

HOUSE OF REPRESENTATIVES

Friday, December 06, 2019

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, I have received communication from the hon. Kamla Persad-Bissessar SC, MP, Member for Siparia who has requested leave of absence from today's sitting of the House. The leave which the Member seeks is granted.

PAPERS LAID

1. Ministerial Response of the Ministry of Trade and Industry to the Twenty-Second Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of CreativeTT for the financial years 2014 and 2015. [*The Minister of Planning and Development (Hon. Camille Robinson-Regis)*]
2. Ministerial Response of the Ministry of Agriculture, Land and Fisheries to the Twenty-Third Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of InvesTT Limited for the years 2014 to 2017. [*Hon. C. Robinson-Regis*]
3. Ministerial Response of the Ministry of Works and Transport to the Twenty-Third Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of InvesTT Limited for the years 2014 to 2017. [*Hon. C. Robinson-Regis*]
4. Ministerial Response of the Ministry of Planning and Development to the Twenty-Third Report of the Public Accounts (Enterprises) Committee

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on the Examination of the Audited Financial Statements of InvesTT Limited for the years 2014 to 2017. [*Hon. C. Robinson-Regis*]

5. The Ministerial Response of the Ministry of Public Administration to the Twenty-Third Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of InvesTT Limited for the years 2014 to 2017. [*Hon. C. Robinson-Regis*]
6. Exchequer and Audit (Electronic Funds Transfer) (Amendment) Regulations, 2019. [*The Minister of Finance (Hon. Colm Imbert)*]

**JOINT SELCET COMMITTEE REPORTS
(Presentation)**

Dr. Lackram Bodoë (*Fyzabad*): Madam Speaker, I have the honour to present the following reports:

Public Administration and Appropriations Committee

Funding to Private Secondary School Institutions

Twentieth Report of the Public Administration and Appropriations Committee on an Inquiry into the Oversight of State Agencies under the purview of the Ministry of Education and the funding to private secondary school institutions.

Approval Process for Land Use

Twenty-First Report of the Public Administration and Appropriations Committee on an Examination into the Approval Process for land use in Trinidad and Tobago.

Miscellaneous Provisions (Local Government Reform) Bill, 2019

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Thank you very kindly, Madam Speaker. Madam Speaker, I have the honour to present the following report:

Interim Report of the Joint Select Committee appointed to consider and report on the Miscellaneous Provisions (Local Government Reform) Bill, 2019 in the Fifth Session, Eleventh Parliament.

**Land and Physical Infrastructure
Effectiveness of Measures to Reduce Traffic Congestion**

Mr. Rushton Paray (*Mayaro*): Thank you, Madam Speaker. Madam Speaker, I have the honour to present the following report:

Eighth Report of the Joint Select Committee on Land and Physical Infrastructure on an Inquiry into the Effectiveness of Measures in place to reduce Traffic Congestion on the nation's roads.

WRITTEN ANSWERS TO QUESTIONS

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you, Madam Speaker. Madam Speaker, there are two questions for written answer. Both are available and will be given to Members.

**Distribution of Home Improvement Grants
(Details of)**

7. **Mr. Fazal Karim** (*Chaguanas East*) asked the hon. Minister of Housing and Urban Development:

With regard to the distribution of 22 home improvement grants to constituents of Point Fortin on August 14, 2019 at a total value of \$330,000, could the Minister state:

- a) the details of this distribution; and
- b) the details of any other constituencies that have benefitted or are due to benefit from a similar exercise?

**Water and Sewerage Authority
(Repair of Valve Holes on Nation's Roads)**

9. Mr. Fazal Karim (*Chaguanas East*) asked the hon. Minister of Public Utilities:

Could the Minister state the action being taken by the Water and Sewerage Authority to fix the numerous valve holes on the nation's roads?

Vide end of sitting for written answers.

**DEFINITE URGENT MATTER
(LEAVE)**

**Increasing H1N1 Virus Deaths
(Failure of Government to Address)**

Dr. Tim Gopeesingh (*Caroni East*): Madam Speaker, in accordance with Standing Order 17 of the House of Representatives, I hereby seek your leave of move the adjournment of the House for the purpose of discussing a Definite Matter of Urgent Public Importance, namely the increasing deaths to the H1N1 virus.

The matter is definite because it pertains to the failings by the Government in controlling this devastating infection throughout Trinidad and Tobago.

The matter is urgent because the H1N1 influenza virus being highly contagious and has to date led to death of at least 24 people within recent times.

The matter is of public importance because this highly infectious influenza virus, if left unrestrained, has the potential to transform to a major national epidemic with resultant deaths of hundreds of our citizens.

Madam Speaker: Hon. Members, I am not satisfied that this matter qualifies under this Standing Order.

**MISCELLANEOUS PROVISIONS (PROCEEDS OF CRIME
AND CENTRAL BANK) BILL, 2019**

Bill to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02 [*The Minister of National Security*]; read the first time.

Motion made: That the next stage of the Bill be taken later in the proceedings. [*Hon. S. Young*]

Question put and agreed to.

**MISCELLANEOUS PROVISIONS
(AGE OF RETIREMENT OF JUDGES, INTERPRETATION
AND CHIEF JUDICIAL OFFICERS BILL, 2019.**

Bill to amend the Constitution (Prescribed Matters) Act, Chap. 1:02, the Interpretation Act, Chap. 3:01 and the Judicial and Legal Service Act, Chap. 6:01 [*The Attorney General*]; read the first time.

JOINT SELECT COMMITTEE

**Miscellaneous Provisions (Local Government Reform) Bill, 2019
(Extension of Time)**

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you, Madam Speaker, Madam Speaker, having regard to Interim Report of the Joint Select Committee appointed to consider and report on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, I beg to move that the committee be allowed an extension of three months in order to complete its work and submit a final report by March 31, 2020.

Question put and agreed to.

FINANCE BILL, 2019

Order for second reading read.

The Minister of Finance (Hon. Colm Imbert): [*Desk thumping*] Thank you, Madam Speaker. Madam Speaker, I beg to move:

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

Before you this afternoon, Madam Speaker, or before this honourable House is the Finance Bill, 2019, which is designed to put in place fiscal measures and various matters that were announced in the 2020 budget before this House on

October 07, 2019.

Now, Madam Speaker, there were a number of measures that were announced in the budget, but several of them do not require parliamentary action. For example, for the removal of life certificates for pensioners, the increase in wages for URP, CEPEP workers, and also for on-the-job trainees, these matters do not require legislative action because they have been dealt with administratively, so that as of the 1st of December, the wages of URP workers have been increased by 15 per cent, the wages of CEPEP workers and CEPEP contractors, the money paid to CEPEP contractors has been increased by 15 per cent. And in addition, Madam Speaker, the wages or salaries of on-the-job trainees have been increased by 10 per cent.

With respect to the ban of Styrofoam or the termination of the importation of Styrofoam, that will be effected by way of order that will flow from the Customs Act, specifically section 44 of the Customs Act.

There are some other measures which do not require legislative attention at this point in time, but are earmarked for the fiscal year 2020. In other words, between now and the 30th of September, 2020, and these would include the tax-free structure for agriculture, refunds for value added tax, the value added tax bonds, the pensions for daily-paid workers, Madam Speaker, index linking of public service pensions, other amendments that we propose for the credit union sector, and other similar matters, Madam Speaker, which are in the Budget Statement 2020.

What we are dealing with today are measures that are required to be dealt with before the end of this calendar year, that is, before the end of the December 2019 and this is why we are dealing with this matter on 6th of December to allow it to go to the Senate next week, so it will be done and completed well before the

Christmas break. [*Device goes off*] The matters that—

Madam Speaker: Minister of Finance, a minute. Could the Member with the offending device please leave the Chamber. Minister of Finance.

Hon. C. Imbert: The Explanatory Notes for the Bill will explain what we are about. Clause 2 of the Bill amends the Income Tax Act to deal with solar water heaters.

Clause 3 amends the corporation tax to deal with taxation of life insurance companies.

Clause 4 deals with the Petroleum Taxes Act to deal with an increase in tax credit.

Clause 5 increases the value of goods that can be imported without duties at the airport by individuals.

Clause 6 amends the Co-operative Societies Act to increase the sum of money payable to a nominee or legal personal representative.

We also have a list of amendments which were circulated earlier this week several days ago to give the Opposition sufficient time to digest them and these amendments involve other matters that were announced in the budget statement such as the amendments with respect to loss relief, claims for loss relief in the petroleum sector, and also the write-off of capital expenditure in the petroleum sector, Madam Speaker. Let me just go through the Bill now.

The first clause is self-explanatory and it is simply the short title.

The second clause of the Bill is designed, Madam Speaker, to address the tax credit or tax allowance deduction that is given for water heaters, Madam Speaker. And the tax allowance for water heaters in particular—I will come back to the energy sector matters in a short while. Just let me deal with the Bill that was circulated and then I will deal with the amendments that were also circulated,

Madam Speaker. At the present time, you can claim 25 per cent of your expenditure on a solar water heater up to a maximum of \$10,000.

Now the cost of a typical residential solar water heater would be less than TT \$10,000. So at the present time, let us assume your average person acquiring a solar water heater would get a tax deduction or a tax credit of maybe \$2,000, \$1,000, let us assume the solar water heater would cost \$4,000, even \$8,000, you can get 25 per cent of that. So you might get up to \$2,000.

What we are doing now is allowing you to claim 100 per cent of the cost of the water heater as a tax credit. So let say the water cost \$8,000, you can claim \$8,000 on a tax credit. If it costs \$5,000, you can claim \$5,000. Now, we are taking that up to a maximum of 10, so we are leaving the 10,000 unchanged, but we are changing the quantum of the tax credit. The tax credit is now the full amount.

So whereas before, as I said, someone might have claimed a \$1,000, \$2,000, they can now claim up to \$8,000, \$10,000. So they can claim back as a tax credit 100 per cent of the cost of a solar water heater. And this is just to encourage people to switch to solar for their water heaters.

For those of you, Madam Speaker, for those Members opposite who may have travelled to Barbados, it is a phenomena that is very evident in Barbados. Nearly every house in Barbados has a solar water heater on the top of it and the Barbados Government, in fact, subsidizes the cost of solar water heaters which is something we may wish to look at in the future as we move towards renewable energy in terms of providing some of the electric power that is required for an ordinary home.

So clause 2 of the Bill seeks to amend the Income Tax Act, change the allowable credit from 25 per cent of the cost to 100 per cent, but up to a maximum

of \$10,000, which we think will be more than adequate. I am not sure that there are many domestic solar water heaters that will cost more than \$10,000. And in fact, if you go to any of these hardware stores that have sprung up all over the country now, I actually saw one of these solar water heaters that is somewhere in the vicinity of \$2,500, \$3,000. I saw one in one of these places there in the El Socorro area, and they are selling them now for two, \$3,000. So that you would hardly get a solar water heater would hit \$10,000. That would have to be a very big high capacity water heater. So we think credit is more than adequate, and should encourage persons to move to solar for water heating.

With respect to the next clause, Madam Speaker, which is clause 3 of the Bill, we are doing a number of amendments to the Corporation Tax Act, and the first amendment will—the first and second amendments, this is 3(a), 3(b) and also 3(c), they all deal with the whole question of allowing our exporters to export to countries within Caricom and benefit from an export allowance.

At the present time there is an export allowance for persons or companies that export within countries outside of Caricom. So if you are exporting to United States or you are exporting to Latin America or you are exporting to Europe, at the present time you are allowed to get an uplift on your expenses and claim it back at as an expense. However, the regime at this point in time is limited to those countries outside of Caricom, and if you go into the Income Tax Act and you look at the Sixth Schedule you will see a number of countries that are all Caricom countries, and the way the legislation is currently structured you can claim this export allowance except to the countries in the Sixth Schedule, so it means that if you export to Caricom, you cannot get this tax allowance.

1.50 p.m.

So what we are doing now, we are changing the wording of the Income Tax

Act in section 10B and the relevant parts of this Bill are that:

“...the words “where the service, goods or agricultural produce has, as a result of such expenditure, been exported –

(a) to a foreign market, other than a country specified in the Sixth Schedule; or

(b) for the first time to a country specified in the Sixth Schedule’;”

And this is 3(b)(b) in the Bill, and what this allows someone to do, is that if you are a first-time exporter to Caricom, you will now be eligible for the export allowance. There really is a sort of a general prohibition of this kind of activity within Caricom, and this is why this regime has been there for so long. But we felt that it was appropriate at this time, the manufacturers had asked for it, that we allow this export allowance for first-time exporters into Caricom and we will see what happens, and then perhaps we can adjust the regime accordingly after we see what will happen, when we allow this export allowance for our manufacturers into Caricom.

So that, that is what clause 3(b)(a), (b) and (c) address. They now allow Trinidad and Tobago manufactures to export to Caricom and claim the promotional expenses. It is really—let me just clarify what I said. It is really in terms of expenses going to these countries, meeting with buyers, advertising your products, and generally under the rubric of promotional expenses. So, it is the promotion of Trinidad and Tobago goods, services and agricultural produce. So it is really your airfare, your hotel accommodation, if you are attending a trade fair, if you are meeting with buyers over there and so on, it is those expenses, promotional expenses that are now going to be allowed. With respect— *[Interruption]* Sure, yeah, sure.

Dr. Khan: I just want to ask something that is a bit out. What about services for

medical services, where you go to get—say you have services there. People come to Trinidad to get medical services done. But the way it happens is that you have to go there to promote the service. Is that encompassed?

Hon. C. Imbert: I understand what you are saying. At this time, this is limited to the export of services, the export of services. So it is promotional expenses associated with the export of goods, services, and agricultural produce from Trinidad and Tobago to these countries. The scenario that you have asked me to look at is Trinidad and Tobago businessmen or service providers, would go to another country, St. Lucia, Grenada, whatever the case may be, and promote Trinidad and Tobago services, and that would invite and encourage people to come from Caricom to acquire services here. It is not intended to cover it at this point in time. But it is something we can think about during the course of the debate today, okay, and perhaps in the other place I could deal with that, or maybe even today. I will ask the drafters to take a look at that.

Now, the next clause in the Bill, or the next subclause in the Bill is the increase in the allowance for creative industries. We in this Government, and I think anybody in this House will agree, that in Trinidad and Tobago, our citizens possess considerable talent in the creative industry sector. We have decided in recognition of these talents, and in order to promote the development of existing and future talent, that we would increase the allowable expenditure that may be deducted in computing for the purpose of corporation tax, the profits of a company engaged in this area for a year of income.

So, what clause 3(d) of the Bill does, it amends section 10G(1) of the Corporation Tax Act, to provide for the increase in the expenditure incurred by a company for the year of income of 150 per cent of the expenditure up to a maximum of \$3 million, increase that to \$6 million in relation to visual works of

art and performing art done by nationals of Trinidad and Tobago. I may also add that we are also making this available for the fashion industry. There is a further requirement that in the case of a visual work of art, the deduction may be claimed in respect of the initial acquisition of the work and if it is certified by an art gallery which also provides a valuation of the work.

In the case of a performing art, the national rendering the work must be registered with the Ministry of Community Development, Culture and the Arts and the Tobago House of Assembly. Now, the reason for this is obvious, you need to have some sort of certifying body that will create some sort of minimal threshold for the definition of what is a work of art or a performing art, because any charlatan would be able to say that they are an artiste and therefore, somebody who acquires goods from them should benefit from this allowance. So you have to have some sort of certification, so that, we are asking for an art gallery to certify a painting for example, and if it is a performing art or some other national rendering, the work must be registered with the Ministry of Community Development, Culture and the Arts, or the Tobago House of Assembly. So, those are the certifying bodies. If it is a painting, an art gallery, and in the case of performing arts and so on, the Ministry of Community Development, Culture and the Arts, and the THA.

We are also allowing this increase in the deduction for sporting activities, sporting events or sportsmen. At the present time, the section 10L or I, I think, yeah, section 10I(1) of the Corporation Tax Act provides for a deduction in the amount of expenditure for the year of income of 150 per cent of the expenditure up to a maximum of \$3 million incurred by a company that promotes or sponsors sporting activities, sporting events, or sportsmen and sportswomen.

We are proposing to increase the amount spent on sporting activities,

sporting events, sportsmen and sportswomen, for tax deduction purposes from \$3 million to \$6 million. And this is the reason for clause 3(e) of the Bill. This would include a number of sports such as: basketball, boxing, martial arts, cricket, cycling, football, rugby, golf, hockey, netball, baseball, swimming, tennis, weight lifting, table tennis, body building, squash, chess, et cetera, et cetera, even Paralympics, and power-boat racing, just to name a few. Further:

“...a company”—that—“sponsors audio, visual or video productions for the purposes of local education or local entertainment or reflecting local culture for radio or television...”

At this time, is able to claim a deduction of:

“...one hundred and fifty per cent of the...expenditure...up to a maximum of three million dollars.”

—in respect of expenditure incurred for the year of income.

Clause 3(f) of the Bill amends section 10J of the Corporation Tax Act to provide for an increase in the claim that can be allowed up to a maximum of \$6 million. So, that is to deal with the audiovisual sector.

The next section or the next clause or subclause as the case may be, clause 3(g) amends section 10K of the Corporation Tax Act to provide for an increase in the expenditure incurred by a production company of 150 per cent of the expenditure, up to a maximum of \$3 million, that is what it is right now. And this clause 3(g) amends that, to change \$3 million to \$6 million for the year of income in relation to:

“...its own audio, visual or video productions for educational purposes or promoting or reflecting local entertainment or local culture for use in radio, television or cinematograph works...”

So what this does, is it allows a company that is in the business of producing audio

or visual productions, video productions for educational purposes, for local entertainment or local culture, it allows them, that company, to claim its own expenditure on producing these things for up to a maximum of \$6 million. And it can claim 150 per cent of the expenditure. At the present time, they can claim \$3 million and now they can claim \$6 million.

And as I said, Madam Speaker, we also intend to include the fashion industry which will be in the list of amendments. So that, there will be for the fashion industry which is currently allowed as a deduction in ascertaining the chargeable profits of the company for that year of income, an allowance equal to 150 per cent of the actual expenditure incurred in respect of fashion promotions. This is now to a maximum of \$3 million. And we will be increasing the tax allowance for companies involved in promoting the fashion industry from \$3 million to \$6 million per year. And we are going to renumber clause 3(j) of the Bill to allow for that.

Madam Speaker, there is a cap on the total expenditure that can be claimed by a company in respect of all the allowances that I have just outlined which are under section 10 of the Act. And at the present time, section 10L(1) of the Corporation Tax Act provides that:

“(1) For the purpose of ascertaining the chargeable profits of a company for a year of income, the aggregate allowance that may be claimed under sections 10G, 10I, 10J and 10Q shall not exceed...three million...”

So, you cannot claim for all. So, you cannot say “ah claiming 3 million for fashion, ah claiming 3 million for radio, ah claiming 3 million for sport; yuh cah do that”. It is \$3 million at the present time for one, and \$3 million for all. So, if you are claiming for all, you can only go to the \$3 million. [*Interruption*] You wanted to ask a question?

Dr. Khan: From three to six?

Hon. C. Imbert: No, I am coming to that. What I am saying, the current law is the current law, section 10L(1) of the Corporation Act says that the maximum of the aggregate of all of these things, fashion video, radio, television, sport, et cetera, is the same \$3 million, we are now increasing that to six. So now, for any individual sector, a company will be able to claim up to \$6 million, or if you are claiming for more than one of these creative sectors, you are capped off at \$6 million, okay? So that is what this is all about.

At the present time, there was an anomaly in the Act with respect to a production company, an artistic production company, that in addition to—well, not an anomaly, there was an additional provision that:

“...in addition to the deduction allowed under section 10K, the company shall be entitled to claim an aggregate allowance of up to a maximum of two million dollars with respect to sums paid to finance sporting activities and artistic works not related to its own business.”

So, if you are in production, if you are making videos and so on, right now you could claim up to \$3 million of your own expenses. But specifically for that type of company, there is an allowance at this time that you could claim another \$2 million for other things such as sporting activities and so on. We are increasing that to \$4 million. So, if you are a video production company, you will be able to claim your own expenses, and also you will be able to claim any sponsorship that you may get involved in, in sports and other creative industries that are not related to your own business. Currently, that additional allowance is \$2 million, we are increasing that to \$4 million. And that amendment is provided for at clause 3(i) of the Bill.

Let me move on now to insurance companies. At the present time, insurance

companies are taxed based on what is called the statutory fund. Now, the statutory fund in an insurance company is a fund into which assets are placed whether they are cash, whether they are bonds, whether they are equity, other assets such as real property and so on.

2.05 p.m.

So insurance companies at this time are required to have a statutory fund which has in it, approved assets, because this is a regime whereby the Central Bank will agree or not agree to certain classes of assets or certain types of assets to be placed into the statutory fund and there are limits on the amount that you can have in the fund with respect to equities, for example. The entire fund cannot be created out of shares of Republic Bank for example. There is a limit on that sort of asset, there is a limit on other types of assets, real property and so on. But at the present time, insurance companies are required to maintain a statutory fund which has an approved asset in it equal to the liability to their policyholders.

We have changed the entire system of assets for insurance companies in the new Insurance Act and there are just a few things left for the proclamation of that Act. This is one of them. We have moved away now, as the rest of the world has moved away from a statutory fund, and now you have to have cash and assets up to a certain amount within your company. And it is now more than 100 per cent.

So you have to have a capital adequacy that exceeds your liabilities and it is different amounts, like 150 per cent and so on. So no longer do you have to place these assets into a statutory fund and sterilize them inside of there and you cannot touch them unless you—if you take out an asset, you have to replace it with an asset of equal value approved by the Central Bank and so on. That regime has gone and now insurance companies are required to maintain assets that exceed the liabilities to policyholders by a significant amount. But they are no longer required

to put them into a fund that they cannot touch. So that it allows mobility of assets for insurance companies, but all of this is under the supervision of the Central Bank.

So having taken out the— removed the statutory fund, the question was, how do you tax insurance companies? And there were many different proposals and so on. It is done in different ways in different countries, but what we have decided to do is a very, very simple approach to this matter and we are deleting the taxation of the assets in the statutory fund and that was at the rate of 15 per cent. It is the profits derived from the investment in the statutory fund.

So what an insurance company has to do now is you have the statutory fund, you may have bonds, you may have cash deposits, you may have equities in traded companies, you may have real property, let us say it have \$10 billion in it and that portfolio will generate income. So let us say, you have a \$10 billion portfolio of assets in your statutory fund and that is generating 5 per cent, let us say, so that would generate \$500 million. At the present time, insurance companies are charged 15 per cent of the profits or the income derived from the assets in the statutory fund.

So instead of abandoning the concept of a statutory fund, we are now taking the assets that support the liabilities and applying the taxation to that. So let us say, an insurance company has liabilities of \$6 billion and it is required to have assets of \$8 billion, we are now going to tax the profits derived from those assets. They are no longer in a statutory fund, they are held by the insurance company. So it is a very simple move from 15 per cent of the income from the assets in the statutory fund to 15 per cent of the assets supporting liabilities to the Trinidad and Tobago policyholders. So it is just a shift. It is a very simple and very elegant in my opinion, change, policy change. And this is in discussion with the insurance

company; we have been talking to them for quite a long time.

Just to give you some background, the Insurance Act was assented to a little over a year ago. It is currently awaiting a day for proclamation. One of the issues we had was this, we had to have dialogue with the industry, dialogue with stakeholders, we hired a consultant and this is what has come out of that. And as I said, we consider it to be somewhat elegant, quite a simple sideways move.

And there are some other issues, I think we have laid them in this Parliament, Attorney General, that the Central Bank had asked for certain amendments to the Insurance Act. But this is how these things happens. You go through a process for years and you lay it in Parliament, you debate it, you pass it and then an authority comes in and say, “Look, there are some things that we may not have remembered to tell you at the time.” So we have some amendments that have come from the Central Bank already laid in this House couple of weeks ago. And once we sort that out, everything should be fine. I think we also laid the regulations as well. So we had a number of regulations for the insurance industry as well, that it was thought it was necessary to get that sorted out before we go to the new regime and those are being laid as well in this Parliament.

So that—just to summarize, since the statutory fund [*Crosstalk*] will no longer be available as the tax basis for long-term life insurance companies, the new methodology surrounding the 2018 legislation [*Crosstalk*] for holding assets [*Crosstalk*] will—

Hon. Member: “Dey eh know yuh waitin for de wind up tuh lash dem.”

Madam Speaker: Minister of Finance, I know you can rise above that. Please continue.

Hon. C. Imbert: You know, it is so funny. When you are quarreling with them, they vex. When you trying to speak to them nice, they vex. “Wey it is all yuh

want?" [*Laughter*]

Madam Speaker: I think it was a compliment. Please proceed. You can rise above that. It is a compliment.

Hon. C. Imbert: Madam Speaker, I was not rising or sinking in any way, I was just making a comment. So that the statutory fund will no longer be available as the tax basis for long-term life insurance companies. The new methodology surrounding the 2018 legislation for holding assets will replace the existing basis for taxation of life insurance companies. We believe that the new methodology will have a minimal, marginal impact on the tax position of insurance companies whether positive or not, and it will be simple and very quickly implementable. And as I said, we have spoken to the industry and the stakeholders and they have no problem with that.

The Bill itself—let me go through now the Bill, this is 3(k). There are a number of consequential amendments to the Fourth Schedule of the Corporation Tax Act to establish this new methodology. The existing method for competition of profits for taxation under paragraph 3(1) of the Fourth Schedule of the Corporation Tax Act will be retained. The tax position will be substantially the same as under the old Insurance Act. Insurance companies and the Association of Trinidad and Tobago Insurance Companies have confirmed the understanding of the new methodology and its ease of implementation. And the proposed new taxation basis retains the link to the regulatory framework by reference to the requirements in the Insurance Act, 2018.

So that, I do not think it is necessary for me at this time to go into any great detail into the intricacies of the words in clause 3(j), and so on, Madam Speaker. Suffice it to say, that we are changing the computation of taxation for insurance companies from the statutory fund model to the capital adequacy model and that

there will be a minimal effect on the tax due and paid by insurance companies. There is a bit of tidying up to be done here which is in clause 3(j), (i) and (ii), (iii) and (iv) of the relevant legislation.

The next section, Madam Speaker, is 4 which we are dealing with the petroleum sector. And this has to be read in conjunction with the amendment that were circulated. And this flows from the budget statement. And what we are seeking to do in this clause, in clause 4—let me go back to clause 2. Clause 2 of the Bill states that:

“The Income Tax Act is amended in section 48C, by deleting the words “twenty-five per cent” and substituting the words “one hundred per cent”.”

Sorry, that is the water heaters. Let me go to the list of amendments. We are asking for the (2) that is before us to be deleted and replaced with the following new clauses. And essentially the replacement would be in (2)(b) of the amendments which is:

“Subject to subsection (2)”—in section 16 of the Income Tax Act—“where the amount of a loss incurred in the year of income in any production business carried on by any person either solely or in partnership is such that it cannot be wholly set off against his income from other sources for the same year, the amount of such loss shall, to the extent to which it is not allowed against his income from other sources for the same year, be carried forward, and shall, subject as is hereinafter provided, be set off against up to seventy-five per cent of what would otherwise have been dischargeable income for the succeeding years.”

At the present time they carry forward losses up to 100 per cent. So what this does if petroleum companies incur significant losses at the present time they can carry forward these losses for many years for 100 per cent of their amount.

We are now reducing that to 75 per cent after lengthy conversation and discussions with the energy sector companies and what the effect of this is, is to increase the tax revenue coming into the Treasury. Because previously with the 100 per cent write-off provision carrying forward for so many years, no revenue might have come at all. In fact, when we first came into office and I think you may have heard this before, we were visited by one of the largest oil companies that said, based on the current taxation regime, they would not be paying us any corporation tax for many years, right up to 2024 actually. So we have done some adjustments to see if we can improve the revenue stream for the Government and this is one of them.

So, Madam Speaker, in terms of— and you need consequential amendments. So we have to amend the Income Tax (In Aid of Industry) Act, and this would be a new clause 7 that is inserted after the existing clause 6, and the new clause 7 will be as follows:

“The Income Tax (In Aid of Industry) Act is amended

- (a) in section 16, by repealing subsection (1B);
- (b) in section 17A, by repealing subsection (2) and substituting the following subsection:

“(2) For the purposes of section 11(1)(b) of the Income Tax Act, where on or after the 1st January, 2020,—this ties back to why we are dealing with this now—“a person carrying on production business incurs expenditure on the provision of machinery or plant for the purposes of the trade, there shall be made to him an allowance of twenty per cent of the expenditure calculated on a straight line basis for five consecutive years commencing in the year expenditure.”

So this ties into the loss relief. Right now, companies can claim 100 per cent of the loss incurred in drilling a well, for example. And quite often the expenditure in one year will be more than the income that they generate. So let us say, they spend a billion dollars US, on drilling and their income is 800 million, then what they are doing right now is carrying forward that loss into the following year. And we are seeking to cap, to carry forward at 75 per cent, rather than 100 per cent.

But what this does as well, right now, these companies can claim their expenses or losses as the case may be, over a three-year period, 50 per cent in the first year, 30 per cent in the second year, 20 per cent in the third year. So that, we are changing that. That if:

“...a person carrying on production business incurs expenditure on the provision of machinery or plant for the purposes of the trade”—and the production business is the production of petroleum—“there shall be made to him an allowance of twenty per cent of the expenditure calculated on a straight line basis for five consecutive years...”

So what this does, instead of allowing the oil company to claim 50 per cent of the expenditure on production of oil or gas, as the case may be, in the first year and 30 per cent in the second year and 20 per cent in the third and they write-off the whole thing in three years, we are now requiring them to do it at a rate of 20 per cent per year over a five-year period. So it stretches out the amount of tax deductions that they can claim and, again, will allow an improved revenue flow to the country. So the two things taken together will significantly enhance revenue flows to the Treasury to Trinidad and Tobago.

Let me go on now to the next clause of the Bill, clause 5. And clause 4 is on the flip side, clause 4 of the Bill is different. We are now allowing a tax credit or tax allowance of 25 per cent to encourage exploration. So that, on the one hand,

we want to encourage exploration and on the other hand, we do not want them to write-off all their losses or expenses in a short period of time.

So moving now to the fifth clause in the Bill, that is an amendment to the Customs Act, where we delete the words “\$3,000” and substitute the words “\$5,000”. What this going to result in is a situation where an individual who arrives at the airport at this time—any person arriving at the airport is allowed up to \$3,000 on goods purchased abroad, duty free and tax free.

[MR. DEPUTY SPEAKER *in the Chair*]

So, at the present time, your allowance when you are coming in at the airport for goods that you bought abroad is \$3,000. We are now increasing that to \$5,000 and it is in recognition to the fact that the \$3,000 has been there to for a very, very long time. I think it is there since 2005 is what my memory tells me. This allowance is in addition to what is already enjoyed by passengers relating to wines and spirits, where someone can bring in up to 1.5 litres of wines or spirits, alcohol and 250 grams of tobacco. I am not sure how much that is, not being a smoker. Cigars not exceeding 50 in number per year and cigarettes not exceeding 200 in number per annum. So, at the present time, there are allowances for cigarettes, alcohol, tobacco and cigars. So this increase from \$3,000 for goods purchased abroad, duty free, to \$5,000 does not involve these other allowances that people have to bring in alcohol and spirits for your personal use. The items, of course, must be for your personal use, not for trade.

So, let us move now to the next clause in the Bill, which is clause 6. Clause 6 now renumbered as clause 7. And this would amend section 41(3) of the Co-operative Societies Act, which is Chap. 81:03, by increasing the values of shares or interest payable on shares that a society may transfer to a nominee or legal person representative of a deceased member from \$5,000 to \$50,000. At this time, Mr.

Deputy Speaker, the credit unions are only allowed to give up to a maximum of \$5,000 from the account of a member. So if a credit union member has an account with say, \$100,000 in it and the person passes away and their legal personal representatives wishes to withdraw for the funeral expenses, right now they can only withdraw—

Mr. Deputy Speaker: Hon. Member, one more minute to wind up, please.

Hon. C. Imbert: Sure. They can only withdraw \$5,000. We are increasing that to \$50,000. And, Mr. Deputy Speaker, the last section in the Bill is a commencement clause and this commencement clause is to deal with the insurance industry because we have not proclaimed the Insurance Act yet. So we need to have a commencement clause when we are changing the way we tax insurance companies.

So, Mr. Deputy Speaker, this Bill seeks to put into law the matters that we had proposed in the budget statement of 2020 dealing with personal allowance at the airports, credit unions, energy sector, life insurance companies, solar water heaters and so on. I beg to move. [*Desk thumping*]

Question proposed.

Dr. Bhoendradatt Tewarie (*Caroni Central*): Thank you very much, Mr. Deputy Speaker. My colleagues have observed that the Minister of Finance was a little subdued today.

Mr. Charles: I wonder why.

Dr. Moonilal: He is not his usual self.

Dr. B. Tewarie: But he did present the Bill and it is good for all of us to note that the people are sovereign and that the people are the ones who have the power. [*Desk thumping*] Sometimes we forget that.

The Finance Bill, 2019, Mr. Deputy Speaker, is a Bill which gives effect to some,

not all of the fiscal measures announced in the 2020 budget statement. And the question did arise when I saw the Bill as to why some and not all, and the Minister sought to explain that by indicating that there are issues such as URP, CEPEP, OJTs the Styrofoam issue which can be dealt by order. But it would have been good to debate some of those issues because they have implication for the economy itself, not just the fiscal measures but for the economy itself. And he also mentioned that by the 30th of September, 2020, the issue of incentives for agriculture, VAT bonds and the index linking—the linking of pensions, indexation of pensions would be dealt with which means that those matters may well have to be addressed by us at some point.

So, the theme of the budget out of which these measures come, these fiscal measures was “Stability, Strength and Growth”. And the meaning of that, if we might interpret it, is that the 2020 budget was meant, Mr. Deputy Speaker, to stabilize the economy, it would improve economic performance and so strengthen the national economy. It would cause the economy to grow. So the fiscal measures announced in the 2020 budget to which this Bill speaks are meant to achieve these things and today, after this debate, we write these fiscal measures announced earlier in the budget into law.

But, Mr. Deputy Speaker, I doubt very much that the implementation of these measures from January 2020 will bring the promise, stability, that they will strengthen [*Desk thumping*] the economy and stimulate the growth. I can say that because the other fiscal measures in the last four budgets before this did not achieve what the Minister of Finance said they would in fact achieve.

The 2020 budget as I said was, “Stability, Strength and Growth” and I am claiming that they will not achieve that with these fiscal measures. The 2019 budget was the famous one entitled “Turnaround” which became “turn the corner”.

And I think we know by now that that was not achieved because the latest statement by the World Bank indicates that contrary to the projection of the Minister of Finance of 1.9 per cent growth for 2019 that in fact the best is likely to do is zero. That is the World Bank pronouncement.

The budget before that was themed, “Changing the Paradigm: Putting the Economy on a Sustainable Path”. That was the one, Mr. Deputy Speaker, with the game changers. And I do not want to go into any detail on that because I want to deal with the details of the Bill, but we know what happened to the game changers. The game changers actually collapsed.

The budget before that, 2017 was called, “Shaping a Brighter Future—A Blueprint for Transformation and Growth”. And that was the budget with the taxes. The taxes on corporations, raising to 30 per cent from 25 and raising for banks to 35. And then the 2016 budget which was their first budget was, “Restoring Confidence and Building Trust: Let us do this together”. And we know since then, precisely, because of two issues. In 2016, they raised the business levy and they raised the green fund levy. And then, in 2017, they drop the 5 per cent tax on corporations and the 10 per cent tax on the banking industry. And the end result of that was that they sealed lack of confidence for the entire period of their tenure [*Desk thumping*] in Trinidad and Tobago.

Now, what are the fiscal measures being addressed in the Finance Bill, 2019? The first is located on page 136 of the 2020 budget statement and that involves an increase in solar water heating equipment tax credit from 25 per cent to a 100 per cent of the cost of solar water heating equipment. But it does so up to the maximum of \$10,000. Now, to achieve this increase in tax credit, this Finance Bill amends 48C according to the document here by deleting the words “twenty-five per cent” and inserting the words “one hundred per cent”. But there are two

problems.

The first thing is that 48C was repealed in 1997, Mr. Deputy Speaker. And I could not find any documentation which says that 48C was reinstated and unless this clause reinstated 48C, we have a problem because I do not see how we can do it. The provision that it makes sense to amend is in fact 48M of the Income Tax Act. So, we need to look at that because 48C—you see, I have it here in the Laws of Trinidad and Tobago, Income Tax Act, Chap. 75:01 and it says:

“(Repealed by Act No. 9 of 1997).”—48B to 48E.

So there is no 48C. But later on in 48M it says:

“Where an individual, in a year of income commencing 1st January 2011, purchases solar water heating equipment for household use, that individual shall be entitled to a tax credit of twenty-five per cent”—that is now amended to 100 per cent so that is actually the appropriate clause, 100 per cent—“of the cost of the solar water heating equipment one up to a maximum of ten thousand dollars.”

2.35 p.m.

And that is the second problem. It is not just the clause. The point I want to make is that the limit remains \$10,000. Whether it is a 20 per cent credit that yields a benefit of \$10,000 or 100 per cent tax credit, if the end result of the application of a 25 per cent credit and the application of 100 per cent tax credit is the same, then nothing has changed because the limit of the benefit has not increased, notwithstanding the percentage increase. So the limit that the taxpayer could get for using a water heater that was driven by solar energy would have been 10 per cent in 2018 and it will be \$10,000 in 2019 and 2020, and whenever else this Bill continues. So that there really is no change except the percentage change. The quantum remains the same. The amount of actual credit benefit and the relief for the citizen will not change. The citizen’s relief is still \$10,000 as it was.

I do not know—the Minister said it, and when he said it, it did not seem—I was wondering if there was a mistake and that they wanted to increase the quantum, but it is clear that the Minister does not want to increase the quantum. He simply increased the percentage and the limit remains the same, so the benefit has not increased to the citizen. I want to make that clear. The real benefit to the citizen has not increased.

The second fiscal measure being written into law here is clause 3, and it is an amendment to the Corporation Tax Act. There are three parts to this. The first one has to do with incentives for creative industries. The tax allowance has been increased from \$3 million to \$6 million for the corporate sponsorship—and this is mentioned on page 139 of the 2020 Budget Statement—for nationals in local film industries, audiovisual or video production for the purpose of local education and local entertainment and sporting activities or events or sportsmen, and art and culture. Production companies also who make their own audiovisual or video production will also benefit similarly. Production companies who sponsor sporting activities and artistic works can now make a deduction of up to \$4 million. It used to be \$2 million before. What happened—I thought for a minute that the fashion industry was left out here because I did not see it in the Bill, but I heard the Minister —I did not get it clearly, but I heard the Minister say he will insert a clause that would include the fashion industry. Is that true, Minister? Right. So it looks like the fashion industry is going to be included and that is very good. So that issue is cleared up. So that is for the creative industries.

Now, I think that it is reasonable to ask as a first question: How many companies actually use the \$3 million benefit to support activities like these, whether fashion or sport, video production, and whether in fact, the incentive has been working? I think that would help us if the Minister could let us know because

that would help us to understand what has been happening. With the increase of the allowance to \$6 billion, sponsors may benefit if they use it, but what would be the real impact on sports, video production, fashion, et cetera? Because after all, the fiscal measures are meant to yield a result.

Hon. Member: Measurable results.

Dr. B. Tewarie: We need to identify what the results are that we want to achieve and figure out how to realize them. Now, the other issue that might be appropriate is not whether the companies are using this and whether it is making a difference in terms of expansion of the creative art sector, but whether this would now mean—these measures would now mean a reduction in state support for areas such as the arts, sport, fashion, et cetera. So I think it would be useful for the Minister to tell us something about that. And finally, how will the success of this incentive meant to benefit creative industries and sports be measured and evaluated for effectiveness? How will we know, Mr. Deputy Speaker, that the incentives are, in fact, working?

The second incentive within this framework is the increase in taxable allowance for promotional expenses incurred for export purposes. Now these are normal expenses for businesses, but if the idea is to increase first-time exports to Caricom and exports outside of Caricom as well, should there be a limit at all? For is not the real result that we are seeking to achieve, an increase in export sales and the real result that we are trying to achieve as well is to realize an increase in foreign exchange earnings? In addition, what is a first-time export to Caricom? And I am not saying this facetiously. Does it mean a first-time entry of a new product, or a first-time entry of a TT company in a market, or both?

So, for instance, a company may be already exporting but not products “Y”. Will that be counted as a first-time entry? Or will it be—because they are already

in Caricom—not counted? It would be simply an expansion. So that needs some clarification. And, of course, I would understand it to mean that if you export it for the first time ever, that you would receive this benefit.

Now, we may also ask the question: Is export expansion a function of promotions or a function of other things that might be even more important than promotions, such as the investment environment, the confidence level to support proactive interventions, the ease-of-doing-business matrix, and the competitiveness of country and of industry? Are we looking at the right things, Minister, through you, Mr. Deputy Speaker? Or are you doing something to say that you are doing something? This is important because at the end of the day all of us know we have a foreign exchange earnings crunch and all of us know that export is the only real success that we need to pursue for industries located in Trinidad and Tobago.

The business of export goods manufactured here, services created here, and agricultural products for exports, is a very important one that needs deliberate action. I do acknowledge that this is an attempt to do so, but I question whether this is the incentive that will lead to increased exports and increased foreign exchange earnings. And I mention again, the tax-free agriculture identified in the budget is not taken into account in this Bill. I guess the Minister answered that when he said that that particular matter would be dealt with in September. But it seems to me that this is something that we should be dealing with here.

Now there is a clause in the Bill which says:

“where the service, goods or agricultural produce has, as a result of such expenditure, been exported —”

But I do not know if that means that it is purely raw agricultural products, because the whole purpose behind the position of the Minister when articulated in the budget, was that he would create a tax-free agricultural industry and there is

nothing in this Bill that addresses that. It is possible that it may be addressed in September 2020, as he indicated, but what I would say is that in this Bill nothing is really done for agriculture as committed in the budget of 2020.

The third issue which arises through amendment of the Corporation Tax Act is the replacement of the statutory fund requirement for insurance companies with assets now supporting liabilities to Trinidad and Tobago policyholders. Because that is the change in the Bill. In the Insurance Act of 2018, provision for statutory fund to be eliminated was made. These amendments eliminate the statutory fund requirement and creates a new formula for calculating the profit of life insurance companies. This is to make good on the commitment of the budget statement on page 132 of the 2020 Budget Statement.

Currently, profits for insurance companies derived from investment of the statutory fund is taxed at 15 per cent, and there is a further 25 per cent taxation rate if the profits from the statutory fund are transferred to the shareholders' account. And that, of course—it is 25 per cent, but you minus the 15 per cent and the portion being transferred because taxes would have already been paid on that. The Insurance Act replaced the statutory fund with a risk capital adequacy requirement. This Bill seeks to realize this change and to legalize it, and to legalize the new framework. The quantum of tax, though, does not change. It still remains 15 per cent on profits on the assets supporting the policyholders and 25 per cent on the transfers to the shareholders account minus, of course, any 15 per cent that might have been paid before. So the taxation change is nil. It is that the legislation is now required to put into effect what the 2018 Insurance Bill did, which is to abolish the statutory fund and find a new formula for taxation.

Clause 4 comes from the fiscal measure announced to increase investment tax credit for energy companies, from 20 per cent to 25 per cent. The Minister says

that this will stimulate further exploration and development-related investments in the energy sector. But I do not think so, Mr. Deputy Speaker. The impact of the change is negligible. I referred to that. Ernst & Young had made a comment on it with their review of the budgetary fiscal measures and it will not make a difference in exploration and development and production. But it does not hurt, I will say that. It does not take anything away. It does not hurt but it will not be any great incentive.

The Government, after four years, has not collectively dealt comprehensively with our energy sector, and their intermittent and disconnected interventions have actually put the sector at risk. I am not saying that this 5 per cent increase puts anything at risk. As I said, it will cause no harm. But the mishandling of the entire sector is what is problematic. The increased 5 per cent in respect of SPT applies to qualifying expenditure for approved development activity in mature marine oilfields, mature land oilfields and the acquisition of plant and machinery used in approved enhanced oil recovery projects. Now mature marine oilfield is defined as an oilfield that is 25 years or older from the first date of its commercial production. For this to benefit a company, the price of crude has to be over US \$50, but our major energy production business is natural gas, Mr. Deputy Speaker. Will 25-year-old mature gas fields qualify for this benefit? I hope the Minister will answer because I do not think that it does the way the Bill is written. So I do not think the law here addresses the issue of a 25-year-old natural gas well. Okay?

And in a sector where oil production is declining, does the Minister not think—and I am asking him, through you, Mr. Deputy Speaker, that we need more strategic initiatives to cause the decline to turn around? That is to say, the decline in the oil sector as distinct from the natural gas sector. Now, it is unlikely that a 25

per cent claim instead of 20 per cent of expenditure on development activity for mature fields and enhanced oil recovery projects as a credit against the supplemental petroleum liability, will make any decided impact on exploration and development and it will have no impact on the ultimate result, really, either in terms—well, not in any real terms, really. And as I mentioned, from my reading of it, it affects only the oil sector, not the natural gas sector. So I would submit, Mr. Deputy Speaker, that a more multipronged range of solutions might be required to stabilize and energize the energy sector.

The changes in section 16 of the Income Tax Act can have a material impact on companies, so let us look at the implications. 16(1) now reads.

“Subject to subsection (2) where the amount of loss incurred in the year of income in any trade, business, profession or vocation carried on by any person either solely or in partnership is such that it cannot be wholly set-off against his income from other sources in the same year, the amount of such loss shall, to the extent to which it is not allowed against his income from other sources for the same year, be carried forward and shall, subject as is hereinafter provided, be set-off against what would otherwise have been his chargeable income for succeeding years.”

That is 100 per cent write-off over a period. The difference in the proposed section is that it now reads:

Subject to subsection (2), where the amount of a loss incurred in the year of income in any production business carried on by any person either solely or in partnership, is such that it cannot be wholly set-off against the income from other sources for the same year, the amount of such loss to the extent to which it is not allowed against his income from other sources for the same year, be carried forward and shall, subject as is hereafter provided, be set-off

against up to 75 per cent of what would otherwise have been his chargeable income for the succeeding years.

Now what is happening here is that there is a limitation on loss, from 100 per cent to 75 per cent. I know the Government has made heavy weather of this in the past, but we must ask the question: Will this affect some of the companies negatively? In the energy sector, quite frankly, I do not think it will. I mean, they have deep pockets and they will address these issues, but we are dealing with a situation in which the competitiveness of the energy sector is an important issue, and I simply raise that. I have no doubt that they have probably consulted with the energy companies before coming to the Parliament with such a measure, and I imagine that there has been an understanding and an agreement reached. And if that is the case, then that would be a good sign and good for the country. So I hope that that was done.

But this provision preserves the indefinite carry-forward of any unutilized portion of accumulated tax losses, but it restricts the utilization of the losses against taxable profits to 75 per cent. In other words, dropping it by 25 per cent. The restriction is limited—and this is important—to production businesses only and will not apply to the manufacturing sector or any other sectors. So as in the case where we were talking about oil only, not gas, we have a situation in which we are talking about production only, not manufacturing. So any additional revenue-generation will come solely from production companies in the energy sector.

The reversion in capital allowances to a straight-line basis of 20 per cent per year for five years will help Government cash flow but it makes no difference to the companies. The Minister admitted that they are going to benefit from the cash flow, and that is true, but it will make no difference to the companies because they

are still paying the 20 per cent year-by-year for five years, so they simply pay in equal tranches.

The Government has been talking about the energy sector and the importance of this sector from the time they got into office, Mr. Deputy Speaker. Since that time it is my view and the considered opinion of the Members of the Opposition on this side, that they have made a mess with the energy sector. [*Desk thumping*] I simply mention Dragon Field. I will not say anything about it. I mention Train 1; [*Desk thumping*] I mention the methanol industry; I mention the other downstream industries in Point Lisas; I mention the last bid round which was a total failure—

Mr. Deputy Speaker: Hon. Member, your initial speaking time has elapsed. You have an additional 15. You care to avail yourself?

Dr. B. Tewarie: I shall—

Mr. Deputy Speaker: Kindly proceed. [*Desk thumping*].

Dr. B. Tewarie: The last bid round was a total failure. They have done nothing whatsoever to incentivize new drilling and new investment to address the value change issues industry-wide. Petroleum production is at its lowest level, and, of course, we have the colossal failure of Petrotrin, [*Desk thumping*] together with AV Drilling, [*Desk thumping*] and the pending closure of Yara, while Heritage and UNIPET are in an unequal conflict [*Desk thumping*] on future directions for the retail industry in Trinidad and Tobago.

What the country needs now, Mr. Deputy Speaker, is a formula to bring stability, predictability to the energy industry which, so far, has been elusive to this Government. [*Desk thumping*] So we have had plenty talk and we have had limited action and interventions, [*Desk thumping*] but what you need is a team that knows how to work and get things done. [*Desk thumping*]

Clause 5 derives from page 139 of the budget speech where provision was made to allow for the importation of \$5,000 TT worth of goods, increased from the previous limit of \$3,000. We have no problem with that, Mr. Deputy Speaker. And clause 6 deals with the death benefit increase from \$5,000 to \$50,000. We have no difficulty with that. But I do want to acknowledge the value of that increased benefit to the members of the cooperative society and credit unions and I would add that the increased allowance to citizens returning from travel abroad would be a much better thing if the customs lines and the immigration were better managed, with the traveller in mind; if the passport renewal and issuance system were more efficient, timely and effective and if customer service to the citizen were delivered with greater consideration, care and diligence.

Now let us see what we have here. These are meant to be stimulus measures in the fifth and last budget of the administration on the other side led by the hon. Member for Diego Martin West. And they are meant to move the country to solar heating for water, to incentivize energy exploration and development, to incentivize creative industries by giving tax credits, and to incentivize manufacturing services and agricultural exports. What have been just some of the harsh realities of the last four years of this Rowley regime at the hands of the Minister of Finance? While these incentives are being provided now, the approach in 2016 and '17 was to impose higher taxes on businesses and to “buff up” the energy investors. We really have a case here in 2019 going into 2020 of too little too late [*Desk thumping*] with the damage already done. The net effect of the high taxes, the “buffing up” and the lack of policy clarity was to undermine confidence which is needed for investment, recovery and growth and to initiate a period of economic decline, business closures, job losses, stresses on home mortgages, economic contraction outside of the energy sector.

The one plus during this period was the increase in natural gas production and revenues from this increased production, and that was set in motion by the 2011/2014 decisions of the Kamla Persad-Bissessar government [*Desk thumping*] when they opened up very successful bid rounds for the energy sector. These have been yielding fruit since the third quarter of 2017 and are keeping the country financially afloat now, and it will continue to do so for some time, Mr. Deputy Speaker. But the taxes set in motion in 2016, the sometimes arrogance of the Minister of Finance, the “buffing up” by the Prime Minister and the rest of the Government front bench, the policy contradictions, the abusive tone of the Government, generally and the fear of Government reprisals, had elicited a retreat for survival by the business community. [*Desk thumping*] Everybody in Trinidad and Tobago “fraid” the Government. And if the UNC was not here, Mr. Deputy Speaker, if the Opposition was not fearless [*Desk thumping*] in the face of allegations, accusations and branding as unpatriotic, the Rowley Government would have run riot in this country. [*Desk thumping*]

The Opposition, under leader Kamla Persad-Bissessar, has been a genuine and real check [*Desk thumping*] on the Government expenses in Trinidad and Tobago, and the experience of the last four years has been a series of contradictions and policy clashes that have forced reasonable people to ask: Does this Government know what it is doing? [*Desk thumping*] Does this Government know what to do?

Hon. Member: Too little, too late.

Mr. Charles: “Dey vapsing, vooping.”

Dr. B. Tewarie: And they are now in a situation where they are now figuring out how to move into the future. The poor and the vulnerable are at their wit’s end and that includes thousands of unemployed youth. The working class feels more

oppressed today than in the 1930s and in the late 1960s with the draconian legislation. Every day they worry about their job. Yesterday was Yara, the day before was Petrotrin, today is Unilever. Tomorrow, who knows? The middle class cannot enjoy their normal lifestyle and their children are educated but without jobs, and when in jobs, without opportunity for mobility. Small and medium businesses are in survival mode, choked by foreign exchange shortage, refinancing, cutting back, beginning to see now only hope in the Rising Sun. [*Desk thumping*] The upper echelons of society are worried about the dwindling options and whether social unrest can be kept at bay. Everyone is fearful of the runaway murders and dismayed at the inability of the Government to make any dent in this at all.

3.05 p.m.

All we hear is talk and more talk, explanations and articulations without result. Now, Mr. Deputy Speaker, I talked about policy contradictions—I know I just have a few minutes. Would you let me know how much?

Mr. Deputy Speaker: You have a total of seven minutes.

Dr. B. Tewarie: We had—for instance, what we had in the first two years were corporate taxes, 25 to 30 per cent; banks, 35 per cent; 30 per cent on those making profit of a million and more. You had the business fund levy, green fund levy, you had value added tax reduced, but across the board all the zero items included, and then you had the problem emerging of refunds. And what you have here now are incentives for agriculture which is now postponed to September 2020, incentives to manufacturing services, you had the Eximbank export allowance, and the problem here with the policy contradictions, Mr. Deputy Speaker, was that the taxation took away the confidence that was necessary for the incentives to work. [*Desk thumping*] Had the Government done the other thing—which we in fact advised them from 2016 on in budget—and given the incentives first, and they had begun

to prosper and export and do better, then you could have maybe addressed the issue of taxes afterwards. [*Desk thumping*] So they mismanaged the policy matrix having to do with incentives and taxations. [*Desk thumping*]

Then one of the issues also is this issue of fossil fuels and moving away from energy. So the energy sector, as I mentioned—I do not have the time for that—is not settled. It remains in a situation of relative disarray, and there are a lot of people that are very, very frightened in the energy sector right now. But you have a situation where you have the removal of fuel subsidy, LED lights, solar water heating, removal of taxes on hybrid vehicles, removal of incentives, but you also have CNG with that. So it is not clear whether you are going CNG, or you are going electric, or you are going with both, and therefore, each one takes a set of resources, and then there is the removal of the incentives and the hybrid vehicles. If you have a policy, you cannot do that because what it does, it then skews it.

What we have ended up with is that we have had no coherent strategy having to do with climate change, or sustainable development, and so on. They have good public relations on that and they have made their international presence felt. Nothing wrong with that. But in terms of actual policy here as to how it affects the fossil fuel side of the energy industry, and how it gets you into green industries that are new for diversification and transformation, nothing on that. And then I have a news clip here, September 17, 2019, in which the Minister of Finance is basically touting the idea that we have a million cars on the road and that is positive on the economy, when the whole purpose of your climate change policy is to curb emissions and, secondly, to make sure that it does not happen where it is happening most which is in the cars and in the energy industry. And the energy sector, again, you have the policy incoherence there, which is, there is no holistic approach to the sector, there is uncertainty about LNG exports versus downstream,

there is no Guyana thrust, there is no renewable thrust. If you take the basics of human existence, air, the clean air, there is no concentrated strategy for that.

If you deal with the matters related to food security and moving it in a direction of sustainability, there is no concentrated thrust on that. If you take the housing stimulus as an opportunity for the Government to use—

Mr. Deputy Speaker: Member, you have two more minutes.

Dr. B. Tewarie: Yes—to use government housing as a means of triggering that—something announced in one of the budgets. There is nothing like that. And if we go to basics as water resources management—I do not want to get into that—we know what the problem is here. In the drought it is too hot, we have no water; in the rain, it is too much water, we flooded out, you know. So—and there are other issues.

I just want to say very quickly before I complete, having said all of that, there are still issues with the price of oil in the budget, \$60, and the price of natural gas in the budget, \$3 per MMBtu and I have the documents here which tell you what the prices have been like for the while and I think we have a problem with that. We have a problem, as I said, in the whole energy sector and there is very little more that I can say. I have one minute, I do want to say one thing.

The Monetary Policy Report came out yesterday, and in this, it tells you in graphic detail that we are in a lot of economy and financial trouble, Mr. Deputy Speaker. This was done yesterday. It was on the website yesterday. I do not know if they had a launch but I picked it up yesterday, and what this tells you is that we are in a lot of economic and financial trouble. [*Desk thumping*] I underlined the areas. I do not have time to do it, but what I would say to the population is, Mr. Deputy Speaker, that you made a choice a few days ago, thank you very much, [*Desk thumping*] and I want to say that you would have the

opportunity for choice again.

Take a look at the Monetary Report—

Mr. Deputy Speaker: Member? Member—

Dr. B. Tewarie: Yes.

Mr. Deputy Speaker:—I told you clearly you had two minutes, and if you check the time, your two minutes is up.

Dr. B. Tewarie: Thank you, Mr. Deputy Speaker. [*Desk thumping*]

Mr. Deputy Speaker: Before I recognize the Attorney General, again during the discourse for the Member for Caroni Central I allowed a lot of comments, and feedback, and so on. Please keep it minimal. I am not saying that you all cannot talk among each other, but keep it minimal, the little outbursts on both sides. So again, Attorney General, I recognize you.

The Attorney General (Hon. Faris Al-Rawi): Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I listened to the Member for Caroni Central literally in a state of shock, and I would like to reflect upon something that someone sent me today telling me what I ought to expect in relation to the commentary coming from the Opposition. And this comes from a very reputable, distinguished person who I would not name—not a member of the Parliament—saying that:

The Opposition will seek to trade on the psychology of fear. They will see poison in every glass of water, danger behind every bush and seek to dampen hope and expectation so fear can take a hold.

I could not imagine a more appropriate description than that as it relates to the contribution coming from Caroni Central. I want to remind this population that Caroni Central, as the Minister of Planning in the last government, was the proponent of something call the growth poles: We are going to have growth poles in Trinidad and Tobago; cable car running from up in the hills down to Port of

Spain; a tunnel passing through the Maracas structures of rock and foundation. Mr. Deputy Speaker, the Ministry of Planning has the responsibility for a lot of the articulation in the financial arrangements in this country, and the one thing that the population understood is that the growth poles were quickly dubbed greasy poles because not one policy identified in that regime happened. I am compelled to address a few things.

This Member says that the hon. Prime Minister and that the front Bench has “buffed”—his word—the energy sector, and he said that the country is afraid, and the energy sector is afraid. Mr. Deputy Speaker, he said that there was no holistic approach to energy. I want to put on record now, on coming into Government and realizing that there was absolutely no cohesive understanding at the Ministry of Energy and Energy Industries, no form of contract on the left hand compared on the right hand, evidenced perfectly by the CGCL contract where the last government saw it fit to take a green field structure, tell one company, CGCL, that they will get a guaranteed gas supply for all of their needs, and that if they do not get the guaranteed supply of gas that they will in fact pay for the losses as a result of the loss of gas. So that Member, the Member for Caroni Central, stands here today to tell us about a holistic appreciation of the energy sector, when that Member sat in a Cabinet that granted the CGCL position. Let me remind this country further.

On coming into the Office of the Attorney General, my colleague, Minister Stuart Young and I, discovered the Solicitor General’s advice in writing—in fact, in red ink. And in red ink, the Solicitor General, when pressed by the Attorney General to agree to the CGCL contract, the Solicitor General, the public officer holder, the senior legal officer so recognized in the Constitution, put in red ink for that hon. Member that there will be no position of opinion affirming that that

contract should be signed. Because a public servant stood up and said it would be effectively insanity to guarantee the gas behind the CGCL if you cannot supply the gas to have a take-or-pay arrangement, and this Member comes today to tell this country, and this Parliament, that there was no holistic plan as if there was one.

Mr. Deputy Speaker, if that contract had not been renegotiated by the diligence of the Prime Minister and my colleague, Minister Young, having to jump on a plane to go to Japan to meet with JBIC, the bank in Japan, to plead the mercy of common sense, to say *mea culpa*, the country was effectively intellectually vacant and lacking in management to sign that contract, to ask them to renegotiate the contract, we would have shut down the entire Point Lisas industry. And this Member comes today with the intellectual audacity to tell this country that there is no holistic plan. If that is the case, explain how the hon. Prime Minister and a delegation had to go to the boardrooms in Europe, in Australia, in England, in the United States of America, agree to get variations on the back of moral suasion to allow us to get a different structure in our gas pricing, to allow us better participation in LNG, in cargo management, to bring home to this country \$2.1 billion gratuitously because there was no legal obligation to get that done?

How does a Prime Minister go from alleged “buffing”—as Caroni Central wants to portray it to be—to the manner in which our hon. Prime Minister attended at these meetings and had a voluntary repatriation of moneys amounting so far to \$2.1 billion? You see, it comes back to the bad news selling. I mean, this Member says the country has spoken. Yes, the country has spoken. Traditionally so, we had a local government election, we had roughly a 34 per cent turn out. We have our colleagues opposite effectively enjoying almost exactly the same position as before. Mr. Deputy Speaker, this is a party on the opposite side that lost 30,000 votes from where they were on the last occasion to come and tell us that they are

preferred.

You see, Mr. Deputy Speaker, the hon. Member said something, saying that Petrotrin—I want to get to this, Petrotrin and A&V Drilling. Mr. Deputy Speaker, it is now a matter of public record in relation to A&V Drilling that the Commissioner of Police, financial investigation branch came to the public domain and said publicly that their preliminary findings demonstrate absolute fabrication in allegations made against the hon. Prime Minister. Let me repeat that. The independent authority of the Commissioner of Police, the Trinidad and Tobago Police Service, came to the population via the head of the financial investigation branch to put an end to the allegation of A&V Drilling, and no doubt I expect the final word to confirm that, all things being equal.

The hon. Member says, Petrotrin is a disaster, and yet these hon. Members are the ones standing against the Patriotic investment by the OWTU. [*Desk thumping*] These Members are the Members who are now crying doom and gloom in relation to that investment. These Members witnessed the Prime Minister taking a tough decision, and yes there were consequences; who better to know of that than me as the Member of Parliament in an area close by. These Members watched \$2 billion a year falling through the cracks, watched, as they have now the ability—if they are honest to testify—an increase in revenue coming from the Petrotrin entire structural readjustment, coming to \$750 million in advances coming by way of profit. That money expected now to settle contractor debts, contractor claims, but, Mr. Deputy President— Mr. Deputy Speaker, and forgive me. I sit in both Houses and confuse the Chairs at time.

Mr. Deputy Speaker, you know what I find there is great audacity in? Hear the hon. Member: the Monetary Policy Report came out and he just read it yesterday, and he skipped— you know why the hon. Member skipped past it?

Because the Monetary Policy Report, Mr. Deputy Speaker, which I have in my hand, says nothing of what the hon. Member said. He sought to refer to it in the end of his contribution, passing over some pages, and I would like the hon. Member to have the intellectual strength, if not certainly decency, to at least go to what is contained at page 18 of the Monetary Report. You see there, Mr. Deputy Speaker, they talk about revenue, 2015/2016 to the Government of Trinidad and Tobago, 44.972 million—1,000 million, that is billion; 2016, \$36 billion. Mr. Deputy Speaker, you know what this reminds me of? You know what a band of marauders look like? An indisciplined bunch that arrived in a restaurant, ordered an entire menu of food, eat out the people food—*[Interruption]*

Ms. Ramdial: Mr. Deputy Speaker, 48(4).

Mr. Deputy Speaker: In reference to what exactly?

Ms. Ramdial: Band of marauders.

Mr. Deputy Speaker: Who was he referring to? Overruled.

Hon. F. Al-Rawi: Mr. Deputy Speaker, I have not referred to my learned colleagues. I do not know why my friend seeks to associate herself with the description I am giving now. The people of Trinidad and Tobago know very well what a “locho” is. You know what a “locho” is in common parlance? The people of Trinidad and Tobago understand what it is like to watch somebody descend into a place, arrive and eat out your food, refuse to pay the bill, walk out and leave the bill for someone else, Mr. Deputy Speaker, and when these things happen I can only say that sense is often picked from nonsense and the reality of the proper management of this country has been left solely to the hon. Prime Minister to direct our Cabinet to manage. *[Desk thumping]*

And I would like to say that as the good news begins to unfold with rapidity, as the Petrotrin in particular and in the examination of its non-core assets, and in its

refinery operations as they are sought to be managed in the circumstance of having a preferred purchaser on the table becomes more and more a reality, I just caution the population that my friends opposite seek to see poison in every glass of water proverbially. A threat behind every bush, intellectually. They asked the citizens of this country to ensure that they have no faith. They will look for the shattering of confidence in this country, and I found it quite interesting to hear Caroni Central. Hear Caroni Central. Caroni Central says that there is stability to be had in the measures offered by the last government.

Mr. Deputy Speaker, the Member had the audacity to say that under Kamla Persad-Bissessar the management of the energy sector was so good that it resulted in bid rounds, and that this is why the country is succeeding. [*Desk thumping*] Mr. Deputy Speaker, Mr. Deputy Speaker, I say to the most absent leader of a political party, never present in the Parliament, and on a day today I wondered why. I wonder why—

Mr. Padarath: She is in the hospital.

Hon. F. Al-Rawi: I say, Mr. Deputy Speaker, that—[*Interruption*]

Mr. Padarath: Shameless.

Mr. Deputy Speaker: Again, Members, before the AG started his discourse, I highlighted certain points. [*Interruption*] Please! Member for Princes—

[*Mr. Deputy Speaker sits*]

Mr. Deputy Speaker: Just hold on. Hold on. Again, proceed Member.

Hon. F. Al-Rawi: Mr. Deputy Speaker, I am hearing across the floor that somebody is ill in the Leader of the Opposition's family. I do not pretend to know that. If that is the case, then c'est la vie. We offer our support and strength for our colleague. However, today aside, the Leader of the Opposition is constantly absent and that is a fact in this country [*Desk thumping*] and I say so, Mr. Deputy Speaker,

in answer to the submissions coming across.

The records at the Parliament are on the *Hansard*, and the records at the Cabinet and its subcommittees are at the Cabinet Secretariat, and the records demonstrate that the energy subcommittee of the Cabinet, which the Prime Minister of the country chairs, demonstrate that the Member for Siparia did not attend a single meeting in the entire tenure that she sat as Prime Minister of the Republic of Trinidad and Tobago, and that is demonstrated, Mr. Deputy Speaker, by a fact which must be put in answer to the submission coming from Caroni Central.

Caroni Central says that the bid rounds are so successful that we are now reaping the rewards of the decisions taken by Mrs. Persad-Bissessar, the Member for Siparia. Mr. Deputy Speaker, the Energy Spotlight, the hon. Prime Minister, the Minister of Finance, have repeatedly demonstrated and publicly spoken without a word of contradiction from my friends coming opposite that had we left what was put in place supposedly by Siparia, we would not see a cent in revenue from the energy sector until 2024/2025. I ask my colleagues opposite: How are we supposed to run a country without revenue? How do you manage to keep your expenditure as is shown at page 18 of the Monetary Report, as a percentage of the whole pie:

“Expenditure
Current”—expenditure—“32.1 per cent”
Wages and Salaries 6.3 per cent
Goods and Services 4.8 per cent
Interest Payments 2.5 per cent
Transfers and Subsidies 18.4 per cent
Capital Expenditure and Net Lending 2.9 per cent.”

Mr. Deputy Speaker, where is the money coming from that if you accept the economic policy of Caroni Central? Because Caroni Central sat right there in watching the removal of the benefits which the country would have had in allowing for tax write-offs to be accumulated in one year and carry it forward year after year with relief and, today, the Minister of Finance comes, in the Finance Act, to release us from that form of prejudice, to take the yolk of the back of the country, and the Member is intellectually boldface enough to tell this country that that is a bad move. Mr. Deputy Speaker, I just reject everything that Caroni Central has said right out of hand [*Desk thumping*] and I reject it because it is said in a sober tone with a few highfalutin words, but at the end of the day when you strip it down for what it is worth, it is intellectual fabrication. [*Desk thumping*] So let us get—[*Interruption*]

Dr. Tewarie: Fabrication is natural for you.

Hon. F. Al-Rawi: You would like to say something?

Dr. Tewarie: Thank you for giving way. I was saying, hon. Member, that you would not know what fabrication is because it is natural for you. [*Desk thumping*]

Hon. F. Al-Rawi: I would not even raise a Standing Order on that, Mr. Deputy Speaker. It is childish and puerile—

Dr. Tewarie: And what you are doing is not?

Hon. F. Al-Rawi: So, Mr. Deputy Speaker, [*Desk thumping*] if I may?

Mr. Deputy Speaker: Hold one second. Okay, fine. You would have given way, right? Caroni Central, you responded, and again other than he is giving way I am not tolerating the additional outburst. Kindly proceed—both sides.

Hon. F. Al-Rawi: So, Mr. Deputy Speaker, hear my colleague opposite speak on the Bill: “Doh” respond, eh. “Doh” point out the intellectual fabrication and intellectual nonsense that is passed in this country, “doh” respond to that, respond

to the Bill. No, Sir, I take no advice from you and the greasy pole philosophy that was offered by you. [*Desk thumping*] None!

Mr. Deputy Speaker, let us get to the realities. [*Crosstalk*] The hon. Member has just cleaned—you know, I sat quietly during the contribution, eh. So clearly I am doing the right job because my friends opposite cannot take it. So, Mr. Deputy Speaker, when we look to the structures in the insurance restructuring of tax benefit—you know it may be lost certainly on Caroni Central and perhaps on other people—the percentage of contribution to GDP right now for the non-energy sector is significantly larger than the energy sector. The energy sector at present contributes roughly 27 per cent of our GDP, and a lot of people have not realized how far diversified our economy has become.

When you looked to the Monetary Report, Mr. Deputy Speaker, and you look at the Monetary Policy Report, Volume 21, No. 2, November 2019, produced by the Central Bank of Trinidad and Tobago in particular, and you get to the Domestic Economic Conditions at Part III, beginning at page 12, you look at what the index references are across it in the “Domestic Economic Conditions”, “Real Economic Activity”, “Retail Prices”, “Producers’ Prices and Building”—Materials, “Labour Market”, “Fiscal Operations”, all of them tell a story different to that offered by Caroni Central. “Labour Market”, and hear this, latest official labour market statistics from who? The CSO, the Central Statistical Office, which went out of operation whilst my learned colleague, Caroni Central had the responsibility for that. The entity was shut down as a matter of fact. We were relying upon statistics from the Ministry of Finance, all of which had to be restated when the reality of the CSO came back into existence. Hear this.

“Labour Market

Latest official labour markets statistics from...CSO indicate that

unemployment rate declined to 3.8 per cent during the first half of 2018 compared with 4.9 per cent”— in— “the same period 2017.”

Mr. Deputy Speaker, 900 people fewer were unemployed. It says producers and retail prices, again demonstrating an optic. It says:

“Real Economic Activity...

In the non-energy sector, preliminary estimates suggest some improvement in the finance sub-sector during the first six months 2019. ...finance sector experienced a pick-up 1.4 per cent on account of growth in the commercial banks, non-bank financial institutions, insurance...real estate...dwellings sub-sectors. Economic activity in...distribution sector grew marginally over first half of 2019, as evidenced by an increase in CSO’s Retail Sales Index.”

Now, Mr. Deputy Speaker, what does that mean to the average people in Trinidad and Tobago? Gobbledygook. So we can sit here and look at the fact that the numbers have gone in the right direction, but at the end of the day, what we can say is that it is a matter of incurring the wrath sometimes of some hard decisions to indicate that you want the right thing prudently.

The hon. Member said that Paria was in a war with Unipet. Let me address this for a moment. The hon. Member says that, and he knows fully well that Unipet is a wholesaler alongside NP. NP runs most stations with greater overhead in a structure that Unipet does not have to manage. Unipet manages 24 stations. Unipet receives a credit arrangement where it receives up to 60 days, no obligation to pay; roughly a tanker a day.

3.35 p.m.

So by the time 60 days passes, “yuh paying” for the first tanker that passed every day for 60 days on a wholesale margin arrangement, where you pay cash at the pump, where you tell us “run ah country that is prudently managed, collect

your revenue” and there is somehow some odium in Paria calling upon NP and Unipet to have their currency of payments managed. In which business environment that Caroni Central promotes is it acceptable to have \$160 million outstanding—[*Interruption*] 172. In which business environment, in which la-la land that the hon. Member was just speaking about, does that make good business sense?

You see, you asked the Government to take prudent steps to make right decisions. You know in this factual scenario of Unipet actually making more money than NP, that NP can afford to stay open but I do not know what interest the hon. Member is batting for. I do not know. I know he acts as consultant on some occasions, the hon. Member, I do not know if that is in his portfolio. But what I can tell you, economic management and prudence dictate that you watch your receivables. Because when it is time to pay salaries and people want to know why on paper you have money but in actuality, “yuh doh have it in yuh pocket, is because if yuh slack and fast with yuh finances, if yuh give away ah billion dollars in bond payments by changing ah contract term”, if you do not watch your receivables, you will end up in a situation where you have money on paper and nothing in your pocket.

So, Mr. Deputy Speaker, let us turn to the insurance industry. The history of the insurance amendments, of course, we know the Insurance Act was born in 1980. That Insurance Act has been the subject of supposed amendment for a full 38 years. The Insurance Act in our country where the insurance sector contributes a vast amount of our GDP. There are seven active life insurance companies, seven composite insurance companies and the last data coming out of the Central Bank in 2010, because they do it in cycles, demonstrates that back in 2010, nearly 10 years ago, total long-term T&T policy-holding liabilities in 2010, \$9.6 billion; total

assets pledged in statutory fund, \$11.6 billion; total premiums, \$1.5 billion; total transfer to profits and loss accounts, \$346.2 million; net interest, other non-premium income reported for all classes of long-term business, approximately \$675 million. So the hon. Member ought to know the size of that industry. The hon. Member says well, effectively nothing is really happening in this amendment. That is what the hon. Member said. He called it a sideway management.

Mr. Deputy Speaker, the history of birthing the new Insurance Act is quite an interesting one relevant to this debate. The Insurance Bill, 2011, was brought by the Members opposite, lapsed June 2012; Insurance Bill, 2013, lapsed July 10, 2013; the Insurance Bill (No. 2), 2013, lapsed July 30, 2014; Insurance Bill, 2015, lapsed June 17, 2015, with JSCs being established. I sat as a member on those JSCs and I can tell you the record demonstrates that the UNC's approach towards the reform in the industry was simply that of delay because the operationalization of this law requires you to do a number of things. The Act had to be passed.

When we came in 2016, we caused the first reading. We immediately went to a joint select committee and we had 10 meetings there, ending in July 2017. We saw the third reading and passage in May 2018. We assented to the Bill and in the meanwhile, something which was lost in this debate happened, we did the final set of amendments to the Insurance Act. They are now laid before the Parliament. They are on the table of the Parliament. I will not anticipate the Bill by speaking about it. And we laid all the regulations in the sector. All 10 of them. And that is very important to demonstrate because when we are looking at protection of the shareholder, if you want to use that expression, the policyholder, in particular of long-term insurance products, including annuities because they are interpreted that way, they are defined that way, Mr. Deputy Speaker, you have to settle not only the regulations but also the corporation taxes. Clause 3 of the legislation today

deals with the corporation taxes aspect so that we can get on with applying the insurance industry solution.

And that is so because, Mr. Deputy Speaker, it coincides with the Clico restructuring, it coincides by Central Bank with the sale of the traditional long-term insurance policies as the Central Bank undertook that exercise. It coincides with making sure that the industry does not collapse in fear. And I can tell you, Mr. Deputy Speaker, we have ready for laying associated with these amendments we make today: the insurance (capital adequacy) regs, 2019; the insurance (Caribbean policy premium method) regs, 2019; the insurance (financial condition report) regulations, 2019; the insurance (participating account) regs, 2019; the insurance (approved securities) regs, 2019; the insurance companies (registration) regs, 2019; the insurance pension fund plans regs, fees regulations, 2019; the insurance (pension fund plan investments) regulations, 2019; the insurance (intermediaries) registration regulations, 2019; the Central Bank (payment of supervisory fees and charges) amendment regs, 2019. That did not happen by mistake. Somebody had to do the work and if the hon. Members opposite would not do the work, it fell to us to do the work. I can tell you, Mr. Deputy Speaker, they just do not care about that.

And, Mr. Deputy Speaker, that is important because in coming up with the recommendations for the corporation tax Fourth Schedule amendments to bring the taxation of insurance policies, insurance companies into line, we had to have consultation. The consultation was had with ATTIC, it was had with the Central Bank, it was had with the actuaries association. We have adopted in this legislation, in this Bill before us, a method which ensures that we do not shock the industry. And I can tell you that the Bill is underwritten certainly by three—

Mr. Deputy Speaker: Member, your initial 30 minutes speaking time has

elapsed. You have an additional 15. Avail yourself?

Hon. F. Al-Rawi: Yes, please.

Mr. Deputy Speaker: Proceed.

Hon. F. Al-Rawi: I can tell you that the Bill is underwritten firstly by a number of sections in the Insurance Act, 2018. Firstly, section 42(1); secondly, section 83(2); and thirdly of course, section 281 of the Insurance Act. What we seek to do in the simplest terms, Mr. Deputy Speaker, in ensuring that we remove the statutory fund because the statutory fund in the 1980 law was established as a minimum threshold. You would have a very large insurance company with \$2 million in capital. There was no maximum done. In birthing the Insurance Act, 2018, we have gone to capital adequacy. What does that mean? Policyholders' liabilities must be matched with assets and what we do is to manage the asset pool by ensuring that you have reporting requirements as to your exposure on assets and liabilities. And in causing that reporting cycle and the methodology, we allow for the introduction of the actuarial input but we do not slavishly take it to the United Kingdom or Canada model because it is just too complex. We have looked at the Barbados model, et cetera, and what we can do here is to simply ensure that there is a reasonable taxation on the insurance products, assets that underwrite liability in a way that is familiar to the industry. And what does that mean? It means that we are proposing to cover management of assets and liabilities in a known structure.

We also very interestingly, Mr. Deputy Speaker, see the whole that was created in the transitional provisions. When you are looking to the provisions to speak to how foreign insurance companies—take Sagicor, for example. Under the Insurance Act, foreign insurance companies have an obligation within 18 months of the proclamation of the law to re-incorporate themselves as Trinidad and Tobago companies. That is not a difficult aspect. You can find yourself as an

externally registered company under Part X of the Companies Act and you can bring all of the advantages of external registration via local incorporation.

Mr. Deputy Speaker, what we do is that we ensure that long-term business is managed in the same way it always was. The types of products: ordinary life insurance, general annuity basis, we bracket those as together in one class. Industrial life bond investment business, non-cancellable sickness and accident, again, we require the consistency of separate classes to be carried on. Approved annuity business, well, that one does not apply. We have adopted the model of net investment income basis. We have rejected in this Bill the concept of profits based on actuarial surpluses because they are just simply too complicated and too expensive to operationalize. And what we do is we basically say make sure your profits on the asset supporting policyholders in Trinidad and Tobago prevail. Make sure that income shall be credited to the Trinidad and Tobago revenue accounts or such other policy accounts that may account for investment income attributable to policyholders, and lastly, maintain the link to the regulatory requirement by referencing the requirements in section 83(2) of the Insurance Act to maintain assets to support liabilities. In short, Mr. Deputy Speaker, our consultation has said from the industry, from the actuaries, that there is resounding support for the measures that we have put forward.

But, Caroni Central wants to pass that off as something simple. If it was so simple, why could the hon. Members not pass the Insurance Act, 2011, 2012, 2013, 2014, 2015? Why could they not bring the 10 regulations? Why could they not amend the Corporation Tax Act? Why could they not have the sensitization and operational structures? You see, they just talk. We accept that the people of Trinidad and Tobago are hungry for their turn at the wheels of success. We accept that we have an obligation to produce that for them in a measured sustained way

but what we have from the Members opposite is an attempt to pour scorn at prudent economic management.

I want to tell the country today respectfully through you. You know what the hon. Members opposite tell us in the corridors? “Pat yuh on de back, ‘boy is ah good thing you deal with Petrotrin, yuh know’”. “Is the right thing to do but we eh ha de guts to do that.” [*Crosstalk*] Pointe-a-Pierre himself. The Member for Pointe-a-Pierre himself has repeatedly—

Mr. Lee: What?

Hon. F. Al-Rawi:—said—

Mr. Lee: When?

Hon. F. Al-Rawi:—that.

Mr. Lee: I “doh” even see you in the corridors.

Mr. Deputy Speaker: Members, please.

Hon. F. Al-Rawi: And, Mr. Deputy Speaker, whilst the charade of scorn goes on, I would just like to tell the hon. Members opposite, not everybody in this country “stchupid”.

Dr. Tewarie: “Take care we eh get up one day and say wah you say, yuh know.”

[*Laughter*]

Hon. F. Al-Rawi: Mr. Deputy Speaker, there are people that pass themselves off for elder statesmen who just cannot take pressure. “Ah doh understand it.”

So, Mr. Deputy Speaker, when we deal with existing and proposed differences in the insurance structures, I would just like to say this. When we deal with the methods currently in use, what we have done is to put methods that the industry understands well, methods that do not scare the industry product. We are accelerating to the operationalization and proclamation and implementation of the Insurance Act, 2018, in particular. It is a large part of our GDP. It is time that we

had policyholders underwritten by assets which match their liabilities.

Mr. Deputy Speaker, it is not often that I have the opportunity or the task to correct what passes for contribution. Today is one of these days where sometimes the sword has to be drawn and it has to be swung and I know that Members opposite will be upset at hearing the truth but I make no apology for that. This is the right form of measure. I warn the population not to fall for the doom and gloom of the proponents of that opposite and simply to stay steady and focused as prosperity is delivered with certainty, Mr. Deputy Speaker. I thank you. [*Desk thumping*]

Dr. Tim Gopeesingh (*Caroni East*): Thank you, Mr. Deputy Speaker. I wonder if the Member for San Fernando West ever attempted to read this Bill whatsoever. Because the Member obviously, except with the last five minutes, spoke about the Bill but for his contribution of 40 minutes, he evaded the Bill and in fact landed it as a Finance Bill which I will speak to and respond to some of the statements that he made in his contribution. For a while, Mr. Deputy Speaker, the Member for San Fernando West was sounding like an injured person [*Desk thumping and crosstalk*] who is in fear that his seat is slipping away after Monday's results. He is becoming ferocious with rage and I wonder whether he was ready like a predator to pounce on his prey. [*Crosstalk*] Yeah, I wrote it so I do not want to misquote. [*Continuous crosstalk*] I wrote it.

Mr. Deputy Speaker: Members.

Dr. T. Gopeesingh: Mr. Deputy Speaker, the results of Monday's election have the Member for San Fernando West "bazodee" [*Desk thumping*] and when "yuh losing yuh grip", you become angry as exemplified by the Member for San Fernando West. [*Desk thumping*] And just a while ago, he said "we talk", the electorate said that they talk but we work, [*Desk thumping*] —and want to get at

the Leader of the Opposition and our political leader. It is the same Leader of the Opposition and our political leader that trounced the PNM in Monday's election. [*Desk thumping and crosstalk*] Mr. Deputy Speaker, 202,584 votes for the UNC [*Desk thumping*] versus 161,963 votes for the PNM; 41,000 votes more. [*Desk thumping*] That is what the Leader of the Opposition and our political leader did to the PNM. She trounced them fully on Monday. [*Desk thumping and crosstalk*] And what is even more important, significant grounds in San Fernando West. [*Desk thumping and crosstalk*] Three seats. Three electoral districts in Tunapuna, grounds in Tunapuna. [*Desk thumping*]

Mr. Deputy Speaker: Member, one second. I have given each Member a little leeway with regard to what you are talking about now. Again. Right? [*Interruption*] No, no, no, listen, understand what I am saying. I have given each Member the opportunity to say what they have to say on the elections but I am not going to entertain any long discourse. Proceed.

Dr. T. Gopeesingh: I am guided, Mr. Deputy Speaker. I just want to say under the leadership of the Opposition Leader and political leader, onwards to victory in 2020. [*Desk thumping and crosstalk*]

Mr. Deputy Speaker, we have been for year after year on finance Bills and midterm review of the finance, and in the public we hear—I am responding to what the Member for San Fernando West said. We hear about they entered this Parliament on fumes, we left nothing for them and they had nothing to work for, for the people, but we have told this public repeatedly that we left approximately TT \$117 billion for them [*Desk thumping*] with US \$11.5 billion in foreign reserves and US \$5.6 billion in the Heritage and Stabilisation Fund, equivalent to approximately \$117 billion left for the PNM Government when they came into office in 2015. How can they with any moral conviction say that we left the

country on fumes? These are the facts. [*Desk thumping*]

In addition, we had to deal with \$25 billion with a Clico mismanagement under a PNM Government which two senior Members of this Government had been a part of and we had \$7 billion owed to contractors when we came in. So we had the debacle of \$32 billion to deal with. They also were receiving another \$15 billion within six weeks of coming to Government. So that myth and the fallacy that they have been perpetrating and perpetuating against the Opposition when we were in Government, is furthest from the truth and it is shameless and that ought to stop. After four years, they continue to make, and this is the fact of which I have given to the country today.

And where is the foreign reserve now? From the \$11.5 billion in 2015 when we demitted office, it is now US \$7.1 billion, \$4.4 billion less. That is equivalent to about TT \$32 billion less in foreign reserves as of October 2019 by the monetary policy report. [*Desk thumping*] So my colleague is telling me to say, “where de money gone”? “Where the money gone?” [*Desk thumping*] They have spent almost \$230 billion so far. What have they got to show for it? Night upon night in the platforms, they have nothing to show for it, Mr. Deputy Speaker, so they reverted to other types of propaganda.

[MADAM SPEAKER *in the Chair*]

I want to continue to respond to the Member for San Fernando West on this “we had no holistic plan on energy”. Which is the Government that gave the impetus and the plans to the oil companies and the gas companies to increase production so that today in 2018/2019, we were able to benefit more than 300 cubic feet of gas per day as opposed to 3.6—is it billion? We are now \$3.69 billion. It was the work of the People’s Partnership Government, the hon. Prime Minister and the Minister of Energy at that time that gave the incentives so that we

can reap the benefit in 2018/2019 as we are reaping now for the increased production of gas.

We do not know what the Member was speaking about in terms of the energy sector but I want to draw an analysis or bring some information on response to the issue on Petrotrin when he said that they had the courage to close down Petrotrin. Madam Speaker, 6,500 people lost their jobs, over 100,000 people in the various communities around there began to suffer as a result of that and the contractors, with thousands of people, the subcontractors also lost their jobs. So in total, about 10,000 people lost their jobs and they showed their displeasure about it in the recent voting that took place around those areas. [*Desk thumping and crosstalk*] I do not think they have any moral authority to talk about anything with Petrotrin again [*Desk thumping*] because they witnessed under the work of the former PNM Government about \$40 billion had been lost as a result of the Malcolm Jones fiasco, \$40 billion. [*Desk thumping*]

So that they took a loan in 2008, of US \$850 million which we now have to renegotiate again and take back the same loan at 9½ per cent interest which they took at 9 and a half per cent interest in 2008. So we would have paid 95 per cent of interest on US \$850 million which is equivalent to about US \$825, \$830 million that we would have paid in interest which Malcolm Jones and the PNM took at that time in 2008. So US \$800 million multiplied by seven is TT \$5.6 billion in that loan alone which we have paid in interest and for the next nine years and eight years again, we have to pay the same interest plus the principal of \$850 million. Where are we getting that money from? This is what Malcolm Jones and his team at that time put Petrotrin through and so it is a \$40 billion fiasco [*Desk thumping*] which this country has inherited as a result of that and I have not even included the \$750 million which they took out in 2007 for 15 years and we have had to pay

interest on 7½ per cent for 12 years, that is about 90 per cent, 90 per cent of US \$750 million is equivalent to about US \$630 million, equivalent to US \$4.2 billion. So just on these two loans alone, the US \$850 million and the US \$750 million, we have had to suffer about \$10 billion in interest alone. [*Desk thumping and crosstalk*]

And we are not speaking of all the investments that they made in Petrotrin in the low ultra-sulphur diesel in the World GTL plant, they lost billions of that, about \$15 billion. So this country is suffering today as a result of the mismanagement of the PNM [*Desk thumping*] and the mismanagement of the Government between 2015 to 2019, so they have no moral authority at all to speak on Petrotrin. [*Desk thumping*] They should be ashamed of their performance, in fact, in the energy sector over from 2008 to 2010 and 2015 to 2019. If it were not for the People's Partnership Government under Prime Minister Kamla Persad-Bissessar at that time, we would have been in a worse position now, if we did not put the right measures in place to give impetus to these companies and for drilling and producing.

I heard the Member for San Fernando West speak about the CSO and I want to respond to that. When the Minister of Planning under the People's Partnership Government was in his last year as Minister of Planning, Member for Caroni Central, the then Opposition attacked him viciously on this CSO business saying that he could not do anything for the CSO and they were housed in places which were not suitable. But when this Government came into power in 2015, they promised something called the National Statistical Institute which would replace the CSO. Four years have gone and the work for that replacement is nowhere in sight and I cannot quote more because I am on a special select committee on it but I can speak on the CSO. The CSO has already given up its responsibility to the

Ministry of Finance and so when figures come out on national statistics and so on, it is coming from the Ministry of Finance, not the CSO and therefore, the population has to be very weary of what is being put as national statistics. They will conjure up anything and they will put anything to suit the population. It is not coming from the CSO at the moment. The CSO seems to be absent from any sort of statistical data.

Let me respond to the bond payment issue. They have been speaking for the last four years about this bond payment on the extension of the highway to Point Fortin and they are always saying that we left the whole thing “in ah mess”. Madam Speaker, let me make it abundantly clear today. If it were not for the People’s Partnership Government at that time to introduce the clause that ensures that OAS had \$1 billion in bond and that was in signature, that a bond of \$1 billion was there so that if they relinquish their job and their work on the project, that \$1 billion would have been available to the country and we would have forfeited that \$1 billion. They go up and down the country today saying that they secured \$900 million, the contract, but the contract had the \$1 billion bond payment in it. [*Desk thumping*]

4.05 p.m.

So they are trying to fool this country to tell the country that they have received, if it were not for them they would not have gotten that \$900 million. What a fallacy, Madam Speaker, and what an untruth they continue to tell to the population. [*Desk thumping*] That \$1 billion bond was secured by the People’s Partnership Government in the contract with the OAS. They should have put that.

The other thing, they go about speaking about the Curepe Interchange, and they said that the Curepe Interchange went down from \$520 million to \$220 million. No contract was signed whatsoever with the Curepe Interchange. [*Desk*

thumping] So how can something go down from 520 to 220 when no contract was signed with it altogether? So that is another fallacy and another con job they have tried to put onto the population within the last two years and which we cannot accept and which we must denounce, which we must denounce. [*Desk thumping*] And December 2nd, they were exposed. [*Desk thumping*]

The last area I want to respond to the Attorney General and Member for San Fernando West, the Insurance Act. He spoke about, we did not do anything about the Insurance Act from 2011 to 2015, and so on, and we did not complete it. A lot of work was done by both Ministers of Finance, Winston Dookeran and Larry Howai. But they have had four years so far. They complained about 2011 to 2015. We had four years. But they have had four years so far, 2015 to 2019, and still today, Madam Speaker, the Insurance Act is not proclaimed. Chap. 84:01, that Act was repealed and replaced by Act No. 4 of 2018, and assented to on June 2018, almost a year and a half ago. And all type of excuses coming from that side, that the Central Bank and different players now are telling them that they did not anticipate this or the regulations have to be altered, and so on, and this awaiting proclamation. So almost four years have gone with this Insurance Act, under their watch. We still do not have an Insurance Act. It was repealed and replaced in 2018, but not proclaimed as yet. So they have no moral authority to speak on that whatsoever, Madam Speaker.

The Member went on to speak about diversification; that they have diversified this economy. What, so unfortunate that the Member could make a statement like that. The whole country knows that there has been no diversification in this country between 2015 and 2019. They cannot tell us what they have diversified, Madam Speaker. [*Desk thumping*] Because if they could have done so, they would have done so.

And he spoke about the labour market. I think it is shameless to speak about the labour market in Trinidad and Tobago, now under their watch. More than 65,000 people have lost their jobs. [*Desk thumping*] Madam Speaker, it is painful. Sixty-five thousand people have lost their jobs and they have echoed their feelings through December 2nd. Much more will be echoed in 2020, when the next time comes around. Seventy-five thousand people have lost their jobs and more coming. You have Yara; people lost their jobs recently. Unilever, people lost their jobs. Unipet; to come people will lose their jobs. Madam Speaker, what is happening in this country? So I cannot understand how the Member for San Fernando West will get up and make these statements.

Hon. Member: That is your friend.

Dr. T. Gopeesingh: Yes, he is my friend but he cannot continue to make the statements that he made. He must be stopped. [*Desk thumping*] All of you are supposed to be our friends. We are political foes, but we do not—we carry our friendship together, but we are political opponents. We want to run this country in a proper manner as you have not been running this country in a proper manner—[*Desk thumping*—and give the people what they deserve.

So, Madam Speaker, the Bill now—in the presentation of this Bill, Madam Speaker, the Minister of Finance was very quiet and it was a welcomed sight to see him relatively poised and docile, and he made a good presentation. So, this Bill, Madam Speaker, has seven clauses and really moves around amendments to five pieces of legislation: the Income Act, Chap. 75:01; Corporation Tax Act, Chap. 75:01; the Co-operative Societies Act, Chap. 81:03; and the Petroleum Taxes Act, Chap. 75:04; and the Customs Act, Chap. 78:01.

I just want to make a few comments on the first one, on the Bill, which is clause 2, Madam Speaker. Clause 2 amends the Income Tax Act to provide for an

increase in the solar water heating equipment tax credit. Madam Speaker, we have no difficulty in that whatsoever. We knew this in the budget statement by the Minister of Finance. When he was coming to the end, he spoke about these things that he has to introduce on January 1st, as all Ministers of Finance have the responsibility to do. But we have some questions for the Minister of Finance. This Act says:

“Where an individual, in a year of income commencing 1st January, 2011, purchases solar water heating equipment for household use, that individual shall be entitled to tax credit”—which was 48 N in 2011—“of twenty-five per cent”—now they want to change it to 100 per cent—“of the cost of the solar water heating equipment up to a maximum of ten thousand dollars.”

We heard the Minister speak about it. But I want to ask the question: Minister, why did you look at just solar water heating alone? As a forward-thinking, if you are supposed to be forward-thinking, why did you not look at the whole question of solar power electricity generation for households? [*Desk thumping*] Why stop short on just solar water heating? That is a small aspect of moving the country away from the fossil fuel, and in terms of bringing us to renewable energy consumption?

I want to quote from a World Bank Report, and the data is: data.worldbank.org/indicator/egfecnew25. And it shows Trinidad and Tobago, the most recent value of renewable energy consumption is 0.28 per cent, whereas Latin America and the Caribbean is 27.60 per cent, a far cry where we are. And if we were the Government at this time, as spoken about by the Minister of Public Utilities, I want to quote what he said recently:

“Renewable energy by 2021

Government sticks to terms of Paris Agreement”

It was reported on Saturday, June 08, 2019 in the *Guardian*. He said:

“Within the next two years, ten per cent of the country's electricity will come from renewable sources. According to Public Utilities Minister...by 2021, T&T must become more dependent on renewable energy because of the United Nations (UN) Paris Agreement for the lowering of greenhouse gas emissions.

T&T became a signatory to the Agreement...on February 22, 2018...in New York”—and he indicate that he wanted to—“reduce the effects of global warming and to adopt to the effects of global warming and climate change.”

But just:

“Last week, Costa Rica announced it would be the first nation in the world to be carbon neutral by 2021. One of the most influential factors in their carbon status is that 98 per cent of the electricity comes from renewables like hydropower, wind, solar, geothermal and biomass. In fact, the only fossil fuel used by Costa Rica is diesel.”

So it is in that context I take a little introspection into the thinking of the Finance Minister, when he was preparing this budget for implementation in 2019. Why did he fall short of what could have been a more purposeful move to give some incentives for solar power generation of electricity to homes and business places, and to government businesses and government offices, and so on, so that the dependence on electricity generated from natural gas would be reduced over a period of time?

They have fallen short, because in 10 years we project that the amount of natural gas will be falling. And, therefore, the generation of electricity will become much more expensive. So when are we going to start the movement away from the fossil fuel into the renewable energy? We are now only .28 per cent

where we are supposed to be, in terms of Latin America and Caribbean, as I said, 27.6. The world is 18 per cent, and even Jamaica is 16.77 per cent, United States is 8.72 per cent, and so on. Canada is 22 per cent. So, the Minister has an opportunity and the Government has an opportunity to deal with that issue in a more comprehensive manner.

And our political leader and Leader of the Opposition, in her response to the budget, the same budget we are speaking about, the budget statement which the Minister of Finance has to implement, in her response to the budget fiscal 2019 to 20, on Friday 11 October, 2019, the hon. Leader of the Opposition said then, in contrast to what they are bringing for the country. She said we will:

“Establish a solar energy park in Tamana In-Tech Park.

We will invite private investors to establish a ‘Solar-tech’ Park with the Tamana In-Tech Park.

The ‘Solar-Tech’ Park will develop energy-efficient modular solar solutions which can be retrofitted to existing buildings or integrated into new construction projects and used in several other areas such as marine, communication and transport.”

The leader also mentioned the provision of specialist turnkey energy solutions to communities within the Caribbean region.

“Establish a green building incentive programme”

Using minimum amounts of energy, consuming less water and generating less waste and creating space for healthy and comfortable living, and:

“Public housing developments built by the HDC or other government agencies will be outfitted with renewable energy...”

Another point was developed, a policy for feeding tariffs to encourage the use of renewable energy technologies. And:

“With these initiatives, by 2025...”

—the leader said, Member for Siparia said:

“We will create 3,500 new jobs, cut fuel bill by \$500 million and raise share of renewable energy to 5% of consumption.”

So, obviously, the Minister of Finance did not have the advice that he probably needed to have when he was bringing this piece into the Finance Bill. But we are telling this population that the Opposition now and the Leader of the Opposition has a plan to deal with the renewable energy component and the reduction in fossil fuel energy for the country.

So Madam Speaker, just next door in Haiti, they had the solar-powered hospitals in Haiti and so they are yielding sustainable savings. So across the world, people are moving to that at the moment. The Minister of Finance, I think my colleague, Member for Caroni Central made mention of what this Bill says. Income tax is amended in section 48C, but 48C, Minister of Finance, was repealed by Act No. 9 of 1997. So may have to make an amendment, subsequent to the amendments that you have put forward here, that is not amended in 48C; 48M replaced it.

Where an individual in a year of income, commencing 1st January, 2011...

Madam Speaker: Member for Caroni East, your original speaking time is now spent. You are entitled to 15 more minutes to complete. Might I ask if you are going to use up the entire 15 minutes?

Dr. T. Gopeesingh: Yes, Ma'am.

Madam Speaker: So Members, can I ask that the Member be allowed to complete his contribution before we go to tea? It will take us to 4.35. Okay, so please proceed. Thank you.

Dr. T. Gopeesingh: Thank you, Madam Speaker, and thanks colleagues and the

House. The next clause in this Finance Bill, 2019, is the Corporation Tax Act. And the Minister went in detail and speaking about how the different sectors of society will benefit from tax allowances in various areas, namely foreign markets for the export of:

“...architectural engineering, design, quantity surveying or contracting services in connection with the building industry, where such services are performed by a person resident in Trinidad and Tobago for a recipient who is outside Trinidad and Tobago.”

So the tax allowance there is accepted. And we agree with it. There is no question. And we agree that tax exemptions should continue to be given for the various areas in the various subclauses:

“...promotional expenses in order to create or promote the expansion of foreign markets...”

The other one is petroleum operation. But we come back to that. Artistic work, creative industry, fashion industry. And so the question arose, this corporation tax is amended. But the same corporation tax, Madam Speaker, this Government raised the corporation tax to 30 per cent from 25 per cent. So on the one hand, the Minister of Finance is coming to say that we will grant some concessions on tax allowances for various categories in the creative sector, in the production of goods and services, in the manufacturing sector; in the agriculture sector.

On one hand you are coming to say that in 2019, but in the previous two years you raised the corporation tax from 25 to 30 per cent. That was a contradiction. What a contradiction. You know what that has caused to a number of small/medium business enterprises, with the increase in corporation tax from 25 to 30 per cent and a 300 per cent increase in the business levy fund? And the other one was the—there was another increase of 300 per cent in another category,

which would have caused these businesses, small and medium businesses, to really recoil and have difficulty in paying.

You have examples of them now, that they have—and when you move around this country you would see a number of small and medium businesses have closed and places have gone for rent. We have spoken ad infinitum about the infrastructure, the decrease in use of cements, the liquidity in the market, people cannot buy homes, and so on.

Hon. Member: Receivership.

Dr. T. Gopeesingh: Yeah, and a lot of businesses have gone into receivership. I just took the opportunity to look at what the TTMA had to say when they raised that corporation tax to 30 per cent.

The TTMA is concerned at the perceived attempt at harmonization of corporation tax to 30 per cent across the board. We are of the opinion that this measure can have the deleterious impact of stifling the capacity in growth of small and medium enterprises that are already challenged with depressed local and regional market conditions.

This was stated on Monday, October 02, 2017, in an interview on CNC3 with Trinidad and Tobago Manufacturing Association.

Mr. Mitchell: Madam Speaker, Standing Order 48(1), please.

Madam Speaker: Okay, so Member for Caroni East, if you could tie back in quickly what you are doing now and continue to address the Bill as you were doing before, please.

Dr. T. Gopeesingh: Madam Speaker, I was just tying it back to the fact that the Minister of Finance is coming late in 2019/2020 to say that he is doing something for the manufacturing sector by these small allowances, but he has decimated the small and medium businesses [*Desk thumping*] over the period of time by

increasing the corporate tax, when the rest of the world has gone to 15 per cent like the United States, and so on.

The next clause, Madam Speaker, is the Co-operative Societies Act. We have no difficulty with that. We hope that people will benefit from that, because to give 5,000 on the passing of some member who has been with the cooperative. That is, we are happy that they can secure that 50,000.

The Petroleum Taxes Act, moving it from 25 to 30 per cent allowance, that is neither here nor there, because we have spoken about the destruction of the whole oil and gas sector by this administration. And the Petroleum Taxes Act, we asked the question in response to what the Member for San Fernando West was speaking about, that the Prime Minister went to various countries around the world and negotiated the prices of natural gas with these international companies and came back to Trinidad and he was saying that they received \$2 billion as a result of that. But what has happened? The price of the natural gas sold by NGC now is higher than what it ever was. And the supply to the downstream industries became chaotic and more expensive for them. And so a lot of them have now folded up and are folding up, like Yara and some of the other downstream industries.

So you negotiated something and you are saying that you went abroad and negotiated a benefit for the country by working with these international oil companies, but at the end of it all, the price that NGC is now paying for their natural gas is higher than it ever was and the downstream industries are suffering as a result. Would you say that has benefited the country? Absolutely no. So what was the mission of the hon. Prime Minister and his team at that time? I think the Member for Port of Spain North/St. Ann's West was part of that team. But they have not been able to tell this country how the country has benefited, when the price of gas went higher.

Madam Speaker, the Customs Act, in terms of moving from 3,000 to 5,000 for people coming into the country, is acceptable and we echo our sentiments that we are in support of that. The issue though, few people are bringing things into the country when they travel now, and we do not know, because they are buying everything online and millions of US dollars are spent online, billions now, as a result of the opening up with Amazon and other companies, and so on. So people now are refraining from even having to travel with heavy things to come into the country and not utilizing this.

So, even though the Minister of Finance has proposed this, we do not know what benefit it is to the country. But to the citizens, I do not think it is of any major benefit to them, in terms of moving it from \$3,000 to \$5,000.

Madam Speaker, last point I want to ask the Minister of Finance to answer; this issue of the Sixth Schedule, countries in respect of which tax deductible promotional expenses and market development grants may not be claimed. I know we operate within the Caricom community and the Caricom countries like Antigua, Barbados, et cetera, St. Vincent, Jamaica, when we export to them, we were not able to derive any benefit. The exporters were not able to derive any benefit from exporting to these countries. He has now brought in the situation where if you are exporting for the first time, you will benefit by exporting to these Caribbean countries. But it is unclear that if they continue to export, would they continue to benefit, or is it only the first time that they are exporting that they will benefit? I think the Minister of Finance, if he were here and he was listening, we would like some clarification on that issue. Because there are many manufacturers who only export to the Caribbean countries and they will probably be finding it difficult as to understand where we go with that.

So, Madam Speaker, in closing, this Bill, we understand why the Minister of

Finance has to come with it today to make sure that it is implemented for January 01, 2020. We are in support of a number of these things. But the question is that they could have gone further and if they were really serious and a Government that was purposeful, they would have made some significant improvements in the things that they are promising for the country.

And, so therefore, when they speak about, when the Attorney General speaks about all this diversification and we left the country in a bad financial state, and so on, is all ludicrous. And, therefore, the people of this country know where we were and where we are going to be in 2020, with a new UNC Government. Madam Speaker, I thank you.

Madam Speaker: Hon. Members, it is now 4.31.13, so now we would take the suspension. We will return at 5.05. This House is now suspended.

4.31 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Dr. Surujrattan Rambachan (Tabaquite): Madam Speaker, I am grateful for the opportunity to participate in this debate which I think is a very important one in the context that it gives us an opportunity to examine whether policies like those that are advocated in this Bill have the impact, or will have the kinds of impact that we expect them to have upon the national population and the economy. I want to start with a point that was raised by the hon. Attorney General and the Member for San Fernando West in which he made reference to the GDP. And it is very much fashionable to talk about GDP and to speak about it as a measure of a country's progress or lack of progress or whether the country is advancing economically and so on, and as we know, statistics tell one side of the story.

But the hon. Attorney General said that you know about 27 per cent of the economy is now energy based and therefore by extension 73 per cent non-energy

based, and he was making the point that the non-energy sector is contributing more to the economy than the energy sector. But, be that as it may, and whatever the statistics might be and whatever might be an analysis of GDP, I think there is something more important to ask and it is this, whatever the GDP might be, I think you have to look at asking some other questions. For example, do people have food? Do they have affordable shelter? Do they have jobs? Sustainable jobs? Do they have good health care? And I think that is the measure that I would like to look at, not just the word “GDP” and what GDP is saying.

Because, Madam Speaker, just before I came to Parliament today, the hon. Minister of Social Development and Family Services gave us some cards to distribute to our constituents, 100 cards each, and there were three instances that moved me very much today. Incident No. 1, is where, Madam Speaker, the recipient of the card did not have money to travel to come to the office to collect her card. Can you imagine that? All year long she is waiting for this card that gives her \$510, but she did not have the money to come. Incident No. 2 is another lady, and she could not get to the office because she has a mental problem, and there was no one to bring her. And incident No. 3 is where a woman who lost her husband four months ago and has several children to take care of. She came, her name was not on the list, because she had no food to supply her children from yesterday. I wrote a cheque and gave her in fact, in order to make sure that she could go to a grocery and get some food.

But Madam Speaker, that is why I raised this when the AG speaks about GDP. GDP to me really means nothing unless it is translated into a better quality of life for people and sustainability for people. [*Desk thumping*] Madam Speaker, that is the reality. But I just wanted, Madam Speaker, with your permission, to make an appeal to the hon. Minister of Social Development and Family Services

because we are told now by the officers who came to give those cards out, the ones who did not come today, they have to come to Port of Spain to get the cards.

That cannot be right. No Government, no arm of government should put people under that kind of pressure because for some reason they could not be there when they was supposed to go today, they have to come to Port of Spain. The lady could not find five dollars to pay her taxi fare to come to the office, how could she find \$80 to come to Port of Spain to go and get it? And what it requires, a simple thing, get a letter of authorization and one of us from the office can pick it up for her. I mean, I think that we have the integrity as Members of Parliament that when we pick it up we will give it to her. So, I think it is important to say that.

Madam Speaker, it is necessary to see this Bill and what is being proposed in terms of tax credits, et cetera, in the larger context of the state of the economy. The challenges facing the poor and the middle class, who, in my view, are becoming more and more impoverished, and the state of business in the country, the state of business in the country. I do not think that my colleagues on the Government side really appreciate nor understand the strains under which businesses are operating at this point in time, or the number of businesses that have closed down or are on the verge of closing down, or people who cannot pay their rent or people who cannot pay bills.

Madam Speaker, it is happening before our eyes. If you look carefully at the newspapers you would see the number of repossessions of vehicles that are taking place. You will see the number of houses that are going up for sale again. I make these points because I think that when we talk about the tax credits that we are giving here, I think there are other areas of the economy that we have to pay attention to, because while this might sound politically nice and so on, solar heaters, and you are giving a tax credit, but there is something wider happening to

people in the country that we must address, we have to address.

Madam Speaker, even as I stand here, just last week, Ansa McAL, the Group, they sent home 90 persons and closed down the fabricating operations for windows and so on down in Longdenville; 90 people gone home. Unilever, 286 persons going home. When a company closes down its fabrication sector for windows, it means to say that they are no longer finding the markets in the construction sector, and therefore, while we are doing all this here for solar water heaters and so on, I am appealing to the Government to look at what is happening to the construction sector because that is where a lot of people are unemployed or underemployed.

Madam Speaker, so in my view the imposition or the variation of duties and taxes should always have a positive impact upon people. So I want to ask the question: To what extent are a significant number of persons going to be affected by the tax exemption on solar water heaters? To what extent is that going to happen? I saw in the budget presentation of the hon. Minister of Finance, he quoted the figure 12,000 that are going to be affected by that. I think it might have been a statement in which he was indicating that perhaps 12,000 persons are going to put solar water heaters in their homes.

But, Madam Speaker, you know, a nice comparison can be done to see how many persons have switched to hybrid vehicles given the exemptions for vehicles 1599CC and lower. A nice comparison can be done to see how many persons have switched to CNG. My understanding from what I got from the industry yesterday is that only 4,000 conversions have taken place. You know, the Government had promised that they were going to take leadership in the conversion exercise of getting Government vehicles running on CNG, the buses running on CNG and so on. I am still awaiting to see how many of the new buses that came down between

2015 and now are really being run on CNG. I know during our time we did bring buses that were running also on CNG. So to what extent, Madam Speaker, are a significant number of persons going to be affected by the tax exemption on solar water heaters?

Now the whole tax credit on solar water heaters was first made available in 2011 according to the data I have from government sources. And what I would like to know is between 2011 and '19, eight years, how many solar water heaters have been really installed in the country? And how much tax credit have really been taken up by the population? Apart from that, I think if you give a tax credit you want something back that is going to be permanent for the country. So the question I have to ask is this. These solar water heaters are still going to be imported. Have we developed a local manufacturing sector? I do not think it is just about a tax credit on the solar water heater, maybe what you need to do is to create an industry [*Desk thumping*] where you are going to make the solar water heaters in the country. In that way you get a benefit with employment, you get a benefit with your machine shops and so on using the technology to make the frames and so on for the solar water heaters.

Madam Speaker, a solar water heater is not very cheap, you know. It costs on average for a 40 gallon about \$3,500, and I am told by the people who make them about 3,500 and 4,000 to install it also. So you are looking at 7,500 against a double head electric water heater for about 1,800 to 2,100, and a normal Bradford—call a good brand—40 gallon for about \$3,200. So it is quite a difference in terms of price. So I appreciate the fact that the Minister is saying \$10,000, he moving from \$2,500 to \$10,000 flat. But how are we going to move people? Is this enough to move people to take advantage of the solar water heaters?

For example, Madam Speaker, right there at Reform Village on the highway in San Fernando the Government is constructing, I believe, 100 town houses. That is the potential for 100 solar water heaters. I wonder whether, in fact, where the Minister promised that they were going to put solar water heaters in HDC housing whether any of this has been done at all. How many HDC houses have taken on the task of putting solar water heaters?

You see, Madam Speaker, change has to be led and very often change has to be led by example, and leadership is really example. And if the Government is not showing the leadership and is not closing the gap between what it has promised to do and what it is doing, then the population will not follow suit. It has to be led, it really has to be led. And that is part of the credibility gap that the Government is suffering from. They are saying so many things, but they are not really—

Hon. Member: Delivering.

Dr. S. Rambachan: A credibility gap. Madam Speaker, I would like to ask the hon. Minister of Finance, what is the broader policy within which this tax credit is based? When you talk about solar water heater, you are talking about renewables, you talking about energy saving. What is the broader policy within which this is framed? Do we have targets, for example? How many houses do we wish to have using solar water heaters?

Hon. Member: “They doh know bout that”.

Dr. S. Rambachan: If we have 400,000 houses in Trinidad, what percentage of that we are trying to convert? And if we are building a certain other number of houses per year how many of those we intend to capture? You see, we must not do things simply because it sounds politically good. And we say well let us do it, it sounds politically good. It remains just politics and we do not want that. We do not want that at all.

Madam Speaker, you see I have a different view of this eh. I believe that if you give something you must have something in return, especially when you talk about at the level of a country where the country is investing resources. Of course, at a spiritual level, you know giving without seeking return is a highly spiritual value. But again when you invest and you take the money from a taxpayer and you invest it in something you expect some kind of return to the country and to the economy.

So what are we getting for it? Now, the next thing I would like to talk about is in terms of the very solar water heaters is this. Madam Speaker, the Government, there is no Government assistance as I said to local manufacturing in terms of solar water heaters. Now, in Barbados one cannot simply import foreign solar panels as they are heavily taxed in favour of locally manufactured panels. You know, I would have liked to think that if we are developing a solar water heater policy here we might have wanted to make sure that our Caricom neighbours and manufacturers benefit and maybe try to create some partnership in that regard.

You see, I do not know if the problem is that T&TEC rates are such that there is no incentive because of the low rates for people to change to solar power. But, you know, the Government has indicated, the Minister of Public Utilities has indicated that the Government cannot continue to carry the debt it carries in T&TEC. So consumers may very well find that the Government will get up one morning just like it did with Petrotrin and say listen, you know what? Your rates are going to go up. Your rates are going to go up.

So the incentive, what is the real incentive for people? Now the tax credit that is proposed by the Minister is only of solar water heaters. How about solar generators? How about solar generators? Most customers in rural areas, and there are a lot of rural areas, they require solar generators, not just a solar water heater.

Now there is another point I would like to make. If a house is a recipient of electricity from T&TEC, do you know, Madam Speaker, that if the house was to lose power for the solar generator to automatically turn on to provide power it will be illegal. It is legal for a diesel generator to be turned on automatically in case of power loss, but it would be illegal for the solar water heater to be turned on automatically. That is a point that the industry made for me and they asked me, in fact, to raise it here in my contribution to this debate.

Madam Speaker, the next point I want to take up is customs exemptions for travellers, \$3,000 to \$5,000. We need to remember that the Government had imposed a 7 per cent tax for online shopping. And I would have liked to know how much money have we gotten from that tax, that 7 per cent tax on online shopping. Now this increase in the \$3,000 to \$5,000, who is it going to benefit? Are people going to bring in goods to the value of \$5,000? Maybe if their friends give them, maybe if their family gives them items to bring in and so on, because it is difficult to get foreign exchange to take away to buy things overseas to come now, it is really difficult.

Madam Speaker, if you have money, US dollars in the bank, you gave them your cash and you go back they are telling you they are giving you a cheque and they are charging you \$50 for the cheque. So you are paying TT \$50 to get back your money that you deposited in there. You know the banks are really squirming us, you know. They are picking our pockets, really picking our pockets. They take our money, they use our money, they lend our money at higher rates, and when you go back to get your US \$500 you have to now pay them \$50 and you are getting a cheque. You take that cheque with you, you do not know if you are going to be able to cash it, where you will cash it and so on. It is really difficult.

So who is going to benefit from the 3,000/\$5,000? It seems to me that

people are going to have to buy in the duty free shops in Piarco. Well then it begs another question, Prime Minister. How much TT dollars is a person allowed to take out of the country and how much TT dollars are they allowed to bring back into the country to shop with TT dollars? Is it \$5,000? I do not know. [Interruption] Yeah. TT dollars. TT dollars. Because I am saying they do not have the US dollars unless somebody gives it to them.

Hon. Member: So you go with it and you buy it duty free.

Dr. S. Rambachan: Yeah. So, you know, can you take TT dollars out and how much can you take to come back in to shop in duty free. But I can see an advantage to the duty free shops in Piarco, I can see that happening. They are the ones that are going to benefit from it.

But as I speak on this that, I must, in the same context, since we are talking about giving up revenue here again, when we raise this from 3,000 to 5,000 we are giving up revenue. I want to know, what we are doing about the continued leakages at the port. The continued leakages at the port. What are we doing, for example, to subdue imports for which there can be local substitutions? What are we doing about that? You know, we are losing a lot of foreign exchange in things that we can buy and produce locally, and that is the point I am making.

You cannot just pick an item and say I am going to deal with solar water heaters when everything else you are not attending to. Things that you can attend to, reduce your foreign exchange loss to the country, create foreign exchange, create jobs, create a more sustainable economy, Madam Speaker. So that is why I say you just cannot look at this as three or four items come before in a Finance Bill. You have to look at the totality of how we are developing the economy and how we are thinking.

You know, Madam Speaker, you probably are tired of me speaking about

furniture and teak furniture in this Parliament. You know one of the things I had said in one of my budget speeches was that they should ban the exportation of teak, and the Minister of Agriculture, Land and Fisheries did that. He banned it. But having banned it, what have we done to develop the furniture industry? Why, Madam Speaker? Why, I ask you. Why are we not giving more incentives to develop a viable furniture industry that can be exported, but allowing COURTS and Ashley to bring down furniture from Vietnam and dump it on our shores?

And we are talking about losing—Mr. Prime Minister, why can COURTS and Ashley not be persuaded to buy a percentage of the beds and so on that can be produced very beautifully here by our local furniture manufacturers? And I really and sincerely mean it, and from the floor of this Parliament I am making an appeal to the population of Trinidad and Tobago to buy local. [*Desk thumping*] To buy from your local manufacturers. Demand a higher quality, because we can produce a higher quality. I do not see that Vietnam can produce any better quality bed that they are producing that we can produce in teak and mahogany right here in this country, or apamate right here in this country.

And therefore, we need, Prime Minister, we need to move from just the banning of the teak away into a full fledged furniture industry where we can export knockdown furniture to other countries just like the Swedish people have developed their knockdown furniture into our country.

Hon. Member: Ikea.

Dr. S. Rambachan: Ikea. That is right. So we have to look at this whole thing in a broader sense. Madam Speaker, then we come to the matter of the amendment of the Corporation Tax Act, the 3 million to 6 million change. Now where this benefit has been provided before, I have to ask the question here today. How have the sectors to which this amendment referred benefited from the current

incentives? How many companies have taken advantage of these incentives? And have they done so legitimately? Have they been giving this 3 million or whatever in cash to the beneficiaries or in kind? What have we done to really ensure that what they claim they have really provided to the different sectors to which this applies?

So my thing is that, you know, I would like to see, and I do not expect an answer here today. but to understand how this \$6 million will really be calculated and again, is it cash, kind? What checks and balances are there to ensure that the amounts claimed are legal, they are legitimate and they are not padded? And in the same vein, I think, the population like myself would like to know as a result of this particular incentive since its inception, what taxes have been given up under this incentive? What taxes have been given up under this particular incentive? And I think particularly about, you know, contribution to sport development, arts and culture.

So arts and culture is mentioned here. Perhaps that is our greatest opportunity for diversification, arts and culture, and probably we do not know it and do not realize it, how rich we are in arts and culture. I get a sense, I get a sense, Leader of Government Business, acting, that we are experimenting too much. Everything is an experiment in this country, everything is a pilot project, but somehow we are not making the instantaneous leap and say “I am”, “We are”. It is always we are developing. We have to understand and say we have a rich culture; we have a rich diversity; we have a product and then begin to market that product. We have to stop this experimentation all the time. We have to stop and make everything like a celebration. The celebration must reflect a product, not just a fête, and that is part of our big problem. You know, we talk about spending \$174 million in Carnival by the Government. Do we really earn back \$174 million in

the country really and truly? Do we really earn that money back or is it one big national fête?

Madam Speaker, we have to link this \$306 million to really something that brings revenue to the country. Recently I saw the Shamsu Deen family from Gasparillo produce a film called “Jhaji” and they did it all on their own, that reflects the history of one family from the time they arrive in this country as East Indians and how they have grown and what have you and they are marketing that film across the world. It is beautiful production. I looked at *Green Days by the River* recently; beautiful production, I believe it is *Miguel Street* another movie and so on produced. Madam Speaker, we have what it takes to produce these things and to export them, but we are not making the link. I think that we have too much of experimentation.

Madam Speaker, we started this long ago in this country, you know. Rudranath Capildeo Learning Resource Centre had an audiovisual room in which there were cameras and everything else meant to teach people and develop their audiovisual and production capabilities. What has happened to that? Where has that gone? Where has all that equipment gone that we are not doing that again? You know, training people.

Recently the Government decided to rename IBN, TTT, and go back to the old TTT. No problem in that, no problem with that. But you know in the year that TTT has been re-established, has TTT met its goal? Because I am linking this to this 3 to \$6 million. Has TTT met its goal? Has TTT become the local production house for culture that you wanted it to be? Or is it—every day I look at TTT and apart from the news by Verna Bharath which is well presented professionally, I see a lot of people just enjoying themselves as producers and so called producers on that television station. And I think that we have to go back to basics and say, if we

are giving incentives and if we hope people will invest and so on we must see products that are worthwhile.

Now they should take a page out of the Parliament. Madam Speaker, you have limited resources as a Parliament in terms of your television production, but some of the best biographies that I have seen about people in this country is on the parliamentary channel. [*Desk thumping*] It is on the Parliament channel. I enjoy them—

Hon. Member: Second World War.

Dr. S. Rambachan: You know, it is history through productions and I applaud and I compliment your production staff in this Parliament for that work. That is not easy work. That is hard work. That is research work, so many things.

Now, Madam Speaker, take a page out of your book in the Parliament and begin to produce the life and times of Mighty Sparrow, of Black Stalin, of the Melody/Sparrow era, of Henry Tooloom Dindial, of all of those singers and artistes who have contributed to our rich culture and our diversity. Madam Speaker, has TTT made a connection between themselves and the Emancipation Support Committee to produce and export the story that is Emancipation?—when in fact we were the ones who pioneered the whole concept of an Emancipation Day, and a holiday.

Madam Speaker, TTT and Divali Nagar. What have they done? We have some of the best producers of documentaries in the world in this country, some of the best producers. One of the best producers I know in this country is a gentleman by the name of Gideon Hanoomansingh, Hans Hanoomansingh, a storehouse of cultural and historical information in the Indian community. Hansley Ajodha, a man who has produced so many good—

Hon. Member: Al Ramsewak.

Dr. S. Rambachan: Al Ramsewak. Madam Speaker, there is so much to produce and export. So when I say you should get something back for the 3 million, the 6 million and I am using TTT. I am not nailing TTT, you know. I am just using an example of what is possible if you really want to orient and that is the thing. What we have in this country is an old generation of people and what we require is a new generation of leaders in the country and our party is inviting and we are ushering that new generation of leaders with new and creative ideas for the future. That is what is happening, a new generation.

Madam Speaker, we are full of opportunities, potential, but we are not harnessing the talent. We have the money, you know. Unfortunately, the money seems to be there, but we have to harness the talent to do the job of producing. Again, Madam Speaker, my congratulations, take a page out of the book of those who work in the Parliament producing all of this great material.

5.35 p.m.

Madam Speaker: Member for Tabaquite, your original speaking time is now spent. You are entitled to 15 more minutes to complete your contribution. You may proceed.

Dr. Rambachan: Madam Speaker, I would not be long again. These are matters that I wanted to raise. Madam Speaker, the matter of the Petroleum Taxes Act, the oil and gas. Now, by this amendment to section 26(1) of the Petroleum Act, the Government proposes to increase the investment tax credit by 5 per cent, from 20 per cent to 25 per cent of qualifying development expenditure incurred in mature marine land fields and in enhanced oil recovery projects. In other words, what they are doing is instead of writing out your investment over five years, you write it over four years.

I know that the Government had a big problem when the People's

Partnership was in office and we gave really strong incentives in order to resuscitate the energy sector but we have to also admit that today we are benefiting from those particular incentives that were given. [*Desk thumping*] Whatever the arguments may be on both sides, but the reality on the ground is that there were benefits and we are benefiting today as a country.

Now, Madam Speaker, this incentive is necessary because oil production, if you recall, peaked at 193,000 barrels per day in 2007, and has suffered a steep decline. It was 99,000 barrels per day in 2017, and I think it is down now to just below 70,000 barrels a day. And of course, the companies are complaining that the fall is mainly attributed to increasing difficulty of extracting resources from the country's ageing fields, as well as low oil prices and subsequently lessened exploration efforts.

Now, Madam Speaker, it is no secret that the oil and gas industry has been suffering; a steady decline in the last few years. And diversification in the country as a whole is nowhere close to assuming an important role in Government's agenda. So, the dependency on oil and gas continues. Madam Speaker, when we talk diversification I believe we are missing the point. Yes, you have to have some big diversification projects. But you know what? You have to look at the 1,001 little things you can diversify into also. And we are not looking into that. There are many, many, things that you can diversify into in this country and we are not looking into it, including creating a new tourism product also in this country, creating a new tourism product.

Madam Speaker, you know, as I say that you know we go down Caroni to see the Bird Sanctuary, but you know right there in Otaheite, in Oropouche, in the Oropouche Lagoon, you have some of the most beautiful birds to look at, including the Scarlet Ibis which has also returned to that area. Can you imagine also creating

picnics in the swamp? All kinds of things can be done, we have 500-and-about-60 bird species. I understand now it is one of the highest number of bird species in the world, but we have not created a product around that. So diversification, we are slow and we are now where close, close, to what we need to reduce the dependency on oil and gas. So while increasing the tax investment incentive will hopefully attract and stimulate the oil and gas economy, and the government should as well not only sit here but focus, as I am saying, on a similar investment initiatives in a serious way, in sectors like agriculture and also in technology.

Madam Speaker, I am very happy about the amendment to the Co-operative Societies Act where the Minister proposes to increase the current number of 5,000 imposed on the transfer of shares or interest payable to a nominated beneficiary upon death of a member to 50,000. This amendment will benefit beneficiaries who are entitled to sums in the vicinity of 50,000 and in many cases much less who would otherwise have had to pay legal fees, estate duty, and go through what could be a very tiresome and a very challenging, long, arduous process of probate in order to receive their benefits. So, I think this is a good measure.

Madam Speaker, I would like to ask the Minister though to clarify whether co-operative societies would be paying out this \$50,000 to beneficiaries of persons who pass on after the 01 January, 2020, or can the co-operatives pay out this 50,000 to beneficiaries who are entitled to benefit from the estate of a person who passed before January 01, 2020 but whose co-operative society's interest share has not been accessed by the beneficiary and/or paid out by the co-operative society.

So, Madam Speaker, these are some of the few points that I would like to make. I want to thank you most sincerely for the opportunity to contribute and to say, Madam Speaker, that I am proud to be part of ushering a new generation of leaders to take this country forward, with new ideas and with creativity and

harnessing the talent of all the peoples of Trinidad and Tobago. Thank you very much. [*Desk thumping*]

Madam Speaker: Member for Diego Martin West.

The Prime Minister (Hon. Dr. Keith Rowley): [*Desk thumping*] Thank you, Madam Speaker. Madam Speaker, I guess we are having an evening with *Hansard*. So, we are not really chewing too much into the nuts and bolts of the adjustments that the Minister of Finance is legislating this evening, because I think there is general agreement on the package that the Minister of Finance would have presented. I do not know that I am hearing any objection which would require us withdrawing any of the Minister of Finance's proposals, and they are all meant to incrementally add to our situation. But I have heard a lot of issues raised which require a comment if nothing else from this side.

My colleague who just sat down, my colleague from Tabaquite, speaks about the need for doing I guess differently, for advancing leaders and new ideas and so on, and so on, but you know the French has a statement which is copied by many across the world, "the more things change the more they remain the same". And it is against that background, Madam Speaker, I want to touch on four points that were raised this afternoon.

Maybe I should touch firstly on one raised by the opening speaker for the Opposition, the Member for Caroni Central, when in, you know, in the exuberance of his presentation he spoke about the current situation with Paria and Unipet, and spoke disparagingly and of course, it is the Government's fault because everything is the Government's fault. But for a Member of Parliament to come here and raise that as one of the issues for which the Government is failing, because we have an issue between—I cannot remember the adjective he used but it was meant, he spoke about a fight, this unevenly yoked and probably victim Unipet being fought

down by Paria.

And, Madam Speaker, I was led to wonder if things are ever going to change in this country. Because if we could come to the Parliament and take that position, question, what is the Unipet/Paria issue? What is the problem? The problem is simple and straightforward. The problem is simple and straightforward. Taxpayers are buying fuel from abroad, importing it, giving it to a business, a private business who is selling this product with very little value added. It is not a raw material, it is a finished product. So they buy it, they received the finished product, and they sell it at the pump and they receive cash. Madam Speaker, I was shocked when I looked at this matter when the problem arose in the public domain to find out that the problem was that this private company doing business in Trinidad and Tobago received all this fuel from the state company, bought and brought into the country, and for some reason having sold it—because I am now told that they have no fuel in their tanks—having sold it, and I would hope, I would hope that they received cash point, because whenever you go by the pump you pay on delivery.

How then, Madam Speaker, how then, and if you are not as shocked as I am, I would be surprised. How then is this company ending up owing Paria almost \$200 million? How? And the question that we should be asking instead of coming in this debate today—instead of coming here today, and trying to make it look as if there is something that the Government is not doing right or the Government is responsible for. The question is simple. Who taxpayer in this country is agreeing to buy fuel, taxpayers' money, taxpayers' company, give it to a private company to sell it and not pay for it?

Even the terms of trade that I found out where you buy one tank, two tank, three tank, four tank, you only pay at the end of the month where you might have

had 15 tanks, sell and collect the money. And instead of saying “Gentlemen, ladies, who own this company, pay your bill and let us get on with the business of the country”, I am coming here and having to hear that this problem is about unevenly yoked Paria fighting down Unipet. And of course, I presume that having heard that, something I do not understand, something I do now know, and somebody might help me with it, we now have to go look for lawyer, taxpayer have to go and find lawyer to go to court. Because they are going to court for an injunction, which is their right, of course. But I want to know “What dey going and tell de court?” That they are entitled to free gas? And having not paid for the gas they want an injunction, which taxpayers are now going have to find lawyers to defend. I am not saying here that they are not free to do that, but I am asking, why is it that this kind of thing remains with us? Why? What is the sense of entitlement we have in this country, that somebody responsible for you even when you are being ridiculous and unproductive? And I am saying here today, those are the things that we need to change in this country. [*Desk thumping*] Not the general old talk.

And you see this thing about at the level of this Parliament and the Government and the country where is “we versus them”, as long as we are going down the road of “we versus them”, third parties will always benefit at the expense of the “we” and the “them” [*Desk thumping*]

And that brings me to the point of this thing about incentives for oil companies. And I wonder, if those persons who serve in coil, who dish out incentives to foreign oil companies, have any real understanding of who the real beneficiaries of those incentives are. I wonder if you all really understand. And let me tell you something, the people who benefit from those incentives that you grab on to and talk about what wonderful things you did, are largely not the people of Trinidad and Tobago you know. And when you pat yourself on the chest and talk

about your incentives doing wonderful things, just tell yourself that your incentives have done wonderful things for the bp shareholders. That is true. You might see more activity.

5.50 p.m.

But, you know, we had an open discussion in this country for the first time here. We called it “Spotlight on Energy”. We came to the Hyatt and this Government opened up the energy industry as it is practised in Trinidad and Tobago, and one of the local entities was making a presentation to justify what we the people of Trinidad and Tobago should be happy with, what we are getting from the oil companies. We had the original document, but the Minister spoke during the morning, and he spoke very firmly against the unbalance or the imbalance that existed between our take from the industry and the take of the other shareholders. And you know what the local entity did, having heard that? They simply just changed the number in their presentation, just changed the number, because they were saying to us that we were getting these billions of dollars in our economy, but realizing that we were coming to the point to prove and to show that it was not so, they just changed the number, just changed the number.

Ladies and gentlemen, when a dry hole is drilled by an oil company in this country, it is you who pay for the dry hole, because the shareholders of bp, who are largely Californians, they do not pay for no dry hole. They might have drilled the hole, advanced the money to drill the hole, but if the hole is dry, the cost of that hole is taken out from the tax that they will pay you. So who pays for the hole? So when you start telling yourself you give them incentives to drill, and then they come and tell me, as they told me, Madam Speaker—and I am saying this again, based on the incentives that they had, when I came in as Prime Minister of this country, within the first fortnight, I met with the head of a major oil company, who

said to me and with charts and diagrams to show me, that based on how he intend to proceed, the Government is not to expect any revenue except a few peanuts until 2024.

Now, how then, if this is the major supplier of revenue to the country, how in God's name do you expect the country to be serviced? But you come here making an argument against us in this “we versus them” in this House that we have taxed them, we taxed them. If we do not collect the taxes from those who have, how are you going to service the country? And you make it as though the tax was a burden, as if you have not noticed that the tax banks are reporting increased profits.

All we have done, Madam Speaker, in a requirement to service the same poor people they are talking about, is to ask those who have to pay a little more. [*Desk thumping*] That is what it is all about. Our banks who the Minister of Finance has asked to pay a little more so that we can get to put medicine in the hospital, to send the children to school, to pay the old age pension [*Desk thumping*]*—and having paid the increased taxes—is not overburdened—they are still reporting increased profits, which means that had we not taken that couple per cents from them in the taxes, they would have simply increased their profits, and that is the problem with this country, that we are not all yoked to the same cart pulling in the same direction.*

A few people are doing very well and the majority are “ketchin hell”, [*Desk thumping*] and until we understand that and stop misrepresenting our own circumstances, it is not going to get better, and I would tell you all something. Leading this Government, I told you all and I told the country before, I was not elected to be re-elected. I am elected to fix problems in this country [*Desk thumping*] and that is one of the biggest problems we have, and we are so

colonially minded that we think that if we please the shareholders of those companies we will get praise, but nothing is changing.

You know what this Government said to those companies in understanding the situation that we are in? We said to them, we have no problem with you getting the best for your shareholders. You ought to try to get the best for your shareholders, but I have shareholders too, and my shareholders are the people of Trinidad and Tobago. [*Desk thumping*] And when we demonstrated in that “Spotlight on Energy”, we demonstrated how Nigeria is producing barely more gas than we are, but earning—where they are earning US \$5 billion in taxes, we were earning a couple of—\$34 million, some ridiculous figure like that, because they are in a position to earn better. And if we keep saying all we have to do is to give incentives and give incentives and give incentives—one incentive was that you invest and you collect 50 per cent of your investment in the first year—that is 12 months—then you collect 30 per cent in the second year—that is 12 months. So in 24 months, you would recover 80 per cent of what you have invested. Who is taking the risk then in this investment?

So what it really says is that these people who prosper so much from being in the Trinidad and Tobago environment in energy is basically a no-risk environment. If you could recover your capital expense in 24 months, you want a better deal than that? And then we are telling ourselves that to get them to do us the favour of investing here, we have got to give them incentive? Madam Speaker, 20 per cent of the earnings of bp come from Trinidad and Tobago, and they are telling you if we do not give them that incentive, they will get up and go, and then get up and go and tell their shareholders in the board meeting in London, what? That we have left Trinidad and Tobago because they have not given us incentives, when you are really collecting a capital investment in 24 months? Come on

people, stop being colonially minded and earn the respect of these people and talk to them. [*Desk thumping*]

If you start out with this inferiority complex, you talk to them from that standpoint and they take everything they could take from you, and is when you have no more to give, then they leave and go somewhere else. That is what happened in this country before. When we end up with Texaco and Shell, those companies to create Trintoc and Petrotrin, it was because those companies had taken what they thought they could have gotten from here and they went their way. Today, when we find ourselves faced with an oil refinery which we mishandled and that refinery is threatening us with losses of \$2 billion a year, and my colleagues in the Parliament telling me and talking outside, is the worst thing ever happened in this country because we shut the refinery down, a refinery which is at best going forward, going to lose you \$2 billion a year, and the best thing was to keep it going as if it did not happen like you did. Because you spent five years in Government, that refinery was there doing the same thing, just simply hiding the losses in books and you know that.

So when the accounts had to change under new accounting rules and they were forced to write off their debt, \$16 billion of it, you knew that. You knew that Petrotrin was hiding its losses in its books [*Desk thumping*] but you come here today, you come like Pontius Pilate, trying to make the country feel that this Government does not know what it is doing, and you coming back to do otherwise. I see you are promising to come back to start back what you were doing before. That is for the people of Trinidad and Tobago, bring you back to start back and do exactly what you do before. [*Desk thumping*]

I am not making up these numbers. The billions of losses in Petrotrin had to be brought to light, because there are now new accounting arrangements, where if

you are going to get your books, not qualified, you have to write off those losses. We did not capriciously jump and shut down the refinery. It took us a year and a half to examine all our options and then to take a decision among the options, and the closure of the refinery was to stop that loss of \$2 billion. You have a problem with that option? Question: What exactly would you have done? Just continue it, but you could not. You could not continue it. Not even you could have continued it.

If you were in Government, August 25, 2019, you would have had to face the US \$850 million cheque to pay. What would you have done? You might have written it from your personal account [*Desk thumping and laughter*] but we do not have that or you might have allowed the company to default, and a default at Petrotrin would have automatically resulted in a downgrading of Trinidad and Tobago. And if the Minister of Finance had taken on that debt on the Ministry of Finance's liability, we would have been automatically downgraded. So what then would you have done? What then would you have done? [*Crosstalk*] You just stay out of this. I am talking to people with sense. Right? [*Desk thumping*]

So, I know you can come here and point to everything that is wrong in the country. Anybody could do that. You could go in hospital and point to the pain that is felt by every patient. You could do that, but you would never see the wonderful work going on the healing side of things. Come in here and talk good. You have 45 minutes to talk about, "Oh, this old lady suffering and this, that and that", makes absolutely no sense with respect to fixing the problem that we have to deal with.

Madam Speaker, I have colleagues in the Parliament on both sides of the House. They are my colleagues, but when you take your term of office, you did not negotiate a single contract, not even one. A series of contracts exist with

respect to the supply of gas to Point Lisas. The Point Lisas business is, you get gas from gas suppliers, you have the company NGC in the middle as an aggregator supplying the gas, and the down-streamers buy the gas and they make their product and sell it. Those companies come into being on long-term contracts because the investment is so large. Twenty-five year contracts they come into. When this Government on the other side was in office, those 25-year contracts had begun to come to an end. As a matter of fact, some had ended. With all the talk from my colleague from Caroni Central here this evening, the record of the UNC Government in office was, they put the company on month-to-month contract. And to come here and talk about this disarray in the energy sector, how much more disarray can you be in than being in a billion-dollar industry and you are on a month-to-month contract?

And, of course, I am reminded, having not supplied the gas, the gas that they were telling us when they spoke, when they were telling us that it was short term due to maintenance, it was a crisis of undersupply by the country. We were not producing enough gas to supply our consumption needs, and based on the contracts we had in place, we now have liabilities for non-supply, billions of dollars of liabilities, and the same Government you are pointing your finger at now about being incompetent, we now had to sit down and under our stewardship, negotiate a way if we are able to and we are not able to. Only some of them we can negotiate it away as part of the negotiations because, Madam Speaker, contract negotiations for new gas price begun after 2015. There was none before and it makes you wonder if they knew that gas contracts had to be negotiated.

And what they did, Madam Speaker, is when the contracts came to an end, the worst possible bargain position you could be in is to be in a situation where you have no wiggle room. If you were negotiating two or three or four years before

you have wiggle room, but when the contract is ending and they are threatening you with shutting down the company today—so agree to that or otherwise we shut it down—that is what you all left us with. As a matter of fact, one of the big companies actually shut down the operation. CNC shut down the operation as part of the negotiations. We did not create that situation. You put the country in that situation by not negotiating it when you were in Government, and when the date came for the end of the contract, we are now negotiating with that axe over our head, and then you come here and talking about competence and you have plan and you have programme and you have work nation. [*Crosstalk*] Ladies and gentlemen, let me tell you something. Madam Speaker, they could make up story, you know. All we have to do is tell the real story, you know. [*Desk thumping*]

I want to address again for the final time. I and Minister Young never negotiated any contract in Houston. We negotiated no contract in Houston. What had happened, Madam Speaker, is that based on what I just said, the negotiations for contracts started between NGC and bp, and they negotiated for a number of months with the Government not even being anywhere near them. The negotiations broke down between the two companies and they stopped negotiating. You know what that meant, Madam Speaker? That meant that they were heading for a shutdown in Point Lisas, because the buyer and the seller had stopped talking to one another, because the buyer wanted a higher price and the seller say we cannot afford what you are asking for.

The meeting in Houston was simply to get them to talk to one another again. [*Crosstalk*] The Houston meeting, I as Prime Minister had to intervene because NGC and bp had stopped negotiating. BP is the largest supplier of gas in Trinidad and Tobago and, of course, CNC was probably the largest plant, one of the larger plants. So if we are facing a shutdown in a situation where buyer and seller are not

talking to one another, the role of the Prime Minister of the country, looking out for the same poor people, the same old lady, the same children, the same patients, it was my job then to do what had to be done. And you know why I did it? I left here and I went to the decision makers in Houston straight from the plane to the meeting [*Desk thumping*] and what I accomplished, I accomplished them talking. You have to talk. You have to move from where you are. You cannot stay where you are and get an agreement. BP cannot dig his heel and demand a price that was much higher than what we end up paying. They spoke.

And I will tell you something. Gas price is not negotiated like buying hops bread in a parlour. It is a very complicated thing, and only the NGC negotiates gas price for this country, and is NGC staff and their complicated equations, because you are talking about a cent, you are talking about two cents, and that two cents over billions of cubic feet is a large sum of money. So Tom, Dick and Harry cannot negotiate gas price. So stop telling the country and the world that the Prime Minister negotiates gas price. I do not know the first thing about negotiating gas price. What I do know is that the seller and the buyer must talk [*Desk thumping*] and what I also know is that the aggregator in the middle, the NGC, belongs to the people of Trinidad and Tobago [*Desk thumping*] and I would not want them to be in a position where they are disadvantaged.

Now, our gas industry in this country came into being on cheap gas, low pressure gas, compressed, and brought to Point Lisas. Later on, we start drilling and looking for gas to feed that industry, and anybody who felt that in this era finding new gas and bringing it to shore at the price at which they originally got gas, you got to holding your head because, in any case, the supplier is saying to you, I am not supplying you gas until I get a price that I could agree with. Fortunately for us, we allowed them to talk, we brought them together, they talk

and they agreed on a price which bp was happy with and which NGC—in negotiations sometimes, well most times, you never get all that you want, but they got a price which allowed them to proceed, because the alternative would have been a general shutdown. Is that what you wanted? You left it there without a single contract.

As a matter of fact, the only contract that is related to their term of office was CGCL contract, and let me tell this country something: NGC has 20 per cent of that company, 20 per cent; Massy has 10 per cent and the Japanese has the other 70 per cent. Madam Speaker, would you believe that in the lack of understanding of the business and whatever quest it was for, we entered into an arrangement where the NGC contracts itself to supply gas to that CGCL at a cheaper price than NGC is paying for it? So it means that as NGC supplies gas to that plant, we starting out in a loss position. And what is worse, when you look at what we invested in the plant, it appears as though, even as a shareholder, there is nothing to sing about. We may very well be in a position not to be receiving any benefit for our shareholding, because somehow we allowed ourselves to be so cowed and to be so over-awed by the others that we agree to conditions that are ridiculous.

One of the first things this Government had to do was to renegotiate that contract, and we had to take a diplomat position to it. I sent Minister Young to Japan to talk to the Japanese Government entity to say to them—not that our contract clause say we could do so and so—that it is improper for Japan, probably the third largest economy in the world, to saddle little Trinidad and Tobago with this ridiculous contract where one, we end up with what we end up with there and two, there was a clause in that contract that says that if the business failed, the NGC had to pay what they called the debt-tail buy down. Whatever was owing at the type of failure, the NGC—and, of course, with the NGC being saddled with the

debt-tail buy down, meaning you would pay off all the debt that is left, but the plant that you just finished paying for, stays with JVIC, Mitsubishi. I mean, what kind of madness cut across you all? But I am sure many of you do not know that. I am sure you do not know that.

Madam Speaker: Member for Diego Martin West, your original speaking time is now spent. You are entitled to 15 more minutes to wind up your contribution.

[Desk thumping]

Hon. Dr. K. Rowley: And that is why the public servants wrote in red ink that they will not sign off of this contract as being acceptable. That happened. I am not making this up. That happened. The Japanese Government agreed and JVIC agreed to renegotiate *[Desk thumping]* and take out those term. How could you have done that to us and then come here today to lecture me on the energy sector and competence and “wala, wala, wala”? Is either you did not know or you knew and you gave it away, and I have good reason to believe that is a habit, because my colleague from Tabaquite is here this evening speaking very eloquently about the wonderful things that we could do selling toolum and whatever else. But I want to ask him this evening, because this is a good time to ask him. What happened with the OAS contract under your portfolio as Minister of Works and Transport where the clause that protected taxpayers was removed the Friday before election—the clause that says that if the contractor is bankrupt, the Government can call the bonds? Who took that clause out of the contract? I am not even asking why you had not cancelled the contract before. I am simply asking, who took the clause out of that contract and allowed the contractor now to be free to go with \$921 million?

Dr. Rambachan: You got it back.

Hon. Dr. K. Rowley: You got it back? You got it back! You got it back because we went to court and fought for it! *[Desk thumping and crosstalk]*

Madam Speaker: Member, I just want to remind everybody of Standing Order 53 about crosstalk and actually shouting across the room. Prime Minister. [*Desk thumping*].

Hon. Dr. K. Rowley: So, Madam Speaker, you heard the response, that we got it back. We got it back because a Minister of Government here led a legal team and we fought in capitals around the world because the company, the company fought to keep it.

Mr. Al-Rawi: That is right.

Hon. Dr. K. Rowley: We had to go to court and fight to take it away. As I speak to you now, the court has allowed us to spend the money, but they are still in arbitration trying to argue for it in arbitration. Is that not correct?

Mr. Al-Rawi: That is right.

Hon. Dr. K. Rowley: So when he says we got it back, that is not correct. We who spending the money cannot even say we got it back, because we are allowed to spend it. They are still fighting the arbitration, so if they win the arbitration, they will get it. So when he says “we got it back”, is this an innocence or is it still trying to fool people?

Madam Speaker, this country had better get serious about serious problems. [*Desk thumping*] My colleague from Caroni Central here again, raised Yara. I heard Yara being raised. Madam Speaker, a plant that is 50 years old, the shareholders who own the plant had options all those years. I do not know what they did. I think 20-odd years ago they make some upgrades, but the bottom line is the future of Yara company in that situation of obsolescence is a matter from the shareholders, but my colleagues coming here and making it a matter for the Government. What are you saying to us? That we should allow Yara to get gas that we are paying a premium for now to be used in a plant that is 50 years old, that

is inefficient? Why is that a Government issue? Why is that a Government issue, because what options do you think the Government have? I mean, we would have been very happy if it did not happen, but tell me what the Government—

Mr. Charles: Diversify, diversify.

Hon. Dr. K. Rowley: Madam Speaker, I am being disturbed by an element here saying diversify, diversify.

Mr. Charles: I am not an element, Madam Speaker. [*Crosstalk*]

Madam Speaker: Could we stop—[*Crosstalk*—the crosstalk. Prime Minister.

Hon. Dr. K. Rowley: Madam Speaker, so it is good to be critical because sometimes the criticisms forces a better performance, but the criticisms have to have truth, substance, and we say to the people of Trinidad and Tobago all the time whatever we do is one of many options, and we would want to be judged on the options that we have chosen, because those who criticized us, especially in the way that they do inside this House and elsewhere, they do not have a better option.

Mr. Al-Rawi: That is right.

Hon. Dr. K. Rowley: Because the options that they would refer to, the second state would be worse than the first. One of their options was to do nothing. Madam Speaker, if we had done nothing, this country would have been in the bosom of the IFM long time and, of course, they would like that. But let me say, before I close, Madam Speaker, another point my colleague raised as part of the failure of the Government, the non-delivery of the Government, the Dragon deal.

Madam Speaker I wonder if my friends on the other side understand the interest in the Dragon Field is? Madam Speaker, we have proven gas reserves in this country, approximating volumes that would last us for another 10 or 12 years, meaning, Madam Speaker, that a child that is born today, before that child does SEA, this country could be without gas if we do not find additional new gas, and

by “additional” I mean “additional” to replace what we are consuming on a daily basis. We could consume up to four billion cubic feet of gas a day. We are now producing about 3.6. So we are consuming the gas that we know we have, so we got to keep finding gas.

Within our borders, if you go and look at a map of Trinidad and Tobago between Grenada, Barbados and Venezuela, we are a little wedge in-between there, because of our geography, we are a lil wedge in there. We do not have the kinds of acreage like in America or Australia, whether land or sea acreage. We have limited acreage and, therefore, even with the best of prospects, geologically, we have limited space, we have limited potential, but right next door to us is the large Venezuelan proven fields.

There are three fields in Venezuela on our western boundary. The nearest one to us is the Dragon, the next one is Patao, the next one is Mejillones. The smallest one is Dragon. What we sought to do, Madam Speaker, by getting historically for the first time getting done, is an agreement with the Government of Venezuela to have Venezuelan gas come to Trinidad and Tobago to be utilized in our gas business.

6.20 p.m.

And I would have thought, Madam Speaker, that that would have been welcomed by all the people of Trinidad and Tobago because that is raw material that we desperately need which in 10 or 12 or 15 years we could find ourselves without raw material for our Point Lisas industry. I would have thought that the average person in this country would have been happy with that; not my colleagues on the other side. As far as they are concerned that is something to be despised, to be pilloried and to be undermined.

Well, let me tell you what happened, Madam Speaker, let me tell you what

has happened. We have an agreement now which still exists between the Government of Trinidad and Tobago and the Government of Venezuela, you know what happened with the other two fields? One is now in Russian hands and the other one might be in Chinese hands. Do you not think that it would have made more sense if Trinidad and Tobago had put itself in a position to have all three fields coming this way? [*Desk thumping*] And of course even as Rosneft, even as the Russians have that field, what do we do as a people? What do we do? Do we talk to the Russians and tell them, “We have plants in Trinidad and Tobago”?—because if that raw material comes here it will give us a reserve that we do not now have.

It will guarantee a future in the gas business that we may not now have, but instead of that every time they mention the Dragon deal, is to mention it as though this Government had done something wrong. They would have seen what has happened to Venezuela, PDVSA and NGC were the operating entities. The Americans have put PDVSA under sanctions which had nothing to do with us. It is just the hour of day that exists. You know what they did, you know what they did, Madam Speaker? They jumped out in front to support President Guaidó and attacking the Government of Trinidad and Tobago, we who are looking for a future for the children of Trinidad and Tobago. You find Guaidó as President because you do not understand the future of this country, 12 years. [*Desk thumping*]

Our number one interest now outside of what we are doing within our border is to try and tap into whatever is outside our border. That is why we have signed an agreement with Grenada.

Hon. Member: With Guyana first.

Hon. Dr. K. Rowley: That is why we have set up—Guyana has no gas. Madam Speaker, we have an agreement with Grenada so whatever gas they find there we

are making arrangements for that gas to come to market in Trinidad. [*Desk thumping*] We are doing the same thing with Barbados because we share territory out there, and what we are doing is trying to secure a supply to maintain ourselves in the business, and of course Venezuela is to the south of us, to the east of us, to the west of us and of course there are proven fields in Venezuela, cross-border. What has happened so far, Madam Speaker, is that we have spent 17 years—we spent 17 years trying to get unitization agreement to develop the Loran-Manatee field; seventeen years, meaning Venezuela and Trinidad and Tobago will develop this field. Diplomatically they never understood that Venezuela “ain’t agreeing to nuttin like dat” because the general sentiment has been—up until the Dragon deal. The general sentiment has been in Venezuela, in PDVSA, in the Government of Venezuela, that they do not want their gas coming to Trinidad, they want it going to Venezuela. And that gas will never get to Venezuela because there is no market for it so there is no interest in developing it.

There is so much gas in western Venezuela, that eastern Venezuela gas would never come to market in our lifetime. It happened to us here in Trinidad too, you know, when we had gas on the north coast before the Patrick Manning Government came up with the concept of LNG and BG agreed to go along with the idea. We had no market for gas in the north coast, that was stranded there, you know, Deminex, AGIP, those gas fields were up there. We know the gas is there, carrying it where? You tied ourselves for 17 years to unitization, you know what we have done? We have moved to cancel unitization and we have moved to get agreement to accept on our side the Manatee gas in the Loran-Manatee field. [*Desk thumping*] And we have negotiated—that gas is under Shell as the operator—to get Shell to work along that line, we have 27 per cent Manatee, the rest is Venezuela. So we will extract ours on our side and you extract yours on

your side, however that could be done geologically. That is what we have done, and to do that we had to stop the 17-year molasses of unitization. And now I keep hearing about—*[Interruption]* Why will I waste time with him?

Madam Speaker, anyway, it is easy to get up and criticize, criticize, criticize, especially when you do not know what you are talking about because you could say anything. What I have just spoken about is about the lifeblood of this country. *[Desk thumping]* We looked at contracts and said some of these contracts are unfair and we talked to the oil companies in that way, and as a result of those conversations we got agreement. There was no clause in a contract that we could enforce in a court of law, it had to be persuasion that if we are partners in this business you cannot treat your partner so. We are partners in the business, mutual respect, benefit for your shareholders, benefit for my shareholder. As a result of that approach to it we have brought back \$2 billion in cash and approximately \$1 billion per year going forward in the new arrangement. *[Desk thumping]* And instead of you supporting that as success for the Government and people of Trinidad and Tobago, every time you open your mouth, is to “bad talk” the plan, denigrate the officers who do it and try to create doom and gloom in a situation where our position has improved. We have improved our position simply by acting through mutual respect.

You heard about Ruby, the oil field that is going to bring 13,000 barrels of oil that we are looking at? You know why that happened? BHP was pulling out of around the world and going back to their core business leaving those kinds of little things outside there. I led a team to Melbourne to the place where the decision is made, to talk directly to the people who make the decision, and I tell you I am this country's number one salesman, *[Desk thumping]* I made a pledge telling them stay in Trinidad and Tobago. We expect that they will stay here because it is worth

their while because we believe in our geological provenance that there is good business to be had. At the time they did not commit but they listened and later on we were quite happy to hear that they have sanctioned the Ruby field. What would 16,000 barrels of oil do for us in Trinidad and Tobago?—but that could easily have been left there because BHP was not interested in it because you are competing for the investment dollar. That is what you do. But I would tell you one thing, I would tell you one thing, the Government of Trinidad and Tobago is respected in the boardrooms of all those countries. [*Desk thumping*]

Maybe you can say that too, but, colleagues, I would urge you all, let us divide along political lines, yes, you yellow, we red, and let us argue on different sides of the Parliament, but let us understand that in matters of this nature we are all in this together, [*Desk thumping*] and there is no requirement for us to have a different position on these matters, these cross and across border matters. Your absence of support for our effort with the Dragon deal, I would not say it is treasonous, I would just say it is disappointing. Your lack of support for our foreign policy with respect to how we relate to Venezuela and our future as Venezuela's neighbour is more than disappointing.

Mr. Hinds: Sandals.

Hon. Dr. K. Rowley: Well, as for Sandals, I mean, they take credit for that. They take credit for having shut down the Sandals project because the Sandals family just got fed up and said, “Well, look, if we have not reached there yet and that is what we are going to face, we could do without that”. That is what it is, Sandals is a family, and they said, “But why do we have to put ourselves in this situation”. We had not even reached the stage of negotiating any term with Sandals and you all were talking about this term was given and that term was given and that was wrong; the bottom line, they just got fed up and they left.

Today, Sandals exists in Turks and Caicos, in Jamaica, in Antigua, in Grenada, in Barbados, not in Tobago because we have created an environment that was so toxic that the family said, “We doh want nuttin to do with allyuh”. Take credit if you wish but the bottom line is, until we as a people begin to behave differently we will not be at our strongest, [*Desk thumping*] we would not be. And I say no more on that, Madam Speaker. [*Desk thumping*]

Madam Speaker: Member for Oropouche East.

Dr. Roodal Moonilal (*Oropouche East*): Thank you, Madam Speaker. Madam Speaker, thank you for the opportunity to respond on these matters before us today. Madam Speaker, having heard the last speaker and the Prime Minister, I sat here somewhat in awe, listening not only to the words of the last speaker but the tone, the clear frustration, the clear level of desperation with a tinge of acrimony and with a mouthful of spite against those of us on this side. [*Desk thumping*] Madam Speaker, the frustration is easy, it has been a difficult week for the Prime Minister and his frustration is not only by persons on this side but caused, I believe, by some on the other side, and today the Prime Minister came and began, I thought, in a sound manner attempting to address one issue raised by our colleague on the Unipet matter but then attempted to lecture some of us with four and five university degrees, with education all over the world, and tell us not to be—what?—colonial and not to have a colonial mindset, and I decided that I should really intervene at that time because I take personal umbrage and I take umbrage as a Member of this team opposite that we have to get a lecture from Diego Martin West, [*Desk thumping*] that we—what?—that we are weak and we bend to the colonial master and come out of that mindset.

Madam Speaker, I just cannot find words to express my feeling of true anger that I will sit here to hear that from a leader of a government. And I will deal with

the last matter first. I challenge the Prime Minister and anyone on that side to tell us what measure ever came to this Parliament on Dragon field? [*Desk thumping*] What Bill? What Motion? What Ministry of Finance order, ministerial order came for positive affirmation or what did they ever table that required the Opposition to intervene by trying to negative and we did not act in the interest of Trinidad and Tobago? [*Desk thumping*] The Prime Minister speaks as if this Opposition—at some time I was asking my colleague from Couva South—I travel a bit—if some Members here packed themselves on a plane and went to Venezuela to undo the good work of the Prime Minister and the Member for Port of Spain North/St. Ann's West, and I did not know that they were doing that. Madam Speaker, the role of the Opposition in that Dragon field matter was to raise questions [*Desk thumping*] on the basis of transparency, accountability and responsibility, and the Member knows it because he did it when he was here. [*Desk thumping*]

The Minister of Finance who will reply later, when we were entering into a negotiation to construct a hospital in Penal with a company in Canada, he stood on this side, if I am not mistaken, that seat of Caroni Central and came with a big long Motion and had me here three o'clock in the morning to explain about a contract for the Penal hospital from a contractor, SNC-Lavalin, that was named in international scandal, and so on. Did I ever accuse Diego Martin North/East, "You are unpatriotic, you do not like your country, you do not want people in Penal to get an injection or a tablet"? Did we take that position, no. We said, "What are you talking about, let us hear", you know what, he was repeating something he heard elsewhere but we thought he made enough sense and we took steps at the Ministry of Housing, we cancelled all projects with that company. [*Desk thumping*] We cancelled everything. The Member for Diego Martin North/East, at that time I did not think he was unpatriotic to raise that matter, I thought he was

acting pursuant to his Oath, and he raised a matter. He had his international database, and so on, as he is wont to do. He is always well researched but at most times wrong.

So, Madam Speaker, the Opposition in this country, I want to put on record because the Prime Minister just spoke on the *Hansard*, at no time did we ever object to a Bill, a Motion or any ministerial order dealing with that Dragon field deal. [*Desk thumping*] In fact, far from it, we warned the Government that they were getting into a situation where that country was politically volatile and therefore you cannot go about making contracts in that domestic and internationally, politically volatile situation. The politics trumped that business deal and it is not just the Leader of the Opposition, I think 70 countries in the world pursuant to the Constitution of Venezuela recognized Mr. Guaidó, not just the leader here. [*Desk thumping*] They have a constitutional make-up that is not Westminster, people do not know that. They have a constitutional make-up that is not ours. They have no Governor General there. There have no Prime Minister and because of their history they have constitutional amendments that provide for if an election is deemed by an independent body to be illegal, what happens next. They actually have that.

So when you recognize Mr. Guaidó, you are not malicious, breaking the law; you cannot take “we” to court, that is pursuant to certain protocols and constitutional practice and principles in Venezuela, and today to hear the Prime Minister accusing us that we stood all the time “bad talking” Dragon field and “bad talking” that deal and how important that was. Madam Speaker, I sat five years in the Cabinet, NGC was always about that Manatee field, Loran-Manatee field, working on negotiations with Venezuela to optimize the interest of the people of Trinidad and Tobago. I am aware of that. At no time did this Government ever

come with a Bill, a Motion or any other parliamentary paper and we did not support Dragon field; we raised questions. The Minister chose to answer some, he did not answer some.

On Sandals the Member for Couva North in particular must have asked 100 questions on Sandals, finally young Stuart in Barbados answered the question that we could not get in Parliament in Trinidad and gave us something. Madam Speaker, at no time did we object. In fact, we said, we are on record as saying that we believe the future of Tobago is related to these all-inclusive facilities, and not only one, they probably need about five, but if you do it properly we are with you. [*Desk thumping*] If you do it on the basis of secrecy, and you know it all—you know, if someone landed from Mars in the last hour and heard the Member for Diego Martin West, you would think this fella is some intellectual genius on the energy sector, where a former oil worker selling pineapple by Palmiste Park, where a former oil worker just got charged for selling corn outside the Debe market. That is the reality, and the Prime Minister speaks with all this great knowledge of the energy sector.

And I come to the next point now which he led off with, the Unipet issue, we know it is a private company. I mean, you have to be permanently out of Trinidad not to know Unipet is a private company. We know they have a problem with the distribution now and Paria, I believe, but the Prime Minister and his Government takes this position across the board; not only there, they took it with ArcelorMittal. They took it with the big company that retrenched a few months ago before Yara. There was another company and Minister Franklin Khan took that position, these are private companies and that is private commercial business. But early in their term they gave \$30 million to bail out a private toilet paper maker. Am I correct?

Hon. Members: Yes.

Mr. Indarsingh: Grand Bay Paper.

Dr. R. Moonilal: They were bailing out Grand—what?

Mr. Indarsingh: Grand Bay.

Dr. R. Moonilal: Grand Bay and they said they were giving money because they want to save the jobs of the people so they were making a loan facility of some sort available. [*Crosstalk*] Madam Speaker, did we come and protest, we move any motion to annul that decision? No. But having done that the Government has a role to play even in the private sector [*Desk thumping*] where jobs are at stake, and to wash your hands as they do, which is their policy, and say, “That is private people business, negotiating with NGC”. No, it is the business of the citizens of Trinidad and Tobago who will lose their jobs, [*Desk thumping*] who will lose their incomes, whose children will not go to school. That is our business.

Now, another government in place—Madam Speaker, we would have smelled that problem a month before and said, “Listen, this thing is going to happen, find a small team”. The Member for Siparia would do that. She would say, “Get a small team, Minister of Energy, Minister of Planning, Minister of something related to that, and get a solution, work to get a solution”. Now, it is very fundamental, listen to the contradiction. The Prime Minister is happy that he journeyed to Houston with the Member for Port of Spain North/St. Ann’s West because there was a critical matter involving gas pricing. I remember the newspaper reports coming out at that time suggesting that this team was going to save us there because they were going to end that impasse and settle on the price, and that is the major thing they are doing there. So they knew of the Government’s role in doing that but the Government has no role in saving the jobs of hundreds of workers in Trinidad and Tobago in private companies. [*Desk thumping*] “Dey say

Yara 50 years old so dey old and some, dey could go through.” That is what they say.

In the case, Madam Speaker, that the Prime Minister is raising there, you do not have to wait to go to court with Unipet and Paria, Paria is the Government. There is a board of directors, unless I am not mistaken, that have Government Members appointed by the Cabinet, and I think there is a new man on the job there as well. And, Madam Speaker—[*Interruption*] I will come to you now, let me just finish. And, Madam Speaker, the job of Mr. Newman and others would be to intervene early o'clock, alert their Minister that we have a problem; this thing is going to happen and let us prevent this crisis from happening, and the Government through an interministerial team, work with the board of Paria and try to solve that matter before you go to a courthouse, and before, more than that, the people, the citizens suffer, the consumers suffer. [*Desk thumping*]

Mr. Al-Rawi: Thank you for giving way. Just to inform, I was not aware, it just happened after I spoke, an injunction has been filed by Unipet in this very matter, and even though I did address it and the Member is quite properly addressing a response to me, I acknowledge the propriety but it is now sub judice, and I have just learned that. I apologize, and thank you for giving way.

Dr. R. Moonilal: Thank you very much. Madam Speaker, I will move away from that, I think I made the point, pre-injunction, but I will move away from that. So the Unipet thing, let us do away with that.

The other matter of these gas prices and contracts, and so on, for four-and-a-half years we have been hearing this, and as I said the Prime Minister is ending the most frustrating week in his Government. On Monday night when I looked at a map they were showing on TV, I saw two, three red dots at the side, Madam Speaker, I thought it was crime hot spots. And it was interesting to move

from one point of red to the other, you have to go through yellow. The next step for them is in the Gulf of Paria [*Desk thumping*] as you push, push, push, push, push. The next step is the Gulf of Paria. So one has to understand the frustration of the Prime Minister who believes that I am doing so good, everything is working out, you know, performance is good, look how much we have done, and to see his red being pushed in the Gulf of Paria. It is a frustrating sight, I agree, but, Madam Speaker, that is the reality of politics, and for four years we are hearing that the former government did not negotiate this or that.

Madam Speaker, I am informed that of these contracts they are talking about, the contracts would end in 2018/2019. We demitted office in 2015, September. Madam Speaker, our position then was a simple position, of course we always hope to win, every government, this Government too, notwithstanding the tragedy for them on Monday the 2nd of December, they hoped to win, nothing is wrong with that. Our position was that we will allow the next government, which we thought was our government, but we would have had personal change, and so on, all governments do. We would say, “By October, November, December of that year allow the new Minister, the new government, the new board to get into their negotiations and develop” because we still had a two-year, two-and-a-half year lead for some of those contracts. Because you could not be starting negotiations with one Minister, one board, one this, one that; government changes, you know what the new board says, “That is bobol”. “Look at bobol going on with that contract negotiations, this one was not qualified, this one did not do this, this did not do that.” A new Minister would come and say, “Listen, I do not like the approach to that, let us start over”.

So, Madam Speaker, it was prudent—[*Interruption*] With the Mitsubishi plant. Madam Speaker, it was prudent for us to take a position that since these

contracts were going to end in '18/'19, and so on, let the new administration and new personnel begin immediately after the general election. [*Desk thumping*] But up to now when they face a general election in a few months, we are hearing about that. Madam Speaker, the people of this country “eh” taking that now. [*Desk thumping*] I mean, if you really wanted the litmus test of what people think, you got it on Monday, [*Desk thumping*] and they are not studying who did not negotiate the gas price then, they are studying, “what is happening to me today”. If they could get gas. If they can get water. So, in the energy sector, Madam Speaker, to hear the Prime Minister of this country who sat in a Cabinet before for many years before he was fired, he was in the Manning Cabinet when everything went down with the Malcolm Jones fiasco, everything. [*Desk thumping*] It was in the Cabinet with one or two others. I think Laventille West was fired earlier but he was around the compound at the time. And, Madam Speaker, today the Prime Minister lecturing us that Petrotrin had a debt and we knew it and we did nothing, and so on, “Where de debt come from”? Cuchawan Trace? “Where it come from?” It came from the years of the Malcolm Jones, Ken Julien, [*Desk thumping*] and, yes, Lenny Saith era, World GTL.

When the Prime Minister hit this line of those of us on this side come out of your colonial shackles and thing, I just went and quickly researched. Madam Speaker, there was a gentleman whose name I will never forget so long as I live and even after, his name is David Loring, he was the CEO of World GTL. And David Loring in an email, which we have but I will tell you because “ah doh” want to find and read now. One day they were asking Petrotrin to pay about \$500 million more on something or to advance \$500 million. Hear it, eh, \$500 million, and David Loring wrote Malcolm Jones an email and he said, “Ah want to tell you, you are holding back, my wife has more courage than you, she can spend money”.

Well, Malcolm Jones proved him wrong, the next day Petrotrin “leggo” \$500 million, “buh we colonial”. David Loring writing Trinidad and Tobago, Malcolm Jones, and saying, “My wife have more courage than you, you all are weak, weak”. We promised to bring technology, we promised to bring plant, we promised to bring investment and then, Madam Speaker, Petrotrin, under the Malcolm Jones, they made loan arrangements, and they are pretty words in banking but the effect of is, “If you default, we pay”. That is the effect of it.

There are prettier words in banking to tell you about that, but it means that if they guarantee a loan where if Petrotrin defaults, Petrotrin pays, but, you know, if David Loring defaults, as they did, Petrotrin and the taxpayer pay. And they calling us—What?—weak, and we must come out of colonial— [*Desk thumping*] When David Loring in the United States of America, wherever he is now knows about \$16 billion from Petrotrin that led us to this crisis. Madam Speaker, a lot will be said and maybe a lot of books will be written about Petrotrin in the years, and so on, ahead. A lot will be said about Petrotrin because, you see, Madam Speaker, we have a lot of data on this Petrotrin matter and eventually people will write, it will be the subject of some type of social commentary, academic interest as well. But, Madam Speaker, look at this, in a note:

Petrotrin, Petroleum Company of Trinidad and Tobago

Internal Release

Audited Results for Fiscal Year 2017.

Madam Speaker, it is called “Financial Accounting” and it is dated March 05, 2018. I have it here. And the Prime Minister knows it too. I am sure he would have seen it somewhere, Audited Results for Fiscal 2017. For the fiscal year 2017, the company’s earnings before interest, taxes, depreciation, et cetera, and cash from operating amounted to TT \$1.3 billion and positive cash inflows of \$2.5

billion, respectively. I am not quoting from the administration of the Partnership, this is under their administration.

Petrotrin in March 2018 is declaring that the year before they earned \$2.5 billion in positive cash inflow. Madam Speaker, the refinery had an investment between the Manning administration and the Persad-Bissessar administration, took an investment of US \$1.6 billion. Why did Mr. Manning and later our government invest so massively in the refinery? For somebody else to come and sell it? That is what we did that for? No. Because all the technical reports, and so on, suggested that that could make a profit, and it was making the profit. The statements on the refinery alone if you move away exploration, and so on.

6.50 p.m.

Madam Speaker, they will get their figures, we will get our figures, but you know one figure they cannot get, is if you ask them to produce any report by the independent consultants that recommend the closure of the refinery. That is one report they cannot bring. [*Desk thumping*] You know who is the independent reporter? The independent, technical, professional report to close the refinery came from the Cabinet of Trinidad and Tobago. We paid \$63 million in consultancy on Petrotrin. They cannot produce one report that suggested closure of the refinery.

And today the Prime Minister lectures us, “You all know the debt”. We did not know how the debt come there— “And what would you have done?” But Heritage just took out a loan of US \$720 million to buffer, to renegotiate. What did they do? But how come you could not do that with Petrotrin? Split up the areas into divisions, clear them of debt and then go for the same loan arrangements to deal with your debt. We had the plan. But no, they decided to close down everything. Listen “nuh”— and “mash up”. You know another statement, there was a famous PNM Minister who said in the 80s or something, “All ah we something”. I did not want to use the word here, but Desmond Carty was made

famous.

Their former chairman of that entity there, when he said one night: “Everybody gone, doh call me, doh ask me, all gone, all gone. Doh wake meh up 10 o’clock in the night to ask me if you staying, everybody gone.” That would summarize their term of office. [*Desk thumping*]

And today, if the people in the southern belt and all over this country move the way they moved on Monday— and what has happened, that major shock they got—you know, they suffered a lot of shocks on that day. That shock in San Fernando is a result of that closure of Petrotrin, and they will not understand it, because they still believe that they did the right thing.

You see, the Prime Minister is the leader of the Government. It is very important to hear Prime Ministers speak because they tell you by talking and sometimes by extempo, you know, they can extempo policy, a Prime Minister. And the Member for Diego Martin West extempo policy. He looks at these state enterprises that— the Member claims losing money, and looks at the money part, the cash, how much money the taxpayer spending, how much money the taxpayers losing, what is the balance sheet like? But the balance sheet, when you are in government, has to do with how many people employed, how much business is created, what is the economic activity you generate, what is the precious foreign exchange you are earning. That is how you make a balance sheet in government. It is not just the issue of the M-O-N-E-Y, it is the issue of the people. [*Desk thumping*] And to hear the Prime Minister speak in this way, you know that— but at no time did the Prime Minister today tell the 5,000 plus people, “Look, I am sorry.” And making fun of Tabaquite by saying Tabaquite has alternative plans for toolum and so on.

Madam Speaker, when they retrenched the workers in Petrotrin they said,

“Doh worry, we are going with the waterfront development in San Fernando. You could go down on the waterfront and sell nuts. You could go down on the waterfront and sell Chubby.” That is what the Prime Minister said. He said that would “sap up” labour and employment. On Marabella line on Monday, that was the shock of their life—on the Marabella line. [*Desk thumping*] They won a PD that the PNM would normally get 400 votes and the UNC 10. They won that by three votes on Monday.

In La Romain they called for a recount out of shock. It could not be by the results, but that is the result of this type of policy that you just extempo along as you go along, and promise people the moon and the stars. I said it before, I sometimes feel sorry for the Member for San Fernando West in the position he is in, because he so happy. He beats his chest and talks about the waterfront project. Madam Speaker, when you go down there you see two stray dogs and a crapaud. They put up one big sign. Somebody make a lil change from the sign; it is a nice big sign, I saw it. That is all it has. It is the same fisherman, the same fishing boat, the same Milo and buljol that you get down there that you used to get 25 years ago. Nothing has changed. And I want to tell colleagues that nothing will change. In eight months there is nothing you could build. What you think in eight months you would go down there and find it there like the north coast in Scandinavia? In eight months we will go down there and find something? No, no, no. You might multiply the stray dogs, but there will be nothing.

The Prime Minister speaks today with this passion that he is on the right track, and those of us on this side are on the wrong track, because we did not support Dragon deal. And they have the national interest at stake, and always want to say, “I was not elected to be re-elected.” You were elected to develop the prosperity of Trinidad and Tobago. Did you do it, yes or no? [*Desk thumping*]

Madam Speaker, I want to pick up on some of these things. Accuse the Opposition, “We do not understand the future of Trinidad and Tobago.” What is the future of Trinidad and Tobago, sending everybody home? If that is it, we do not. What is the future of Trinidad and Tobago, shutting down businesses? Well then we do not understand that neither.

Mr. Indarsingh: Confusion to get gas.

Dr. R. Moonilal: Taxes, confusion to get gas? In a few weeks’ time, depending on what happens in a few hours, the Minister may be with a bull horn by the bank calling for order. So the Prime Minister tells us we do not know what is going to happen. [*Laughter*] Yes, with a bull horn by the bank. Madam Speaker, we do not understand the future. [*Crosstalk*] Yeah, you know.

You know, the Minister is a—“Look, leh me leave he yes”. We making up “story” because we do not have any plans and policy. We outlined a national economic transformation plan, about 45 pages of plan. [*Desk thumping*]

Hon. Member: He was not here. He was not here.

Dr. R. Moonilal: He was not here. The creative sector, Member for Tabaquite spoke about it. The sector in health. We worked to put the infrastructure in place for health tourism, for education tourism. We worked to put in for sports, because we knew from the beginning that it is so hard at this stage of the game to compete and beat the other islands in the Caribbean. They have really advanced 30 years in front of us in terms of what is called “traditional tourism”. So we said we would not try that; we do not have money to do that. You have to have money to invest in tourism. The Member for San Fernando East will know that.

So what we said is that, “Listen, in health, education we have a comparative advantage. We have the human resource capacity. We could put the infrastructure in place, and let us start earning US dollars, foreign exchange by health, education

and other sectors that we can earn foreign exchange and buffer across from the energy sector.” And then came the PNM and it fell. I do not know, it would take a lot of effort on our part to put Humpty Dumpty back together again. It will take a lot of effort when we get back there, because they are saying to start back the refinery is about TT \$2 billion? About TT \$2 billion to start back after they “mothballing”. So that is the price of mothballing that the taxpayer would find. I do not know where it would come from, but they will have to find that.

So, Madam Speaker, we had this vision that they came—you know what is interesting? Several of their Ministers are now happily “rockin back in nice, soft chair”, enjoying buildings put up by Chaguanas East in the main road there. “Rock back” and enjoying the facility, we built that. They quarrel, the license office in Frederick Settlement, we built that for them. They quarrel, the San Fernando Teaching Hospital, we built that for them. Most of my colleagues opposite “rock back” on the towers and tell me about this great view of the Gulf of Paria from the Government Campus, we outfitted that for you. UWI South Campus in Debe, well “we waiting”. The Aviation Centre, the Couva children’s hospital—listen, when you talk about money, we could tell you where it went. [*Desk thumping*] Can you tell us where \$265 billion went? Can you? And to hear Members opposite talking about people have what? Plastic bags “bury” behind your house or wherever and how much money could fit in a Carib box and “ting”. Madam Speaker, when you reach to that point, your next step is in the Gulf of Paria. That is the next step. [*Desk thumping*]

Because I will tell you something, after four and half years you all have information, you have intelligence, you know everything about what went wrong and who corrupt and so on, go to the authorities and tell the authorities, go and look for plastic bags, go. If they want, I am prepared to bring from my constituents

six “shovel” and give them. “I give you six shovels.” [*Laughter*]

Ms. Ramdial: “Ah backhoe.”

Dr. R. Moonilal:—but nothing else. You know, Madam Speaker, I give them six “shovel” and say go and find it. But they cannot, because what happened from day one they took rum shop politics and made policy, [*Desk thumping*] and propaganda. Today the population has seen through. They were exposed brutally on Monday, December 2nd. [*Desk thumping*] They were exposed brutally, Madam Speaker.

Some of them did not know if they going or if they coming. By this time next year I will miss several of my colleagues opposite. I wish them all the best. Half of them are unemployable and the next half untrainable, so I wish them well.

Mr. Ramadhar: Fazal would help.

Dr. R. Moonilal: Madam Speaker, a point I just wanted to raise—the Member for Caroni East is a very decent man.

Hon. Members: Chaguanas East.

Madam Speaker: Your original speaking time is now spent. Okay. Please proceed.

Dr. R. Moonilal: Thank you very much, Madam Speaker. Chaguanas East is a kind man and we would have to work on that and “de-kind” him.

The Prime Minister alerted us in his contribution. He said, “Do you know how much it cost to drill a dry hole, if you have to do that by yourself?” You see, there is this ongoing narrative, ongoing war of words between Government speakers, Members of the Opposition, former Energy Minister, Kevin Ramnarine and others over incentivization strategy. That is what they are arguing about all the time. The Government Members say, “No, you are selling out to the colonials,” notwithstanding \$16 billion went from Petrotrin. You are selling out to the

colonials. We want to be tough. We want to go in the boardroom and tell them, “Listen, none of that. We want the profit.” That leads to this attitude that they have: Take your plant and go. They did take their plant and go; lost jobs in La Brea, lost economic activity in La Brea. They went to Mexico to construct offshore platforms while it could have been done here. Take your plant and go.

So the incentive strategy is where we differ. On this side we believe, listen, we know what it costs to drill your own dry hole, and the Prime Minister knows about that too. But the taxpayer cannot get that kind of money for that investment, you have to make an incentive. When they come and they dig the dry hole and many like that of course, and they find their oil, yes, they will benefit. It is incentive, they will get back their capital outflow, and eventually, after a period of time, we can argue whether it is three years, five years, the Trinidad and Tobago country, the taxpayers will get a return on that investment. Otherwise what do you do? Close down CEPEP and URP and take piece of the money and say, “We going to dig dry hole?” And when you find dry hole it has nothing in it, and you close down CEPEP and URP and UTT?

Madam Speaker, no, no, no, there is a strategy of dealing with incentives. You know, the Prime Minister betrays an attitude that I pointed out before I pointed out to him, I do not think he wants to see anybody make a profit, [*Laughter*] except somebody. No, you cannot lead a country when you are watching everybody profit line and saying, “Aha, I have to deal with you in London. I have to deal with you in Houston. “He busy” looking at everybody in Houston and London and forget the people in La Brea, Point Fortin, San Fernando. [*Desk thumping*] I want to tell Mr. Prime Minister the shareholders of bp will not vote for him. “Dey eh voting for him.” It is the electorate of Trinidad and Tobago, and the people here must be served. [*Desk thumping*]

The former Government went into negotiation with our eyes wide open. We knew if we did not present incentives, we would not get the long-term return for the country, which they are receiving now in a classic case, which they are receiving. So today they cannot find money to undertake drilling themselves, but they say the UNC Partnership Government “we sell out”, when we negotiated for the oil company and the energy giants to come on to Trinidad and Tobago and conduct exploration onshore and offshore. But that is the sacrifice you make. What did you gain for all that negotiation of prices? The closure of half of Point Lisas? That is the gain? This is a—I hate to say it—Third World mimic men type of syndrome, that we are in. Naipaul describes this.

You sit in Trinidad and Tobago with a three-piece suit, a nice fluorescent tie and a towel in your front pocket and you say, “yuh big in de world, yuh big in de world”.

Mr. Charles: “Zessing.”

Dr. R. Moonilal: Yeah. You have a piece of dirt in the Caribbean, you sit in the United Nations and you say, “yuh big”. When it comes to serving the people, employment, job creation, economic activity, business expansion, you have nothing, health. You have nothing to show of significance, but you beat your chest in New York and “make” bold speech, “We stood up to this and stood up to that”. That is the crisis we face; it is a leadership. I mean, the Prime Minister is right, he is the best salesman, he “sell out” everything. [*Laughter*]. He is the best salesman the country has ever seen, he “sell out” everything, because it has nothing left. Madam Speaker, when they take out lights and leave, “de” room empty. In a few months when they leave the Government, when we put on the lights, I do not know what we will see over there. Everything has just— every sector.

So, Madam Speaker, I just wanted to reflect on that. “Colonial-minded

Opposition”, that is what the Prime Minister was saying, those words exactly.

In closing, we are not troubled by this Bill. It is pursuant to the Appropriation Act. We are not troubled at all. I was sent some material as well on the solar matter. The Minister did make the point, which I think if anybody who goes to Barbados knows, Barbados invested in this policy for decades, not today, and they are moving forward with that, solar energy. But we have to also ask a question: Several governments over the years, both the Partnership, Mr. Manning’s administrations over a period of time, have given incentives to solar heater and solar-powered goods and so on, CNG and “ting”. There is an issue that we have to raise, and it is a policy issue. Do we have reports on what has happened with those policies? Has it benefited the problem that you are trying to solve? If it is the carbon footprint problem, is it the dependency on fossil fuel? What has been the return of the policy? These policies are not new.

The Minister comes here, and yes, he will throw a few dollars more here, a few dollars more there. As the Minister himself said, we are moving up from 2,000 to 10,000 with solar heaters. Tell us, let us say, in the last 10 years what has been the returns from that? Tell us that out of 500,000 households, we now have 75,000 households being powered by alternative power. We now have water heaters in 300,000 households. Tell us the effect of a policy rather than just throw the money, throw the incentives towards what is called the tax credit, you know, linking tax credit to a positive action, which is what they do with this solar business.

We still have, Madam Speaker, potential. We had identified in Mayaro, in that constituency of Mayaro on that coast, the potential for wind energy. There was at some time a talk in the HDC at the level of the board and so on, about an HDC site on the east coast that could be a pilot that could use wind energy for the

entire housing estate. That is something we could talk about. The future in that area is extremely dynamic. Deceased Prof. Julian Kenny, former Chairman of the EMA, also spoke about going underground in the sea and generating power, geothermal power from the ocean to create electricity. When he was saying that 20 years ago, I think some people laughed. Today, that is a reality that you can look at. So the alternative energy options are many. Solar is only one, because I think you could see it on the roof, but there are many other options that are available.

The former government knew that. One day there was a national blackout in this country, complete national blackout. You may have it on Sunday if I read the T&TEC advisory. You know the only thing that would be lit in Trinidad is the surveillance bays on the highways, built by the Partnership administration. [*Desk thumping*] That is the only thing. It was a \$10 million project to light solar bays for security and crime, and it was I think the brainchild of former commissioner Dwayne Gibbs—

Mr. Indarsingh: They move it. It move out.

Dr. R. Moonilal: But you cannot expect it to work six years and you are not maintaining, you are not doing any maintenance, changing, doing nothing. They dismantled it. “Dey must be gone in de night and take dat too.”

We were looking at solar lighting for example in public institutions, in parks, in schools, HDC housing, police stations. All these types of institutions of the State, you can put solar lighting there and reduce your energy costs and energy dependence. Start first with the State because there is an investment outlay that you have to make, and the private sector will not.

Mr. Ramadhar: Set the example.

Dr. R. Moonilal: Madam Speaker, we were close to bringing the recycling Beverage Containers Bill that would create more jobs, because the alternative

energy sector is a job creating sector. One of the few job creating sectors alive is alternative energy, and if you can tap that to create your jobs, create your economic activity, you will do well. But I do not want to sell out on more of any manifesto matters to the colleagues opposite. Notwithstanding they will do nothing but, Madam Speaker, we are not interested in giving any more ideas because they have run out of time.

The Member for Tabaquite again—make fun out of the Member for Tabaquite's notion on culture, calling it toolum, on culture and creative sector and so on, and capacity to attract foreign exchange. Everything now is foreign exchange attraction. That is everything that we do now, and that sector has the greatest potential outside of energy, because of the nature of Trinidadian and Tobagonian society driven by entertainment, driven by all that goes with entertainment: dancing, singing and the other areas.

Mr. Karim: Indigenous industry.

Dr. R. Moonilal: That is an indigenous sector that can attract tourism as well, and it is not just the Carnival. You see, there is this monolithic obedience to the Carnival season, but it involves as well the Divali celebrations, the period around Eid, the period around anywhere that people travel and come with foreign exchange for a celebration of some kind. That is what it involves. The festival-type tourism, so you attract people to come down here. So, Madam Speaker, if you really spell out a policy with that type of tourism specific: education, health, sports. I am happy to know that they have now a football centre and so on established in central that ties in the stadia project that we built. [*Desk thumping*] Because, I mean, the house of football went next to football stadium. It is a UNC Government that built the football stadium, so they put a house of football next to it, and sustainable. Our vision was to have teams: Manchester United, Liverpool,

Tottenham and so on, coming in the off season for training, bringing the pounds, bringing the US dollars to use for that, and that is again—

Madam Speaker, there was a swimming meet in this country a year or two ago. I was in Port of Spain on a Friday, and I was told that there was not one single hotel room available in Port of Spain. I asked why, this was not Carnival, and they said there was an international Caribbean/Latin American meet in Couva. Everybody kept it a secret, a swim meet, but every single hotel room was full. Taxi drivers working, caterers working overtime—

Mr. Charles: Do not give them ideas.

Dr. R. Moonilal:—providers of fruits, all their supplies went. Providers of all the services around the hotel all captured in Port of Spain. You know what was interesting, Madam Speaker? Hairdressers were reporting that the hotel contracts them when they have these international things apparently, because people come and— I mean, I do not know too much about it myself, but people have to fix up their hair, San Fernando East.

Hon. Member: Arouca/Maloney.

Dr. R. Moonilal: No, no, no, do not do that. They have to fix themselves up for all these businesses. And the community of people who were doing hairdressing and make-up and all these types of things were reporting that they got enormous work in Port of Spain. All the hotels contracted them for a day or two, and some I believe, I do not want to say, because I do not know the legality of it, were earning US dollars for their service.

So that, Madam Speaker, is the vision that we share because this is a small island. It is a small island, so you can afford to look at 10 different sectors, develop it and you would help the whole. But what do you do? You close down, you shut down, you take a bully approach. We cannot help anybody, that is the

private sector, “doh help dem, dat is their business”. So Unipet gone, Yara gone, ArcelorMittal gone, Unilever next on the block. I think they came under the Partnership administration. Did they not make a massive investment under our administration? It took them four years, they discovered what was happening, “dey gone”. The Government approach will be, “That is a private sector, we cannot tell them what to do”. Everybody gone.

Madam Speaker, the workers at Unilever gone, Yara gone, Petrotrin gone, ArcelorMittal gone. The only employment unit has to go now is the Cabinet of Trinidad and Tobago. [*Desk thumping*] Thank you.

Dr. Fuad Khan (*Barataria/San Juan*): Madam Speaker, thank you for recognizing me. It has been a long day so far, but I am extremely glad to be just here to present just a small part of the Bill. Madam Speaker, all we have heard today is how to raise funds by incentives or by taxation, to some extent. I just want to point the Minister to section 3 of the Bill where it starts off by saying in section 10B(1)(b) you delete the words “the export of”, and in (b) part of it:

“...by deleting the words “where goods have been exported as a result of such expenditure” and substituting the words “where the service, goods or agricultural produce has, as a result of such expenditure, been exported —
(a) to a foreign market...”—et cetera, you would be given a tax allowance.

I just want to point the Minister to 10B in the parent Act, the Corporation Tax Act, which says:

“(1) In computing for the purposes of corporation tax the profits of a company for a year of income, there shall be allowed promotional expenses wholly and exclusively incurred in order to create or promote the expansion of foreign markets for the export of—

- (a) architectural engineering, design, quantity surveying or contracting services in connection with the building industry, where such services are performed by a person resident in Trinidad and Tobago for a recipient who is outside of Trinidad and Tobago...”

And it goes on to goods, et cetera, would be:

“...equivalent to one hundred and fifty per cent of the amount actually expended.”

It is specific in section 3 of that Act where it says:

“(3) A company may only qualify for an allowance under this section in respect of promotional expenses incurred to create or promote the expansion of foreign markets for the export of services referred to in subsection (1)(a)” —which points to the architectural engineering design and contracting services for only the building industry.

Now, it goes on in the Bill before us, section 3(b) it talks about services, et cetera, goods or agricultural produce as a result of such expenditure being imported. The reason I ask the Minister about the medical services, I will tell you why, Madam Speaker, because sometimes we have a vibrant medical industry in this country. I belong to it, I express my interest, and we do procedures in Trinidad and Tobago that are not found anywhere in the Caribbean itself, and sometimes in order to attract business, and if we want to attract business and promote, we have to send representatives to the different trade fairs in other countries to speak to doctors, to speak to companies, et cetera.

When you look in section 5 of the parent Act, that would be 10b(5), it says:

““promotional expenses’ means expenses incurred in respect of services referred to in subsection (1)(a)” —which is what I just spoke about, the engineering part of the building industry—“or goods and agricultural

produce manufactured or produced in Trinidad and Tobago in—

- (a) advertising in foreign markets;
- (b) providing promotional literature for overseas distribution;
- (c) the participation in trade fairs, trade missions and similar promotional activities;
- (d) overseas travel for the purposes of conducting promotional activities;
- (e) providing free samples and technical information on products;
- (f) inviting buyers to Trinidad and Tobago;
- (g) the recruitment of specialist sales personnel, operating in foreign markets, for a maximum of two years;
- (h) conducting foreign market surveys.”

What I am trying to say, we are giving incentives in this Bill, tax allowance incentives, for people who are exporting their services only to the building industry. Yet we are in what we call the “digital age”.

We are in an age, digital as well as medical advancements, et cetera, together with educational advancements, and in order to attract, one, medical services; two, educational offshore medical services or our services for educational things in Trinidad and Tobago, you have to promote. Now why is it only the building industry could benefit from these tax allowances, yet we have medical establishments in this country that do things that are not found elsewhere in the Caribbean?

I will say there is something that we do here, which I do and I say my interest, high intensity focal ultrasound. It is only found in Trinidad and Tobago. Nowhere else has it other than North America, and it is for prostate cancer. Two, we have a large—in fact, recently, we put down a PET/CT scanner. None else is found in the Caribbean, and they have to market up island through trade fairs, et cetera. The other thing too, we have a very strong radiotherapy centre in Trinidad and Tobago,

and it is not found anywhere else except in Jamaica. Jamaica does it but the other islands do not do it.

7.20 p.m.

We were going to do, Madam Speaker, the national oncology centre with the only cyclotron in the Caribbean which would produce radiopharmaceuticals; that has not come to pass. With all these things, Madam Speaker, I am asking the Minister of Finance to look at the Bill and instead of just subjecting it only to engineering and architectural services, if he could put general services that are of an export nature. [*Desk thumping*] In other words, so that will be able to bring in, Madam Speaker, foreign exchange, vital foreign exchange.

I go also, Madam Speaker, to the educational part of it. Tobago needs an offshore medical school to generate educational tourism. We are speaking about offshore medical schools for Couva hospital; these are things that are coming forward. We have a vibrant educational system, an educational sector, and also in order to produce university movements, Madam Speaker, we need to promote it. So those are services that will benefit and bring in foreign exchange, Madam Speaker, if it is not just confined to building and architectural services. I think when this was done in the early days, 2003, et cetera, the other industries were not as advanced in the building industry.

Also, Madam Speaker, we belong to the digital age. There are universities online that Trinidadians can promote their services together with app development, online services, consultancy services, there is even psychiatric services online, people could generate psychiatric and telemedicine services.

Madam Speaker, all these services are the services of the future. We are stuck right now in this Bill servicing the past. How many people really and truly give engineering services and design services up the islands or on foreign markets?

I would like to get an indication as to exactly how many of them are doing that.

So, I am appealing to the Minister, if we could see it, and he promised he will look at the drafter, if he could see it to give general services or find a way to drafting other services.

Madam Speaker, a lot has been said on this Bill, I just want to tell the Minister, he is the Minister of Finance, and clause 5, the second schedule of the Customs Act is amended to go from \$3,000 to \$5,000. It would have been I think a better thing to put a cap of US \$1,000 because that is what happens when you come in to the airport and you have goods. If it is less than US \$1,000, they do not call Trinidad dollars, you have to get an entry to be done for your goods. If it is less than, sorry, \$1,000 you do not have to get an entry, if it is more than US \$1,000 you have to get an entry. So they quote it in US dollars for entries and getting a broker, whereas we are talking about TT \$5,000. I think US \$1,000 maybe you should think about it.

Also, Mr. Minister, can you also look into the fact, when a flight lands, or two or three flights land in Trinidad and Tobago, you are going through the green line, every single person is checked, it makes no sense. If you go to North America, you go to England, you go to different places, where a lot more passengers go through, what they do with the advanced passenger information service, they know what is there, you fill out your form online or however you want to do it and you are randomly checked. In Trinidad and Tobago for some strange reason every single person is checked.

Now, January 1st, we are doing away with the immigration forms. I would like to recommend to the Minister of Finance, who is not listening, that we basically look [*Laughter*] at randomly checking the entry to customs in the airport and wherever else. In Mexico, Madam Speaker, you get a bell, you hit the bell, if

it rings you go to Customs, if not, you do not go.

Madam Speaker, I do not want to belabour the topic, I am not very good at fluffing, as they say, but I would just like to mention those two things because I think it is very important to put a different idea and a different spin to what we have in front of us. Thank you very much. [*Desk thumping*]

Madam Speaker: Minister of Finance. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, as much. Madam Speaker, as much as I would like to accommodate the Member for Barataria/San Juan, he has misunderstood the meaning, intent and effect of section 10B of the Act, of the Corporation Tax Act. This provision was enacted as far back as 1984 and was amended in 1994 and in 1989. And if you look at the marginal note, and if you look at the text of section 10B of the corporation tax itself, it is designed to promote expansion of the foreign markets, export of our services to foreign markets. It is not designed to encourage foreigners to come to Trinidad to purchase our services or to avail themselves of our services. That is another section of our tax laws. This is designed specifically and has been designed specifically for over 20 years and amended by successive governments, including the governments that were in power in '84, '89 and '94, dealing specifically with export of Trinidad and Tobago goods and services.

So the amendment before the House today in this Finance Bill deals only with allowing, and I will call it an improvement, to promote the allowance for promotional expenses for export to allow exporters of goods and services to Caricom, first-time exporters of goods and services to Caricom to avail themselves of this allowance for promotional expanses.

If you look at the structure of the Act itself, a sixth schedule was created specifically for export of goods and services, and in that sixth schedule there were

a number of countries that were identified as not qualifying or not being eligible for tax allowances for promotional expenses for exports and that was Caricom. That has a lot to do with the treaty of Caricom, it has a lot to do with complaints that perhaps we are giving our manufacturers and our service provider's undue advantage by giving them some sort of concession or subsidy to allow them to export into Caricom. This in itself may become contentious what we are doing here, and this is why we are limiting it to simply first-time exporters, and not treading into dangerous waters such as expansion of new products and expansion of new markets within Caricom, because that in itself could result in a complaint from a member country in Caricom and lead to a challenge in the Caribbean court with respect to unfair treatment of manufacturers in other countries as compared to manufacturers in Trinidad and Tobago.

So this, you have to be very, very, careful with sections like this and this Bill is only designed, the only intent of the amendment before the House is to allow our manufacturers and providers of goods and services and agricultural produce to export into Caricom for the first time. They cannot do it, they cannot continue to do it, they have to be first-time exporters. So it is something you have to be very careful about, and this section has nothing to do with encouraging persons to come here and utilize our goods and services. That is in other parts of the tax laws and, as I said, while I would like to accommodate you, I would certainly give it a lot of thought and see what can be done to encourage persons to come here and avail themselves of our services, because it will presumably earn some foreign exchange, it will stimulate economic activity and so on.

Madam Speaker, I just want to deal with some of the points raised by Members opposite that bear no relationship to reality. I have published this information before, but I would like to publish it, again. I will publish it in this

Parliament now.

Petrotrin before it was restructured and separated into different entities such as Trinidad Petroleum, Heritage Petroleum, Guaracara Refinery, old Petrotrin and so on, before that happened, what Petrotrin did, is it kept separate accounts for the refinery operations and separate accounts for its oil production operations. So they had an R&M division as they call it, refining and marketing, so this would be the division that dealt with conversion of oil into gasoline into diesel, et cetera, that is refining. And marketing which would be distributing of fuel to NP, Unipet and within the Caribbean, R&M. Okay? And the other division they had was E&P, exploration and production.

However, under our tax laws at this point in time, if you are an integrated oil company, you cannot separate activities, you cannot separate refining and marketing from exploration and production. You have to look at all of our expenses and your income in terms of declaring a loss or a profit. But like any corporation with separate economic activities, Petrotrin always kept separate accounts for exploration and production and for refining and marketing. So it could see where it was making money, and where it was losing money.

And contrary to the statements made by the absent Member for Oropouche East, and he has a habit of doing that when he knows what he saying is incorrect. When you look at the separate accounts for the refinery, Madam Speaker, I have published this already in the public domain, it has been published in the newspapers, it has been published in various statements and so on emanating from the Ministry of Finance. When you look at the separate accounts of the refinery on a stand-alone basis, in 2013 the refinery lost \$1 billion. In 2014, the refinery lost \$1.2 billion, Madam Speaker, and in 2015 the refinery lost \$1.25 billion and in 2016, the refinery lost \$4.8 billion. And that is not—

Dr. Gopeesingh: Would you give way?

Hon. C. Imbert: No. And that is not accidental, that is not—Madam Speaker, that is not accidental. What the previous Government was doing for many, many years is that, the losses in the refinery which were in the billions were being hidden as something called “deferred tax credits”.

So what they were doing, and it is very germane and appropriate for this debate, what Petrotrin would have been doing in the all the years, losing money in the refinery in the billions, and hiding those losses by putting them under a line item in their financial statements, “deferred tax credits”. So they put a value on them and said, we will use these losses as an asset to write off against future profits.

So what they were saying is that, if we ever make profit in the future, we could take these accumulated losses in the refinery, write them off against the profits and declare another loss and so therefore, not have to pay tax. But under the new financial rules, the new international financial standards, you cannot do that anymore. With the new financial standards that have come into play in the last couple years, you cannot hide losses.

So what the accountants told Petrotrin finally when this Government came in 2016, is that for years we have been treating losses in the refinery as a deferred tax credit and we can no longer do so, we will not be able to give you a clean bill of health. We did it for years, but now with the international financial standards, we have to let the chips fall where they may, and they brought to book almost \$5 billion in losses in the refinery that had been hidden inside the books in Petrotrin. Hence the reason why the refinery lost \$4.8 billion in 2016, and then no matter was going on, no matter what the price of oil was, the refinery continued to lose \$1.9 billion in the next year and so on.

So you had an entity and the source is Petrotrin's official accounts, the state enterprises official accounts that is the source. These documents were given to us in the Ministry of Finance, we are the official supervisor of state enterprises, there is something called the corporation sole Act. The Minister of Finance is the Corporation Sole and holds all the shares of all enterprises owned by the State—that is the Minister of Finance—and gives the Minister of Finance the authority and the power to supervise state enterprises, and to call upon state enterprises to report to the Ministry of Finance.

So I could say without any fear of contradiction that the source of these figures is Petrotrin reporting to the Ministry of Finance [*Desk thumping*] through the investment division reporting to the Corporation Sole who happens at this point in time to be myself.

So that you had a situation where the refinery was losing billions and billions and billions of dollars. And the reason why the auditors in 2016 decided they had to bring to book this almost \$5 billion in losses in the refinery that had been hidden from sight before, was that they concluded and this is in writing, they concluded that in its present configuration the refinery would never make a profit, because under the old financial rules you could carry forward losses and call them credits if you felt that an entity would make a profit sometime in the future, it was not just applicable to the oil sector, but applicable to all businesses.

In the olden days, if you had accumulated losses, you could put them in your financial statements as tax credits, deferred as current assets as my colleague on my right says to me, you could do that, but you have to prove to the auditors that the entity will eventually make a profit against which you can apply these deferred tax credits. The auditors in 2016 said definitively, this refinery will never make a profit in its current configuration and therefore, we must bring to book these

accumulated losses in the form of losses.

So those are the facts. There is no doubt that the refinery was losing of the order of \$2 billion a year for many, many years. And, I mean, come on, you look all around the world and know why, it was the cost of operation, the operational cost in Petrotrin was just completely out of sync with any other refinery in the world and everybody knows that, these are not secrets, these are not things that are debatable. It is a fact that the cost structure in Petrotrin was just unworkable; those are facts.

So I just wanted to put that on the record that that story, that Anancy story that came from Oropouche East that if you separate the accounts you will see the refinery was making money. Not so, the refinery was dragging down Petrotrin, and the refinery was pulling down Petrotrin of the tune of \$2 billion a year, and those are the official figures. So I thought it was necessary to put that into the system, Madam Speaker.

Now, Madam Speaker, a final list of amendments have been circulated. [*Crosstalk*] Madam Speaker, on Monday the Chief Parliamentary Counsel sent to the Parliament—actually on Friday and it was circulated on Monday I am advised, all Members were circulated with amendments bar one or two on Monday of this week, certainly the first page, half of the second page, the entire third page, and Member for Caroni East, seems like you cannot count. There are not five pages, there are three pages, and of those three pages, two and a half of these pages were available to Members since Monday of this week; that is a fact.

Dr. Gopeesingh: Bring a new Bill, nah.

Hon. C. Imbert: Yeah. Sure. So, Madam Speaker, we have included some typographical corrections, so there is an amendment to clause 3 that we will talk about at the committee stage. As I indicated earlier in doing the Bill, the fashion

industry was inadvertently left out of the increase in the credit for expenditure, so that is now corrected by amending section 10Q of the Income Tax Act to include for the fashion industry. 10Q is the one that deals with the fashion industry.

We are also correcting an anomaly that existed with the environmental tax on tyres, an error was made and the environmental tax was imposed only on used tyres, and the intention really was all tyres. So that we have amended the amendments to amend section 27D of the Miscellaneous Taxes Act to make it crystal clear that the environmental tax on tyres, the disposal tax is on all tyres, because we do have a big problem with the disposal of tyres in our environment, they find themselves into rivers and streams and backyards and sometimes front yards.

Hon. Member: And cause mosquito.

Hon. C. Imbert: Yes. So that whether a tyre is old or new, when it is no longer useful, it has to be disposed of. So really in the budget statement and in the decision of the Government, we had intended for this to apply to all tyres, and a drafting mistake was made that was not seen at the time.

Madam Speaker, we also wish to avail ourselves of Treasury Bills because Treasury Bills are an instrument for raising finance, it is a very useful tool. In fact, we had a consultant from the commonwealth secretariat who looked at the way we do business in Trinidad and Tobago. For example, when the Government borrows from the Central Bank which we had to do, this country has had to do since around 2012, that is when the Government's current account went into overdraft, when the Government from the Central Bank by way of overdraft it pays the repo rate, that is just how it is. So the repo rate had been at 4.75 per cent for years, and it was raised some time ago to 5 per cent, so the current repo rate is 5 per cent.

So that whether you borrow the money for one day or you borrow it for one

year, you have to pay the repo rate. And interest rates really are a function of time. So if you issue a Treasury bill for three months, you would have a very low interest rate maybe 1 per cent, 1½ per cent that sort of thing. If you issue a Treasury bill for six months, you might get a better interest rate 3 per cent or something like that, but you would really have to get up into several years before you have a Treasury bill that will be attracting interest at the repo rate.

So that what we have decided to do, is to give the Government flexibility to utilize Treasury bills as a source of financing rather than only relying upon the overdraft. So if, for example, you take a \$1 billion in Treasury bills at an interest rate of 2 or 3 per cent, that is going to save the country considerably more money than if you have to use the overdraft because you get charged the repo rate on the overdraft. So we are increasing—

Dr. Gopeesingh: Borrow more money.

Hon. C. Imbert: Yes. So we are allowing the Government the flexibility to use Treasury bills rather than borrowing through the overdraft.

And I just want to say, that the head room on a lot of the Acts that we have at this point in time, the Development Loans Act, the state enterprise Act and so on, the head room is in the many billions of dollars. Some of those limits have head room of over \$10 billion at this point in time, but even when you go into the market whether the local market or the overseas market, you are going to be borrowing at about 5 per cent, that is the international rate at as this point in time.

So we consider it sensible, and this has been done before, this was done some years ago. We consider it sensible to give ourselves the flexibility to use Treasury bills at a much lower interest rate for short-term borrowing rather than be stuck with only the other pieces of legislation that limit you to a very high percentage or the Central Bank overdraft. So those are the main changes to all of

this, Madam Speaker. Madam Speaker, I do not know what hon. Members were carrying on about.

Madam Speaker: Leader of the House.

PROCEDURAL MOTION

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very kindly, Madam Speaker. Madam Speaker, in accordance with Standing Order 15(5), I beg to move that the House sit until the conclusion of all matters before it. Thank you.

Question put and agreed to.

Madam Speaker: Minister of Finance.

FINANCE BILL, 2019

Hon. C. Imbert: Thank you very much, Madam Speaker. Madam Speaker, there is just one thing else I would like to talk about. The Member for Caroni Central is not here, but he quite correctly identified that there was a typographical error in clause 2 of the Bill, where we were seeking to amend the Income Tax Act at 48C, and he indicated it is really 48M, and he is correct. So that when you see the amendments, the amended list of amendments, you will see we are changing 48C to 48M.

Dr. Gopeesingh: That was changed long ago.

Hon. C. Imbert: But, Madam Speaker, there is not really much else I need to say, except to say that, in the renegotiation or discussion, let us put it this way, in the discussion between the state agencies, the National Gas Company, the Ministry of Energy and Energy Industries and so on with the major oil companies that took place over the last several years, there was a very positive effect on our revenue in 2019, and I would just like to repeat it. I mean, performance beats old talk any day. The Members opposite could jump— *[Interruption]* I have no problem with

repeating a good statement; performance beats old talk any day, and Members opposite could jump high and jump low, but the net effect, Madam Speaker, of the sensible and professional approach to the amount of revenue that we as country get from the oil companies, oil and gas companies, the net effect in 2019 was close to \$2 billion, Madam Speaker, as a result of all the discussions and the meetings and the leadership in the energy sector by the hon. Prime Minister, Minister Young, Minister Khan and the team of technocrats from the National Gas Company, and other public servants that assisted in the process. The net effect was an injection into our coffers, the country's coffers of almost \$2 billion towards the end of fiscal 2019. [*Desk thumping*] So performance beats old talk any time. You all could talk and talk and talk, but the revenue performed in 2019 with that injection of almost \$2 billion.

And in addition to that injection of almost \$2 billion, \$1.92 billion is what the figure was, as far as I can recall that we go around August of last year, in addition to that, the discussions and the proactive approach to new relationship with the oil and gas companies so that the people of this country can share in the wealth and not everything would be going overseas, listening to the Member for Oropouche East, I thought he was promoting the interest of overseas companies, but to make sure that the profits derived from the petroleum sector remain in Trinidad and Tobago and are for the benefit of the people of this country.

In addition to that \$2 billion that we received, the stage was also set for additional \$1 billion per year every year going forward [*Desk thumping*] that is the other result of that. So performance beats old talk, you could talk all you want, but the end result of all those discussions and negotiations was an extra \$2 billion last year, and an extra billion going forward as a result of increased earns. And the facts are there, Nigeria is a case in point, where the revenues that a particular oil

company gets from gas, natural gas in Nigeria is US \$5 billion; fact. A particularly large multinational oil and gas company derives revenue from production of natural gas in Nigeria of US \$5 billion, five to \$6 billion. And the Nigeria Government, country and people receive US \$2 billion in income from that five or \$6 billion that that oil company derives from the production of oil and gas.

A similar oil and gas in Trinidad and Tobago also derives about US \$5 billion from the production of gas in Trinidad and Tobago and gives the country \$200 million. Those are the facts. So in Nigeria the company gets \$5 billion, the Nigerian Government and people get US \$2 billion. In Trinidad the company gets US \$5 billion, the Trinidad and Tobago people and Government get \$200 million. These are facts, so that you cannot run from them, these are the facts, and this is why we as a government felt we had to address these matters.

And finally, all this carrying on about elections. I have checked the results, the PNM got 72 seats, the UNC got 69 seats, 67 seats, sorry. So we got 72, they got 67. [*Desk thumping*] When I went to school, 72 was more than 67 [*Desk thumping*] I think it still is, Madam Speaker. I think 72 out of 139 is still more than half, at least, I think that is what they are teaching in primary school.

Mr. Mitchell: That was a PNM education.

Hon. C. Imbert: Based on the list of aldermen that I have seen that were issued by the EBC yesterday, the PNM is going to be granted 29 aldermen and the UNC 27. So from my simple arithmetic, 29 aldermen is more 27 aldermen. Is it not? So 29 aldermen for the PNM, 27 aldermen for the UNC, 72 seats for PNM, 67 seats for the UNC. So as far as I am concerned [*Crosstalk*] we have obtained more seats, and we have obtained more aldermen. And, Madam Speaker, [*Desk thumping*] the PNM has—

7.50 p.m.

Hon. C. Imbert: Thank you very much. And in terms of corporations, the PNM has seven corporations and the UNC has seven corporations. When I went to school seven was equal to seven. Seven was not more than seven; seven was not less than seven. So that there is an equal amount of corporations, we have more aldermen, we have more seats and the fact is, the fact is—*[Interruption]*

Mr. Padarath: Less votes. *[Crosstalk]*

Madam Speaker: Member for Princes Town, if you wanted to join the debate I would have gladly allowed you the opportunity. *[Crosstalk]* Listen. Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. Madam Speaker, we do not have a system of proportional representation in Trinidad and Tobago. We have a first past the post system. A party could get more votes in an election and end up with less seats and not form the government. One of the most pertinent examples in the world is Hillary Clinton, who got more votes than Donald Trump, but did not win the majority in the Electoral College. *[Desk thumping]*

In fact, Madam Speaker, that is a very important example, because when you look at the number of electoral seats that President Trump got compared to the number of electoral seats that Ms. Clinton got, it was substantially more, I would say 50 per cent more seats that President Trump got than Ms. Clinton got, yet she got more votes than Trump. Because in that system, in America they go on electoral college votes, each State has a different number of electoral college votes and if you win the majority in a state, you get all the electoral votes, it goes down to the various districts in Congress and so on. That is their system.

I remember Al Gore. There was a confusion with Al Gore as well where there was a view that he got more votes than Bush, but Bush got the Presidency. That is their system. And no matter how much noise Al Gore made and Hillary

Clinton made Bush was the President and Trump is the President, because that is their system. And in our system we have a system of first past the post and in the first past the post system we got 72 they got 67; we got 29 they got 27.

So you could look at it any way you want, anyway you want, you could spin it anyway you want, it does not really matter. [*Desk thumping*] At the end of the day it is what the results yield based on the system that you use. And the number of votes go up and down. In 2010 we got a very small number of votes in the local government election; in 2013 our vote count went up tremendously. It changed again in 2016, the other sides vote count went down in 2013 and so on, Madam Speaker. These things do not matter. Because in our system of local government, seats count. Goals win matches, Madam Speaker. And that is how it is. [*Desk thumping*] So I so not know what they are carrying on about over on that side. I do not know what they are carrying on about on that side.

So with respect to the Bill before the House, in the committee stage I will endeavour to explain any matter that arises from the list of amendments. As I indicated these measures come out of the 2020 budget statement and are designed to provide more revenue to the Government and people of Trinidad and Tobago from the petroleum sector. They are designed to stimulate the creative sector by increasing tax allowances; they are designed to allow our exporters to get write-off for promotional expenses through to Caricom; they are designed to give people a little more ease in the airport when they are coming in with goods that they have purchased abroad; they are designed to deal with a long outstanding problem in the credit union sector where persons, representatives of deceased persons, could only access \$5,000 for funeral expenses and other expenses that may be associated with the unfortunate and untimely passing of someone. We have increased that to \$50,000. So all of this is consistent with our 2020 budget statement, consistent

with the policy of the government, consistent with stability, growth, prosperity and strength. I beg to move, Madam Speaker.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clause 1 ordered to stand part of the Bill.

Clause 2.

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

2 Delete clause 2 and substitute the following new clause:

Chap. 75:01 2. The Income Tax Act is amended—

amended

(a) in section 16, in subsection (1), by deleting the words “subsection (2)” and substituting the words “subsections (1A) and (2)”;

(b) in section 16, by inserting after subsection (1), the following subsections:

“(1A) Subject to subsection (2), where the amount of a loss incurred in the year of income in any production business carried on by any person either solely or in partnership is such that it cannot be wholly set off against his income from other sources for the same year, the amount of such loss shall, to the extent to which it is not allowed against his income from other sources for the same year, be carried forward, and shall,

subject as is hereinafter provided, be set off against up to seventy-five percent of what would otherwise have been his chargeable income for the succeeding years.

(1B) For the purposes of subsection (1A), “production business” has the meaning assigned to it in section 2(1) of the Petroleum Taxes Act.”; and

Chap. 75:04 (c) in section 48M, by deleting the words “twenty-five per cent” and substituting the words “one hundred per cent”.

Mr. Imbert: Thank you, Madam Chairman. We have circulated amendments to the Bill. I think I have explained them in my discourse. But if anybody has a question I would be happy to answer. The amendments are before Members. You good? Okay.

Question put and agreed to.

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

Clause 3.

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

- 3 A. In paragraph (i), delete the word “and” in the second place where it occurs.
- B. Insert after paragraph (i), the following new paragraph:
 - (j) in section 10Q, by deleting the words “three million dollars” and substituting the words “six million dollars”; and”.
- C. Renumber the original paragraph (j) as paragraph (k) and—
 - (a) Insert the following new subparagraph (i):

- (i) in paragraph 1, by deleting the words “revenue account” wherever they occur and substituting the words “policy account”;
- (b) delete subparagraph (iii) and substitute the following:
 - (iii) in paragraph 5(1)—
 - (A) in the definition of “foreign long-term insurance fund”, by deleting the words “Statutory Fund” wherever they occur and substituting the words “policy account”; and
 - (B) by deleting the definitions of “revenue account” and “Statutory Fund” and substituting the following:

“policy account” means the revenue account or such other account which may be used in accordance with financial reporting standards to account for investment income attributable to policyholders.”; and
- (c) renumber the sub-paragraphs accordingly.

Mr. Imbert: Thank you. Again, this is just to tidy up some typographical errors and I am told the word “and” is being taken out because it was not required. It did not add anything. And then on the other page 10Q, the inclusion of 10Q is designed to deal with the fashion industry to make sure they benefit from the increase in tax allowance for investment in fashion. That was just left out inadvertently. And the second one is to just renumber the clauses of the Bill as a result of us inserting section 10Q.

Question put and agreed to.

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

Clauses 4 to 6 ordered to stand part of the Bill.

Clause 7.

Question proposed: That clause 7 stand part of the Bill.

7 In subclause (2), delete the words “Section 3(j)” and substitute the words “Section 3(k)”.

Mr. Imbert: Thank you, Madam Speaker. We have to renumber because we have made the changes. Actually it should have been correctly referenced to 3(k) of the Bill rather than 3(j). So we are just correcting a typographical error there.

Question put and agreed to.

Clause 7, as amended, ordered to stand part of the Bill.

New clause 2.

A. Insert after clause 1, the following new clause:

“Chap. 2. Section 2(1)(a) of the Treasury Bills Act is amended by

71:40 deleting the words “five thousand million” and
amended substituting the words “seven thousand million”.

New clause 2 read the first time.

Question proposed: That the new clause 2 be read a second time.

Question put and agreed to.

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

Question put and agreed to.

New clause 2 added to the Bill.

New clause 5.

A. Insert after the original clause 4, the following new clause:

Chap. 5. Section 27D of the Miscellaneous Taxes Act is amended

71:40 amended by repealing subsection (3).

New clause 5 read the first time.

Question proposed: That the new clause 5 be read a second time.

Question put and agreed to.

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

Question put and agreed to.

New clause 5 added to the Bill.

New clause 8.

A. Insert after the original clause 6, the following new clause:

Chap. 85:04 7. The Income Tax (In Aid of Industry) Act is amended—

- amended
- (a) in section 16, by repealing subsection (1B);
 - (b) in section 17A, by repealing subsection (2) and substituting the following subsection:

“(2) For the purposes of section 11(1)(b) of the Income Tax Act, where on or after 1st January, 2020, a person carrying on production business incurs expenditure on the provision of machinery or plant for the purposes of the trade, there shall be made to him an allowance of twenty percent of the expenditure calculated on a straight line basis for five consecutive years commencing in the year of the expenditure.”;

- (c) in section 17A(3), by deleting the words “2013” and “2014” and substituting the words “2019” and “2020”, respectively;
- (d) by repealing section 23; and

- (e) in section 24, by repealing subsections (1) and (2) and substituting the following subsections:

“(1) Where on or after 1st January, 2020, a person carrying on a trade which consists of, or includes the working of any mine, oil well or other source of mineral deposits of a wasting nature has carried out such trade for the purposes of that trade expenditure to which this Part applies, in ascertaining the chargeable income of such person, there shall be made to him an allowance of twenty percent of the expenditure calculated on a straight line basis for five consecutive years commencing in the year of the expenditure.

(2) Where a person referred to in subsection (1) has an unrelieved balance as at 31st December, 2019, his allowance shall continue to be calculated in the manner in which it was calculated prior to 1st January, 2020.”.

B Renumber clauses accordingly.

New clause 8 read the first time.

Question proposed: That the new clause 8 be read a second time.

Question put and agreed to.

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

Question put and agreed to.

New clause 8 added to the Bill.

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

Mr. Imbert: Madam Chairman, we need to renumber the clauses accordingly. We

do not need to say that, no?

Madam Chairman: That would happen consequently.

Mr. Imbert: Okay, right.

Madam Chairman: This Committee meeting is now adjourned, the House will resume.

House resumed.

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

**MISCELLANEOUS PROVISIONS (PROCEEDS OF CRIME AND
CENTRAL BANK) BILL, 2019**

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker.

[*Desk thumping*] Madam Speaker, I beg to move:

That a Bill to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02, be now read a second time.

Madam Speaker, you may have heard or the population may have heard an announcement by the Minister of National Security with respect to national security initiatives to deal with the proceeds of crime. Essentially, this is all about dealing with the proceeds of crime where as far as the Ministry of National Security has advised us, there is too much dirty money in circulation. I do not want to use the term that the university used for that kind of money, so I will use the term “dirty” and the term “clean”. I do not think the nomenclature or the vocabulary with respect to money has kept pace with what is politically correct. So I will use the word “dirty” and I will use the word “clean”. So, others may choose to use black and white, “da’is” your business.

So, Madam Speaker, the national security has advised that we need to deal with the situation that currently exists with dirty money being the proceeds of money laundering, drug trafficking and corruption. At the present time, the Central Bank Act allows for the bank to demonetize currency, the actual wording

of the Central Bank Act, section 27, is that by giving not less than three months' notice, the bank may cancel any banknote that it has issued. We find that we need some more flexibility, that three months is a minimum period, and when you are dealing with matters like this, time is of the essence and therefore we are changing the minimum period and I want to stress, the minimum period, for canceling any banknotes from three months to 14 days' notice.

So now the Central Bank on the direction of the Minister of Finance, may be empowered to cancel any banknote that it has issued. And in this specific and instant case, the banknote that is being cancelled or will be cancelled, is the \$100 bill. That is the currency of choice of persons who are involved in illicit activities of various kinds: smuggling, drug trafficking, money laundering, corruption, human trafficking, you name it.

The bill of choice among criminals is the \$100 bill. And therefore in an effort, as a national security initiative to stamp out these illegal activities, the Government, on advice from the Ministry of National Security, has made a decision that it will cancel all \$100 bills in circulation.

May I say at this time, Madam Speaker, that during the period before the date of cancellation, the old notes and the new notes will be valid tender. So that persons can still use the old \$100 bill and the new \$100 bill from the appointed day—is that the correct technology?

Hon. Member: Correct.

Hon. C. Imbert: From the appointed day, which will be the beginning of the process, the citizens or anybody using Trinidad and Tobago tender, will be able to use both the \$100 bill existing, the cloth or paper note, or the new polymer note. At the end of the period, only the new polymer note, the new \$100 bill which has a

number of new security features aimed at preventing counterfeiting will become legal tender and the old note will no longer be useable or valid as legal tender in Trinidad and Tobago. [*Crosstalk*] Pardon? Certainly. From the appointed day, which will be in the very near future, to the date of cancellation of the banknote, the \$100 bill—[*Interruption*] I am sorry. I am being corrected here. The appointed date is the date of cancellation of the note.

Mr. Young: That is the date of demonetization.

Hon. C. Imbert: The date of demonetization. From the date of notice, when the bank gives notice that it intends to cancel a bank, from that day to the date of cancellation which is the appointed date during that period, however long it is, both types of currency can be used, the existing paper note and the new polymer note. When the date of cancellation arrives only the new polymer note could be used as legal tender in Trinidad and Tobago. But there is a safeguard here for persons who may find themselves in difficulty, they may have been out of the country, they may be ill, they may have been in the hospital or something like that, or they are bedridden or some other reason like that, they found themselves unable to go to the bank to either deposit the existing paper notes that they have or to exchange existing paper notes for the new polymer notes.

In the Bill, clause 2 which amends section 27 of the Central Bank Act and inserts a new section 27A, if you look at the Bill itself the new 27A(4) will allow the Central Bank to:

“...redeem at face value any of the specified notes that are presented within the period of three months after the appointed date if it is satisfied that the failure to present the notes for redemption prior to the appointed date resulted from circumstances beyond the control of the true owner of the

notes or that there was some other good or sufficient reason for the failure.” So if, and the best example is if somebody was out of the country or somebody was in the hospital. If that person cannot either deposit their existing \$100 bills or cannot go to the bank to exchange their existing \$100 bills for new polymer notes the Central Bank is now being given a discretion under rules that will be approved by the Minister to redeem at face value for a period of three months after the appointed date.

So whatever the appointed date is which is the date of cancellation of the notes, from that day the Central Bank is being given the discretion for a three-month period beyond the date of cancellation of the notes to redeem notes for persons who found themselves in difficulty and, for one reason or another, were unable to come into the bank to deposit or change out the notes.

Because all things in life are not perfect, the Bill also at the new section 27A, which is in clause 2 of the Bill, will give:

“(5) The Minister...by Order extend the date or period in subsections (1) and (4) in any case or class of cases where he considers it appropriate to do so.”

So if for some reason which we do not foresee at this point in time, if for some reason it is necessary to extend the date the Minister, on the direction of Cabinet, will extend the date for cancellation or the date for redemption of notes after the period of cancellation within that three-month period. So that is just to give us some checks and balances there if for some reason there is some problem.

Section 27A(2), the new section 27A(2) indicates that:

“On or from the appointed date the specified notes shall cease to be the currency of or be legal tender in Trinidad and Tobago and subject to

subsection (4)”—which is the subsection that deals with the redemption after the cancellation date—“shall for all purposes be cancelled and be of no value.

(3) The Bank”—is required to—“redeem at face value any...notes which are presented for redemption...”

So if someone in with 10 \$100 bills, the bank will redeem them and give them 10 \$100 bills or a commercial bank will redeem and give them 10 \$100 bills in the new polymer security features note.

We are also amending the Proceeds of Crime Act to give the Government the flexibility to change the amount that is now considered to be a large transaction for those of you who deal in large amounts of cash. At this point in time if you have a transaction of \$90,000 or above, the bank must report it as a large transaction. There is no—the bank has no discretion in this matter, right now. So if somebody comes in and transact a transaction of 90,000 or more the bank must report it to the Financial Intelligence Unit.

We are also changing the—giving the Government the flexibility to adjust the amount that will require the intervention of the internal controls in the bank, the officer in the bank that deals with “know your customer” and so on. At the present time the trigger is \$90,000 in cash, for example and we are giving the Government the flexibility to adjust that figure from \$90,000. [*Interruption*] Sure.

Mr. Singh: Thank you. Thank you, hon. Minister, for giving way. I noticed that the—whereas you are moving from a certain figure of \$90,000 you are not moving towards any figure but there is a flexibility. So there is a lack of certainty. So can you indicate to us what is the figure that you have in contemplation?—because there is need for certainty from the customer perspective.

Hon. C. Imbert: All of this will be revealed in due course. When you are doing these things you cannot reveal everything immediately. It will be revealed when the appointed day is revealed and the amount of adjustment will be revealed all at the same time, and other measures that may apply to the changing of currency. Because what you do not want is people walking around with large amounts of cash. So there will be some adjustments in terms of the amount of cash. But all of that will be revealed in due course. When you are doing these things—this is a national security measure. I am dealing with the banking sides of things because this is an amendment to the Central Bank Act, but if you see also look carefully you will see that you are also amending the Proceeds of Crime Act. And this is all to deal with, dealing with criminals.

The amount of the adjustment will be, the public will be notified at the same time that the appointed day is declared. Okay. And as I said that will be in the very near future, but we will not indicate that tonight. We have no intention of indicating tonight. I apologize to any Members who thought that we would. We have no intention of indicating tonight when this will take place or what the adjustment in the amount will be. But it will be revealed to all and sundry very soon.

So the Bill at clauses 3 and 4 gives the Government through its relevant Ministers, the Minister of Finance in terms of the financial obligation regulations, and the Minister of National Security in terms of the Proceeds of Crime Act the authority to reduce or increase as the case may be the amount of currency or the size of a transaction that can be done in the banking sector without attracting the attention of the various inspectors, the Financial Intelligent Unit, the in-house staff that deal with “know your customer”.

Now, Madam Speaker, let me just return to what exactly what we are all about. I will try my best to make sure there is absolutely no ambiguity. At this point in time, Madam Speaker, under the Central Bank Act the bank is restrained at this point in time to give three months' notice if it decides to cancel a note. I will give you an example of the one cent coin. The bank took a year to do that, took one year to do that. So the three months is a minimum. But if, for example, the bank wishes to cancel a banknote which is what is taking place now, then they have to give three months' notice and we felt that we needed more flexibility. So we are changing the minimum notice from three months to 14 days.

Secondly, from the time that notice is given and until the time the banknote in question is actually cancelled, both types of banknote will be allowed to be used as the legal tender.

8.20 p.m.

So during the period people can use the existing \$100 bill or they can use the new banknote when they get them. I just want to make that clear. But at the end of that period, all that can be done is, if you have some sort of difficulty, you can go and present these banknotes and they will be redeemed, but you cannot use them for trade; you cannot use them for commerce; you cannot use them to buy things after the period of cancellation. You can redeem them during a three-month period but you have to show some sort of special circumstance and explain.

And, Madam Speaker, the circumstances by which the bank will redeem or not redeem, as the case may be, this is contained in the Bill at this point in time and that is in clause 2, 27A(6), which says:

“The bank, with the approval of the Minister, may prescribe such conditions and procedures as it considers appropriate for the redemption of specified

notes in accordance with subsections (3) and (4).”

Just let me make that very clear that this is not an arbitrary thing; it is not a whimsical thing; it is not up to anyone but the Central Bank, and the bank will prescribe or may prescribe:

“...such conditions and procedures as it considers appropriate for the redemption of specified notes in accordance with subsections (3) and (4).”

And this is to provide as much certainty as is possible and to remove as much ambiguity as is possible from what is determined to be a circumstance beyond someone’s control. In other words, it is not up to the individual. The bank will do so in consultation with the relevant sections of the Government.

Now, Madam Speaker, I just want to briefly indicate when other countries have done demonetization, the reasons why countries do demonetization. As I indicated in this particular case, this is being driven by the Ministry of National Security based on their own information. But in addition, Madam Speaker, when you have too much informal money or dirty money in the system, you have the growth of a dual economy. This causes great difficulty in the estimation of actual economic activity in the country in terms of what your actual GDP is, and what your reported GDP is in terms of economic growth in terms of availability of cash, in terms of money supply, in terms of actually what is going on in the country. The official statistics are often quite different to what is actually happening, and the reason for that is an underground economy and a lot of dirty money circulating, and any country will want to try to address the pernicious effects of an underground economy.

You also have loss of revenue to the country. Because it is dirty money it is not reported. So nobody is going to declare that they are in receipt of the proceeds

of crime. Nobody is going to declare that they are in receipt of the proceeds of drug trafficking or money laundering as the case may be. So that from a revenue point of view, you would have a loss of revenue to the country.

I do not need to go into the security issues of dirty money. I would leave that to my colleagues. I would simply say that this initiative has been planned for quite a long time. There have been a number of meetings with all of the players involved, with the Central Bank. We have had meetings with the commercial banks to work out the logistics as to exactly how this operation will be executed with greatest efficiency, and the Government is going to do its best to make sure that this thing is done quickly, efficiently and with minimum inconvenience to citizens. But I cannot underestimate the pernicious effects of dirty money on a society. I cannot underestimate it. There is so much of that circulating in Trinidad and Tobago and it is directly linked to the criminal underworld. At this time, Madam Speaker, I would leave the aspects of security to the other Members of the Government. I beg to move. [*Desk thumping*]

Question proposed.

Madam Chairman: Member for Pointe-a-Pierre. [*Desk thumping*]

Mr. David Lee (Pointe-a-Pierre): Thank you, Madam Speaker, for allowing me to join this debate. Listening to the Minister of Finance in piloting this Bill, I think I am a bit more confused than when we started off. He added no clarity as to the appointed date and some dates that we thought that the country was looking for tonight. I understand what he said in his speech. Madam Speaker, listening to the Minister of National Security yesterday in his release, his post-Cabinet briefing, the Minister of National Security gave the impression to the country—and given that the Senate is being asked to sit tomorrow—that the piloting and the dates of

this new \$100 bill would come into place very soon.

I want to start off from the outset that the Opposition and the Opposition Leader are in full support of this new \$100 polymer bill. [*Desk thumping*] Anything that plays a part in—to use the words of the Minister of Finance, “to take away dirty money of the system, out of the system”, the Opposition is in full support of that measure. [*Desk thumping*] When we looked yesterday, or last night when I looked at the proposed new \$100 bill, the features on it, it really augers well for a country and it augers well for our citizenry. You would remember, Madam Speaker, back in I think it was December 2014 under the Kamla Persad-Bissessar-led government, that the \$50 polymer bill was introduced by the PP government under the leadership of the Governor at the time, Jwala Rambarran, and it had the same features as this \$100 bill that is being proposed to be circulated in the system. It augers also well for the visually-impaired individuals of the country. With the \$50 bill that I think they can feel a raised circle and it can tell you that it is a \$50 bill, and I think this \$100 polymer bill that is being introduced for the visually-impaired is a raised X. [*Interruption*] You might never know. So, Madam Speaker, as far as the visually impaired, it is a good sign. It is a progressive sign for the country. We also ask and we are hoping that in the future—in the very near future—that the other denominations: the \$1, the \$20, the \$5, \$10, will also be converted into polymer and be able to assist the visually-impaired in going about their normal day in business.

Madam Speaker, but when we looked at this Bill—when I look at this Bill, and I want to also recognize the Government used Standing Order 64(1)(b) here today to bring a Bill in Parliament without the normal notice—dispensing with the normal notice. So when they brought that piece using that Standing Order we

thought that it was really from a security aspect that we were going to hear some dates being announced here tonight. But I did not hear any dates from the Minister of Finance; when is going to be the start date of the issue of the new bills.

So, Madam Speaker, be that as is said by the Minister of Finance, the country—the Opposition has some concerns when the timing of this bill will be introduced into the system. So for example, the country got the impression that it was going to be introduced as soon as maybe—or the notice being given as soon as Monday. Maybe, as the Minister of Finance says to me—maybe. But when you look at this Christmas period, Madam Speaker—and we are hoping that it does not—it can cause panic and chaos in the system if it is not properly managed. The introduction of this new \$100 bill, which will coexist with the old \$100 bill, if enough lead time is not given to remove the old \$100 bill, it can cause chaos and panic in the system, especially during this Christmas period. And we are hoping that that does not happen and the Government of the day, the Minister of Finance, would really be a little bit more understanding, and the Minister of National Security will be a little bit understanding.

We understand the security issues of trying to remove the old \$100 bills off the system as quickly as possible. We understand that, Madam Speaker. But if you—to use the Minister of Finance—if you want to clean up the—remove dirty money, and you introduce this new bill in the system during the Christmas period, what you might find happening is that during this Christmas period you might see a lot of businesses, if you are cleaning up the money, being now—a volume of funding might start to come into certain types of businesses—and we all know those types of businesses—and it will be all under disguise, if they go to the bank to deposit it, Christmas sales, or the growth in sales. So maybe if you really want to

take this dirty money out of the system you can really want to flag it. Maybe you might want to start it maybe in January, and then you can also track the type of businesses that are reporting huge volumes of deposits, given that it is outside of the Christmas period where you would normally get a high growth of income or sales given the last two weeks before Christmas.

So, Madam Speaker, I put that on the table and with good sense I hope the Ministers would take that into consideration, also the panic and chaos that it can cause during the Christmas season. I have gotten calls—even last night—from pensioners who normally, they might take out all their money out of their pension cheques and store it, because they do not like to go to the bank. And if they have to go and change their funds that they have at home during this Christmas season, I also ask if the Ministers have taken into consideration the security aspect of individuals going to the banks during the Christmas period and the sort of, you know, banditry that goes on during the Christmas period where people tend to be a little bit more suspect and the crime tends to go up a little bit because of the volume of movement of individuals during the Christmas period. So I really hope that the Ministers would take that into consideration.

Madam Speaker, I look at clause 2, 27A(1), and I would like to ask the Minister of Finance why the erosion of the powers of the Central Bank. Because in clause 2, 27A(1)—and I want to read it:

“In addition to the powers of the Bank under section 27...”

So section 27 of the Central Bank Act has remained:

“the Minister may direct the Bank to cancel any note issued by it by giving not less than fourteen days’ notice published in the *Gazette* of the date of cancellation.”

Now, in my view, this is an erosion of the Central Bank, an erosion of the powers of the Governor, and the Minister is directing the Governor of the Bank to issue when he or she feels—whoever is the Minister of Finance—when they want to do this issue. And we have a serious problem with that because you have seen over time the Central Bank is an independent institution and we should really safeguard our institutions and the independence of those institutions, Madam Speaker. And I would like to ask, really and truly, what was the reason by the Minister of Finance of putting this clause, 27A(1), and the erosion of the Central Bank and the Central Bank Governor?

Clause 2(4), I am happy for that, where it talks about if you pass the cancellation date and you have a legitimate reason, the individuals can go to the Central Bank and redeem their notes once they have a legitimate reason. And maybe within those reasons it could be a little bit clearer. I know the Attorney General and I had, outside in the corridor—not Petrotrin—I asked him and he mentioned sickness. He mentioned if you are out of the country during that period and you return, you can apply to the Central Bank to redeem whatever funds you might have had at home, of the old notes. But sickness, travel, there might be other legitimate reasons, so I do not know if that discretion solely lies with the Central Bank to make that decision—clause 2(4). So I seek a little expansion of the reasons that one can apply to the Central bank to redeem old notes, Madam Speaker.

Mr. Imbert: I just want to refer you to (5) and (6). Okay? The extension of the date, as I indicated and (6) as well, the conditions on redemption. Okay?

Mr. D. Lee: Thank you, Minister of Finance. I want to go to clause 3 where it talks about:

“...the Proceeds of Crime Act is amended by deleting the words ‘is ninety

thousand dollars', or such other amount as.”

And it piggybacks on clause 4(b) which is also:

“...deleting the words ‘ninety thousand dollars’ and substituting the words
‘an amount prescribed by the Minister...’”

I know my colleague had asked: What is that amount? It is unknown at this point in time. I know the \$90,000—and I stand to be corrected, Minister of Finance—is that if you are depositing funds of more than \$90,000 in the bank, you do a source of funding: “Where did you get the funds from?”. I think it used to be \$60,000. I think it went up to \$90,000. Correct? So that when you go to the bank and you are depositing funds more than \$90,000, you declare a source of funds. That is a given, and the bank then reports it to the proper institutions, and the institutions, whether it is considered a red flag or not, given the type of business, Madam Speaker.

So that what is happening here now is that the Minister is deleting the words “ninety-thousand dollars”, and an unknown amount, and that unknown amount can change based by an order of the Minister of Finance.

Mr. Imbert: Minister of National Security.

Mr. D. Lee: Sorry. Minister of National Security.

So \$90,000, Madam Speaker, when this law comes into place, with these amendments the \$90,000 can go down to maybe \$50,000; it could go down maybe to \$10,000. It can come back up. So there is an unknown about that particular amount and we feel that that amount should be fixed and if the amount has to be changed for clarity, for the citizenry, even for the business individuals, that there is some clarity in a fixed amount, Madam Speaker.

So I also would like to bring to the attention of the Ministers some concerns by the Muslim community. I am sure the Attorney General, the Member for San

Fernando West, might be well aware of some of the concerns of the change of the new \$100 bill raised by the Muslim community. I would just like to draw out a couple of them. Madam Speaker, if you allow me to read:

“Many Muslims do not use the present banking system due to the Quranic prohibition...”

—on interest.

“They save their money otherwise...”

—and they are asking—

“How will they be treated at the commercial banks when they attempt to change their legally earned cash?”

Point three: Will Muslims and others be considered as money launderers due to having large sums of cash?

So, Madam Speaker, the Muslim community has a concern of the time frame, that people got an impression from the Minister of National Security yesterday when he released the statement of this new \$100 bill. So that, really and truly, we are asking on behalf of the citizenry of this country, that there is enough lead time so businesses and normal individuals can have a seamless transition with this new \$100 bill with the old \$100 bill.

So, Madam Speaker, as I close, really and truly, I would like to say that the Opposition is in full support of this new measure, this \$100 bill, but there are some concerns we have with the unknown date. We are all for the cleaning up of the dirty money out there in the system but we need some clarity; also that prescribed amount from \$90,000 that is not fixed. So, Madam Speaker, in the wind-up of the Minister of Finance I hope some clarity could be had. I thank you. [*Desk thumping*]

Madam Chairman: Minister of Finance. There is nobody else? Member for Chaguanas West. [*Desk thumping*]

Mr. Ganga Singh (*Chaguanas West*): Thank you, Madam Speaker. Madam Speaker, I rise to speak on this Bill, but I was hoping that the initiator of this Bill, the Member for Port of Spain North/St. Ann's West, would have dealt with the rationale for this Bill, because what was given by the Minister of Finance, he spoke about—that the initiative came from National Security and that, therefore, I have to go on the basis of what is said in the daily newspaper—the Minister has not spoken as yet—that there is an informal economy; there is a formal economy; there is a distinction between the formal economy which provides white money and therefore within the legitimate frame; and that you have, in accordance with the sentiments uttered by the hon. Member for Port of Spain North/St. Ann's West in the newspaper article, there is a distinction between the white money of the formal economy and black money of the informal economy. And this has nothing to do with the colonial mindset. [*Laughter*]

Madam Speaker, I listened to hon. Member and he spoke about the dual economy, the loss of revenue to the country and that therefore the time period will run from the date of notice to the appointed date and there will be the coexistence, of both \$100 bills, the commonly blue note, and now the polymer note. So that seems all fair and fine in that regard. But, Madam Speaker, I am very concerned about the rationale provided and the hasty introduction of this change in currency at this point in time.

Madam Speaker, when you look at the newspaper—and I will not display it, but I want to read because it is very pertinent in the absence of the contribution up to now of the Member for Port of Spain North/St. Ann's West, the Minister of

National Security. This is what the hon. Minister had to say in the newspaper of today, Friday 06 December, 2019, the *Daily Express*, article by Anna Ramdass:

“New \$100 bill coming

The Government is moving to crush the cash empires of criminals by removing the current Trinidad and Tobago \$100 note and replacing it with a new polymer bill which has added security features.”

You cannot fault that. Nothing is wrong with that:

“It was met with shock, surprise and questions about the potential impact the move could have on the economy and business.”

The hon. Minister said:

“I can guarantee you this, it is going to assist us in the fight against corruption and the fight against the criminal elements who must now present that money and explain where that money came from’.”

And it goes on, Madam Speaker. It says that:

“Young said legislation”—referring to the Minister—“would be brought to Parliament today to amend the Central Bank Act to allow the demonetization process to be reduced from three months to a minimum of 14 days. A special sitting of the Senate will...”—be held, and so on.

So what you have here is that you have, in an attempt based on what was said, an attempt by the Minister to provide a basis, a rationale, for the removal of the old existing paper blue note to that of the polymer note, and that therefore this is how they are going to get money. There is no verifiable data existing to show the level of counterfeiting, or none has been presented in this House to show verifiable data, to show the extent, based on the intelligence gathered from the newspaper report—the extent of the illicit cash financing criminal level activities.

To my mind, Madam Speaker, it all appears very speculative at this point in time, and until the Minister presents very hard data on this matter, it really leaves a lot into the realm of speculation. Because you see, Madam Speaker, when you look at the experience of countries worldwide moving into demonetization—demonetization is a simple exercise. A currency is legal tender and when it is removed it is demonetized. It is no longer legal tender. When you look at the experience of the world, then you see that you have serious problems. Of course, we know of the virtual chaos in India as a result of the intervention in a very dramatic and sudden fashion, not unlike what has happened here.

But, Madam Speaker, in the attempt to bring some—having notice only yesterday, Madam Speaker, to prepare for this debate, I did some research and there is an article entitled:

“Demonetization in India: An Evaluation” from the Research Institute of Economics and Management, Southwestern University of Finance and Economics. And they said at page 2:

“India is not the only country to experience demonetization.”

You have a list of countries that had demonetization with objectives and after effects, other than India.

Germany, 1923: The objective was to prevent inflation. Results: Inflation fell. USA, 1969: to resist black money. It was successful.

UK, 1971: To bring uniformity in currently. Successful in the UK but failed in other countries.

Ghana, 1982: To control black money. People turned to foreign currency.

Myanmar, 1987: To resist black money. Led to political dispute and thousands of people died.

Nigeria, 1984: To fix debt burden and inflation-ridden economy. Economy collapsed.

Zaire, 1990: To withdraw obsolescent currency from the system. It was successful.

Former Soviet Union: To fight against unearned income, smuggling and corruption. The overall economic system eventually collapsed.

Australia, 1996: To curb black money and improve security features on notes. It was successful.

North Korea, 2010: To lower down the market of black money. Miserably failed.

Zimbabwe, 2010: To get rid from the black money and counterfeit currency. It failed.

Pakistan—messed up.

Philippines, 2016: To preserve the integrity of currency. Yet to be known.

Madam Speaker, so you see that the demonetization experience, notwithstanding that we have had that experience in Trinidad with the \$50 bill, you will recall, Madam Speaker, that we had a \$50 note and then subsequently when a container of \$50 went missing, it was demonetized, and that therefore the \$50 bill was only introduced during the People's Partnership administration under Central Bank, Jwala Rambarran, with the polymer note. So that is what brought back the \$50 bill and it was a smooth transition to the \$50.

So when you look at what is happening worldwide, you recognize that it is not all a good story. So what are the concerns we are here? The concerns as expressed by the Chambers of Commerce?—the time period for implementation. Nobody is against bringing people within the tax stream. Nobody is against

prevention of money laundering. But I will demonstrate later in my contribution, Madam Speaker, that to use this measure for money laundering really is not as effective, because cash alone is not the money launderer's forte. The money launderer will go into real estate, into jewellery, into a series of areas in which cash alone is not the only focal point. And that has been the experience of India in its attempt to deal with the whole question of the demonetization of the 500 rupee and the 1,000 rupee.

Madam Speaker, when you look at what is happening in Trinidad, the business groups indicate that during this period—why did you choose this period? Why? The business groups on \$100 bill change, *Daily Express*:

“Tough time to change”

Gregory Aboud, Gabriel Faria and then subsequently you have the Rajiv Diptee, I think it is. Concern over short time to change over \$100 notes. And they talk about the timing.

The Minister in his presentation made no justification as to why you want to do that now in this hectic period of the yuletide season.

8.50 p.m.

It is a level of commercial activity that takes place, and unless there is some kind of period that allows the small businessmen to be able to get their deposits in place and in time, then, therefore, this really will work against the business community in this period. So the timing is very important. The objective is a good objective, but the timing as to when you implement and when the time period runs from the specified notice period to the appointed date is very important.

Madam Speaker, money it is clear is the lifeblood of any economic system. It facilitates the transactions, but if you want to tackle the whole question of money

laundering, then you cannot only deal with the cash issue; you cannot. You have to deal with other things. So what we have had so far from the newspaper reports, the Minister of National Security is saying there is a criminal underbelly, we need to deal with it in cash. The Minister of Finance is saying we need to bring within the tax net—and I am using my words—the informal economy into the formal economy, and that there is, based on the initiative of the Minister of National Security, a criminal underbelly that is taking place in the society.

Madam Speaker, in an article entitled “The Impact of Demonetization on Indian Economy”, written by the Department of Business, Sri Vasavi College—two professors—and at page 52, they deal with the principles of tackling what the Minister refers to, black money, in the newspaper article and they said:

“Principles of Tackling Black Money:

The first principle is that—to—“remove the systemic pain that leads to creation of black money in the first place. Blame lies with the tax department. Black money is nothing but money generated in legitimate transactions which are hidden from government so as to avoid paying the transaction cost (usually tax) in the legitimate economy...”—and this—“is usually done by using physical cash. This cash thereafter must be processed to convert into consumption or investment. Black economy refers to various activities, transactions...that help process this physical cash, create returns on this cash, facilitate consumption using this cash etc.”

Madam Speaker, in his contribution in the newspaper, the hon. Member for Port of Spain North/St. Ann's West spoke about cash, intelligence reports, providing the basis for cash to engage in illicit activities. So the funding mechanism is this hundred-dollar blue note. So you have a stash of blue notes and

that stash is providing the basis for the funding of illicit activity, and this demonetization of that blue note, of our blue note currently, will provide the basis to solve that problem. Now, I do not know about the efficacy of that rationale, and really I go back to the early point I made, provide the data. I am not saying—in fact, the Member for Pointe-a-Pierre said, “Bring the change you want”. “Bring the polymer on, but why now and why the haste now?” They go on to deal with the whole area, the systemic problem, and how you would deal with this informal economy.

Madam Speaker, when you look at this activity around this time, who are the winners? Who are the winners to engage in the demonetization in the yuletide season? The business community? The retail sector? They cannot be. They are the big losers in this. Hopefully, the criminals? Criminal element will be a big loser too, but I would go on to show that in the Indian economy when they demonetized the 500-rupee and the 1,000-rupee, that the amount of money that went into the system, laundering, they used the opportunity to take the cash and engage in the banking sector and virtually the demonetization of that became part of a legal scheme for laundering. I will go into that later on. But currently, when you look at what is happening here, the losers are the small businessmen, the business community, the old people, the elderly in the current climate, because there is so much information we do not have in order to debate this. But who are the real winners in this?

You know who are the real winners? Hopefully the State will be, but in the immediate the real winners are the banks because you have to go to the banks, the commercial bank, and I see the Minister indicated that the commercial banks will be utilized in order to do the exchange, to do the deposit. So you can expect

deposits may increase as a result of this influx that is now coming, because given the criminality that is outside there in this particular time, it would be foolhardy for anyone to go with any significant sum of money, exchange it, and come out. They were better off depositing it. So then who is the real beneficiary? The banks, I think. Early on in his contribution, the hon. Prime Minister spoke about the banks and the obscene profits that they are making. [*Interruption*] No, I used my language—of the profits they are making. Yeah, well, the Prime Minister spoke about the gargantuan profits that the banks are making, and in my language it is the obscene profits of the bank and what you have now is a continuation of that.

So the real beneficiary are the real money launderers because the real beneficiary are the real money launderers, because through the formal economy you have major laundering taking place. So the banking sector will be negatively impacted, and that is the learning. That is the learning that the banking sector—the learning also points to that the real estate sector will be in trouble, it will die. They depend on the time frame.

Mr. Young: “De man say de real estate sector will die.”

Mr. G. Singh: Yeah, will die, it will die. That is the learning. That has been the experience of other countries. You may have information otherwise, but that is the learning and unless you provide data otherwise then we cannot just take your word, because hon. Minister, you are the same Minister who said that you are thinking of appointing a special prosecutor to deal with the Cambridge Analytica issue, knowing fully well that the DPP is the criminal prosecutor in this country, and therefore, there is no role for a special prosecutor. [*Desk thumping*]

The auto sector. The auto sector will also—the learning points to, that the auto sector and the auto trade will suffer as a result because they are principally

cash business. So this points to the learning, Madam Speaker, and what has been the experience of the most recent country, India, in dealing with demonetization? In India when the Reserve Bank of India did their report, you know what they found? They found, Madam Speaker, that 99 per cent of the demonetized 500 and 1,000-rupees were deposited or exchanged for new currency:

“That figure suggests that most people—including corrupt officials, businessmen and criminals said to have hoarded their illicit wealth in cash—have managed to preserve their fortunes.”

So if you go after that for the rationale that you suggest, this is what the learning says.

The learning says that they took the money and they put it into the system, and the dirty money became clean through the system. That is what is said. Only point-something per cent was left outside—minimalist. So as a mechanism, as a mechanism for dealing with the crime underbelly, we are saying that this is not an appropriate mechanism by itself—not an appropriate mechanism by itself. So therefore, the bank will be the beneficiaries. There are other areas in which you deal with that. So the commercial banks will exchange, what about the credit unions? Is there a role for the credit unions in this? The credit unions with the working class membership, would they not be part of the deposit scheme in this country so allow for the exchange? Why have they been left out? I did not see that in the legislation. Why have they been left out, Madam Speaker? So that, therefore, when you look at what— So I just want to know whether or not they—
[*Interruption*] Well, all right, but you see, you know, the Minister in his presentation was parsimonious with the information. So that, therefore, we have to speculate as to what. So if there is a role for credit unions, I am happy with that. I

am very happy with that.

Madam Speaker, when you look at the legislation you have a role, as my colleague indicated, that there is ministerial intervention and that, therefore, he indicated that there are concerns as to the role of the Minister. But I guess if you are going to tie in monetary policy with anti-criminal activity by the Ministry of National Security, there has to be a political input into that, but still we must institutionally preserve the independence of the Central Bank. So the demonetization will take place on the appointed date when the blue note, as we know it, will be replaced by the polymer note.

Madam Speaker: Member for Chaguanas West, your original speaking time is now spent. You are entitled to 15 more minutes to wind up your contribution.

Mr. G. Singh: Thank you, Madam Speaker—

Madam Speaker: You may proceed.

Mr. G. Singh:—I intend to utilize it. [*Desk thumping*] And there is, of course, the extension by the Minister to redemption and extension of the time period too, Madam Speaker. But what the bank—and look at new section 27A(6):

“The Bank, with the approval of the Minister, may prescribe such conditions and procedures as it considers appropriate for the redemption of specified notes...”

So what are these conditions that are going to apply? Why should we be making law in this Parliament and giving the bank and the Minister the right to make prescribed conditions to deal with people's money and we have no knowledge?

It is an important point to make that you ought to have a sense of the conditions under which you can retain this money. In the Indian experience, which is the most recent experience, they had to change as they went along because of the

backlash that they got. So that why do we not know? We are coming late in the dance, what are the conditions that the Central Banking is going to prescribe? The Central Bank cannot be like the Minister of National Security hiding behind national security's apron. We have to have an approach that the Central Bank has to be transparent and open for the benefit of the customers of the banking sector, because at the end of the day the customers must have the confidence in the banking sector in order for there to be that level of retention, Madam Speaker, of faith in the process.

So then you go on to some procedural matters. Now, in dealing with clause 3 of the amendment in the Bill, Madam Speaker, I asked the Minister when he was piloting, what—you are replacing “ninety thousand”. The “ninety thousand” is a certain figure. Anybody could know that you cannot go with more than \$90,000 in cash to deposit in your bank account. So therefore, Madam Speaker, there has to be some principle of certainty when you are dealing with these matters—must have—and I cannot just leave it up to the Minister to determine. It could be a yo-yo, today 50, tomorrow 150. What is it that you need? You need that certainty. Certainty is a principle of the rule of law. The subject must know how to fashion his behaviour in order to go and meet that principle, meet that amount. So if you do not know, you could play hit-and-miss, and what is it that is so—how can I put it—national security-conscious that we cannot know when we know it is \$90,000 today that is the existing law.

So, Madam Speaker, the certainty, the legal certainty is required and I am not buying into this that it is up to the Minister and we will get that amount as we go along. Law cannot be made on the basis of some amorphous and [*Desk thumping*] and nebulous concept or quantity. It has to have certainty. That is such

an accepted principle. You see, Madam Speaker, when you look at what has transpired in other areas of the world, you recognize that demonetization can assist in dealing with the criminal underbelly. It can, but the experience is that you cannot rely upon demonetization to carry this and I am really fearful, first, of the indecent haste, the sense of urgency that has created it, almost an emergency; the other place is sitting tomorrow. Where is this? Where is this leading us? This haste, this sense of urgency really makes room for bad legislation, and there are too many gaps in the amendment provided for us; too many gaps, too many nebulous, too many amorphous, too many uncertainties for us to just blindly support this legislation. And I want to suggest to the Minister, especially the Member for Port of Spain North/St. Ann's West, that you come to the legislation, you come to the Parliament, there is no verifiable data for us, how is this going to impact; what are your projections; what do you expect to come of it; how many gangs would be utilizing this stash of illicit cash?

Madam Speaker, you know what Reserve Bank of India said? To talk about people hiding money under their mattresses, and pillows, and in barrels is immature because the real money laundering takes place in real estate, in gold, in jewellery, in paintings and other areas. So unless the hon. Minister comes and justifies that for us to come with this visual graphic of a wall or a room full of money, is nothing but an immature, infantile—going to the base elements, it is like “rum shop talk” for want of a better term. And as I say “rum shop talk”, it is the rum shops that will be affected by this. It is the rum shops, the bars, they deal in cash. They deal in cash in this matter, all the pubs, all the beverage areas, all the retail outlets.

Hon. Member: KFC.

Mr. G. Singh: Well, my colleagues remind me of KFC. So look, you need to provide this piece of legislation. The objective is good, but there are too many omissions, too much speculation for us to blindly support such a piece of legislation. And, Madam Speaker, if you want to move and embrace the informal economy into the formal economy, I do not think this will give you the necessary oomph to achieve that. So, Madam Speaker, with these few words, I thank you very much. [*Desk thumping*]

Madam Speaker: Member for Port of Spain North/St. Ann's West.

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam Speaker. Madam Speaker, I rise at 10 minutes past nine to enter the debate and to provide information to the citizens of Trinidad and Tobago, through you, and through this House, on a decision that was taken yesterday by the Government of Trinidad and Tobago to deal with the demonetization of our largest note in circulation, which is the hundred-dollar note. I have listened attentively to my friend and colleague from Chaguanas West, as well as the Member for Pointe-a-Pierre, to be in a position to be able to address their legitimate concerns where they exist, but also to provide the necessary information that can be provided at this stage.

I have to start by saying that I found it like a bit of a fishing expedition by my friend. He kept throwing the bait, throwing the bait, "you have to justify, you have to tell us; you cannot hide behind national security". That may work with someone else and in another place; to say that you must come here with statistical evidence and you must lay it out nakedly, and all to bare as to who is engaging in what, and why you want to do this. As was stated very clearly yesterday, this particular measure is being done and there is not a single law-abiding citizen in

Trinidad and Tobago who would oppose it and, in fact, the Member for Pointe-a-Pierre started off by saying, and even quoting and saying that the Leader of the Opposition supports the principle and the legislation.

So I will start off once again, Madam Speaker, by stating, this particular measure is being implemented in order to fight money laundering including the financing of drugs, narcotics and the illegal firearm trade—pause. A lot of time was spent in the last contribution talking about money laundering and how money laundering is conducted. It is not only conducted in cash. It is conducted in real estate and jewellery, et cetera—obviously—that this cannot be the only measure taken to combat money laundering. Who said it is the only measure? To say that will be to mislead the population. In fact, right here not too long ago we passed what I believe is ground-breaking legislation in the form of explain your wealth. That goes to the heart of money laundering, but as we have said time and time again, there is not a single measure that you can take that will just eradicate all crime and in particular the crime of money laundering.

What I found interesting is the continued harping on real estate, on real estate, on real estate, this is going to stop real estate sales. So let me just, through you, Madam Speaker, put this in context. All we are doing today is we are amending the Central Bank Act to provide the opportunity and the discretion to allow the demonetization, which means to take out of legal circulation to say that bill is no longer legal tender, from a notice period of three months to now a minimum of 14 days. That is what the legislation is and I will get into the Bill to explain why certain provisions are there and the safeguards that are there in those provisions. So what I find astounding at the harping on, and the focusing on the purchase of real estate is, I am asking every citizen of Trinidad and Tobago today,

and in particular the law-abiding citizens of Trinidad and Tobago: Who goes and purchases million-dollar properties in cash? And, how the changing of an old bill to a new polymer bill will collapse the real estate.

So I sat there and I listened carefully, and the continuous reference to real estate and the collapse of real estate, and I wondered, and I smiled, who is it, which legitimate businessman keeps millions and millions of dollars in their possession to purchase real estate? That is an interesting proposition. Again, “tell us and tell us who is engaged in illegal and illicit activity; why come with this”? And this typical attempt to create a sense of panic and create a sense of frenzy as to why now and why the timing, I will get to the timing, but again I smiled. Because I asked my friend from Chaguanas West, as I just said this is being done partially to combat the financing of drugs, narcotics, and the illegal firearm trade. That is a cash industry. Those transactions as far as I am aware are conducted in cash. So I want to ask my friend for Chaguanas West, who are the drug dealers that he knows that will take a LINX card, a credit card, or a cheque? Because the whole—and I will give him the benefit of the doubt. Let me retract the whole. Let me say 99 per cent of those who engage in that type of activity, it is in cash.

The people who go and engage in the illegal activity, not the purchasing from the suppliers from South America or where else it will be, because yes that might be US dollars. The domestic trading in illegal firearms, the domestic trading and carrying out of the illicit drugs, the cocaine, all of the other things that are hurting our law-abiding citizens, every sensible person in Trinidad knows that is a cash industry. That is not a LINX card, that is not, “I will write you a cheque for the cocaine”. That is not, “Take my credit card and go and swipe it in the machine”. So again, that is trying to lead the population down a specific rabbit

hole, and this Member, that is me, I am not falling for that.

The other things that this will deal with is the black money economy, or as my colleague from Diego Martin North/East said, that whole illicit economy, that economy where it is—

Mr. Imbert: I said dirty.

Hon. S. Young:—that dirty money economy, it also will deal with corruption because again, and I say at the outside, it is recognized by the Government because a lot of planning went into this, a lot of consultation with the experts who have gone through this before, and I will get to the India example in a short while.

There are legitimate businesses that will be transacting, carrying a lot of transactions out in cash. No doubt about that. Every law-abiding citizen, be assured that once you are carrying out your businesses above board and in accordance with the law, you have nothing to fear. This is a simple exercise. Bring your old note, walk out with a new note. Bring your old notes, deposit it, when you are ready to withdraw your cash, withdraw it with new notes. The new note as we have stated, as the Member for Pointe-a-Pierre pointed out some of the features, a decision was also taken to upgrade, to upgrade from paper money that has less of a shelf life, and less security features, to polymer. Immediately by going to polymer you have provided a security feature. The new note will have additional security features that paper cannot have.

You want facts with the counterfeiting side? Up to recently we cracked a ring, meaning the law enforcement officers, where persons were bleaching one dollar paper notes and then reprinting it as blue notes as you call it. You cannot do that very easily with polymer and the security features. Whilst we are upgrading our currency, we decided to deal with the differently abled and in particular the

visually impaired. So the new tender, the new note, will have braille on it for them, easy to identify, and other related problems with respect to corruption.

I was talking about legitimate businessmen. So there will be some businesses, Massy Stores, the whole chain of Massy Stores and other things that may be dealing in cash. All you have to do is take in your old notes, exchange them for the new notes. Simple. No need for panic. It has been planned, we have been working on it, the security forces have been working on it. As the Minister of Finance said, we have met with the banking sector. Now, the real reason behind this is a national security reason as we stated yesterday. The Government has accepted that for national security reasons we should change the note. It will completely defeat the purpose of what you are trying to achieve, to come and say well, we intend to change the note, we will change it down the road, we will change it next year. It takes me to the point of convenience and timing because I expected it. I expected the noise about timing because people have a legitimate right to have concerns. I understand and the Government understands there will be some level of anxiety by pensioners as I mentioned, and other people.

That is why we meet with the banks to tell the banks you have to cater.

9.50 p.m.

You have made a point, Member for Chaguanas West and you talk about who will benefit, who will be the real beneficiaries?—and the suggestion that the banks will be, well I would be very surprised because the banks now have to incur additional costs and expense to be able to implement this, because they have to be the ones carrying this out. It is not going to be any of us carrying it out and this is the perfect opportunity to put down the marker. Government decides policy and other people implement. The Government has taken a decision to change the note for reasons, some of which I will touch on. The implementer and the administrator of this decision is the Central Bank of Trinidad and Tobago, and the legislation, the

majority that we are looking at here today, the amendment to the Central Bank Act, and the introduction of section 27A, wherever you see “bank” referred to there, it is the Central Bank. So the Central Bank must carry this out, this policy decision of the Government, it is not the Government.

The credit unions, so when you said, “Are credit unions left out?”, the answer is “No”, because the reference to the banks here is not the reference to commercial banks, it is the Central Bank. Credit unions like all of us, credit unions, like the banks, bring in your existing notes, you will be provided with replacement notes and therefore, they would in return be able to provide their shareholders as you know, that is how the co-operative society, the credit unions work, their shareholders and their membership with their deposits, so no need for scare there. Same thing with the pensioners. We have told the banks that you have to increase your resources over the period of time.

The Central Bank has by now put out there, because as I said, they are the administrators, they are the “implementators”, they have put out there this is what the new note will look like. We are busy working now to ensure that the commercial banks get the notes. I put down a marker here as well because one of the things that went wrong in India was that there were not sufficient notes, not sufficient notes to replace. Again, we in Trinidad are not a backward people. In the sitting down and the planning for the implementation of this—as I said, we met with the experts, the international experts, we discussed things and we will learn from the mistakes that others made. So I give the population the assurance that the replacement notes for the existing notes in circulation are available and will be available so we are not going to have that problem.

Let me just touch on India example. It is a convenient point and I expected

it. In India, in 2016, Prime Minister got up or the Government got up and announced on the 8th of November, if I remember the date correct— It was Modi?

Mr. Imbert: Correct.

Hon. S. Young: As of today, the 8th of November, demonetization. No longer legal tender so make your way to the bank. First difference, we are not doing that. You are asking about dates, I will get to that in a short while. But the second point is, let us be real, India, in 2017, had a population of 1.339 billion people, 1.339 billion compared to 1.3 million. Incomparable. So what you then do is you look for a jurisdiction similar to us that has recently gone through this exercise, Mauritius, and Mauritius has a similar composition to Trinidad and Tobago. Population almost identical and economy to an extent but also similar to our racial composition, our ethnic composition, our religious composition, et cetera, and that is how we went about doing this. So yes, you look at the India, you look at Venezuela across the waters and the others. We are not in a similar position to them. And what they did in India was they took their two largest bills, the 500 and the 1,000, change it out, introduce a 2,000. We are just focusing on our largest denominator bill. There is absolutely, Madam Speaker, no need for any sense of anxiety, any sense of panic whatsoever.

The dates. You cannot come and present the dates today. I cannot come and present the dates tomorrow either. The legislation does not exist. You cannot preempt the legislation. We have to pass the legislation. This thing has to be done very, very carefully, very, very sequentially. Everything, even the announcement yesterday. The Governor of the Central Bank then at 4.00 o'clock in the afternoon telling the population this is what it would look like. Our job is to come to Parliament and pass legislation. Yes, Parliament is sitting now, which is why we

are all here, we are conscientious, and tomorrow, there will be a short sitting, hopefully, in the Senate. Once the legislation is passed, the administrator and the implementer of this policy decision will tell the population what are the proposed dates by the bank, meaning the Central Bank. The Central Bank has stated at this stage with the introduction of the new bills, there will be co-circulation. Co-circulation means the existing bills i.e. the old bills and the new bills continue to be legal tender, continue to be acceptable for business, for trade, everything, until the date of demonetization and in the proposed legislation, we call that “the appointed date”.

Let us just turn very briefly to the legislation itself. Simple legislation but important legislation. All we are doing is we are seeking to insert now a 27A—a new 27A—because when you look at the existing Central Bank Act and I draw your attention and for those who, down the road, may want to look at the interpretation in the legislation, what we the legislators intend, start with section 21 of the Act. Section 21 of the Central Bank Act talks about, section 21(1):

“The currency of Trinidad and Tobago are the notes and coins issued by the Bank under this Act.”

So at the outset, it is telling us—and we all know it in here—that the Central Bank is one who will issue the notes. Then at subsection (2), it talks about:

“The Bank has the sole right...”

The sole right, this is the Central Bank.

“...to issue notes and coins in Trinidad and Tobago...such notes and coins are legal tender...”

Right, and then it goes on. But when you go to section 27, the existing section 27(1):

“The Bank, with the approval of the Minister, may on giving three months’ notice published in the *Gazette* call in any of its notes...coins...”

And it goes on. That three-month period is the current existing law that says once you give three months’ notice, you can demonetize.

Yes, this is an exercise that the Government took a decision on based on national security issues. The national security issues are to combat and to fight those engaged in illegal activity. The drug dealers, the ones engaged in the human trafficking. Let us not bury our heads in the sand. You can ask Couva North. Couva North has stated publicly that there is criminal activity going on in the constituency. We all know it. We all know the bars, the clubs. You call it “de rum shops”. I am not referring to “de rum shops”. We all know the bars and the clubs and the others that now are engaging in human trafficking and illegal prostitution and the use and abuse of women. “De men going in there eh using credit cards, dey eh using cheques, dey not using that type ah thing. It is ah cash economy.” The real ones behind organized crime are dealing in cash, they are hoarding the cash, they are storing the cash to then use that to further illicit activity. So today, with the passage of this, we shorten and compress the time to a minimum of 14 days, and as we go through the legislation, you will see where there are safeguards and protection.

So the legitimate questions were asked: What about people who for example—and I have gotten the questions asked. They reside outside of Trinidad and Tobago but annually they come. We all have them. Family members who would come for summer, those who would come for Carnival, et cetera. But they have their TT cash. What do they do with their \$100 bills now? It is provided for here and we will deal with that. The Central Bank will publish, as we have

planned, they have sat down carefully and planned for these instances: a person who is ill, a person who is unable to get to the bank within that period of time. Categories of people will be identified and the provisions are here in this amendment to cater for the unexpected instances and the expected because as we can stand here now and talk about persons who are outside coming back in walking with their money. So they are coming from Carnival next year, they are coming for Christmas next year, whenever it is. Right. What people? [*Crosstalk*] We will deal with them differently. All right?

So what we are doing is we are coming here with an amendment to deal with and to give the ability because the legal advice was you do not go under the existing 27, make sure that we close those issues, make sure and deal with the specific, give the expressed power to demonetize and that is all that 27A is. Try and provide for the safeguards, that the bank has to consult with the Minister, the Minister has to give the order, and if it is felt that the date, the appointed date is not a sufficient one, as the legislation currently is, it does not provide for the opportunity to extend the date. What we are proposing here does. Because again, in life, there are unplanned, unforced and these types of things you have to be able to prepare for but you do not know what is coming and that is what the legislation is here about.

So 27A(1):

“In addition to the powers of the Bank under section 27, the Minister may direct the Bank to cancel any note issued by it giving not less than fourteen days’...”

So it is not less than 14 so “yuh cyah do it” willy-nilly overnight and disrupt the whole place. But the notice must be established giving the date of cancellation.

Subclause (2):

“On or from the appointed date the specified notes shall cease to be the currency of or be legal tender...”

Because when you are conducting these types of exercises which is going after illegal and corrupt activities and you want to demonetize, make it express so no one can come and argue afterwards, “Well, ah could still use meh old hundred dollar bill”. No, we are saying very clearly so anyone looking at it, knows that from the appointed date, “yuh cyah use it anymore”. So go to the bank, change it out.

The Central Bank will give the instructions to the banking community as to how it can be. We have identified different categories that people fall into, meaning there are some who have massive cash businesses, there are some of us and some of the pensioners, et cetera, who will have smaller amounts, there are some who will have in-between amounts. But once you are law-abiding, you just go, “yuh explain”, it exists now. All of us in here are subject to PEP. We are all politically-exposed people. So go now and try to deposit “ah \$200, yuh hata fill out ah form”. That is how it is. So what we are saying is, in the second part of this legislation I will come to, give us the opportunity to look at the 90,000 to either increase it or to reduce it. It is not going to be secret because you have to tell the world and all it means now is “Explain yuh money, fill out ah source of funds, say where the 10,000 came from and yuh good to go”, but do not underestimate our banking system. They already know the doctor that comes because every month for the last 20 years of his or her life, they have been depositing X amount of money. That is the KYC., “know your customer”. It exists in the banking system. No need for panic.

Subclause (3):

“The Bank shall redeem at face value...”

So we are making sure that people understand and the Central Bank and we all understand, “yuh \$100, yuh getting ah \$100; the value of yuh \$100 old note, yuh getting ah new note at the same value, ah \$100.”

Subclause (4):

“The Bank shall redeem at face value any of the specified notes that are presented within the period of three months after the appointed date...”

So this is the section that captures the categories of people we were just discussing. So after the appointed date expires, there is an automatic three months’ period, according to this legislation, to start, so it protects anybody who falls out of the period. So you could not put in your money or change your money, present your notes for redemption, prior to the appointed date and that resulted from circumstances beyond the control of the true owner of the notes or that there was some other good or sufficient reason for the failure. We do not stop there but we provide for it expressly in the law to ensure that people are protected.

Subclause (5):

“The Minister may by Order extend...”—either of the dates—“the date or period in subsections (1) and (4)...”

Subsection (1) is the original appointed date; that is the demonetization date. So it is not “ah drop dead”. At the end of the day, we will have the ability to extend as you see how things are going but—and I warn the population—do not think it will be exercised because understand this exercise—it will be exercised, that discretion, because understand the purpose of this is we are going after those engaged in criminal and corrupt activity. You do not want them to fall in—“yuh hearing it all,

yuh seeing it everywhere”, I am being messaged, “yuh seeing it on social media”. Everybody is speculating, “Well dey will find the loophole, dey will do this, dey will do that”. Again, do not think that people are stupid, especially the law enforcement and those in charge. It has nothing to do us. Our job is to pass the legislation. The Government has done its part. This is a policy Central Bank implements, other people, you have your jobs to do. So, the Minister can extend either of those two dates and “Minister”, of course, would mean, as the Constitution states, the Cabinet. So it is not the Minister of Finance wake up one morning and just decides to do something. It has to be a Cabinet decision.

Subclause (6):

“The Bank, with the approval of the Minister, may prescribe such conditions...”

And that is what will capture it. So they will spell out to us: these are the conditions, these are the areas, this is how to deal with it. Subclause (7) and well (8) is the definition.

That, in a nutshell, Madam Speaker, is the simple amendment being made but the effective amendment and one that we have ensured protects the right of every law-abiding citizen. We did not try to go under, “Well, let us just scratch three months, bring it to minimum”. No. We sought advice and we were told make sure you have protection, make sure you have express provision of the powers to do what it is you want the Central Bank to be able to do.

Then, the Proceeds of Crime Act is being amended. That falls to the Minister of National Security; that will be published. People will know. I was trying to remember and I was asking the Attorney General, I think, my recollection, when that legislation came in, it was something like \$45,000. So once

you went into the bank to deposit over \$45,000, including by cheque, you have to fill out a source of funds. [*Crosstalk*] Correct and then it went up to 60 and then it is 90. So give us the opportunity to look at it, especially with this type of legislation and to be reasonable and to bring it to whatever level it needs to be to fit in, to marry with what we are trying to achieve.

Just very briefly, Madam Speaker, some of the issues have been raised in the public domain that deserve to be addressed raised by my friends here. Timing. Timing would never be convenient. People talking about Christmas now. I guarantee you, if you wait, they would then talk about Carnival, people coming for Carnival, after that is Easter, after that is, well, summer vacation, et cetera. You just have to take a decisive decision, make sure you protect people's rights and just do it and that is what we are doing.

Inconvenience. Yes, there will be inconvenience. By definition, it is going to be inconvenient for persons. I apologize for that upfront but the greater good outweighs the inconvenience. Understand the real people that we are going after, none of the law-abiding citizens. Those who want to engage in the criminal activity, they deserve to have to deal with this type of measure and the implementation. Whenever the State and law enforcement implement measures and their operations to tackle crime, there will always be some level of inconvenience, but we say this is for the betterment of society.

It was interesting as it was announced yesterday and people start to comment and people to write and people start to message and communicate, a large part of the business community—and I would not talk about “water cooler talk” that may have taken place, my colleague has already done that. But a large part of the business community actually believes that this measure at this time will provide a

stimulation of economy and by definition, it will, because persons who want to spend now, their cash and get it out, they will now push it into the economy. I just put that on the table.

When you look at the same India example and you look at the benefits and the disadvantages, it tells you about that being one of the benefits; and we go straight to benefits. This is an effective way to curb black money economy, corruption and counterfeiting. It will completely deal with the counterfeiting issues that we are dealing with right now. All law-abiding citizens, Madam Speaker, who are not involved in malpractice will welcome and have begun to welcome this as a good move. It forces unaccounted cash into an accountable system and that is a big part of it. What we have been talking about and discussing and from the national security's perspective is all of that unaccountable cash out there. And you see it, you see the viral videos, but we also know it exists and the evidence is when you do the raids, when they make the pick-ups. You could also assist in having citizens open bank accounts and depositing their money. That is a safety issue as well. The banks see this as a step towards a cashless society. Banks all over the world want to go that way whether we want to or not but it does provide some impetus towards that.

So what I say, Madam Speaker, is for every law-abiding citizen, this is a simple exchange. Bring in your old notes, get your new notes. Government has been planning, including with our security services.

Madam Speaker: Member for Port of Spain North/St. Ann's West, your original speaking time is now spent. You have 15 minutes to wind up your contribution.

Hon. S. Young: Thank you very much, Ma'am. Right. So we will provide the support that we can. Met and spoken with the banks, the banks security personnel

as well and we have an awareness around that. This will be implemented and is to be implemented by the Central Bank and administered. We have taken a policy decision. We are coming here for the passage of this Act, it is then up to them to implement it and make sure it is properly implemented. Money remains in co-circulation until it is demonetized, the Central Bank will tell us when that will be.

Madam Speaker, with those words, I hope and I trust that I have provided another level of clarity as to why this Government decision was taken and we look forward to the support of all and in particular, all of the law-abiding citizens because that is our job. Our job here, as I have said before, as the legislators, is to pass legislation to support a lawful society.

Thank you very much, Madam Speaker. [*Desk thumping*]

The Attorney General (Hon. Faris Al-Rawi): Thank you, Madam Speaker. I do not propose to be too long, I just propose to supplement some of what my learned colleagues have said and to address a few very important issues that are in the public domain. Madam President—Madam Speaker, forgive me, the demonetization has been put into the context of what is required here today. The amendment to the Central Bank Act, the Member for Chaguanas West asked why was there—forgive me if it was Pointe-a-Pierre or Chaguanas West, perhaps it was Pointe-a-Pierre, said that this was something which was going to erode the powers of the Central Bank under section 27. I believe it was Pointe-a-Pierre and I would just like to correct that, please.

Madam Speaker, the Central Bank Act is being proposed to be amended because we are ultimately dealing with the entity that can treat with the issuance of money, the demonetization of money, the call-in of money and replacement, the general management. Sections 21 onward of the Central Bank Act is where we have the

power for the Central Bank to actually issue money and coins.

Section 27 of the Central Bank Act is a very limited section. That section allows for call in of money. It is a call-in and management of money in a very unique context. That call-in and management of money is that the bank may, with approval of Minister give three months' notice, call in any of its notes on payment of face value any such notes, et cetera, on expiration cease to be legal tender. This law, as we propose to be amended by the insertion of a section 27A is something which is beyond that power. Our Bill specifically, and it is important to speak to this because I want to address the constitutionality of the law. It is something that we have not yet touched upon but it is imperative to put on the record.

The power that we offer the Central Bank in section 27A is a different power. It is in addition to the power in section 27. It is that power to effectively cause a cancellation, a demonetizing, as they call it, of the legitimate currency, and, Madam Speaker, very importantly, it preserves the value of the property in special circumstances where the procedure is to be prescribed. Now I have said that way because I want to put the issue of constitutionality on the record because other jurisdictions have seen challenges to the constitutionality of laws such like this. If you look in particular to the experience in India where there have been three demonetization cycles, there was significant challenge in the Indian courts. Number one, it is axiomatic that money is property. It is also axiomatic that if you are seeking to treat with the removal of money, that you are going to treat with equality of treatment. Therefore, the constitutional parameters which jump out at us are sections 4(a), 4(b), 4(d). 4(a) is your right to property, 4(b) effectively is your equality of treatment, and 4(d) is your treatment, again, equality as to how you manage it in the other context of the forum where you are treating.

Madam Speaker, therefore, it is going to be said that this law trips fundamental rights and somebody out there is going to ask the question as to whether we need a three-fifths majority to actually cause this law to come into existence and let me address that. It is important to put it on the record. The issue of proportionality in this law is, first of all, to be grounded on whether every section 4 rights of the Constitution, enshrined rights, need to be derogated from or managed downwards, affected by a section 13 or three-fifths majority treatment. It is now simple law that not every section 4 and 5 right needs to be treated with a section 13 majority. That has been set out in the very famous case of *Suratt*, in lots of local judgments which have reaffirmed that position effectively, Baroness Hale's dicta.

Second point, the legitimacy of the law is to be found in its legitimate aim and the Member of Port of Spain North/St. Ann's West set out the legitimacy of the aim. It is to treat with national security. Let me add further that the legitimate aim is to be found in Trinidad and Tobago's assessment because Chaguanas West asked for data and I am bound to put the data on the record. In putting the data as to whether there is a risk, what is the national security risk? I must put on the record that information which comes from the Financial Intelligence Unit.

The first thing that I need to put on the record, Madam President, is that— Madam Speaker, forgive me, I was in the Senate just two days ago. Madam Speaker, the first thing that I must put on the record is that we have a suite of laws that treat with the scourge of illicit money, corruption, money laundering, terrorist financing, proliferation financing. That is to be found Proceeds of Crime Act, Anti-Terrorism Act, Financial Intelligence Unit Act, Financial Obligations Regulations, Financial Intelligence Unit of Trinidad and Tobago Regulations and

the Financial Obligations (Financing of Terrorism) Regulations, 2011. Those six pieces of law have allowed us to capture data and Chaguanas West asked for the data and I want to specifically for the purposes of *Hansard* and for challenge put out the FIU annual report of 2017, in particular at page 21 and I would also like to put out the FIU report of 2018, its annual report to be found at pages 22 and 23.

In treating with these two things, let me put on record. The 2017 report demonstrates that there were—total number of suspicious transaction reports, suspicious activity reports, 877, and that 877 represented, Madam Speaker, \$14 billion odd, nearly \$15 billion in the banking sector alone. There was another \$7 billion in the insurance sector, \$44 million in the investment companies, \$12 million in the co-operative societies, \$18 million in money transfer services like Western Union and Grace Kennedy, and Madam Speaker, that is to also be found across the template in everything from banking, money laundering seen in jewellers, motor vehicle sales, national lotteries, real estate, private members' clubs.

For the benefit of *Hansard* as well, let me put on record that the 2018 annual report demonstrates \$22.5 billion in suspicious transactions and suspicious activities. Let me repeat that, \$22.5 billion. In motor vehicle sales, \$12 million; in money transfer services, \$10 million; attorneys-at-law, \$142 million; in national lotteries, \$1 million odd; in private member's clubs, \$147 million, et cetera.

9.50 p.m.

When we look at the management of these suspicious transactions, we hit that first point of: Is there a legitimate aim in this law? The legitimate aim is to be found here.

Madam Speaker, I heard a public commentator alleged that this is a good

law, but alleged that Trinidad and Tobago has had no examples of success when we treat with the scourge of money laundering, on the radio, very bold very loud, sounding as if this person knew everything: Yes, this Government has not treated with scourge of corruption and money laundering. Trinidad and Tobago has had laws since 2009. The person said that person was there when those laws came in. And then the person went on to make the assertion, the very bold assertion, that there was absolutely no matters before the court or convictions. Madam Speaker, the man said not a single one.

I want to tell you, in the period 2015 to 2019, under our tenure, 66 persons charged for money laundering; 1,416 charges for money laundering; four pleadings guilt; four identified as being beneficial owners of companies used in commissions of fraud offences. One thousand, four hundred and sixteen charges were a resultant value of \$59.7 million worth of charges and \$1.3 million worth of US dollars in charges.

Madam Speaker, it is astounding that people can just step forward and say that nothing has been done. So the legitimate aim, the first limb of proportionality, we are treating with money laundering, corruption, the financing of terrorism and the fact that we have seen, as a result of improved intelligence in the SSA, improved activity by the Commissioner of Police, vigorous national security work, the Financial Intelligence Unit having been supplemented by the Ministry of Finance, the Attorney General's office having implemented umpteen laws and birth the National Anti-Money Laundering Committee as a creature of law, where the AG manages that aspect, we can tell you that there is legitimate aim and there is certain statistical information: trafficking in persons, prostitution of minors, corruption in land, et cetera.

Now, Madam Speaker, Chaguanas West was very correct. Chaguanas West said look, he did not think that treating with demonetization, changing out the \$100 bill was something that could just do it and he went to different jurisdictions. Madam Speaker, I am somewhat astounded that my colleague would say that but, perhaps, he has forgotten the last four years of work that we have put in this Parliament.

Madam Speaker, let me put it on record right now. We have, as a Government, certainly not put our eggs in one basket. The Minister of National Security said that a decision was taken at Cabinet this week. I would like to say a decision was taken over two years ago by the Head of the National Security Council, the hon. Prime Minister, to put this into effect. The Minister of National Security has said today and informed the public that we have avoided some of the mistakes made.

In India, for instance, where they announced the demonetization and did not have the cash in hand to replace it, we obviously are in a position where we have the cash on hand. In other words then, the head of the National Security Council, the hon. Prime Minister, ensured that this mechanism was worked out over two years. But I want to put it in context for the Member for Chaguanas West. Madam Speaker, we have sought to put our eggs in the following baskets. We have treated with laws to manage all of the areas where you can put illicit financing, land, companies and cash.

Land, Madam Speaker, we did, of course, the entire land package. We did the four laws, the Registration of Title to Land Act, the Land Adjudication Act, the amendments to the Land Tribunal, the position of the state lands position. In relation to land, we have two more Bills to come forward in a matter of a week.

That is the real estate agents Bill and the registration of deeds and miscellaneous provisions legislation.

Madam Speaker, perhaps my friend, Chaguanas West, does not yet remember the Anti-Terrorism Act, the Financial Intelligence Unit, the Proceeds of Crime Act, the Mutual Assistance in Criminal Matters Act, the amendments to the Companies Act to treat with beneficial ownership, the amendments to introduce non-profit organization management, the amendments to treat with cash, as we dealt with the Financial Obligation Regulations. My friend, perhaps, does not also remember that we went and we removed bearer shares certificates, beneficial ownership in two different ways, under the securities legislation. You see, Madam Speaker, we did those laws to capture land, cash, and companies, so that we can get all of the areas where corruption can be fed into. So we are certainly not putting our basket to catch one aspect of it alone. It is a broad section approach.

Madam Speaker, that is to be layered by the mechanisms that we have used to catch the illicit crime. Obviously, the civil asset forfeiture explain your wealth legislation, obviously the criminal offences that we have brought in, apply on that. We have done that in the anti-gang legislation as well.

Second limb of proportionality, is this measure rationally connected to that legitimate aim? Obviously targeting the money in the fashion that we do to remove the highest note of currency is rationally connected.

The third limb of proportionality, do we go any further than we ought to go? Have we been excessive in traversing the elements of proportionality? I will say this. One, we say, as the hon. Minister of National Security said, we are demonetizing. There would be a date after which this is no longer legal currency. Two, we provide for the exchange on face value, meaning \$100 is \$100. Three, we

provide for the exceptions to the rule. You are out of the country, you are sick, you have legitimate cause, you knock on the door of the bank, which is the Central Bank.

Madam Speaker, let me put this on the record, there are 80 million \$100 notes in circulation. Let me repeat that: 80 million notes in circulation. That translates to \$8 billion in circulation. That is to be found, Madam Speaker, not in just people's mattresses, not in their hands, but in the following places. Number one: There are, of course, list of banks. Trinidad and Tobago has eight banks: Bank of Baroda, Trinidad and Tobago Limited; Citibank, (Trinidad and Tobago) Limited; First Caribbean International Bank (Trinidad and Tobago) Limited; First Citizens Bank Limited; JMMB Bank (Trinidad and Tobago) Limited; RBC Royal Bank (Trinidad and Tobago) Limited; Republic Bank; Scotia Bank (Trinidad and Tobago) Limited.

It is to be found in 16 non-banks: Ansa Merchant; Caribbean Finance; Citicorp; Development Finance Limited; Fidelity Finance; FCB Depository Services; First Citizens Trustees; Guardian Group; JMMB; Express Finance; Island Finance; Massy Finance; NCB Global; RBC Investment; RBC Merchant; RBC Trust; Scotia Bank.

It is to also be found, Madam Speaker, in money value transfer services. There are 10 of them in current active position: Chard and Geller, Earth Point, Grace Kennedy, Kingdom Brothers, Laparkan, Massy, Pennywise, Think Mobile, Unilog, WiPay.

That is to be found also in 120 credit unions. So, we know the list. We understand this. You have—I would not do like my friend the Hon. Dr. Tim Gopeesingh, Member for Caroni East. I would not call them out because in his list

some were fabricated, in mine they were all real.

But Madam Speaker, what I can say, across those hundreds of entities, obviously the \$8 billion, a large part if not most of it is in there. So let us take away the fear and concern. Obviously, the easiest part is to go and take the money which is here. Go to these financial institutions non-banks, money transfer services and credit unions, replace the billions of dollars that they will have there. And then what we are looking for is the rest of it that is in the public hand.

Madam Speaker, that therefore takes away the large chunk of fear in this equation. Obviously, the position is now left, and legitimately so the concern has been expressed: Can you manage the flow? The Minister of National Security has already said that the Central Bank would be managing this flow. We have applied the exceptions to the rule. We have mapped out the logistics inside of the equation, Madam Speaker. And therefore, it is imperative for us to say, in answer to that question, yes it is to be managed carefully. Yes we expect it to go well. Do we think that there would not be hiccups? Obviously not. That is why you will see in this Bill, the ability for the Minister of Finance, in feeding the proportionality of this Bill, to amend the time frame in 27A(i) and is 27A(iii) into such further time as may be necessary.

Madam Speaker, that in essence treats with proportionality argument, the constitutional argument. All that is left to be said right now, Madam Speaker, is that I want to remind, Trinidad and Tobago is the first country in the world, one of the first countries in the world, to have undergone our Fourth Round Mutual Evaluation in the Financial Action Task Force. We were the first in the Caribbean Financial Action Task Force. We failed dismally in 2015. We were put into the international review grouping in the ICRG progress in FATF and in the enhanced

follow-up in CFATF. We are going to be examined by the FATF in person on the 6th and 7th of January. They are coming to Trinidad and Tobago. They are going to attend upon us. They are going to interview our institutions and they are going to check whether we have done what we have done.

Madam Speaker, I can tell you now, without breaching the rules, we have done exceptionally well on our progress. Trinidad and Tobago has come in for tremendous praise for the work that we have done. We are being hailed as a country where tackling crime and corruption has been approached right.

I can tell you, Madam Speaker, that there are certain landmark judgments, which will be delivered shortly, in relation to some of the work that we have done. I cannot go too far into that just yet. But what I can tell you, Madam Speaker, is that it is by no mistake that we amended 23 pieces of law to actually take ourselves to where we want to get to; 23 pieces of law, which take us across all of the matters which coincide with this Bill. This particular legislation, Madam Speaker, is one of the last pieces of the puzzle. In creating this matrix, in managing to take the profit out of crime, we are doing what other countries have done well.

Last point that I will make. The recommendation for the establishment of the limits, because we proposed amendment to the Proceeds of Crime Act and also for the FORs, the Financial Obligation Regulations. The Proceeds of Crime Act says that large transactions are established at \$90,000 or such other sum as may be effectively prescribed. What we have done is we have eliminated the \$90,000, leaving the tail end of it. It was always allowed to be amended, because other jurisdictions have different limits. I would like to just simply say this, in the United Kingdom every single transaction which is over €1,000; €1,000 effectively, Madam Speaker, is about TT \$7,000. Everybody with \$7,000 has to do a

declaration.

All politically-exposed people have to do declarations. I will confess now. My own child at university, her first time, cannot open a bank account in the United Kingdom because her father is a politically-exposed person and Trinidad and Tobago is on the FATF listing. I am personally affected by that. She therefore, cannot even get a telephone because you have to have a bank account to get a telephone. This thing is not just any and everybody. All of us are in this particular basket.

What I can tell you, Madam Speaker, in relation to the FOR limits, the POCA limits, the proceeds of crime limits, there are different limits for different categories. Perhaps, my friends do not know, if you are in a private members club, a casino effectively, the limit is \$18,000. If you are in a one-off transaction for wire transfers of moneys at Grace Kennedy, et cetera, the limit is \$6,000. If you are treating with life insurance, annual premiums, \$6,000. If you are dealing with single premiums, \$15,000. So the Financial Obligation Regulations, and those are to be found in sections 11(1)(a) and 14(1)(d) of those FORs. There are different limits for different quantities.

What I can tell you, Madam Speaker, is that this is a time for all of us to want to get it done. One of the consequences, I think Minister Young put it carefully, the Minister of National Security, is that obviously those who are sitting on large quantities of cash will have to spend or bring in their cash. If you are going to spend that cash, it is obvious that we are about to see an uptick in the economy. It is obvious that the Minister of National Security and the security agencies will blanket Trinidad and Tobago, as they do, in ensuring that there is safety and law and order in this exercise. We should celebrate this decision. If

there are hiccups along the way, we should try to iron them out. And having put the constitutional measures in place on this record, Madam Speaker, I thank you for this opportunity to contribute. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, I thank hon. Members for allowing us to conclude this debate at a reasonable time. Madam Speaker, I would just like to put into the record some findings of a Commission of Enquiry into Drug Trafficking, dated July 2018, and this was in the island of Mauritius, which the Member for Port of Spain North/St. Ann's West has referred to. What was interesting in the report of the Commission of Enquiry on Drug Trafficking, July 2018, in the island of Mauritius, this is what the Commission had to say.

Since notorious drug traffickers are known to have amassed a fortune and are being looked after by their accomplices or members of their family who are instructed to pay counsel, purchase property, movables or immovables, the only way is to hit at their pockets.

And this is a recommendation, I want to repeat, of a Commission of Enquiry on Drug Trafficking in Mauritius.

The Commission recommends the Government seriously consider to issue a new generation of banknotes in replacement of the current series, especially those of high denomination.

So one of the findings of a Commission of Enquiry on Drug Trafficking in Mauritius, just a year and a half ago, was that one of the ways that you hit drug traffickers in their pocket, is that you issue a new series of banknotes.

I can also tell you, Madam Speaker, that in Mauritius, there has been demonetization on a number of occasions. The Government of Mauritius, in the

year 1998 completely changed its currency. It did not change its currency because of, at that time, a desire to deal with dirty money. It changed its currency because there was a misprint, with respect to the Tamil script on the banknote. So the matter actually went to court, it is very curious. In 1998, in Mauritius, some persons took the Government to court with respect to the banknote. Because of the way the Tamil script was printed on the banknote, there were objections and the court, [*Interruption*] yes, ordered the Government to change their entire family of notes, so they changed all. I can read to you what happened in Mauritius in 1998.

“In 1998, in Mauritius...”

—and I am reading from the *Mauritius Times*, and this is an article, December 26, 2016. So it is not too long ago.

“In 1998, in Mauritius, the entire banknote issue of the country had to be replaced within a given timeframe agreed in court, the replacement having been occasioned by the unfortunate hierarchical displacement of the Tamil script appearing on the banknotes in the previous set.... Given the agreed timeframe for replacement of the to-be demonetised banknotes, the Bank of Mauritius actively caused the new replacement banknotes to be printed well in time and in quantities enough to replace the entire previous banknotes in circulation before the actual banknote exchange began.

The changeover was smooth and effective. There were no adverse economic repercussions. The only problem—which reflects the classic reaction of certain members of”—the Mauritius—“population was the last-minute turnout at commercial banks by numerous persons nearer the day fixed for the final redemption of the impugned preceding banknote issue, despite many communiqués having already informed the public of the deadline. But

everybody was finally served.”

So, in Mauritius, in 1998, not for reasons to go after dirty money, they changed all their banknotes and what Mauritius did, and I want to commend the persons who have been involved in this exercise, learning from the mistakes made by other countries. One of the problems in other countries, India in particular, is they simply did not have enough banknotes. Yeah they were printing as they go along, quite correct. But what has been done on this occasion is that the banknotes have been printed and are ready for distribution. So that problem of when you go to do this, you just simply do not have enough cash, that has been dealt with. Insufficiency of new banknotes, that has been addressed, learning from the mistakes made in other countries; yes more than adequate. So this has been well planned, as I said. So they made sure that the new notes were designed, printed and ready for the changeover. Okay? So that is to deal with the problem that occurred in India.

What I might also say, Madam Speaker, just piggybacking on some issues raised by the Attorney General, there were some challenges to this in India in the courts, but the challenges did not succeed. The Supreme Court of India did not agree that the changeover should be stopped.

And as the Member for Port of Spain North/St. Ann's West has reminded me, our legislation takes into account all of the potential issues that could be raised. For example, in this Bill, for example, we have put in the ability, in 27A(5) of the Minister, in this particular case, is the Minister of Finance:

“The Minister may by Order extend the date or period in subsections (1) and (4) in any case or class of cases where he considers it appropriate to do so.”

So, whereas we are moving on a timeline and we are going to make our best effort

to get this done within the timeline, if for some reason or another the date has to be extended, it will be. But I can assure you that the plan is now to achieve the objective within the specified time frame, which will become known in due course, not today.

The other safeguard that is in here to deal with a potential legal challenge is that the bank shall redeem at face value any of the specified notes that are presented within the period of three months after the appointed date, if it, the bank, is satisfied that the failure to present the notes for redemption prior to the appointed date resulted from circumstances beyond the control of the true owner of the notes, or that there were some good or sufficient reason for the failure. But we are not leaving it up to chance. That is why we have 27A(6), that:

“The Bank, with the approval of the Minister, may prescribe such conditions and procedures as it considers appropriate for the redemption of specified notes in accordance with subsections (3) and (4).”

And coming back to (5), we have given ourselves the ability, not just to extend the date for cancellation, but also the date, the period of redemption. So we are giving ourselves the flexibility to extend the date of cancellation. And if, after that you get to redemption and there are issues then we have given ourselves the flexibility to extend that date and that should deal with most of the legal challenges that may arise.

So, Madam Speaker, as I indicated earlier, it is not possible to indicate what the notice date would be at this time. It is not possible to indicate what the appointed day would be at this time. And it is not possible to indicate what the new limits would be, if there are going to be any at this time. And I thank hon. Members for their support, and I beg to move. [*Desk thumping*].

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clauses 1 to 4 ordered to stand part of the Bill.

House resumed.

Bill reported, without amendment.

Question put: That the Bill be now read a third time.

Mr. Lee: Division.

The House voted: Ayes 31

AYES

Imbert, Hon. C.

Rowley, Hon. Dr. K.

Al-Rawi, Hon. F.

Young, Hon. S.

Robinson-Regis, Hon. C.

Hinds, Hon. F.

Mitchell, Hon. R.

Cudjoe, Hon. S.

Garcia, Hon. A.

Crichlow-Cockburn, Hon. C.

Forde, E.

Dillon, Hon. Maj. Gen. E.

Webster-Roy, Hon. A.

Gadsby-Dolly, Hon. Dr. N.

Francis, Hon. Dr. L.

Jennings-Smith, Mrs. G.

Olivierre, Miss N.

Leonce, A.

Antoine, Brig. Gen. A.

Cuffie, Hon. M.

Lee, D.

Charles, R.

Rambachan, Dr. S.

Karim, F.

Moonilal, Dr. R.

Gopeesingh, Dr. T.

Gayadeen-Gopeesingh, Mrs. V.

Indarsingh, R.

Khan, Dr. F.

Ramdial, Ms. R.

Singh, G.

Question agreed to.

Bill accordingly read the third time and passed. [Desk thumping]

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very kindly, Madam Speaker. Madam Speaker, I beg to move that this House do now adjourn to Wednesday the 11th day of December, 2019. On that day we will do a Bill to provide for the regulatory control of the handling of cannabis for certain purposes, the establishment of the Trinidad and Tobago Cannabis Licensing Authority and connected matters, and a Bill to amend the Dangerous Drugs Act, Chap. 11:25, at 1.30 Ma'am.

Adjournment

2019.12.06

Question put and agreed to.

House adjourned accordingly.

Adjourned at 10.23 p.m.