piloting this Bill has changed the effective date of some of the fiscal tax provisions from 2003 to 2004. To some extent, the date they changed coincides with the announcement in the 2004 Budget. In the 2005 Budget, which was delivered in October 2004, the Prime Minister said:

"...we propose to review the current petroleum tax regime, and have already begun discussions with the oil producing companies in this regard. Given the highly complex and technical issues that need to be resolved, we expect that these discussions would take upwards of six (6) months before a new tax regime is hammered out."

So in October you are talking about "complex and technical issues" and you were expecting not to hammer out the final regime for six months; which would have taken you down to, let us say, April of this year.

In the *Express* of Thursday, May 12, 2005, the Prime Minister was reported as saying:

"A new oil and non-oil taxation regime for Trinidad and Tobago will be unveiled in the 2005/2006 budget."

So my first point on this petroleum tax regime is: How could you now introduce your tax from January 2004—which is the change from 2003, notwithstanding what you said in the budget of 2004, in 2005 you talked about hammering out and finalizing the matter after consultation—when more than half the year has gone, and when you made a public statement in May 2005? Any public statement of the Prime Minister, unless he challenges it, is a statement that people must take seriously. A company reading a report in which the Prime Minister said that a new oil and non-oil regime would be unveiled in the 2005/2006 budget, will not even expect that taxation change should take effect from January 01, 2005. Why retroactive, period?

Just a couple of weeks ago, the Minister came for approval for some \$3 billion of supplemental spending. He never explained where the \$3 billion of additional revenues would come from, except that he said that we would end up with a balanced budget. My question is: Is this back tax he is expecting to get as a result of this legislation, part of the \$3 billion? Put another way, is this money already spent? The fundamental point is that retroactive is a dangerous precedent; not only dangerous, but in the context of our international credibility and reputation, it is very damaging.

We cannot penalize companies for our own tardiness and maybe inefficiencies, in arriving at this new tax regime. So while in 2002 you talked about a new tax regime, you engaged consultants and moved the process along and you take three or four years before you come with the legislation here, you cannot penalize the companies because of your own tardiness and say that the legislation is going to be retroactive one, two, three years, whatever. Furthermore, we cannot be saying one thing and doing another.

The Prime Minister in his own words talked about this new regime to be unveiled in the 2005/2006 budget. In his budget statement of 2004/2005, he spoke of this changing thing, consultants and so on. He cannot say that he is going to come with a new tax in 2005, announce it in his 2005/2006 Budget and then come months before to introduce a retroactive tax for one or two years; you cannot say one thing and do another; credibility is involved here. Furthermore, we must preserve investor confidence in this country. We must preserve our reputation internationally and this has the potential to damage that.

Companies operate on plans and budgets and I am sure they have already paid their taxes for 2004, based on what they already were legally required to do and having done that, they would have paid bonuses to their staff and declared their profits. Local and international companies would have paid their dividends to

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their shareholders; they would have made their plans and committed themselves to expenditures. On the basis of that firm performance, is it now reasonable, is it now fair that you come and tell them, “Well, you know, you need to go back and re-compute for the past year or two years”? What about public companies, whether small local public companies or foreign international public companies, who would have declared dividends?

Maybe in the case of a bp where they have worldwide operations, this adjustment may not impact as greatly on their overall report, but there are some foreign companies here who are not that big and whose operations in Trinidad and Tobago are substantial. For investors in the companies where dividends have already been paid, and they now have to make adjustments, how does the company explain that to all of them, while maybe in a following year some substantial adjustment had to be made? What does that do to their share price? There are implications for an action such as this; this is an action that we cannot and will not support. An action such as this is too damaging to our reputation here and abroad and too damaging to the operations of companies; and for what?

The Minister has not quantified—and he ought to have been able to quantify—what this adjustment would do if you go back to some of these companies for 2003/2004. He has adjusted it from 2003, so he should be able to give the figure for 2004. Are we going to make an additional \$1 billion? If it is just a couple hundred million dollars, is our reputation worth that? It is a major policy reversal.

The second point on this petroleum tax is that with the adjustment to the supplemental petroleum tax (SPT), you are doing a number of things. You have increased the price threshold; you have widened the band by 50 cents, I believe and you have reduced the rate. This should benefit the companies, but you are also removing all the allowances on the SPT. Particularly for the small land operators who have been crying out for help so that they could continue to do the work on land production, this change is likely to tell them that it is good to continue to milk what they can out of the ground, because they are going to have to pay a lower rate of SPT, but do not make any further investments.

My concern is whether this measure would not impact negatively in the net result on our operations in that sector. Could some formula not have been arrived at? One could understand the need to remove most of the allowances; could some formula not have been arrived at to retain some type of allowance that could be claimed on specific operations, particularly for what we may call the “marginal fee”?

The third part of the Bill that I want to comment on is the management charges, where you are seeking to redefine what they are intended to cover and, at the same time, offset its broadened definition by increasing the limit to be claimed, from 1 per cent to 2 per cent. I am not too sure that this will have the effect. I can understand Inland Revenue and the Government having concern about the claims that companies may make on some of these head office charges and what may be perceived as the arbitrariness, in fact, of some of them. I can understand, therefore, the need to put some kind of control. I am not satisfied that the redefinition of “management charges”, notwithstanding the increasing of the cap to 2 per cent, will achieve what they are expecting. A lot of companies are going to begin to have agreements among themselves for some of these services, which would not fall under the management charges and, therefore, will circumvent what they are trying to prevent.

The fact is that this industry requires considerable technological expertise, research, development and what have you. A lot of the major companies have to have their expertise in central locations working on research, development and so on. Therefore, it is entirely understandable that these charges have to be apportioned to their varying operating companies throughout the world. [*Interruption*]

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

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

Question put and agreed to.

Mr. G. Yetming: Thank you, Mr. Speaker. I will not be very much longer.

I am just making a point with respect to management charges. I understand what the Government is seeking to do. I am not satisfied that what they have proposed in the legislation will do what they wish. It will create avenues for circumvention. I am not too sure that a more specific definition of some specific areas, where claims could be made with multiple caps, if you wish, will not achieve a better result, because things would be much clearer. Where some of those measures are concerned, if perchance the Government is inclined to the argument that it is bad law to make this thing retroactive, if it is inclined to bring these things into effect from January 01, 2006, which is what we recommend, then maybe there are a couple provisions in here that it should withdraw and rethink and bring it back when it comes back with the broader legislation.

Thank you.

Mr. Kelvin Ramnath (*Couva South*): Mr. Speaker, I would have thought that my hon. friend, the Member for Port of Spain South, would have intervened at this stage, having regard to the substantial arguments put forward by my colleague, the Member for St. Joseph. But let me join the debate, particularly with respect to the oil and gas taxation.

First of all, we were treated to a reading of a speech by the hon. Minister, I know that is his style, which could have been circulated and would have saved us a lot of time. I was following the Explanatory Note and realized that he was reading. I have no problem with that. What I have a problem with is that at the end of his presentation, we did not know whether Trinidad and Tobago was going to be better off, in terms of the implementation of these measures, and how much better would be the quality of life for a country that is desperately fighting crime, poverty and poor medical care. Health care is at its lowest in the country.

If you go to the San Fernando General Hospital, which I visited recently, people still have to bring their linens; they still have to buy their own medication. I went to Ward 7 to visit a patient who suffered severe burns in an accident; he had to bring his own net. They have no provisions for patients who have burns. Then you hear the Minister of Health, with his usual diatribe and undiluted rubbish that passes for speeches—the one who “bus” the throat of 10,000 Caroni workers, and he boasted about it—talking about how many prescriptions they are filling; of course, in anticipation of certain companies delivering them. We are engaged in a major debate changing oil taxation, making changes to other pieces of legislation, and nothing is being said about how better off the average citizen will be in a year's time or in six months' time, as a result of the changes.

I returned to this Parliament a few years ago and I realized that you have a Government that spent its six years in Opposition implementing a strategy of destabilization during that period; an Opposition that went after the Election and Boundaries Commission; an Opposition that went after corruption arguments and when they got into government, with all the resources available to them, have not been able to deliver anything of substance to the people of Trinidad and Tobago, in spite of all the oil wealth. They have no choice but to continue to justify the actions they took in those six years in Opposition. They use their goons in the police service to fabricate charges against Members of the Opposition; to continue to destabilize Members on this side, instead of taking the wealth of the country and using it for the benefit of the people of Trinidad and Tobago. [*Desk thumping*]

I am looking at my favourite newspaper, the *Newsday*:

“No contract for Blenheim project today”

Can you imagine this bunch of politicians who describe themselves as idiots—I do not think my friend, the Member for St. Joseph, understood too well what he meant by idiots; he was describing his own Members in the Cabinet who refused to adopt the House Committee recommendations with respect to salary increases and pension. My friend for Arouca North voted against it. They voted against implementing recommendations of the House Committee, with respect to a decent pension plan for the Members for Diego Martin West, Couva South and all the other Members in the Cabinet. So I could understand his frustration when he said that they have to be idiots. I do not think he was referring to us. He could not be.

Mrs. Robinson-Regis: You have to be an idiot if you do not think so.

Mr. Ramsaran: You accept your description and keep quiet.

Mr. K. Ramnath: I will come to you in a little while.

Mr. Speaker, no contract between the Urban Development Corporation—that much touted super machinery working on behalf of the State—and Warner Construction and Sanitation for the Blenheim housing project in Tobago can be found; they cannot find the contract. They are walking into people's homes, arresting them, charging them and dragging them before a magistrate—especially that political magistrate, that lady who is in charge of a case against the Leader of the Opposition; a political magistrate; a PNM political magistrate—[*Interruption*]

Mr. Speaker: Hon. Member, you are offending Standing Order 36(10); you have to leave judicial officers out of your contribution.

Mr. K. Ramnath: You ruled in this House that they are quite capable of making decisions independent of what we are saying in the Parliament, but I will take your advice.

They cannot find this contract. It is not that the contract is lost; the contract never existed.

Mr. Singh: They do not need a contract.

Mr. K. Ramnath: The same company called Warner Construction is carrying out a development in Tobago in which the Minister, my hon. friend for Diego Martin West, has a financial interest. He was the Minister with responsibility for UDeCOTT; so he is making a lot of mistakes.

When you go through this article you will see that as far as the Scarborough Regional Library was concerned, Agard who was the Chief Executive Officer (CEO) of UDeCott said that Warner got the contract with a bid of \$25.5 million and

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the man did not even tender; whoever Warner is. [*Laughter*] But you go to the Inter-American Development Bank and you tell them that you must prevent Ishwar Galbaransingh and Calmaquip from even being considered.

You have tried and sentenced them and the matter has not yet been resolved at the level of the preliminary enquiry. With respect to the Scarborough Hospital, they were the lowest bidder. Ragoonathsingh, who was the person qualified for this one, was simply cast aside and they brought in Warner. Warner is working very closely with Emile Elias and some company he has called NH International.

Mr. Bereaux: That is Jack's brother's cousin.

Mr. Singh: That does not matter.

Mr. Ramsaran: That is not true.

Mr. K. Ramnath: "Doh" listen to them. When you are talking about legislation that is supposed to assist companies in exploration and production, in employment creation, revenue generation and taxation increase, all for the upliftment of the people of Trinidad and Tobago, you ask yourself whether that group of men and women are working in the best interest of the country. These are the same ones, if I may repeat myself, who went all across the country and up to today, without a shred of evidence, continue to malign the good name and character of people who sit on these Benches.

Mr. Imbert: What kind of name?

Mr. Speaker: Order!

Mr. K. Ramnath: Good name. When I look at the events that are emanating from the commission of enquiry and published in the newspapers, almost every single day we are hearing that there have been breaches. So they set up a commission of enquiry into the Elections and Boundaries Commission (EBC)—because for years they went after the EBC—then they discovered nothing was wrong. They set up an enquiry into the Piarco International Airport; the report is being sanitized. I do not know how long that sanitation exercise is going to take.

Mr. Singh: It is being done by Warner.

Mr. K. Ramnath: They set up a commission of enquiry into the Biche High School, the report is lost. In all of these instances, millions of dollars are being expended without any benefit coming to the citizens of this country. When we come to Parliament with legislation to increase taxes or to rationalize the tax regime, we need to hear what the kind of dollar value is. If you look at this table,

you will see that the rate of increase of the supplemental petroleum tax is decreasing as the price is dropping. Does that not sound familiar with respect to crime? The rate of increase of the SPT is decreasing as the price of oil increases. I think that was the point Mr. Martin Joseph, who I understand is not too well these days, was trying to make with respect to crime.

As the Member for St. Joseph has said, we have widened the bands; we have increased the threshold for the calculation of supplemental petroleum taxes and I ask the hon. Minister: How is that going to help the company that is producing 100 and 200 barrels of oil a day in Forest Reserve, Moruga, Cats Hill or Point Fortin? What kind of benefits will come the way of these small producers? These small producers hire a fair number of persons per 100 barrels of oil produced, and you hear nothing. In fact, you should eliminate completely the supplemental petroleum tax for land production in Trinidad, at its current levels. You are talking about land production in the vicinity of about 30,000 barrels per day, if that much. On an ongoing basis the production level is decreasing; we are not finding additional reserves on land. It is more expensive to produce oil on land; the maintenance costs are higher. The cost of electricity is extremely expensive; you have to pump these wells; you have to work over these wells more frequently.

As soon as the Government sees an opportunity to make a few dollars, it comes here on the one hand and says, "We are increasing the threshold or the price at which supplemental tax will kick in, but we are going to tax you, nevertheless, based on price, but not on volume." I could very well understand that where you have large producers you would want to ensure that the State gets its fair share of income from the rising prices of oil, but when it comes to the largest area of employment, that is the production of oil on land, you continue to tax these organizations as if they were making huge profits.

I think the Minister of Energy and Energy Resources was present when it was announced that Petrotrin was likely to make \$1 billion in profit at the end of the current fiscal year. We were not talking about US \$1 billion; we were talking about less than US \$200 million. If you take a close look at what costs are involved to upgrade your refinery for the purpose of providing cleaner fuels to enter the Free Trade Area of the Americas (FTAA) and so forth, you will realize that US \$200 million cannot upgrade a plant or two. Yet a company like Petrotrin is forced to pay supplemental petroleum taxes, particularly on production from land.

It is very understandable why they do not come with information to the Parliament. I saw in this legislation that production sharing contracts, which expressly exempts supplemental petroleum taxes, will now be charged supplemental petroleum tax.

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Is the Minister saying that if that was not a condition, it will now be a condition? But then the company will tell you, "That was not a condition under which I entered the country and ended up in business." I am quite sure you might be facing litigation and so on. You must be a little more circumspect. You cannot now come and say, "I invited you to come here and participate in the production sharing contract; at that time I did not write into the contract that there will be supplemental petroleum tax applied to production, now I am saying, since it is not written, I can say that you must now pay it."

Do you know how difficult it was to get petroleum production sharing contracts implemented? It was the government of the UNC that implemented the successful production sharing contracts with BHP Billiton and British Gas. [*Desk thumping*] All the years these provisions have been in the legislation, successive governments were unable to encourage people, now you are saying, "We are now changing the rules." Let me give you an example of something that is happening now. Talisman has invested about US \$50 million already in seismic work on the eastern block. The Minister of Energy and Energy Industries knows about that very well. In fact, I was also assisting in that project and Mr. Dhansook and I worked together on that project.

Hon. Member: Aah!

Mr. K. Ramnath: One thing I could tell you, Dhansook would not say that he drop anything by any bar in Couva for me. [*Laughter*]

Mrs. Robinson-Regis: He dropped it by your house or what?

Mr. K. Ramnath: I do not want to draw Mr. Dhansook into this. It is very interesting that an elected member of the ruling party publicly stating, "I bribed two Ministers," so you have the witness who belongs to the party.

Hon. Member: He lied!

Mr. K. Ramnath: They have not disciplined him for lying. [*Crosstalk*]

Mr. Speaker: Order!

Mr. K. Ramnath: If he had lied, then the party would have taken steps to discipline him, but they have not done so.

Hon. Member: Due process.

Mr. Singh: Jerry Narace said that they are protected.

Mr. K. Ramnath: A councillor of the ruling party makes a public accusation and continues to stand by it, that he bribed two Ministers. He produced evidence in the case of one Minister and the police in this country, perhaps, have not even visited him. Where they have no evidence, but where their conduct is based on the accusations of corruption, you have people being dragged to the courts.

So Talisman and Petrotrin have a joint venture and a lease has been issued for exploration, the eastern block. It appears as though there is tremendous potential. Only a few weeks ago, the Environmental Management Authority (EMA) declared the Nariva Swamp a sensitive area, which makes it impossible for Talisman to extract hydrocarbons from beneath the swamp. So Talisman has approached the EMA to ask, “What is happening here? Can we meet and talk and find a way of doing some directional drilling, so that we can recover oil from under the swamp or other hydrocarbons, because that has been part of the agreement, that we are going to explore and the Nariva Swamp was not, at that time, designated an environmentally sensitive area?”

I raise this point because it is analogous to the production sharing arrangement. You enter into a contract and you grant a lease. There are certain conditionalities associated with the lease and then you change the terms of the contract and there is no discussion between the Minister of Energy and Energy Industries and the EMA and the Minister knows that.

We have had many problems because of a broken-down relationship between the Environmental Management Authority (EMA) and the Ministry of Energy and Energy Industries. [*Interruption*]

3.45 p.m.

Mrs. Persad-Bissessar: You are the next Minister or what?

Mr. K. Ramnath: I want to say that any taxation regime—and perhaps I should support what my colleague said earlier that we were expecting a piece of legislation known as Natural Gas Law in the country. That was something which was promised for a very long time. The royalties we now receive from natural gas are so ridiculously low that we should not be waiting for this inordinate length of time to have legislation with respect to natural gas. Given the current rate of extraction of natural gas to support local industries, and the liquefaction process in Point Fortin, we are looking at about 18 years of production at the current rate of production.

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It was Prof. Julien speaking at an important conference who asked the question: What if, or when natural gas runs out what will we do? And, of course, there was some comment by the Minister of Energy and Energy Industries that Dr. Julien did not say “if”, he said “when”. Or he did not say “when”, he said “if”, and that we would continue to find natural gas in our exploration and so forth.

That is not the issue. In this country, we have been through companies that have worked here since the 1900s and produced billions of barrels of oil. I have to be careful when using the word billions. They have not abandoned nor have they decommissioned infrastructure which supported their operations. They left the country. Some of them are back, but we as citizens of the country did not benefit and the evidence is there for all to see. All one has to do is go to Point Fortin and La Brea.

In spite of what my friend, the Member for La Brea, would say, he would know that the first well that was drilled in 1857 was in his constituency in Aripiero. And when one looks at oil production from 1857, when the companies walked out of Point Fortin, La Brea, Forest Reserve and Erin and went into Moruga and Guayaguayare, the communities became extremely dispossessed. You see no signs of wealth emanating from the sale of petroleum products coming from those areas. In fact, the southern basin, which is the most lucrative basin on land, has its poorest people living along that area; infrastructure is totally lacking and an extremely high number of persons are unemployed in those regions.

So when we impose taxes and make changes to legislation, we should have policy where some of that money is directed to the development of those areas. [*Desk thumping*] We should have a policy within—

Mr. Bereaux: [*Inaudible*] ...and Oropouche. He said La Brea and Point.

Mr. K. Ramnath: The Deputy Speaker is speaking. I thank him for his support. [*Laughter*] The taxation policy should be written in such a way that a certain portion of the increase in taxation coming from oil and gas from those regions would be ploughed back into the regions and not be treated like any other part of Trinidad and Tobago. The evidence is there for all those who have eyes to see.

The other issue I want to raise is the impact of this accord or whatever it is called, the Chavez accord on the oil industry in Trinidad and Tobago, and I am not so charitable as my friend, the Member for St. Joseph. At face value we can say that the Prime Minister should not sign it. He did not sign that accord because he did not know what to do; he is incapable of thinking on his feet or otherwise.

Hon. Member: Or while sitting.

Mr. K. Ramnath: It has been the biggest diplomatic blunder committed by any leader of this country. [*Desk thumping*] And he wants to give a lecture on diplomacy; let him go to Balisier House and do that. [*Crosstalk*] I understand very well what my friend, the Member for St. Joseph, was saying. [*Interruption*] I know the difficulty my friend, the Member for Diego Martin West, has with the Prime Minister.

Mrs. Persad-Bissessar: “He doh talk to him...” [*Interruption*]

Mr. K. Ramnath: “If my leader sets up a commission of enquiry into my conduct, I gone.” He has spoken. [*Interruption*] And whenever he says to me go, I go; and if he says come, I come.

Hon. Members: Ohhh.

Mr. K. Ramnath: That is the respect I have for a leader. I am not going to subject my wife, children and myself to public humiliation and contempt. [*Interruption*] Especially if I have a Ph.D. in Geology and I was a professor at the university and have other—[*Crosstalk*]

Dr. Rowley: He was pleasing you, you asked for it.

Mr. K. Ramnath: I did not ask for it. All right, you will have your chance to speak. I know you cannot take the jamming. Let me not be distracted.

The Prime Minister, on his own admission, has said that this can reduce our export to the region in the vicinity of 60,000 barrels a day. I have never been a Prime Minister—

Mrs. Robinson-Regis: And you will never be.

Mr. K. Ramnath: —but if, as a Minister of Energy and Energy Industries, I am accompanying the Prime Minister, if even he does not speak to me, I will try to speak to him because the Minister is a rather intelligent fellow. He was able to put his assets in a blind trust when he recognized that he had then become Minister and this sweetheart deal with BP was going to backfire on him. He intelligently put his assets in a blind trust, which I understand is run by relatives of his. He went to the meeting. In the first place, why are you going to a meeting where you do not know what is going to be discussed there?

Hon. Member: To have a good time.

Mr. K. Ramnath: Who authorizes Chavez to summon the Prime Minister of Trinidad and Tobago? So he goes to Venezuela not knowing what he was going there for. Diplomacy requires that you send your Minister of Energy and Energy Industries first, and we determine the agenda. I am sure that the Caribbean leaders who turned their backs on him were those who come to Trinidad and fete on weekends and talk about unitary State. They knew; otherwise they would not be signing. I am pretty sure they knew what was on the agenda and what was being offered.

The Arabs of the South in the Caribbean did not have a clue but chose to go to Caracas to make a fool of the people of Trinidad and Tobago. [*Desk thumping*] He was outsmarted and manipulated.

Mr. Speaker, you can enter into an agreement if Venezuela wants to subsidize oil to the Caribbean country. A formula can be worked out where Petrotrin does not lose its market share, it does not lose its margin and we get a few dollars per barrel of oil refined at Pointe-a-Pierre and we also buy oil from Venezuela. We buy \$100,000 of oil per day from Venezuela and if Chavez wants to subsidize Eastern Caribbean countries, he can do it by selling oil to Petrotrin to refine for distribution in the islands at a certain discounted rate. There are ways to do all these things.

Petrotrin would have kept its throughput going, it would have kept its margins and market share, and we would not have looked like a bunch of fools. But clearly, the Venezuelan Government is not interested in Petrotrin supplying products to these islands, they have a refinery in the Caribbean and they would like to sell their higher yield products to the Caribbean because they would fetch a higher price. They are also looking for markets whenever they feel threatened in other parts of the world, particularly in the West.

You would have expected that a man who sat in the Ministry of Energy and Energy Industries—do you know when I succeeded him in 1986, the chair was so low I am sure that he was incapable of writing on his desk. All he was doing was rocking. You could not reach the desk and he is taller than I.

The Prime Minister goes and then subsequently delivers his “neemakharamism” speech of how many CEPEP gangs he sent to Grenada and how much oil he made available, how many soldiers went, and even promised to repair the stadium built by his Minister of Works and Transport whom the Lord was not so kind to. Then he talked about the forgiveness of debt—[*Interruption*] You are right, it was the UNC government who forgave US \$350 million worth of debt to Guyana and they criticized it.

Mrs. Robinson-Regis: We criticized it yes.

Mr. K. Ramnath: They criticized it and even made racial assertions. [*Crosstalk*] And they advanced racial consideration—

Mr. Speaker: Order please!

Mr. K. Ramnath:—for having done such a humane act to our neighbours. Then he continued about the US \$50 million oil facility which we made available at no interest, but it was after the horse had bolted from the stable, because when you do not have the political acumen, intelligence and sagacity to lead, then you must get out. [*Desk thumping*]

Mrs. Robinson-Regis: That is why Couva North threw you out.

Mr. K. Ramnath: So we are faced today with a leader who has not yet addressed this nation. He has not used the Parliament to make a statement on a matter which is being hotly debated across the Caribbean and has serious implications for this country in terms of its export of petroleum to the Eastern Caribbean.

Let me say to hon. Members that the Eastern Caribbean is our premium market, that is what brings the largest returns to Trinidad and Tobago and if that is lost, then we have to go to what is called the extraregional market where prices are not so attractive, and into the international market where prices are least attractive. Up to today we are not hearing a sound coming from the Minister of Energy and Energy Industries, nor are we hearing a word coming from the Prime Minister with respect to this fiasco that was created.

I do not blame Mr. Chavez. I was told very recently that countries do not have morality, they have interests, and therefore, if it is in the interest of the islands of the Eastern Caribbean to get better prices for their oil products from Venezuela or anywhere else, it is in their interest to purchase from those countries.

So if we sit here and lament the fact that they have turned their backs on Trinidad and Tobago and do not wish to believe it, then we would spend our entire period in Parliament crying about an issue which we created ourselves. These islands are reeling under pressure, but we have a Prime Minister in Trinidad and Tobago who feels this country is too small for him to govern; he is talking about a Caribbean State. He is so paranoid about facing the reality of sitting in the Opposition the next time around that if he can make a deal with somebody in St. Vincent or Grenada so that he can be returned, he will do it.

The Eastern Caribbean leaders have just set him up. They mamaguyed him with all kinds of promises. They are quite happy to benefit, as I said, because of interest and not morality. They are quite happy to benefit from the grants of Trinidad and Tobago. Trinidad and Tobago has been extremely generous; but you know what is dishonest? The generosity displayed by the PNM Government had a sting in its tail, and that is, they wanted something in return.

When you see Gonsalves, the Prime Minister of St. Vincent coming to Trinidad and saying why we should support a unitary State you ask yourself whether this matter had not been discussed by our Prime Minister a long time. When you listen and recognize the preoccupation and obsession with this Caribbean Court of Justice—

Mrs. Persad-Bissessar: Injustice.

Mr. K. Ramnath:—a court that is doing nothing and they know that, and the hundreds of billions of dollars they could have put in Laventille, Couva, Tobago and Mayaro to improve the quality of life of the people, their focus is to spend as much money to develop this court so that it would be some Caribbean institution that would help them in their pursuit to stay in office.

All the arguments have shown we are talking about money for the Caribbean Court of Justice in this piece of legislation. Nobody has any interest in replacing the Privy Council except a bunch of politicians. The average man-in-the-street has no interest. When I am told that about 25 matters go before the Privy Council per year, you ask yourself why we are spending all this money. But there is this fascination with Caribbean things.

The world is talking about international criminal court, international court of justice, all kinds of international organizations, maritime institutions and so on, they are focusing inwardly and talking about a court in the Caribbean to hang people. They believe that the Privy Council has no interest in supporting hanging. Hanging goes down well among Third World people; they do not have too much time to discuss the finer things of life. They are very happy when somebody is hanged or when you punish them.

Imagine in this Parliament we are talking about beating people when we should be talking about counselling and educating them. We are talking about quality education and that which would subserve the transfer of this country into First World statehood and so on. We come here to beat people and the Attorney General is proud that one of his major initiatives in the transformation of this society is to beat people with a whip in this day and age.

Mrs. Persad-Bissessar: Licks.

Mr. Ramsaran: Bull pistle.

Mr. K. Ramnath: So we take our money and put it behind those Caribbean lords. That is what they want to be. What they really want to be, and are ashamed to say, are Caribbean lords to sit and mimic the system in Great Britain but will not accept the fact that there is no use for them.

Why do you think the Caribbean Single Market and Economy (CSME) is threatened and the Free Trade Area of the Americas (FTAA) is non-existent? The most recent initiative with Venezuela demonstrates how vulnerable FTAA and CSME can be. All Chavez has to do when prices go up again—and they will go up. I think the Nimex price for August trading this morning is about \$59 per barrel.

I want to inform hon. Members that half the world reserves of oil and gas reside in five countries. For every two barrels of oil we consume we only replace one barrel, so there will be continuing increase in the demand for crude oil and, therefore, the prices will continue to rise. That is the prediction. So those who feel this is just some kind of a bubble and it will burst and they will forever live in this kind of dream world as we tend to do in Trinidad will understand that oil prices are here for a while. But in Trinidad and Tobago, when we should be talking about encouraging exploration and exploitation—

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: Mr. Speaker, I thank hon. Members for their generosity. We have to sit and look at where we have failed to use the resources of the nation to better the lives of the people of this country. We have to account to people of this country with respect to the resources that are made available to the State for the benefit of the citizens. We cannot waste them on institutions like the Caribbean Court of Justice.

I hear that they are going to replace the Advanced Level GCE with something called CAPE. When you get your Advanced Level and go to an institution in Canada, you get a year off, almost a year off, from your degree programme. With this CAPE you have to do that additional year. And I want to know: What is Caribbean education? I do not know what that means. Most of the people here,

the Member for La Brea, yourself, and the Leader of the Opposition were all educated in Great Britain and in foreign countries. [*Interruption*] I, also, graced the portals of upper schools.

Mr. Bereaux: I suggest you consult with your honourable colleague next to you and the hon. Member for Caroni East and maybe they can give you some background on CAPE.

Mrs. Persad-Bissessar: We rejected that outright. We rejected it completely.

Mr. Bereaux: All right.

Mr. K. Ramnath: The UNC government rejected it, but the point I am asking is, what is this obsession all about when you cannot even guarantee the security of CXC papers in the Ministry of Education? [*Desk thumping*] When the papers are leaked some temporary clerks are blamed. In the first place, what are temporary clerks doing with most confidential documents like CXC papers? They should not be there at all.

The point I am making is if you can come up with some valid explanation as to why we should have Caribbean examinations as opposed to British examinations, then certainly we will be open to considering it, but when it is based on some kind of spurious arguments about “we are one people”, I do not have anything in common with anybody from Antigua, my grandfather came from Punjab. I do not have anything in common with Caribbean people and all that sort of thing. I live here; I am a decent law-abiding citizen. I respect everybody else who lives here no matter from where they came. I have no obsession with indentureship, slavery and so on. I am a loyal citizen of Trinidad and Tobago and I make my contribution. Why am I going to support taxpayers’ money going towards building Caribbean institutions?

Hon. Member: You are not a Caribbean man?

Mr. K. Ramnath: I am not a Caribbean man; you are a Caribbean man, your heritage is based on rape and plunder. You know what I am talking about.

Mrs. Robinson-Regis: He is a Punjab.

Mr. K. Ramnath: I am a Trinidadian, I am a loyal son of Trinidad and Tobago. [*Desk thumping*] I do not know what the Caribbean is. It is a bunch of rocks in the Caribbean Sea with a set of petty dictators running around the place playing man.

Mrs. Robinson-Regis: You are a sad man.

Mr. K. Ramnath: That is what it is all about, and that is why you could never have any semblance of unity because they are all for themselves and all want to be some kind of big time leader, but we will discuss that at another time.

Mrs. Robinson-Regis: “How you so selfish?”

Mr. K. Ramnath: We have to treat our neighbours with respect. We do not have to ignore them in times of difficulties, we treat them with respect. If we can work in an institution that is going to uplift the entire region, that is all. Do not force the people of this country to belong to anything they do not wish to belong to. [*Desk thumping*] Do not force them to be part of a judicial system that is incapable of delivering real justice and I will tell you—

Mr. B. Panday: Let us have a referendum.

Mr. K. Ramnath: Yes. I will tell you a lot of those people who are now sitting in the Caribbean Court were around when Gairy was raping the people of Grenada and they said nothing. When Burnham was raping the people of Guyana, these eminent, learned jurists—justice is not only about how much education you have and you lawyers know that. It is not about qualification, it has to be dispensed with a heart.

4.15 p.m.

Where were these jurists, these so-called bright Caribbean jurists, when you had a civil war in Guyana and the Mongoose Gang in Grenada? When I read the judgments of people who sit in England, I say thank God they are sitting so far away that they are removed from all the pettiness and prejudices that exist in this part of the world. I am saying that we are preoccupied with things which are not in the best interest of developing our country and our people. [*Desk thumping*]

As I was saying about the CAPE examination, when you hear the rationale for these things, it is all about: We are a Caribbean people; we have a Caribbean heritage. Do you know Naipaul was right? We have invented nothing in the Caribbean; we have created nothing in the Caribbean—a bunch of talkers. That is why in a rich country like Trinidad and Tobago you have people living in squalor and if you want to find out how many people are living in squalor ask the Member for Diego Martin West; he has the statistics. He understands and he knows the conditions under which people are living; families sharing bathrooms in rental accommodation in an oil-rich country like Trinidad and Tobago. One sector of the population—a small sector—living like kings and a large majority cannot even eke out a decent living. Our wealth that we create in this land, we must first of all

look after ourselves and our people before we start thinking about outside our boundaries.

The men and women who have refused, who have signed the Venezuelan Accord, are concerned about their islands, their people and about cheaper fuels and energy for their industries and for their communities, and I do not blame them at all. I blame Trinidad and Tobago for not having the foresight to sit with its neighbours. I would imagine that if you get wind of some meeting taking place to discuss an energy pact, that there would have been some kind of shuttle diplomacy; telephone diplomacy and discussions taking place with respect to that matter so that we can understand what is on the agenda at the meeting in a day or two and go with a position. People are not unreasonable. But if you are not prepared to sit and talk to the leaders of the Caribbean, then they would talk to those who wish to speak to them.

As the Member for St. Joseph has said, we have to be extremely careful. Mr. Chavez is not on good terms with Washington. I did not conclude that. He said it. He says he wants to set up his own regional bloc and he is using this mechanism as an incentive to get countries in the region to support his initiative. That goes counter to what has been developing for a long while in terms of NAFTA and the FTAA. We supplied him with 500,000 barrels or gallons of gasoline when the people were revolting on the streets of Caracas and I do not know the basis for that. But, you see, you have to be extremely careful when you make decisions like that and if you feel that in return you are going to get favours, just remember those countries have their interests and they throw morality out of the window.

So what are we doing with this legislation? We are putting more pressure on the small producers in this country. The Minister of Energy and Energy Industries has been an absolute, abysmal failure. He cannot even answer a question with respect to illegal quarrying in the country and says the Attorney General is not listening to him. He said: "I have complained so many times to the Attorney General that we do not have all the laws in place so people can go and quarry." But I will tell you something. My uncle in Balmain cannot plant 10 pea trees at the back of his house without Rao sending his goons to root them out, but you can go and rake the Guanapo Hills, and the Minister says: "I cannot do anything about it."

The Minister has obstructed a successful policy of lease-operatorship and one of these days I would tell the House why I think he has done that. The lease-operatorship programme is about a company like Petrotrin with large acreages having uneconomic wells in its possession not being able to do anything with it, leases it out to a small operator who, because of lower costs, is able to produce

five and ten barrels of oil a day. That programme is a resounding success. Their objective is always—the same way they have set up the CEPEP programme to the exclusion of anybody who they look at and say, “I do not think you are voting for PNM”, their hidden agenda is to “CEPEPize” the oil industry on land, to select their own supporters who may or may not be capable, who may not have the entrepreneurial skills to do it, and in the process they have destroyed the entire programme which has been a resounding success so far.

In addition, the Member for Ortoire/Mayaro will tell you, we worked on a very successful project when he was practising the profession that he is best able to practise—he is a petroleum geologist by training, a very bright man. I do not know why he got in trouble with these people. You should not associate with them. Do you know why you are sitting in the Back Bench? It is because the General Council said people like you are creating problems for them. You are an outsider in their party.

The Member for Ortoire/Mayaro agreed that the best way to deal with underutilized acreages was to do it in blocks. He carved out an area and a company called Vermillion, and then Vintage, came in and drilled a few wells. Today we are producing 50 million cubic feet of gas a day. British Gas has just bought that lease. That was done under the UNC and I was not there. Could you imagine what would have happened if I were there? *[Laughter]*

Mrs. Robinson-Regis: Nothing.

Mr. K. Ramnath: Do you know what this Minister has done? He did not wish to consult with his colleague from Ortoire/Mayaro. He issued a decree that Petrotrin must stop issuing leases, and if any leases are to be issued, he would have to approve it in Port of Spain and he would decide who gets it. So he has given out nothing. Do you know what the plan was? He was going to do a 3D seismic across the southern basin.

Mr. Singh: Maranatha?

Mr. K. Ramnath: I do not know the capability of Maranatha. We have written to Lord Browne for a full investigation into this Maranatha matter, so Lord Browne would reply. But what I am saying is, we had a wonderful opportunity in times of high prices to be creating a lot of wealth in the country; to be employing a lot of people, particularly in the rural areas; to be experiencing development that

we have not had for very long, if we had pursued and continued the lease-operatorship programme where citizens of Trinidad and Tobago would have had their piece of the oil industry.

That was what the UNC was all about, using the natural and human resources to encourage our citizens to own a piece of the action. Today, land production is declining at a very rapid rate and in spite of all the efforts, if you do not find new reserves, if you do not replace reserves that have been extracted, you are not going to arrest the decline.

This legislation has no philosophical basis. I have not heard one statement of philosophy coming from the Minister. As an accountant, he read out all his figures and said: "You all can take it or leave it."; but no policy direction. I thought that he would have come here and said when this legislation is passed, this is what we are going to see: We are going to see a resurgence in activity in Guayaguayare; we are going to see Moruga, Erin and all of those areas that have been neglected for so long, begin to boom as a result of the benefits that would be derived from the taxation. But we are not hearing anything. All we are hearing is that the Government will be collecting more revenue. When they speak of the country benefiting from a wasting asset like petroleum, they are not talking about the country, but about PNM and their friends.

Can you imagine a party that got into power on the basis of accusing people of corruption? You have five Ministers before the Integrity Commission—

Dr. Moonilal: And 10 more to come.

Mr. K. Ramnath: But I do not want to do like my friend from Diego Martin West and point fingers, as he has done. I saw him in his heydays. The only thing he did not do was to come across here and physically interfere—

Mr. B. Panday: He did it in the tea room.

Mr. K. Ramnath: I forgot.

So, in concluding, let me say that I am disappointed that we have not heard from the Government, any policy initiative that would help us increase our oil production, increase oil reserves, increase employment, provide educational opportunities. They have not built a school in four years and they would not open the school that

we built in Biche. Do you know what amazes me? The Minister is a geologist. He has not spent any time in assessing the reports that claimed there is a problem in Biche. He knows the rate at which the Central Range fault is moving. He has all the information available to him. He knows that the school is not on the Central Range fault; the school is on a minor fault, as all buildings and schools.

Mr. Williams: The geo-scientific staff at the Ministry has documented classic, what are known as redal shear zones where that fault is sitting. It is associated with a right lateral strike slip fault and it is, in fact, moving and the area is, indeed, unstable and there are, indeed, petroleum emissions in that area.

Mrs. Persad-Bissessar: What does that have to do with the school?

Mr. Williams: Ultimately, the area is unstable and it was not engineered properly.

Mrs. Persad-Bissessar: They built the whole Santa Flora school on worse than that—spite and malice! [*Crosstalk*]

Mr. K. Ramnath: Mr. Speaker, I know we have to end here, but the Minister knows that the Central Range fault and associated minor faults are no different from the Los Bajos fault. The Point Fortin Secondary School is sitting on a fault; the St. Peter's School is sitting on a fault; the Pointe-a-Pierre Hospital—Augustus Long—is sitting right on the Central Range fault. The whole of South Trinidad is faulted and we are so happy that it is faulted because we are able to trap oil.

Thank you very much, Mr. Speaker.

Mr. Speaker: Hon. Members, the sitting of the House is suspended for tea and we would be resuming at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.02 p.m. *Sitting resumed.*

The Minister of Energy and Energy Industries (Hon. Eric Williams): Mr. Speaker, allow me to enter the debate to contribute and certainly to support the position of my colleague, the Minister in the Ministry of Finance, in this matter before us, which is the Finance Bill, which seeks to provide some legislative amendments to various sectors, in particular, legislative amendments to the petroleum sector, particularly as it relates to crude oil. The amendments that relate to natural gas will come in subsequent legislation. Indeed, Government has already acknowledged that this is a work in progress that is almost complete.

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The last revision of the fiscal regime for petroleum was completed back in 1992, and since then the petroleum industry in Trinidad and Tobago has changed significantly. Crude prices have risen and have been sustained at high levels. The utilization of natural gas which, of course, was once considered to be of low commercial value, has increased dramatically and with the advent of Atlantic LNG, Trinidad and Tobago is now a leading player in the world LNG business. However, when changes of this magnitude occur, new challenges can sometimes present themselves. The proposed amendments to the petroleum taxation legislation are intended to allow us to deal effectively with some of the challenges and to eliminate potential future problems at this stage.

These amendments will help us to create a sound fiscal regime for the future. First, we must ask ourselves, what are the characteristics of a good fiscal regime? I want to put it to this honourable Chamber that first of all it must be simple; it must be easy to administer and it must encourage companies to continue investing capital. These are points which have been made by my hon. colleague.

With these in mind, one can then go into an examination of some of the issues surrounding the specific amendments. Before I do so, and with your permission, there were, indeed, some ancillary points that were raised by the Member for Couva South which speak to the overall philosophy and policy position of this Government as they relate to the energy sector. In particular, the gentleman—and regrettably he is not here—spoke to issues around the supplemental petroleum tax (SPT) as it relates to production-sharing contracts; he went on to speak at length about the whole PetroCaribe initiative and also sought to get into other issues that are non-energy related and I would not deal with those. He also touched on quarry issues and also our approach to causing companies to explore onshore for oil and gas. I will speak to those issues, but certainly having referenced them, I want to go into the substance of the legislation before us and then come back to deal with some of those issues.

The anomalies and shortcomings that have been identified in the existing petroleum legislation for crude taxation that pertain to the administration of the supplemental tax are several. First of all, the existing legislation allows expenditure on natural gas projects as a deduction for the computation of the supplemental petroleum tax. There are several, as I said, administrative issues surrounding this. However, the SPT, as it is called, is a tax on crude income only and not natural gas, and this then should not be the case. So to clarify this matter, let us consider a company that operates in a marine block that contains one oilfield that has been developed and is under production. Let us also assume that the costs for this crude

oilfield have already been recovered and that the company is in the process of developing, say, two gas fields. All the development costs would be incurred in the development, then, of the gas fields, which would be allowed as deductions for SPT purposes against the gross income from the sale of the crude oil.

In such a circumstance, then, the revenue that would have been payable as SPT for the sale of crude oil would be dramatically reduced and the impact on the ability of the Government to predict its tax revenues can be far-reaching. It is the essence that was raised by the Minister in the Ministry of Finance, that in some instances, exploration for natural gas is being offset against oil revenues and this has been identified as a considerable leakage in the system.

So again, consider the case of a company which has refocused specifically on the development of natural gas reserves. The costs that have been incurred in the development of the gas reserves for export markets, for instance, will reduce their liability for the payment of supplemental petroleum tax. Under the current legislation companies are allowed 40 per cent of the incremental investment, including pipelines, platforms, development wells, and so on, as a deduction. For example, a company with an incremental development cost of, say, US \$350million, would be entitled to a deduction of US \$140 million and the net benefit to the company will be affected by the SPT rate. And at a crude price of \$40, which is not unheard of today, the SPT rate is now 38 per cent—that is the deduction—and, therefore, the net reduction to the company would be US \$53.2 million. However, at a crude price of \$25 a barrel, the SPT rate is 28 per cent. Therefore, the net benefit to the company would be \$39.2 million. The anomaly here is that companies are being given higher incentives as prices rise and at times when no such incentives are necessary. So we have said that we are going to try to stimulate the system.

Secondly, the Petroleum Taxes Act provides for the computation of SPT for production-sharing contracts. The Member for Couva South asserted that it did not. The reality is that it does. It is included in how the revenue share is computed. But the third schedule of the Petroleum Taxes Act does not identify the schedule of SPT rates that would be applicable to production-sharing contracts. In other words, it is already in the contracts but it is not in the law, and, in effect, what the Government is seeking to do is to include it in the law.

So consider the case of company “B” with a production-sharing contract. Since no rate is specified in the Petroleum Taxes Act, that company can argue that the applicable rate is zero and that their liability for SPT is nil. For existing production-sharing contracts, this approach would provide for a greatly reduced tax liability.

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However, since the same approach must apply to all companies, the Government may receive bids with substandard natural gas splits for those blocks that contain natural gas prospects. In other words, we would be at a considerable disadvantage, and continuing disadvantage, were we to leave the law as it is, whereas what we do today is negotiate this into the contracts, but it is not specifically in the law. In other words, we agree to include it but we need to specify it in the law. That is part of what the Government is seeking to do today.

In addition, the financial year as defined in the Petroleum Taxes Act is a “period of 12 months commencing on January 01 each year”. However, all companies are allowed to choose an accounting year and we have followed this as their financial year, and this presents a challenge for the computation of SPT. Since the average annual crude price for each financial year is used, two crude prices and two SPT rates may be applicable, and companies with accounting years from October to September will encounter this problem. This also presents problems for the computation of production discounts, as discounts may have to be allocated partly to one accounting year and partly to another.

The Member for Couva South went on at length about the land-based companies, the small companies that provide employment, and Petrotrin. But the reality is that almost all the land companies, all the land-based operators, have accounting years that run from October 01 to September 30. So this is an attempt to help the situation, particularly for those companies which he is suggesting that the Government is putting at a disadvantage. We are, in fact, amending the law so that we remove this anomaly in the system.

The additional burden of production data, crude sales figures and SPT rates for two years present an unnecessary administrative burden both for the companies and the Government. Furthermore, production discounts for SPT must be allocated using the different production levels in one financial year to determine the discount that may be allowed for the period in another part of their financial year. Then the process would have to be repeated, using data for the next financial year to determine the discount that may be allowed for the period in the next year. So for one year you have several months and then the other year, another set of months. This is a dynamic situation where production does not necessarily remain flat, but could either rise or fall. Therefore, one has to figure out what applies to which particular year.

So sometimes a company may be eligible for a production discount for part of the accounting year and not eligible for the remainder of the accounting year. When this occurs, the average rate of production for the entire accounting year may be below

the limit that is allowed for the production discount, but the legislation still allows one discount to be claimed using the Act's financial year. The production discount refers to a 20 per cent reduction of the SPT rate that is applicable to crude production levels above 90 per cent of the previous year's average crude rate. That is, if a company produces 1,000 barrels a day in 2003 and manages to maintain the same rate in 2004, the company can claim a production discount of 100 barrels a day. But again, as I pointed out, this can fluctuate and it creates administrative problems.

The existing legislation allows exploration dry hole expenses to be claimed as an SPT allowance, that is, if you drill a well and did not discover oil or gas. However, the full expenditure on exploration dry holes is also allowed as a deduction for the computation of the petroleum profits tax (PPT) in the same year in which the expenses occurred. And by including these expenses for both the SPT and the PPT allowances, the Government is contributing more than 75 per cent of the cost of the wells, and particularly so in the marine acreages.

The actual percentage of the well cost that is borne by the Government depends on the SPT schedule—and there is a schedule of four different tables—that is applicable to the particular acreage, and due to the combined PPT and unemployment levy rate of 55 per cent, the Government will also contribute 55 per cent of the well cost. However, if the costs are also claimed as an SPT allowance, then the Government's contribution is increased by whatever is the magnitude of the SPT rate. And at a crude price of \$40 a barrel, the following will apply: For marine acreages that were in production in the marine area before 1988, the rate is 35 per cent, and then the Government's contribution is 90 per cent of a dry hole cost; for wells in the marine sector, post-1988, the Government's contribution will be 81 per cent; on land before 1988 it was 83 per cent and post-1988, 66 per cent. In other words, the Government is subsidizing the petroleum companies in their exploration effort in an inordinate way and we are seeking to close that.

The definition of qualifying expenditure for SPT allows non-field related expenditure, such as office furnishings and motor vehicles, in some cases, to be included for the computation of SPT allowances, and this is supposed to be an allowance that has to do specifically with the exploration process. This then allows spurious costs to be excluded or included for the purpose of SPT calculations. Then there is something called the small field allowance, which allows high rate natural gas fields with associated condensate production to be classified as small fields and become eligible for this particular allowance.

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Some of these fields produce large volumes of natural gas; that is to say, here is a field where you have natural gas and at a change of pressure, you would have liquid petroleum known as condensate. The field is an economic field based on the natural gas by itself, but because it has condensate, which is liquid, and condensate is covered under this allowance, that field may be producing a large amount of gas but a small amount of condensate and would qualify as a small field and therefore the allowance for the development of that field will then reduce the Government's take.

Let me give an example: In marine areas, a threshold production rate of 200 barrels a day, per well, is used to identify small fields. That is the average. So if you take all the wells and you average the oil production and it comes to less than 200 barrels a day, per well, that is classified as a small field. On land the threshold is 100 barrels a day, per well, on average. One inherent problem with the definition is that wells which produce very small amounts, as I said, of crude during the year, known as stripper wells, will be counted as active wells, and this increases the denominator of active wells and can cause fields with wells that should have been abandoned, such as some of those that the Member was speaking about on shore, to qualify for the allowance.

Natural gas wells which produce no associated crude or condensate will also form part of the denominator. In fact, you may have a situation—and another example of the problem caused by gas wells: Consider a company which produces gas, as I said, with associated condensate. Several fields with highly profitable gas wells might now be eligible for the small field allowance because of the associated condensate level. So you are getting the benefit of the exploration for the gas and at the same time, because there is a small amount of liquid that is being produced, you are able to take the cost of development of that entire field and allow it as a deduction against your taxes, when, in fact, we have discovered that, as indeed, an anomaly.

So what are some of the solutions? The first one is that all SPT allowances have been removed, as the Minister pointed out, and the SPT rates have been reduced to address the higher tax liabilities that would have arisen by removing those allowances. The reduction always takes into account the impact of inflation on expenses from 1992 to present, and only royalty payments for crude production would be allowed as a deduction for the computation of the supplemental petroleum tax. The royalty is straight off the top for all production. At low prices, companies will require relief and as a result the following measures have been implemented—and this is where the Member spoke about the threshold: The threshold for supplemental

petroleum tax has been increased to \$15 a barrel, from US \$13 per barrel under the old schedule of rates. In other words, if the price falls below \$15 a barrel, the company is not liable for SPT. Above US \$21 a barrel, all SPT rates have been reduced by three percentage points to allow for the removal of the allowances and for the effects of inflation. Then between US \$15 and \$21 a barrel, a greater percentage point reduction has been used.

The Member wondered why we did that; why the rate changed. This was done to provide the companies with a reasonable level of relief when crude prices are low. At prices above US \$21 a barrel, petroleum operations are profitable and companies do not require any additional assistance from the Government. The Member wondered why we were changing that. Most companies do their economics based on \$15—\$16 a barrel of oil. They still do. In fact, now that the price is where it is and is likely to remain as high as it is, they now have to start changing the economic base level of the price of oil that they use. But the reality is, what we have done is pay cognizance to the current realities and we have put in place a system that keeps the companies whole. It takes into account inflation; the economic realities that cause them to be economic, and at the same time it removes a lot of the allowances which were, in themselves, spurious that cause leakage in the Government tax system. So the removal of all allowances solves those problems that are associated with the small field allowance: production discounts; dry hole expenses and the identification of qualifying costs for SPT allowances.

There are a number of other issues that have been solved by some of these measures. Again, we can go into almost all of them, but the bottom line to all of this is to answer the assertion that this Government is not seeking to take care of its people. Indeed, as I have gone to great lengths in just a couple of small areas of these proposed amendments, I have demonstrated that what we are seeking to do is to find that fine balance between, yes, increasing revenue to the Government, but doing so in a way that remains investor-friendly and that allows the companies to continue to do the things that they need to do to generate that revenue. This is what we are seeking to do, and we are seeking to do so in a win-win manner for both the country and for the companies. We are creating a system of which the administration is a lot less complicated; it is much simpler; it removes a lot of the ambiguities which would have resulted in a number of challenges that accountants on both sides of the divide face regularly. The system that we are putting in place is very timely. We have delayed in some measure, some of our efforts to stimulate exploration and production and we hope, of course, the identification of new reserves, so that we can get this and other issues correct for the benefit of the people of Trinidad and Tobago.

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I want to address some of the issues that the Member opposite raised. He spoke of the fact that Petrotrin has been involved in putting out small pieces of acreage for what are called, stripper wells, for the lease operator programme, and also putting out blocks for bids for other companies to come in to joint venture with it. In the face of no new technology onshore, what we have been faced with are declining rates of production. We have had that discussion in this Chamber before and, certainly, out in the public domain. In fact, the industry recognizes that what is required to identify new reserves onshore would not only be the technology to do so, but the fiscal incentives that would allow them to do so, not only onshore; offshore as well. This is the exploration and production business.

So we have gone to a fair length to try to ensure that we have a system that is workable, recognizing that no system is perfect. But we have gone to great lengths to try to find a system that is workable; that meets the criteria that we set for ourselves when we embarked on this. Did we learn things as we went along? Yes. Did we realize there were some things that we had not catered for? Yes. And we have taken the time and, indeed, in taking the time, what Members opposite seem to ignore is that we also took the time and will continue to take the time to dialogue with all the companies that are involved. There is continuing conversation. As soon as we arrive at a situation where there is something that can be discussed, the players are all either brought in or the key people in the public service go to visit the companies and they have a dialogue. There is a continuing dialogue with the companies on these issues. So we are trying to reduce the element of surprise; we are trying to ensure that we, indeed, have a system that is win-win.

So the legislation has taken some time to get here, but it is time. It is now going to be the subject, as we have done this, of further discussion with the companies and then following upon it we would be coming with the natural gas legislation. The folks at the Ministry of Finance are working assiduously at it. I am well aware that the Minister of Finance pays a lot of attention to it, and some members of my staff are assisting members of his staff. I am not directly involved in these discussions.

But this is only a part of the overall puzzle that we are putting together for our energy sector. The Members opposite wanted to know, in particular, why we appear to have been put at a disadvantage by the discussions which were held in Puerto La Cruz—not Caracas—with respect to PetroCaribe. Again, there was much speculation about it. What we said was that, here is a document which we were not prepared

to sign but which required study. Others felt the need to sign it and they did. But, in fact, what we may not remember of our history is that our neighbours have had a history of doing that. This PetroCaribe document, which is a work in progress, by the way—it is not a *fait accompli*—is an extension of the Caracas Accord. The Caracas Accord was signed by no less than 10 or 11 of our Caribbean neighbours. We, in Trinidad and Tobago, are not eligible to sign the Caracas Accord in its original form because we are a producer and exporter of oil. The Caracas Accord and the one that preceded it, the San José Accord, were for countries that were net importers of oil, not exporters, and we are not eligible under the previous discussions.

In addition to which, while this meeting was the first meeting of the heads of the region, it was, in fact, the third formal meeting of the Ministers of Energy who were charged with trying to develop this concept of PetroCaribe. And we reported on that on every occasion. Every time we signed a declaration coming out of each of the meetings, we have been reporting on it in the public domain. So this was actually the third meeting of the Ministers. In fact, while we did not have the final document because it was still being worked on, we were also not able to have the full ministerial meeting which we were planning to have, because there were certain security and other logistics considerations on the Venezuelan end. Apparently with President Castro coming and President Chavez and his arrangements, there were certain things that they had to put in place. So that we could not have done the meeting in exactly the way we had hoped to. It was supposed to have been a two-day meeting but had to be condensed to one day because of some of those other considerations. Indeed, to try to make the meeting happen in the best spirit, the Venezuelans offered—and it was accepted by other countries—to provide transportation to get to the meeting. So the logistics worked against us to some degree.

So I would make public that in a document dated June 14—now the meeting was held on Wednesday, 29 in Puerto La Cruz—which was forwarded to me as Minister of Energy and Energy Industries, who is charged with speaking to his other brother Ministers about the PetroCaribe initiative and other regional energy initiatives, as well as to my permanent secretary and to the Ministry of Foreign Affairs, from our ambassador in Venezuela. We received a letter which pointed us to an article by my colleague from Venezuela, Hon. Rafael Ramirez Carrillo, where he spoke of “Venezuela, a Factor for Energy Integration in Latin America and the Caribbean”. I would read the contents of the letter:

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“In preparation for the proposed Venezuela/Caribbean energy summit which will include discussions on energy integration projects, such as PetroCaribe, I am enclosing an article written by the Venezuelan Minister of Energy and Petroleum, Rafael Ramirez: ‘Venezuela, a Factor for Energy Integration in Latin America and the Caribbean’, which was published in *World Energy* magazine recently. I believe you will find the paper useful since it outlines Venezuela’s vision for energy integration in Latin America, region by region, through initiatives such as Petro America, Petrosur and PetroCaribe.”

This formed a part of my briefing prior to the meeting, and also of the Prime Minister’s briefing. This is one document, and this follows on the previous two PetroCaribe meetings.

Secondly, on June 22, again, a letter from our ambassador in Venezuela addressed to the Minister of Foreign Affairs and copied to me and the permanent secretaries of both ministries, and it is headlined: “First Energy Summit of Heads of State and/or Government of the Caribbean, Puerto La Cruz, Venezuela, 29th June.” It goes on to provide a working document which spoke to most of the elements that were, indeed, contained in the PetroCaribe document that we met when we went over to discuss it. Almost all of the basic elements are in here. So when we went to the meeting in Puerto La Cruz we had some basic background knowledge of the philosophy. However, when we studied this document that was then prepared by the staff there, first of all in a ministerial meeting—because we had a ministerial meeting, as I mentioned first and it lasted for about an hour or an hour and a half, and there was considerable discussion and there were lots of side bars between the Ministers over this document—we pointed out to our colleagues in Venezuela, and others, that there would be some difficulties that we would have with this document, and while the overall objectives of seeking to assist the region are laudable, that we would have to spend some more time studying this document. We signalled that; in fact, not just signalled, we said so categorically at the level of the ministerial meeting. It was my job to do so and I did so to my brother ministers. So that was discussed at that level.

We also, of course, recognized that the document needed some additional things, but there were some basic things in the document that fit with the previous discussions on PetroCaribe and that also followed on Trinidad and Tobago’s initiatives subsequent to the previous discussions. I want to draw your attention to two of those issues. The first one is contained—and notwithstanding the political rhetoric in the document itself, when you get to the working document, the first part of it

speaks to—and I want to quote it properly here—“PetroCaribe Fund for Social and Economic Development.” This was the first draft. I do not have with me the final draft. But this is substantially correct. It states:

“In order to help foster the social and economic development of the countries of the Caribbean, PetroCaribe shall have at its disposal a fund earmarked for the financing of social and economic programmes and consisting of contributions from financial and non-financial instruments. Such contributions may, upon agreement, be drawn from the finance portion of oil invoicing and the savings from direct trade. The fund shall be called the ALBA Caribe Fund.”

Of course, we took objection to the ALBA concept because it is in direct contradiction to what the Spanish acronym is, “ALCA”, which is the FTAA. It goes on:

“In order to activate the ALBA Caribe Fund, the Bolivarian Republic of Venezuela shall contribute an initial capital of \$50 million.”

Do you know why they arrived at that figure? Because Trinidad and Tobago, in the face of all the previous discussions, took the decision to put an energy fund into the Caribbean which, when you convert it from TT dollars to US dollars, is of the order of US \$48 million or so, and what they did was round that off to \$50 million. In other words, Venezuela, in this fund which they are seeking to propose to, not only Caricom, but also the Dominican Republic and Cuba, was taking a lead from Trinidad and Tobago in setting up such a fund to seek to assist our Caribbean neighbours with social, economic and other issues that cause challenges in our region. They were taking the lead from us. They called it by a different name; they predicated it on a different concept, but they admitted that it was patterned after the initiative that Trinidad and Tobago has taken in the region. That is the first point.

The second point—and the Member for Couva South spoke about if we had signed it, Petrotrin would lose its margin; it would lose its market, and so on, and, really, what we need to do is to find a way to get some of that crude oil at low cost into our refinery so that we could keep the refinery throughput going. I think he is aware of some discussions that are also taking place, because he is in the management of Petrotrin. But the reality is, one of the missing links from the previous discussions on the whole PetroCaribe concept—and it ties in with an announcement made by the hon. Prime Minister months ago, if not more than a year ago; in fact it was announced at the previous Heads of Caricom meeting that was held here at the Hilton Hotel—was the idea of letting the Caricom purchase

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their crude oil requirements, which amount to about 50,000—60,000 barrels or so a day, en masse, as a group, and our contribution here in Trinidad and Tobago would be to process that crude oil in our refinery at cost-plus. So that we keep the refinery whole; we, in fact, keep the throughput through the refinery working at its optimum level and they would then get a reduction on the price of processing.

Now, the cost of processing works out somewhere between \$3—\$5 per barrel, but when we started that discussion, the price of oil was \$32 a barrel. Today, it is upwards of \$60 a barrel, and what we were looking to do was to shave \$2—\$3 off their processing fee in a case where the price of oil had almost doubled. The missing link in that whole arrangement was a discounted price on crude oil, and in the first two PetroCaribe discussions it was pointed out by Venezuela that as a member of OPEC, they are unable to sell crude oil at a discounted price. But what they hit upon in this mechanism in terms of expanding and extending the Caracas Accord in concert with some of their other activities in the area, was to find a mechanism to provide financing for the crude oil at today's prices.

So the reality is that what is presented in this document here is that at today's price, in excess of \$50 a barrel, the Venezuelans would be prepared, not to discount, but to finance 40 per cent of the price of oil. In other words, 40 per cent of \$50 is \$20. And just as they are doing with others in the region, in Argentina they are selling them fuel oil and crediting it against ships and agricultural equipment. With the Cubans, what they are seeking to do is to credit that with doctors, teachers and nurses. What this document seeks to provide is payment—and, of course, they determine at preferential rates the price of whatever the commodity is. They are seeking to work with what they saw as the assets of our Caricom neighbours: Sugar, bananas and other goods or services, maybe arrowroot and hotel space, and whatever.

The one remaining challenge then, as I said, was to find a way to reduce the price of the crude oil so that it would affect the customer, the consumer, our Caricom neighbours, our regional people by having a reduction in the price. By our plan to process at cost, their crude, we could have shaved at most only \$2 or maybe \$3 off. What this proposes to do is to assist them in somehow softening 40 per cent of the price.

5.45 p.m.

We are now trying to work out a mechanism of going back to the original proposal which we presented, that Caricom purchases its crude oil en masse; accessing

this facility and we will also do our bit by processing. There are still other challenges with that which we have to iron out. Trinidad and Tobago is taking the lead in seeking to iron out those issues.

At this time the Venezuelans are able to make available two tankers of the order of 250,000 tons. Those vessels are too big to deliver products into most of the islands. At this time a distribution network exists from the Pointe-a-Pierre refinery. We do not supply the entire Caribbean market; we only supply 50 per cent of the current needs of the Caricom region. We have to work out a mechanism of bringing the crude oil into the system; refining it and then distributing it in an efficient manner. At this time what is an offer are vessels that cannot do the distribution which is currently carried out by multinational companies that have been in the trading business for some time, such as Chevron and Esso. Shell just sold part of its Eastern Caribbean operation.

Because we are committed to free market enterprise we have to find a mechanism that does not put us in violation of the international treaties that we have signed and would jeopardize our good relationships, not only in the region, but also globally, to find a solution to this particular issue. We are committed to finding a way to bring reduced prices.

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

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

Question put and agreed to.

Hon. E. Williams: Mr. Speaker, there are some challenges. The other piece that is missing that has not been reported on and I started to allude to it earlier on, is that while I believe about 10 to 11 countries originally signed the first Caracas Accord and the other Accords, I am advised that only three of them ever sought to access it and ultimately, one dropped out. Only two remained accessing it. The reason is tied to the state of their economy. It is a vicious circle. Because of the conditionalities placed on those economies by the multilateral and multinational lending agencies, many of them are unable to access any more debt on their books. They are at max. Any situation that involves the financing of a product of this kind which effectively would be a loan or a national debt—I believe it is called sovereign debt—is objectionable and would violate the current conditionalities. That is why they have not been able to access it so far.

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It is hoped that this initiative would cause them to access it in a way that they can demonstrate that they can repay the loan. That is not entirely clear to all as yet. It is quite possible that while some parts of this approach may be quite laudable in seeking to assist, the reality is that they may not be in a position to access it. As the lead for Caricom we have to find a way to move it forward given our foreign policy and commitments in a multinational and lateral basis.

I have gone into some measure of detail to indicate that while we are concerned—I think that everybody admits and the Member for St. Joseph said so as well—we have to find a way to work with all our neighbours, those to the north, west and south. We also have to find a way to ensure that we take care of our economy and people. Here we have this legislation before us in which we are seeking to make it simpler; improve the administration and remove a number of anomalies that have become apparent to us. At the same time another initiative is taking place where we are clearly part of the leadership to assist not only our people by keeping our refinery going but also to keep the people in the region.

If I speak to the refinery in more detail, we have much work to do to upgrade it. It is an old refinery which requires much investment and work probably in excess of US \$1 billion to bring it up to the standard of a modern day refinery. Those are realities. Most of us do not recognize that Trinidad and Tobago imports of the order of 80,000 to 100,000 barrels of oil per day to keep that refinery going. Petrotrin imports much of that oil from Venezuela; some from West Africa, Brazil and other places where the chemistry of the oil matches the ability of the refinery to refine it; then we sell onto the market.

The price of oil is where it is today for several reasons. One of those reasons is the lack of refining capacity globally. There are not enough refineries globally at this time to produce the products that are required in the marketplace. In the previous oil shocks the price of oil spiked largely because of the industry particularly in North America and other places. Many power plants have switched and irreversibly so from coal which is polluting and liquid petroleum products, fuel oil and others to natural gas. The natural gas system is driving the industry as power generation and so on. What is driving the oil price and need for products is the transportation sector such as cars and SUVs.

At this time there is no credible alternative, although much research is going on to try to find ways to use hydrogen, compressed natural gas or other forms of fuel. There is no major replacement for gasoline and/or diesel. In most of the developed

countries there are clean air requirements with low levels of sulphur and the vehicles are becoming more powerful and require fuel that can properly propel them. Globally there is a challenge to produce the correct transportation fuels.

In addition, OPEC is almost at its maximum in terms of its production of oil. One major swing producer in OPEC, Saudi Arabia, while they can bring more oil on the market, that oil is higher in sulphur and some of the other chemicals that we need the more modern refineries to clean so that we can put it into transportation fuels. If our refinery in Trinidad and Tobago, the current one—and we hope to attract another one or two—is to remain competitive not only in our region, but also extra-regionally, we have to improve the refinery. That process of improvement is called an upgrade.

The first phase is to seek to upgrade the gasoline but we also have to look at the diesel and the overall configuration to reduce the production of a product known as fuel oil. This refinery was set up to be a fuel oil refinery, particularly, for the eastern seaboard of the United States. Fuel oil fetches \$18 a barrel less than the oil that goes in the refinery to make it. We have to improve the yield of the refinery and to do so will require considerable investments. Petrotrin is seeking to go out to international consultants to find the proper way of doing this. There are a number of ongoing studies to do it and we are getting close.

The bottom line is that we have to keep the production of oil in that refinery and others, so that we not only keep ourselves whole, but also our region and use and monetize the oil that we produce in an optimal manner. We are in a very complex situation. I have not gone into some of the other side issues associated with it. People want to know why it is taking so long to come up with legislation to fix any part of it. At present, we are seeking to amend what we recognize are some considerable anomalies in the legislation. As the Member for Couva South opened it, we are seeking regionally to assist all our neighbours while meeting our current foreign policy commitments. At the same time we are seeking to improve the revenues that we obtain from our activities in the oil sector for the benefit of the people of Trinidad and Tobago.

The issues are complex and many, but suffice it to say, that the effort that the Government is putting forward by bringing this Finance Bill at this time is timely, necessary and imperative for the development of the people of Trinidad and Tobago.

Thank you.

Mr. Speaker: It is just one minute to 6 o'clock. Will you prefer to take the motion? By the time you stand one minute will go.

Members, earlier on I had given leave to the hon. Member for Caroni East to raise an urgent matter of public importance, that is the horrific bombing incident in Port of Spain on Monday, July 11, 2005. I now call on the hon. Member for Caroni East.

**BOMBING INCIDENT
(PORT OF SPAIN)**

Mr. Ganga Singh (*Caroni East*): Mr. Speaker, I am pleased to welcome within the precincts of the Lower House the hon. Minister of National Security.

Monday, July 11, 2005 will be recorded as a day of infamy in the history of the people of Trinidad and Tobago. Since the bomb blast in the heart of the capital city of our country on Monday, July 11, 2005, our country has now become convulsed by that internal violence and the threat of further violence. This horrific bombing incident in Port of Spain has created real fear in the country.

It is our fear that this bombing is an initial step of a multifaceted programme of violence against the people of Trinidad and Tobago. We on this side have said ad nauseam that in the hierarchy of political goods there is none as critical as the supply of security, especially human security. The Government's primary function is to provide that political good of security, that is to say, to prevent and eliminate domestic threats to or attacks upon the national order and social structure. The delivery of a range of other desirable political goods only becomes possible when a reasonable measure of security has been sustained.

This PNM Government has consistently failed to provide that security zone of comfort for our citizenry. Murders today are 188 and counting. What is the reality of Trinidad and Tobago today? The reality is that our society is in chaos since Monday and it is reflected in the following events.

In the aftermath of the bombing incident on Monday which sent shock waves throughout the nation and on Tuesday, the series of bomb threats to various governmental institutions, the financial institutions, banks and other private sector institutions throughout the country, chaos reigned because the fear was tangible.

Secondly, you had the lockdown of the main transit hub, City Gate, Port of Spain because of two bomb threats at City Gate. From my recollection, City Gate is the principal transit hub. About 300,000 commuters pass through City Gate on a

daily basis. They were all inconvenienced. To add insult to injury, these commuters were attacked and robbed on the Priority Bus Route as they walked in order to complete their journey when they were dropped off from their maxi-taxis. Absolutely no plan in place! Pedestrians were robbed as they proceeded on their daily business; so too were persons caught in the massive traffic jams. That was the gridlock that took place on Monday as they attempted to flee from Port of Spain. Hours upon hours as traffic snarled in the gridlock, they were robbed in their vehicles.

This volatile situation was exacerbated with news on Wednesday that Trinidad and Tobago was in the path of a tropical storm which was to morph into hurricane Emily. This tropical hurricane Emily was scheduled to hit Trinidad on Wednesday afternoon. As if to follow the mantra of the Manning administration of management by chaos, the Prime Minister's Office issued a dictate calling on all employers to send home their employees by 12.30 p.m. Massive chaos! Management by chaos! Chaos on the streets; fear on the streets; gridlock! It was gridlock throughout the main arteries moving from Port of Spain. The mad rush and chaos that followed gave rise to traffic jams for hours throughout the main transportation arteries in Trinidad.

On Thursday, there was flooding in the aftermath of the deluge of Emily in both Trinidad and Tobago. As I speak several areas in central, north and south Trinidad are under several inches and, in Caroni, several feet of water. The deluge and damage of Emily was predictable because it deals with the power and violence of nature. What was not predictable was that this Friday morning, there was traffic once more—and gridlock in the country—backed up on the Churchill-Roosevelt Highway, the Eastern Main Road, Uriah Butler Highway for hours, as the Brian Lara Promenade and the streets in Port of Spain were blocked off because of a bomb threat on the Brian Lara Promenade. Chaos! Volatility!

I understood through radio reports—and hopefully the hon. Minister of National Security will be able to brief this House and the nation at large as to what transpired and what was found—that once more in a garbage bin some device or something was found and it has gone for testing. It is for the Minister to clarify. As I passed the Brian Lara Promenade at midday today, I saw the caution yellow tape around several concrete garbage bins located on the promenade. Having regard to what transpired on Monday with that device that was detonated in the garbage bin on Frederick Street in the heart of the city, I think that people in this country are

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going to stop using garbage bins in public places in particular because they would be suffering from dustbin psychosis; fear of dustbins and what is contained in them.

To add to the fear, trepidation, chaos and volatility is the fact that the TSTT GSM network with hundreds of thousands of subscribers has broken down since Monday. When we left the precincts of this Parliament you could not get a call through. Today, I tested it up to this evening, you cannot get a call through. It adds to the fear and uncertainty out there. Fear prevails in Trinidad and Tobago. It is the criminal that prevails in Trinidad and Tobago. This country is in crisis. What is frightening to members of the public is the lack of response by the Government to the bombing, that specific act of criminal cruelty in the heart of our city.

Let us take a look at the response of the Government. I will point to the Editorial of the *Trinidad Guardian* dated Wednesday, July 13, 2005:

“Spare no effort to root out evil

Whether Monday’s attack on Port of Spain was the work of an individual or an organization, it was an act of terrorism. That was its only possible aim.

The effects of the explosion itself have been compounded since then by telephoned bomb threats to numerous businesses, government offices and City Gate, the main transport hub for commuters coming to work in the capital. Whether these threats are the work of the same person or people who planted the explosive device, or misguided pranksters, they have multiplied the effect of the explosion.

The lives of many thousands of people have been disrupted by injury to themselves or their relatives, by loss of trade and income when they had to close their businesses, or by fear and trauma. Any one of hundreds of thousands of innocent workers and shoppers in the city might have been struck down as they walked down Frederick Street, and not one of them will go to work this week, or perhaps for a long time to come, without thinking of that dire possibility. The one small mercy is that schools are closed and schoolchildren were not passing on their way home when the explosion took place.

This act, whoever perpetrated it and whatever their cause, must be utterly condemned by all right-thinking citizens.

Some of those who should have been offering leadership and guidance in the aftermath of the explosion failed to rise to the occasion.

Why did the Prime Minister merely issue a statement from Whitehall and not address the nation? This task was instead undertaken by National Security Minister Martin Joseph, who first appeared in downtown Port of Spain, at a spot where the blood of the injured could still be seen—wearing, shockingly, a broad grin.”

This is not me. This is the Editor of the *Trinidad Guardian*.

“This inept reaction was followed many hours later by an address to the nation close to 10 pm—too late for inclusion in yesterday’s newspapers. Why was Mr. Joseph’s response so slow? This suggests that he did not appreciate the urgency—especially in the absence of any such response from the Prime Minister, and the wild rumours that spread after the explosion—of providing the population with timely factual information on the situation and how the protective services were handling it.

Similarly, Police Commissioner Trevor Paul took three hours to reach the scene, although he was no further away than Tobago. Mr. Paul thought it necessary to make a grand entrance by helicopter, landing practically on the site of the explosion and blowing dust and debris all over it, thus possibly making futile the work of his own investigators.”

In any self-respecting society you would have site preservation for investigation. Around the site you would have vehicular and pedestrian exclusion; you would also have air exclusion. Only in Trinidad, you could land the helicopter in order to blow away the evidence. It is the Commissioner of Police and the head of the special Anti-crime Unit. When you have at that level, that act of sheer stupidity on the part of senior officers, what can you expect?

6.15 p.m.

Mr. Speaker, I think that that stupidity was only compounded by those who went to gawk! It was as if they had some carnal desire to see blood and flesh! I am talking about senior Members of the Government. Like “Bim and Bam”, they went to see! Senior Members of Government, who went to see: “Bim” went to see and “Bam” went to see! What did they see? When the question was asked: “Minister, what did you have to say? Is this bomb blast ‘a temporary’?” He said: “No comment.” When they asked the Minister: “People are injured, Minister is bomb blast ‘a temporary’?” He said:, what do you have to say? He said, “No comment. I am not an expert, leave that for the experts!”

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When you have that level of idiocy—

Mrs. Robinson-Regis: Why do you not talk about what Panday said?

Mr. G. Singh: I am talking about the Members for Diego Martin East and Diego Martin West. They went to the scene of the bomb blast. When the Member for Diego Martin East was asked, he said: “No comment! No comment! No comment!” Normally, he is an expert on everything but that day it was: “No comment”! [Crosstalk] Mr. Speaker, that is why the Member for Diego Martin West referred to parliamentarians as a bunch of idiots. It is because of that kind of idiotic presence where the leadership of the Government ought to have been providing answers to the people.

I left the precincts of the Parliament and I heard the hon. Minister of Works and Transport and Member for Diego Martin East offering his “no comment” remarks—[Interruption] He should have, at least, provided some measure of sympathy and comfort to those people who were injured; people like Nicole Kassie.

Mr. Speaker, in the daily *Express* of Wednesday 13, 2005 this is what Nicole Kassie had to say:

“A survivor’s tale:

‘I will never forget’

Nicole Kassie was still trembling yesterday, more than 12 hours after the bombing incident in Port of Span.

‘I will never forget what happened—the scenes of carnage, the people [who were] bleeding—it is imprinted in my mind,’ sighed Kassie.

‘I have not been able to sleep peacefully, I still hear the sound of the explosion and I remember the screams.’

Kassie was among 15 civilians who were injured in the blast. She received major lacerations to her left arm. ‘I was scared for my life, and I feel scarred for life,’ she said. ‘But I am a survivor.’”

Mr. Speaker, do you understand the lack of planning, the lack of response, the lack of empathy? We had: “No comment! No comment!” [Interruption] This was a new threat to our society and if you have nothing to say, stay away from the scene! [Crosstalk]

Mr. Speaker: Order!

Mr. G. Singh: Mr. Speaker, the *Newsday* editorial said and I quote:

“New threat to our society

It may be premature to describe the bomb that went off at the corner of Frederick and Queen Streets as a terrorist act. It may have been isolated action taken by a murderous psychopath. But, whichever it was, it surely signals a new threat to the society. ...the fact also is that, terrorist act or attempted murder, it can hardly be coincidental that this incident occurred just over four days after the London bombings.

The timing of this incident may be also significant—or at least ironic—in relation to Prime Minister Patrick Manning, who just last Saturday was talking about throwing a security net around the country, ‘a net that is so significant that it is with difficulty that such a net can be penetrated,’ he boasted.

Mr. Manning was referring to the specific containment of drug dealers and kidnappers, but even that promise sounded like more hollow rhetoric. And, though the net is not yet in place, this incident merely emphasizes the PNM administration's lack of political will to deal with known threats to the society. It was only a few months ago that Attorney General John Jeremie was making vague noises about collecting the \$20 million owed to the State by the Jamaat—but since then he has apparently been devoting all his energies to legislation mostly designed, it seems, to limit citizens' rights. And then last week Energy Minister Eric Williams...”

Where has he gone? I hope he has not gone to Smokey and Bunty? I continue to quote:

“was saying that illegal quarrying in Valencia couldn’t be stopped because of loopholes in the law—which, even if true, doesn’t explain why the Government continues to buy aggregate from the Jamaat-run operation.

We bring up these matters because we see them as directly connected to the bombing incident yesterday.”

Mr. Speaker, when you realize the context of what is happening— There was no return address to this bombing! We are reaping today, in this society, what the PNM sowed in 2002! [*Desk thumping*] We have consistently said that when the political elites get together with the criminal elites—whom they call community leaders—and then make criminal activities socially embedded in the society; this is what we would reap! We are now reaping what was planted by the PNM!

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Mr. Speaker, the hon. Minister knows of what I speak because he participated in the Ortoire/Mayaro election. I can give him a list of names of the persons who participated with him in that area—enforcers and thugs!

What is taking place in this society today is propaganda by deed—violent and grievous deeds! It is our fear that this is just the beginning, and today demonstrated that! When I came here I was told that there was another bomb threat on Charlotte Street! I do not know, but I am here in the Parliament! What we have here is that the first act of terrorism in the 21st Century was politically motivated, which was the planting of the missiles and cocaine in the water tanks of Sadiq Baksh, who was an elected Member of Parliament. That was the first act of terrorism in the 21st Century and, as I have said, it was politically motivated! [*Desk thumping*]

Mrs. Robinson-Regis: By whom?

Mr. G. Singh: Today we have the second act and subsequent acts through the bomb threats! This is what is happening! Who were the planners and perpetrators of this cowardly act and heinous crime? Mr. Speaker, rumours are rife! Speculation is rife! There are those with whom they have been in bed! I do not want to get into that today! I am allowing the investigators to do their work!

What motivated them? What did they hope to achieve? Is this a shot across your brow?

The Prime Minister has acknowledged that the perpetrators of this criminal act are local—they are homegrown—terrorists! We could expect a rising tide of violence in this society! What is their response? We acknowledge the response of the police, the army and the emergency health services. [*Interruption*]

We acknowledge that and that was effective response at that level! But we need a more organized and coordinated approach. If this is going to be our reality in the 21st Century, we need more effective and coordinated emergency planning in Trinidad and Tobago! We need to bring together the key players in the Government; to bring together the emergency services; the key public services; the business community; former steering groups; an overarching steering group to provide practical supervision and strategic guidance for emergency planning in Trinidad and Tobago! Its role would include the supervision and regular scrutiny of strategic emergency planning; preparedness to respond to major disasters; command control and inter-agency communications; capacity to respond to threats and resource issues; communication with the media.

You have to place the media in a secured compound, not on the scene of the blast of the criminal activity or the terrorist activity! You have to plan ahead so that the media would know that they would get a briefing in a secured compound! What I saw there, the goriness and everything else—I can understand why the Member of Diego Martin East wanted to go!

Mr. Speaker, this Government is not providing the leadership required in these dire circumstances. There is almost a business-as-usual approach! For the majority of citizens, it is not business as usual, it is fear out there and the fear is tangible.

Did you see the streets of Port of Spain on Monday evening? You could have done a three-point turn on Wrightson Road with ease and comfort. People were out of Wrightson Road, which is normally a high- trafficked area.

This Government has failed in its approach and we are suggesting an approach. Look at what the people in London did! [*Interruption*] You like your 2020! They formed something called the London Resilience Forum. I do not have the time to read all of it but you should check it out on the Internet instead of hiding for three days after the bombing. I quote:

“The London Resilience Forum is a strategic partnership that is working to ensure that London is prepared for major incidence of catastrophes. It embraces all the key organizations and bodies in that city in both the private and public sector.”

So there is a joint private sector and public sector partnership, but this Government is going it alone. How can you tackle this new threat to our society? We on this side are saying that you need to put in place mechanisms. There is a lack of certainty in the approach of the Government! A kind of namby-pamby approach! They did not do like Blair did after the bombing in London and say: “The terrorists will not succeed.” They did not do like Bush did and say: “We will hunt them down and destroy them!” What do we have, Mr. Speaker? We have a namby-pamby approach.

Mr. Speaker, it is said: “For if the trumpets give an uncertain sound, who shall prepare himself for battle?” The sound that is emerging from the Government is that there is no sound whatsoever. It is because of the fact that they are in bed— You have brought this into our society! You have sowed the wind, and now we in this country are reaping the whirlwind! We cannot allow this society to become anarchic! What is going to happen tomorrow? Nobody knows. What is going to happen Sunday? What is going to happen Monday morning?

Bombing Incident
[MR. SINGH]

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There is discordance between your espoused planning policies because you want to erect everything in Port of Spain, but you want to get the vehicles out quickly!

I heard my good friend, the hon. Member for Diego Martin East, talk about a strategy to get rid of vehicles quickly. There is a contradiction! You cannot build everything in a particular area and expect a quick free flow. It does not happen that way. Mr. Speaker, the right hand does not know what the left hand is doing. All I am saying to this Government is that you have sown the seeds.

You have to ensure now that as you attempt to dismount that tiger, which is obviously now snarling at you, sending a shot across your brow, whether it is the Valencia Quarry; whether it is the CEPEP contracts; whether it is the NHA contracts; whether it is in URP, your hands may be tied, Mr. Minister, because of your participation in the Ortoire/Mayaro campaign.

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

The Minister of National Security (Sen. The Hon. Martin Joseph): Mr. Speaker, I am here to respond to the Motion: The Horrific Bombing Incident in Port of Spain on Monday, July 11, 2005.

The hon. Member for Caroni East in his presentation accused me, personally, of being involved in—yes, I was involved in a campaign in Ortoire/Mayaro, I am not afraid to say that I was the campaign manager, but I am not aware that the defeat in Ortoire/Mayaro continues to hurt so badly that I am being accused—[*Desk thumping*]*—of being involved in activities that have come to haunt us. [Crosstalk]*

Mr. Speaker, the UNC, as you know, continues to use that as a means of trying to incite a certain amount of—I do not want to say disorder; that might be too strong a word.

Mrs. Robinson-Regis: Civil unrest.

Sen. The Hon. M. Joseph: Well, they have indicated civil disobedience.

Mr. Imbert: Unrest.

Sen. The Hon. M. Joseph:—civil unrest to make this place as ungovernable as possible. Let me indicate, Mr. Speaker and hon. Members, that to link all of what the hon. Member has indicated to this situation is as premature as you can get. Let me first of all speak, specifically, to the incident which occurred on Monday, July 11, 2005.

As is well-known, at approximately 2.05 p.m. on Monday, July 11, 2005 there was an explosion at the corner of Frederick and Queen Streets in downtown Port of Spain. As a consequence of that explosion, 14 persons were reported injured, two of them critically. The two critically injured were Andell Stephenson and Yvonne Mc Ivor. Though there were no fatalities, one of the critically injured persons remains warded at the Community Hospital of the SDA in Cocorite and the four others are at the Port of Spain General Hospital.

On the day of the bombing, within five minutes of receiving information on the incident, the protective services and experts within the law enforcement sector were on site to ensure the safety of members of the public and to initiate an immediate investigation. The response team included from the Trinidad and Tobago Police Service, two certified bomb technicians, as well as senior officers from the CID Unit, Special Branch; the Canine Unit; the Highway Patrol; and the Guard and Emergency Branch; a certified bomb technician from the Trinidad and Tobago Defence Force, Major Best; officers attached to the Special Anti-Crime Unit of Trinidad and Tobago; two bomb technicians from the Trinidad and Tobago Fire Service; scientific officers from the Forensic Science Centre; personnel and ambulances from the fire services and health services sector and experts from the US Federal Bureau of Investigations.

Mr. Speaker, hon. Members, various units of the police service, most notably, the Canine Unit and the Crime Scene Unit conducted a thorough screening and analysis of the blast area and the surrounding areas of influence. Technical experts from the Forensic Science Centre also visited the scene and took samples for analysis. Certain measurements were recorded and debris photographed, collected and secured.

To date, we have no definite explanation as to what type of device was used. Swabs taken from the crime scene by forensic experts indicate the presence of potassium chlorate. This is a chemical that could be combined with other chemicals to create an explosive device. Early inconclusive indications, therefore, point to some sort of low-level, improvised explosive device. The forensic analyses are yet to be completed. It is expected that a forensic report would be completed within two weeks. However, an analysis of the crime scene evidence and police investigations are continuing.

On Tuesday, July 12, 2005, I visited the five remaining victims: four at the Port of Spain General Hospital and one is at the Community Hospital of the SDA in Cocorite. It was indeed a sombre occasion to share these patients' experiences and the negative impact this incident has had on their lives.

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I assure the citizens of this country this evening and, in particular, the direct victims and their families that the Government of this country is determined to ensure that no effort is spared in bringing the perpetrators of this most heinous crime and inhumane act to justice. [*Desk thumping*] All our intelligence agencies are relentlessly trying to determine the exact circumstances surrounding this incident.

The head of the investigating team is acting Senior Superintendent Leon Anthony, head of the CID and CRO. I take this opportunity to publicly commend those members of the protective services: the defence force and health sectors of this country for their timely and professional response to this unfortunate incident. [*Desk thumping*] Because of their quick and effective responses they were able to prevent any further escalation of what was already a very volatile situation.

I also recognize the invaluable contribution of our international colleagues and members of the public who provided assistance in various ways. Let me again assure hon. Members and citizens that this Government would continue to utilize all its resources and expertise to ensure that an atmosphere of safety and peace of mind is returned to the citizens of this country.

Mr. Speaker, let me also indicate—my colleague from Caroni East complained about the response in terms of addressing the nation on Monday. Putting together an “Address to the Nation”, especially at that time, proved very challenging. Persons responsible from the Information Division were not available because of the circumstances that existed at the time. [*Crosstalk*]

Mr. Speaker: Order!

Sen. The Hon. M. Joseph: Mr. Speaker, the only regret that I have, as Minister of National Security—because it was necessary to have the tape ready, and a tape was ready for public broadcast by 8.30 p.m.—is that we allowed the media—What I should have done was to have commandeered the time and to cause the media to interrupt all that they were doing to bring the address at the particular time. What we did was to leave it to the media. As I have said, that is my only regret.

I am not going to respond to all of the—

Mr. Singh: That is why there must be emergency planning ahead.

Sen. The Hon. M. Joseph: I understand that, and I am saying to the Member to Caroni East that some of the things that he has suggested in terms of the preparation for disaster preparedness are on board and those that are not on board would be taken on board.

Mr. Speaker, thank you very much. [*Desk thumping*] [*Crosstalk*]

Mr. Speaker: Order!

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Mr. Manohar Ramsaran (*Chaguanas*): Mr. Speaker, four years and \$80 billion later, what do we have? Is our country better off? Are our people enjoying life? Is the cost of living going down? Is poverty on the decrease? Is unemployment on the decrease? The answers to all these questions are, no.

Before I go into the meat of my contribution I am going to read a note. This is a message from my home and the past and present Ministers of Works and Transport must listen to this:

“The Guayamare Bridge on the Southern Main Road between Caroni and Warrenville has now been washed away. Traffic has been stopped and no one is able to use the bridge.”

Mr. Speaker, that bridge has been repaired. I told the then Minister of Works and Transport that what he was doing there was wrong. Two cylinders of, I think, it was a 4 ft. bore, could not handle the quantity of water that would flow through the Guayamare Bridge when it rains. The Minister assured me that by the end of May the bridge would have been completed. Little did I know that he was talking about his own political career being finished by the end of May. Seriously though, this is something I must bring to the attention of the nation.

I spoke in this Parliament about flooding and the Caroni River—it is there in *Hansard* but I did not get it this afternoon—and I warned the Minister that the river could not be fixed upstream. What has happened is that the Ministry of Works and Transport, under the guidance of the Minister, started to fix the Caroni River midstream—near to Piarco—and omitted to fix downstream, that is from the sea straight through the Caroni villages into Piarco.

Mr. Speaker, this is the worst flood I have seen in my life in Trinidad and Tobago. I am sure the media would have seen that also. North of Caroni River, almost to the Kay Donna Drive-In, the water on the both sides of the road is like big lakes. The three villages south of Caroni: Caroni Village, Frederick Settlement and La Paille Village are now completely under water, and we come here to talk about a Finance Bill. What are we doing with the money in this country?

The hon. Member for Port of Spain South gave us a speech about what is taking place in the Ministry of Energy and Energy Industries. He ended by saying they are going to look at the social and economic welfare of the people of Trinidad and

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Tobago. I must re-emphasize what happened in the Parliament this evening and I want to put it in the *Hansard*. Had it not been for this Opposition, we would not have heard anything about bombing on Frederick Street. I thought we would have had two statements by Ministers: one by the Minister of National Security dealing with what took place on Monday, but that did not happen. It took the Opposition to cause the Minister to make that statement.

Flooding today—the country knows it, there is silence. It is just as if nothing happened and this, again, shows the non-caring attitude of the Government of the day. Billions of dollars are being spent—as I said before, \$80 billion—and four years later: Are we better off? My colleagues spoke about the hospitals and the different institutions in this country—I will not repeat—but I will just endorse that I have not seen Trinidad and Tobago as bad as this since 1995. Things are getting worse by the minute.

What do we have, Mr. Speaker? We have Ministers coming to this Parliament and pontificating; trying to make us believe that everything is hunky-dory and Trinidad and Tobago is on the path to success with a 2020 vision of a First-World nation. This is the furthest thing from the truth. This country is in chaos! We have to accept that! When they come here and ask for money we have to talk about it.

Mr. Speaker, the Minister of Energy and Energy Industries said: “The Venezuelan government summoned us and they sent transport for us.” This is a sovereign nation; this is Trinidad and Tobago. Is this how the world operates? Is this how the trading blocs operate? The big nations would send a plane for you and say: “Come, you have to sign”? The Government did not sign because they were not part of the loop—I hope we get some more explanation about that later. My question is: What did the Prime Minister sign? Were they aware of what they were going to sign? It concerns us; it concerns the whole question of Caricom and our independent trading. When governments could go there and do this, it is of concern to us. What did the people sign? When you talk about local production and so on, it includes Caricom and I have said that in this Parliament time after time. Caricom operates as a single market and we need to know what has happened, but there is silence.

I thought we might have heard something today about what transpired by some responsible Minister. We all know that the economy of Trinidad and Tobago is totally centred on the petroleum industry and what affects the petroleum industry would affect the people of Trinidad and Tobago, but there is silence. People are asking us: What is PetroCaribe? How does it affect us? However, when you come to Parliament and expect the answers, you hear the Minister say: The announcement

was made somewhere up the Caricom at some heads of government meeting. What is happening? Why not come to this Parliament and tell us; tell the nation. The population wants to know!

Sometimes we believe this Parliament is irrelevant. We are Members of Parliament! According to the Constitution the Minister has to come here to get the Finance Bill passed because it is a requirement of the Constitution of Trinidad and Tobago! I mentioned recently that the Government proposed to spend \$850 million for a stadium. This is where it is supposed to come! You are treating not only the Parliament, but also this country with contempt! I would ask a few questions of the Member for Port of Spain South.

6.45 p.m.

Mr. Speaker, I will move on and then come back there. We have this flooding and the constituency office attempted to call the National Emergency Management Authority (NEMA). There are about five telephone numbers and none was working but that is NEMA or however you want to call it, but nobody was there to answer the telephone. And here are people suffering so to speak, with their homes being flooded out and there is an agency to deal with emergency. That is why I ask the question: What are we spending money for? Is it to improve the quality of life of our people? Mr. Speaker, I am very, very disappointed. We have this money floating around us and the people are not feeling any better off.

I was driving through the floods this morning and there were young people stranded at the Caroni River; they could not drive their cars through the waters—about 20 to 30 youths. They asked: “MP, what about us? We are unemployed you know, could we get a work? What could we do?”

Mr. Speaker, there is a cry out there. There are so many unemployed young people. I called the media and told them to come and see for themselves what is taking place in these villages. People came out to look at the flood and the cry was that nobody cares about them. I do not know if they found a helicopter because the water was extremely high. When we talk about the problems people try to trivialize them. That is my problem. They are starting to believe their own propaganda and that is a dangerous thing.

Mr. Rahael: And the media showed up.

Mr. M. Ramsaran: When you start to believe yourself it is trouble especially when you are in office. If you cannot acknowledge that the hospitals are in tatters,

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you would never fix them. If you do not understand that the country is heading downhill quickly you would never understand what is taking place. I have a problem with that.

When I come to the Parliament week after week, it is to talk about the quality of life that our people face. When the leadership sets examples, what do you expect people to follow? There was a running controversy in this House where the Member for Diego Martin West was alleged to have slapped another Member of Parliament. What do you expect the people out there would do? Think about it. Just think about the psyche of our nation, our leaders—a former deputy leader of the ruling party is accused of slapping another Member of Parliament, what message would that send to the people of Trinidad and Tobago? Then that same Member would describe himself as an idiot. When we have idiots in the Parliament, when we have idiots as Ministers, what would the people down there think?

Why are we destroying the psyche of our people? Why are we making them feel that they are not important—because, we have been elected by them? Thousands of people voted for us to be in this Parliament, and I am sure when they voted for us they did not think that we were idiots. They send people here to do their jobs and that is why I feel so very disappointed when I come to this Parliament and having heard through the grapevine of how Government spent our money—eighty billion dollars and counting—over the last four years. I repeat the question: What do we have to show for it? It is alarming!

Mr. Speaker, this morning while driving I met a lady, Angela Sinanan, who said that the hon. Minister of Housing, the Member for Diego Martin West, self-proclaimed idiot, handed her keys in a public function. It was aired on radio and highlighted on the television. Three months later that lady went to her house and found another family living in the house. She reported it to the police, and it is in the hands of the police. The woman in the house actually threw the lady bodily out of the house and now the matter is with the police. Is this incompetence, and do you know what the lady said? She said that the Member of Parliament, Member for Diego Martin West, the Minister of Housing, personally told her to go into that house. So here is the Minister giving one house to two families. What is happening?

Then my self, proclaiming himself as what he said. I repeated it a few times, and I might be charged for repetition but he is justifying it. Not only is he incompetent and not only is he self-proclaimed, but he is justifying what is taking place. Mr. Speaker, that is why I say this Parliament is becoming irrelevant.

In October last year I asked a question about people receiving their lands in Frederick Settlement. The answer to the question was given by the Member for Diego Martin East on behalf of the Member for Diego Martin West. He said the date of handing out the deeds would have been December 15, 2004. You would not remember that. I asked a few questions and you told me one or two of the questions were not relevant but I know what I was talking about. I have lost confidence in this Government. To date, not a single deed was handed out. Despite the fact that the Member of Parliament for Diego Martin East stood here and read, on behalf of his colleague from Diego Martin West and gave us a date when these things would be handed out. He gave us a date. How am I to have confidence in this Government? Whenever they speak in this Parliament I have no confidence in them and I would talk about it time after time.

I invite Ministers across on the other side to tour the constituency of Chaguanas—I would not name them—especially in the areas of flooding and they would never come. Why? We are 36 Members of Parliament. When I was Minister and people invited me to tour, I toured. I work with people to try to improve the quality of life of people in this country and what do we have today? An uncaring Government! And they come now to ask us to support this Bill. Of course, it needs a simple majority so we would have to.

Mr. Speaker, oil prices, recorded \$60 per barrel and counting. Poverty too—and this to me will confuse anybody. Oil prices are high, revenue is high in a boom so to speak—but it looks more like a bomb—poverty is on the increase. When I heard this afternoon that inflation is 1.63 per cent, I cannot comprehend that. [*Interruption*]

Hon. Member: Who said that?

Mr. M. Ramsaran: It was said by the hon. Minister—were you listening? Inflation is expected to be 1.63 per cent. As a layman I go to the grocery. For the last four years if cost of living has not gone up by more than 100 per cent then I am not living in Trinidad. Maybe there is a reason for this inflation, but why not level with us and say that because of certain conditions we have now pegged the cost of living to a new basket of goods and this is being done on a base year. Tell us the base year so we will understand it. But to tell a Trinbagonian now that inflation is 1.63 per cent they are taking the country for fools. Then why come midstream and announce a new basket of goods? Why do that? Is it to hoodwink the nation? Is it to make us believe we do not know what we are doing?

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I talked about public assistance on the last occasion, and, of course, it is linked to poverty. Mr. Speaker, you are the Speaker, and I believe that this Parliament is being taken for a ride. On today's Order Paper, Bills Nos. 11 and 12 were introduced in November 2004. "The debate on the following Bill which was introduced in the House was adjourned on Friday, November 19, 2004 will be resumed and an Act to amend the Old Age Pensions Act, Chap. 32 and to validate certain things thereunder." And No. 12 is concerning the Public Assistance Act. These two now form part of this Finance Bill. Maybe nothing is wrong with that, but why the delay? I think the debate almost came to an end and my colleague from Naparima and I spoke on the Bill and we made certain recommendations and the Government hoodwinked us. They said they would consider our recommendations and come back. Now they have come with the Bill as it was. They never mentioned what took place in that debate. And what did we say on that day? We thought that the disability grant should not remain at \$800 but should be on par with old age pension. To repeat: people with disabilities at age 40 years and over, their cost of living and the cost of survival is extremely high. They need special medication. They need special aids to move around and they suffer because of their disabilities.

The Minister, not this present Minister, but there were a few ministers of social development who promised that they would have looked into it. Now, the Minister of Finance comes and reads as if it were nothing. They promised us. It is in *Hansard*. They said they were going to look at the recommendations and would come back to see what they could do. We always argued that the old age pension should be dropped to 60 years. I pleaded for it then, and we understood it because there is this anomaly where, if you go for a URP job or a CEPEP job you are too old at age 60 to be employed but you are too young for old age pension. That has come to us and we made that recommendation. But again, it fell on deaf ears. Today, nine months later you come back with the original Bill and not a drum was heard.

We also spoke about increasing the ceiling because it was an anomaly where the ceiling is much lower than the old age pension. It was explained to us that you cannot get pension if your income is above a certain limit, but there are pensioners getting more than the ceiling would allow. At least it should have been 24 months by 1150 to keep it in check. This was not done. Also, I think we could increase the ceiling beyond that to allow the people out there to have an extra dollar on the table to deal with their golden years. We argued that. It was at that time the Member for Diego Martin Central argued with me that the national insurance pension would not be counted as part of the earnings. Of course, it was

explained later when I asked the question in this honourable House, and the Minister of Social Development came and explained that the \$1,000 is part of one's earnings to count as part of your ceiling.

Mr. Speaker, people who receive \$300 or \$400 and their \$1,000 national insurance cannot access old age pension. So it means that some people have to survive in today's world with \$1,300 per month and this is almost impossible at that age. For example, people come to me asking for loans until their old age pension day comes. The last person who came to me was an old lady. I asked her why she wanted a loan and she produced her electricity, WASA, and grocery bills that came for that month and it was way over \$1,500 for that particular month. She had to borrow money for that particular month to survive until her pension day.

Here is a Government with billions of dollars but besides lip service, besides creating temporary jobs for vote as described by my friend on radio recently, PNM is an expert in dealing with belly politics. They keep people hungry and at the time of election they run a little thing and say vote for PNM. We have to go past that stage. Trinidad and Tobago is a country with tremendous GDP. Our earnings should ensure that we have a comfortable living; not only a few. If you examine the question of earnings in this country may be not legal, but if you inspect the cost of living, it is becoming quite apparent, and quickly so, that we are going to have a very rich upper class and a very small upper class with earnings of millions of dollars and then we are going to have a small middle and a big working class or a lower class and this could cause social problems.

I have warned in the past. It is not a handout. I believe that your social security net is supposed to match the GDP and what one has to spend and not to come—when we spend money it is so very consistent with doing certain things that it would not affect the quality of life of the poorer people in our country, the aged people, the people with disabilities, the people who fall on hard times are not being dealt with. It is not consistent with the revenue that Trinidad and Tobago enjoys at this time. When I mentioned \$60 per barrel the Member for Port of Spain North/St. Ann's West, said: "You are vexed you are not in Government." I do not see the connection because I know whether or not I am in Government and whether oil is \$5 or \$60 per barrel, it does not affect me because my earnings are not based on the oil revenue. Maybe he knows something that I do not know.

Mr. Speaker, today I would continue to appeal to this Government to let us share the wealth equally. Do something. Budget is a couple months away. Come to this House and tell us, okay, we know the revenue will be X billion; let us

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know what you are doing, and I do not want it to be seen as a handout. I believe we should create sustainable employment; we should use the extra money if we have to increase things like old age pension and so forth to allow people to enjoy their lives.

Mr. Speaker, while I am on that make-believe programme, I want the Government to take this suggestion seriously. Let us look at the nature of work of these people, whether URP, CEPEP, whoever they are. I am not against the workers there. Let us ensure that if they work that they would have something that would take them on later in their lives. Do not just give them something for today and end there—their conditions of work. What they experience on the job site sometimes it is anti-human. I have said it before and I am repeating it. Let their conditions of work come in line with the Occupational Safety and Health Act (OSHA) so that we would deal with our poorer people in a more meaningful way.

I examined this Bill, and on behalf of the country I would like to know why was this delayed. I do not believe that they take the country or the Parliament for granted. It should be something much more serious than that and I ask this Government once more to let us treat with the business of Government seriously. Let us not laugh at everything. This bombing took place in a week and how this week started my colleague mentioned it but just to repeat parts of it. At 2.05 p.m. there was this explosion and I remembered putting my hand up in the air as if it were a gun because I knew it was not thunder from my experience. The Member of Parliament for Laventille East/Morvant said loudly it was God applauding the PNM. That applause lent itself to a week that I would not want to see repeated in this country. It was blunder after blunder, it was natural disaster after natural disaster and I believe blasphemy is the word—and I told him for those who were listening to me, “Do not bring God into this Parliament like that”. Remember that warning, for those who were here. And we reaped it for the week. Let us, as we continue to govern this country, put God first. Let us forget our own selfish needs and desires. Let us see how we could improve the lives of the people in this country.

Sometimes people say God is “Trini”, but recently I feel he has given up his nationality—this last week especially. You get the impression that something is not right and maybe you have to do some self-examination. I do not make it my business to investigate people to find out who is doing anything wrong but the allegations are there, whether it is corruption, whether it is living a life of ill repute, I do not know. Let us come together as leaders.

It is divine intervention that people are elected to serve in a Government. It does not happen by accident. Many people try to get into office, many people come but a few are called and when you are called let us put the country first, let us put people first and with the money we have, we could make this place a paradise. But let us spend it properly. Let us not allow poverty to grow 40 per cent and more. We have experts in Trinidad and Tobago, we have economists, we have people who understand the working of money, bring them together and let us see how we could spend our earnings, again from God, in a way as the economists would say, "share the scarce resources amongst the people", and if you do that you do not have to reinvent the wheel. It is there but we have to forget our self-interest, enrich ourselves, enrich our friends and let us make Trinidad and Tobago a country that we could be proud of.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, let me thank all Members who spoke and for the observations they made. The Member for Chaguanas raised some issues, some of which I was unaware of but the appropriate Minister, I believe, is here, and I think there is an opportunity now for those considerations to be considered in the upcoming budget statements.

I just want to deal with a couple issues, starting with the Member for Chaguanas on the question of inflation. I did say that core inflation was recorded at 1.63 per cent, but there were spikes especially in the food index component of it. The food index component recorded some 24.17 per cent to the end of the last period and we have noticed in the information that is currently available at the end of last month, that this trend is downward it is now at 16.17 or something like that. There are reasons for it and we are aware of them. It had to do with circumstances with hurricane Ivan, it had to do with capacity within the international system and it had to do with all things that are easily explained, but again that does not help us.

Mr. Ramsaran: But you are aware, I am sure, that the United States gives this index on a daily basis. Is it possible in Trinidad and Tobago to at least give us a quarterly update on inflation?

Sen. The Hon. C. Enill: It is an exercise we are working on right now, certainly in the Ministry of Finance where I believe, for example, that we do not provide sufficient information, and therefore we are working to make sure that the information is available. The problem that arises is that the information comes from the other Ministries, and we have found the capabilities for reporting information from those Ministries so that you could use them and disseminate them is not what we would like them to be. And that is where the challenge is.

Finance Bill

[SEN. THE HON. C. ENILL]

Friday, July 15, 2005

The challenge is even so in the context of the CSO information, which when you get it and you look at it, and you start to reconcile it, you have to figure out the differences. That is really what takes place. But I do agree with you that in the context of what we are trying to do, there should be more information available to us.

I have heard the question asked before: Are we better off now than we were four years ago? And if I take out the element of crime in a real sense, clearly more dollars have been given to individuals who, over the years, did not have that. If you look at what we did, basically provided to individuals more disposable income and we have attempted over time to increase that but even as we do that, some of the other external factors are mitigating against that and, therefore, we are losing the benefit based on international circumstances. We live in a global environment and I think that our real issue is in explaining that to the population because once you explain it to the population, the population will understand it.

From where I sit, if you ask me: are people better off, empirically, than they were four years ago? I think the answer to that is yes. Are people feeling better off? I am not sure what the answer to that is but on the basis of the information that is available the answer to that could be, maybe not. And we understand what the issues are.

Let me deal with the question of why this Bill came to us so late. One of the judgments that we made in bringing this Bill at this time was whether or not any of the benefits that we had were not being given to the population as we had indicated. And the answer to that is no. All the benefits that we had basically negotiated or announced were, in fact, administratively being given. But what we wanted to do was to make sure that when we came back to the Parliament we had at least one element of the taxation revision completed.

We have made a lot of comments about issues that really needed to be looked at in the context of what we have changed. What did we change? Oil is a wasting asset and one of the questions that we have always asked ourselves is: Is the country getting its fair share of revenue? I had the unfortunate experience of seeing a situation in which there were very high oil prices and my revenue take was less than it should have been.

The reason for that was the basis of the SPT—*[Interruption]* you are not disagreeing. All right. I just wanted to make that point in the first instance.

The second point is this, the question of retroactivity. When we started the discussion everybody knew that we were going to do it at a particular point in time. Yes, you are right, there are some issues that we did not determine as early as we should and the reason for that was because we have been in dialogue all the time with the companies. The companies had an issue with a 2003 retroactivity because they felt that the 2003 issue did not give them the flexibility that they would require in order to meet the commitment that they had made to us in respect of this matter. We agreed that 2004 would work and, therefore, that is why we are doing the 2004, I suppose.

In terms of the 2004 issue [*Interruption*]—about TT \$400 million but if you compare that with the piece on gas, the take on that side is about US \$400 million so it is not something that we can very easily give up in the context of the first issue which, is: Are we, in fact, as a country getting the benefit that we should be getting? On the basis of the information that is available to us, the answer is no. The companies are not going to suffer as a consequence of that.

We have examined the issue of country risk, we have examined the issue of all the things that Members have said and on balance when we looked at it, we still believe that 2004 is the appropriate way to go.

Mr. Speaker, I think those were the issues my colleague, the Minister of Energy and Energy Industries, the Member for Port of Spain South, did not address and unless there is anything that I missed, I beg to move.

Question proposed .

Question put and agreed to.

Bill committed to a Committee of the whole House.

7.15 p.m.

House in committee.

Clauses 1 to 7 ordered to stand part of the Bill.

Clause 8.

Question proposed, That clause 8 stand part of the Bill.

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

- (1) Add at the end of paragraph 10O(c)(5), the words “in respect of expenditure claimed under this section”.
- (2) Add a new (5a) as follows:

“For the purpose of ascertaining the chargeable profits of a company for a year of income, the aggregate deduction or allowance that may be claimed under sections 10E, 10G, 10H, 10I, 10J and 10K and this section shall not exceed the sum of one million dollars.”

Question, on amendment, put and agreed to.

Sen. Enill: Mr. Chairman, I beg to move that clause 8(a)(ii)(g) be amended as follows:

Add, before the words “the gross sales or receipts”, the words “with effect from January 01, 2005”.

Question, on amendment, put and agreed to.

Question put and agreed to.

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

Clauses 9 and 10 ordered to stand part of the Bill.

Clause 11.

Question proposed, That clause 11 stand part of the Bill.

Mr. Imbert: Mr. Chairman, I beg to move that clause 11 be amended as follows:

Renumber items (k) and (l) as (l) and (m) respectively and insert after item (j) the following new item:

“(k) by deleting items (4) and (5).”

Question put and agreed to.

Clause 11, as amended, ordered to stand part of the Bill.

Clauses 12 to 18 ordered to stand part of the Bill.

Clause 19.

Question proposed, That clause 19 stand part of the Bill.

Mr. Imbert: Mr. Chairman, I beg to move that clause 19 be amended as follows:
Insert immediately after the words "Part XVI" the words "Privileges and Immunities".

Question put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Clause 20.

Question proposed, That clause 20 stand part of the Bill.

Mr. Imbert: Mr. Chairman, I beg to move that clause 20 be amended as follows:

Delete Part XVII and substitute the following new part:

"Part XVII

COMMENCEMENT

"Commencement 20. (1) Parts VII, IX and XI shall be deemed to have come into operation on January 1, 2004.

(2) Notwithstanding any law, Part VIII shall be deemed to have come into operation on January 01, 2004."

Question put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

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

House resumed.

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

HOME MORTGAGE BANK BILL

Senate Amendments

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, I beg to move,

That the Senate amendments to the Home Mortgage Bank Bill listed in the appendix be now considered.

Question proposed.

Question put and agreed to.

*Clause 5**Senate amendment read as follows:*

By deleting paragraph (a) and substituting:

“(a) may borrow and advance money and mortgage or charge its undertaking or property or any part thereof and issue bonds, debentures, debenture stock and other securities whether as security for any debt, liability or obligation of the bank or of any third party or otherwise.”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

*Question proposed.**Question put and agreed to.**Clause 14.**Senate amendment read as follows:*

Delete clause 14 and substitute the following:

“Section 20 Section 20 of the Act is repealed.”
repealed

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

*Question proposed.**Question put and agreed to.**Clause 20.**Senate amendment read as follows:*

“At subclause (a) delete the words ‘and the Money Lenders Act’ and the reference to that Act in the Marginal Note ‘Chap. 84:04’;”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

*Question proposed.**Question put and agreed to.*

CORPORAL PUNISHMENT (OFFENDERS OVER EIGHTEEN) (AMDT.) BILL**Senate Amendments**

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, I beg to move,

That the Senate amendments to the Corporal Punishment (Offenders Over Eighteen) (Amdt.) Bill listed in the appendix be now considered.

Question proposed.

Question put and agreed to.

Clause 2.

Senate amendment read as follows:

Delete clause 2 and substitute the following:

“Interpretation 2. In this Act, ‘the Act’ means the Corporal Punishment Chap. 13.02 (Offenders Over Eighteen) Act.”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

New clause 3.

Senate amendment read as follows:

“Section 6
amended

**Sentence
of flogging**

3. The Act is amended by deleting section 6 and substituting the following section:

6. Where a person who has been sentenced to be flogged or whipped appeals the decision of the Court, the sentence of flogging or whipping may be carried out at any time after the sentence is affirmed.”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 5.

Senate amendment read as follows:

Re-number as clause 3.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 6.

Senate amendment read as follows:

Re-number as clause 4.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 7.

Senate amendment read as follows:

Delete clause 7 and substitute the following:

“Section 30 amended 7. Section 30 of the Act is amended by deleting paragraph (d) and substituting the following new paragraph:

“(d) in any building with intent to commit any arrestable offence therein, is liable to imprisonment for ten years.”

Mr. Imbert: Mr. Speaker, I beg to move that the House doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 8.

Senate amendment read as follows:

Delete clause 8 and substitute the following:

<p>“Second Schedule Amended Chap. 4.20</p>	<p>8. The Second Schedule to the Summary Courts Act is amended by inserting in item 6 after the word ‘27’, the words ‘28, 29 and 30’.”</p>
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Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 11.

Senate amendment read as follows:

In the proposed section 6A:

- (a) in subsection (1), delete the words “he or the police” and substitute the words “that person or the prosecution”; and
- (b) in subsection (3), delete the word “police” and substitute the word “prosecution”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 12.

Senate amendment read as follows:

In the proposed section 11A(1), delete the word “police” and substitute the word “prosecution”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 17.

Senate amendment read as follows:

In the proposed section 8, delete the word “punishable” and substitute the word “charged”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 18.

Senate amendment read as follows:

Delete clause 18 and substitute the following:

“Section 5 amended
Chap. 11.13

18. Section 5 of the Forgery Act is amended:

(a) in subsection (3):

(i) by deleting the full stop at the end of the paragraph (m) and substituting a semicolon;

(ii) by inserting after paragraph (m) the following new paragraphs:

‘(n) a driving permit, provisional permit or learner’s permit issued under the Motor Vehicles and Road Traffic Act;

(o) a national identification card issued under the Representation of the People Act.”;

(b) by inserting after subsection (3), the following new subsection:

‘(4) A person who has in his custody or possession a forged document mentioned in:

- (a) subsection (2) commits forgery of that document and is liable to imprisonment for fourteen years;
- (b) subsection (3) commits forgery of that document and is liable to imprisonment for seven years.’”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 21.

Senate amendment read as follows:

Insert after the words “section 4”, the word “(1)”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Clause 26.

Senate amendment read as follows:

In the proposed section 21, delete the word “punishable” and substitute the word “charged”.

Mr. Imbert: Mr. Speaker, I beg to move that the House doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

New clause 5.

Senate amendment read as follows:

Insert the following new clause 5:

“Section 28 amended 5. Section 28 of the Act is amended by deleting the words ‘is liable upon summary conviction to imprisonment for ten years’ and substituting the words ‘is liable to imprisonment for ten years’.”

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

New clause 6.

Senate amendment read as follows:

Insert a new clause 6 as follows:

“Section 29 amended 6. Section 29 of the Act is amended by deleting the words “upon summary conviction”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

New clause 11A.

Senate amendment read as follows:

Insert after clause 11, the following new clause 11A:

“Section 11 amended 11A. Section 11(1) of the Act is amended by deleting the word “police” and substituting the word “prosecution”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Long Title.

Senate amendment read as follows:

After the words “Chap. 11.12;”, insert the words “the Summary Courts Act, Chap. 4.20;”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Part II.

Senate amendment read as follows:

Delete the heading in Part II, and substitute the following “HOUSE BREAKING OFFENCES”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

New Part IIA.

Senate amendment read as follows:

Insert after Part II, the following new part:

“PART IIA

OFFENCES TRIABLE EITHER WAY”.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

Adjournment

Friday, July 15, 2005

ADJOURNMENT

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, I beg to move that the House be now adjourned to Wednesday, July 20, 2005 at 1.30 p.m. at which time we will complete the Bill that was in progress on Monday, July 11, 2005, the Education (Amdt.) Bill and No. 3 on the Order Paper, the Fair Trading Commission Bill.

Let me tell Members that on Wednesday we shall be adjourning. We do not anticipate that after Wednesday there would be a sitting for some time. This is the plan at this point. I would like to indicate that.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.27 p.m.