

SENATE

Tuesday April 30, 1996

The Senate met at 10.10 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

FINANCE BILL

Bill to provide for the imposition or variation of certain taxes and duties, for the incorporation of the amendments made by the Provisional Collection of Taxes Order, 1996, to introduce other provisions of a fiscal nature and for related matters, brought from the House of Representatives; [*The Minister of Finance*]; read the first time.

Motion made, That the next stage of the Bill be taken at a later stage of the proceedings. [*The Minister of Finance (Sen. The Hon. Brian Kuei Tung)*]

Question put and agreed to.

ARRANGEMENT OF BUSINESS

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I beg to move that the Senate deal with Bill No. 2 under "Private Business, Bills Second Reading" before dealing with "Government Business".

Agreed to.

GIRL GUIDES ASSOCIATION (INC'N) BILL

Question put and agreed to, That a bill to provide for the incorporation of the Girl Guides Association and for matters incidental thereto be now read a second time.

Bill accordingly read a second time.

Bill referred to a Special Select Committee of the Senate chosen by the President as follows: Sen. Nizam Baksh (Chairman), Sen. Vimala Tota-Maharaj, Sen. Danny Montano, Sen. Dr. Eastlyn Mc Kenzie.

FINANCE BILL

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

That the Finance Bill be now read a second time.

The Bill which is now before the Senate was unanimously passed in the other place on Thursday, April 25, 1996. It is intended to impose taxes which, up to the date of commencement of this Bill, will have effect under the Provisional Collection of Taxes Order 1996 as amended by the resolution.

This Bill also seeks to make certain modifications to those impositions and to introduce other provisions of a fiscal nature.

Mr. President, you will note that an order made in accordance with the Provisional Collection of Taxes Act may impose new taxes or vary existing ones for the purpose of raising revenue to meet expenditure in an appropriation bill. The variation of existing taxes have legal effect when they are confirmed by resolution of the House of Representatives within 21 days of the commencement of the Order.

The new taxes which have been imposed under the Order will, however, only remain in effect for a period of four months from the date of commencement of the Order, at the end of which period legislation must be enacted imposing new taxes with or without modifications. Failure to enact legislation within the required period would result in those new taxes ceasing to have effect.

The Provisional Collection of Taxes Order 1996 came into effect on January 11, 1996 and the four-month period will expire on May 10, 1996.

Mr. President, the Finance Bill contains all of the measures outlined in the budget presentation which I delivered in the other place on January 10, 1996. The provisions varying existing taxes already have legal effect, because they came into effect upon their confirmation by resolution on January 29, 1996. Those provisions are primarily included in this Bill as a matter of convenience.

In my presentation this morning, I would only be focusing on the new taxes which were imposed by the Provisional Collection of Taxes Order 1996 and on the other measures which are being introduced for the first time.

To provide some explanation, therefore, Parts II, III and V of the Bill seek to abolish tax regimes with respect to pin ball machines, video entertainment and pool rooms.

Part IV of the Bill would increase licence fees payable on the registration of a members' club from the sum of \$300 to a new sum of \$1500.

Part VI of the Bill relates to amendments to the Motor Vehicles and Road Traffic Act.

Clause 6(a) introduces a fee payable on the registration of a motor vehicle which is assembled locally and in respect of which duties and taxes applicable to a completely built up motor vehicle have not been paid. A fee of \$20,000, therefore, will be applicable to motor vehicles with engine sizes not exceeding 1799cc, whilst a fee of \$30,000 will be applicable to motor vehicles with engine sizes in excess of 1799cc. Motor vehicles tax will not be payable in respect of a motor vehicle which is subject to the payment of this special registration fee.

Clause 6(b) of the Bill seeks to amend the Motor Vehicles and Road Traffic Act by requiring the payment of outstanding motor vehicle licence fees before a motor vehicle is transferred to a new owner.

Clause 6(c) would impose a penalty of \$300 on a person who has failed to renew his/her driving permit for a period of more than six months after its expiration. In addition, any person whose driving permit has expired for more than three years will now be required to pass a driving test before the permit is renewed. These provisions, however, do not apply to a person whose permit expired whilst he/she has been living abroad.

Clause 6(e) would eliminate the motor vehicles tax on motor vehicles with engine sizes not exceeding 1599cc.

Clause 6(f) would remove the motor vehicles tax exemption previously granted to returning nationals. In its place would be substituted a system whereby relief from customs duties and motor vehicles tax will be granted in respect of a motor vehicle owned by a returning national for over six months. It is proposed that the relief would be on a declining scale with the newest vehicle receiving the least amount of relief.

Mr. President, I propose the following relief:

- (i) On a vehicle owned by a returning national for a period of more than six months but not exceeding one year, that person will receive a relief of 25 per cent of the customs duty and the motor vehicles tax payable on the vehicle;
- (ii) On a vehicle owned by a returning national for a period of more than one year but not exceeding two years, that person will receive a relief of 50 per cent of the customs and the motor vehicles tax payable on that vehicle;

- (iii) On a vehicle owned by a returning national for a period of more than two years, that person will receive a relief of 90 per cent of the customs duty and the motor vehicles tax payable on that vehicle.

The normal guidelines of the Transport Commissioner concerning the road worthiness of such vehicles will also apply to vehicles imported by returning nationals.

Furthermore, it is proposed that the value of the personal and household effects in respect of which a special tax of 10 per cent is payable should be increased from the sum of \$25,000 to a new sum of \$100,000.

It is also proposed that the reference to personal effects should include tools of trade or equipment to be used in the trade, profession or vocation of a returning national.

A returning national would be required to satisfy the immigration requirements for residency for a period of two years after the importation of the motor vehicle and the household and personal effects.

Failure to satisfy these requirements would render the motor vehicle and household and personal effects subject to the taxes and duties which would have been payable if the relief had not been granted.

Mr. President, a returning national must have been living abroad for in excess of five years to be able to enjoy these concessions and benefits.

Parts VII and IX of the Bill are related and they seek to amend the Petroleum Act and the Petroleum Taxes Act, respectively. The amendments that are being proposed seek to exclude from the definition of "Refining Business" the physical separation of liquids from a natural gas stream and natural gas processing from a natural gas stream where the activity is carried on by a natural gas plant operated separately by a person who is not engaged in other refining business or in production business.

An amendment of this nature would limit the exclusion from "Refining Business" to the activities of natural gas processing plants not otherwise engaged in refining or production business. Furthermore, it is also proposed to amend the definition of "Petroleum Operations" to make it quite clear that the activities of natural gas processing plants will remain within the regulatory control of the Ministry of Energy and Energy Industries.

With the new business of natural gas processing coming on stream in 1991, Government had agreed to grant a tax holiday under the Fiscal Incentives Act to this activity and to tax this activity under the Corporation Tax Act.

Mr. President, an amendment to the Petroleum Taxes Act was therefore made in 1992 with a view to granting a tax holiday under the Fiscal Incentives Tax Act, but the legislation was not successful in bringing this activity under the Corporation Tax Act. The 1992 amendment was given with retrospective effect from the year of income, 1991.

10.20 a.m.

It is now proposed to repeal the 1992 legislation and to bring the operations of natural gas processing under the Corporation Tax Act by excluding these operations from the charge to Petroleum Profits Tax. This amendment will also have retroactive effect from the year of income, 1991.

Mr. Speaker, Part VIII relates to amendments to the Income Tax Act. Clause 8(a) would reduce the business levy from 0.5 per cent to 0.4 per cent. That clause would also raise the threshold for business levy purposes so that self-employed persons whose gross sales or receipts do not exceed \$150,000 will not be required to pay the business levy.

In clause 8(b), the amount or value of dividends or distributions paid to a resident individual by a mutual fund or by the Unit Trust Corporation will now be exempt from tax. Furthermore, distributions other than preference dividends, paid by a resident company to a resident individual will also be exempt from tax.

Clause 8(c) would reduce the amount that may be claimed by a taxpayer as a deduction in respect of mortgage interest payments from \$24,000 to \$20,000 per annum.

Clause 8(d) would remove the 15 per cent tax on dividends and other distributions.

By clause 8(e), the deadline date for the completion of residential, industrial and commercial properties under section 45A(2) of the Income Tax Act would be extended from December 31, 1995 to December 31, 1996. Mr. President, I understand that a number of building projects failed to complete construction by the December 31, 1995 deadline primarily due to unfavourable weather conditions and difficulties in obtaining building materials. You will note that under section 45A as it presently stands, a tax exemption is granted up to the year

2000 in respect of buildings, the construction of which commenced after January 1, 1993 and were completed by December 31, 1995. As I mentioned in the other place last Thursday these building projects have already obtained interim approvals from the relevant authorities and were well on the way to qualify for exemption but for the difficulties encountered. In the circumstances, the least this administration can do is to facilitate these projects as well as other projects that will start this year, by extending the deadline to December 31, 1996.

Mr. President, clause 8(f), (g) and (i) will remove the tax credits on units in the First Unit Scheme of the Unit Trust Corporation, Government National Tax Free Savings Bonds and Bonds issued by the Trinidad and Tobago Mortgage Finance Company Limited.

Clause 8(h) deals with individuals whose chargeable income is between \$12,000 and \$20,000 and allows such individuals a tax credit equal to 15 per cent of his chargeable income exceeding \$12,000. The tax credit will reduce to zero the tax payable by an individual in this tax bracket. In addition, an individual with a chargeable income of between \$20,000 and \$30,000 will receive marginal relief of \$1,200 less 12 per cent of chargeable income which exceeds \$20,000.

Clause 8(j) applies a 15 per cent tax on distributions paid to a resident individual by an unlisted resident company.

By clause 8(k) and (n), the dividend income allowance would be eliminated.

Mr. President, clause 8(l) would expressly empower the Board of Inland Revenue to institute a complaint against a person who commits a summary offence under legislation administered by the Board. You will note that under the Summary Courts Act, any person may bring a complaint against a person committing a summary offence, unless it appears from the written law on which the complaint is founded that a complaint for such an offence should be made only by a particular person or class of persons.

The Board of Inland Revenue, therefore, already has a general power to institute proceedings against summary offenders. The proposal to expressly vest this power in the Board arose as a result of an exercise which is presently being undertaken by this administration in setting up a system to expedite the enforcement and collection of taxes. You will recall, Mr. President, that in my budget statement I had proposed the establishment of a Tax Court as part of this administration's drive to collect revenues owed to the state. I am happy to report that mechanisms are being put in place to heighten our enforcement and

compliance efforts and that already a team of revenue collecting officials are in Jamaica observing the operations of the Tax Court in that country.

Mr. President, you may have read of the apparent success of the Jamaican Tax Court which has been successful in encouraging tax payers in that country to voluntarily comply with the tax authorities there. Apart from amendments to the Income Tax Act, similar amendments are being proposed to the Corporation Tax Act, the Value Added Tax Act, the Petroleum Taxes Act, Lands and Building Taxes Act and the Miscellaneous Taxes Act to expressly give the Board of Inland Revenue, or appropriate tax authorities, the power to institute proceedings in summary offences under these pieces of legislation.

Mr. President, by clause 8(m), the tax rates applicable to individuals would be reduced from 38 per cent to 35 per cent at the highest rate and from 33 per cent to 30 per cent at the middle rate.

Mr. President, I will deal now with amendments to the Corporation Tax Act which are to be found at Part IX of the Bill. Clause 9(a) would reduce the rate of business levy for companies from 0.5 per cent to 0.4 per cent.

By clause 9(b), companies whose gross sales or receipts in the preceding year of income did not exceed \$150,000 will not be required to pay the business levy.

By clause 9(c), a tax at the rate of 15 per cent is to be charged on interest payments, other than tax exempt interest which accrue or are paid or credited to a mutual fund or the Unit Trust Corporation. This administration, Mr. President, has responded to concerns expressed by interest groups regarding the effect of this measure on distributions of interest which were declared prior to the date of the budget but are due to be paid after that date. These concerns have been addressed in this Bill by the insertion of a new subsection (5) to section 3B of the Corporation Tax Act, the section which would impose the 15 per cent tax on the interest in question.

Where, therefore, the Board of Inland Revenue is satisfied that a dividend or distribution has been declared by a mutual fund or by the Unit Trust Corporation out of interest which accrued prior to the budget, it is proposed that the Board would, upon application made to it, refund the 15 per cent tax which should have been paid on that interest.

10.30 a.m.

Mr. President, you will observe that further amendments have been proposed to make the playing field a little more levelled in relation to interest payments made by mutual funds and the Unit Trust Corporation.

In order to move the financial system closer to the point where all financial institutions, including mutual funds, will operate in the Trinidad and Tobago market under approximately the same conditions so as to widen the choices available to the investing community, the last administration sought to level the playing field by treating dividends and distributions made by mutual funds in the same manner as interests and commercial banks deposits. With the removal of all forms of dividends from the tax net, a mechanism had to be put in place to tax interest paid by mutual funds. The 15 per cent tax under section 3B of the Corporation Tax Act was, therefore, introduced by this administration to treat with the taxation of this interest income. However, as presently formulated, the 3B tax will indirectly be borne by individuals and approved institutions which would normally be exempt from tax.

Mr. President, I am referring to persons over 60 years of age, to approved funds and schemes, to approved annuity, business and to approved sporting bodies and charitable institutions. These would normally be exempt but it is recognized that the indirect taxation of these exempt individuals and institutions under, what I will call, the 3B tax would make investments in mutual funds less attractive to those categories of investors as compared with investments in other instruments, for example, bank deposit interest which would not be subject to the 3B tax in the hands of exempt individuals and institutions.

In order to provide a more equitable system, the Government proposes to grant a tax credit to exempt persons and institutions equivalent to the amount of the 3B tax deducted. Furthermore, by clause 9(b) it is now proposed to exempt from Corporation Tax the amount of value of dividends and distributions paid to a resident company by a mutual fund or by the Unit Trust Corporation.

Mr. President, you will recall that the Provisional Collection of Taxes Order 1996 exempted from income tax, dividends and distributions paid to a resident individual by a mutual fund or by The Unit Trust Corporation. It is intended that dividends and distribution from mutual funds should also be exempt from Corporation Tax.

Clause 9(e) removes the tax credit on the Trinidad and Tobago Mortgage Finance Bonds which was previously claimed by corporations.

By clause 9(f), the rate of Corporation Tax is to be reduced from 38 per cent to 35 per cent.

Mr. President, my submissions relating to amendments to the Petroleum Act will also apply to the proposed amendments to the Petroleum Taxes Act which are to be found in Part X of the bill.

Part VIII of the Bill was also referred to in my presentation in relation to amendments to the Income Tax Act by which I had proposed to expressly give the Board of Inland Revenue the power to institute summary proceedings under certain pieces of legislation including the Land and Building Taxes Act.

You will observe that there has been a minor adjustment to this part of the Bill since the taxing authority under the Land and Building Taxes Act is the Revenue Officer, the proper person to institute summary proceedings should, therefore, be the Revenue Officer.

Part XII would amend the Miscellaneous Taxes Act. By clause 12(a), (b) and (f) of the Bill, the Alcoholic Beverage Tax would be removed.

Clause 12(c) would remove the five per cent in-bond sales tax.

Clause 12(d) would re-introduce a special tax of 10 per cent on household effects not exceeding \$25,000 in value where these effects are owned by returning nationals for a period not less than one year. As I mentioned in the other place, I propose to increase the threshold in relation to these household effects from \$25,000 to \$100,000.

By clause 12(e), the Board of Inland Revenue is expressly empowered to institute summary proceedings in relation to a tax administered by the Board.

Part XIII relates to amendments to the Customs Act. In clause 13(1)(a) and (b) the concessions that were previously granted to returning nationals under the Finance Act, 1995 have been modified in this Bill.

By clause 13(c), we have proposed to reduce the Common External Tariff in respect of certain category of goods. In addition to the goods which were included in the Provisional Collection of Taxes Order 1996 as amended by the resolution, the Caricom Council of Ministers agreed to a general reduction in the rates of duty on wheat flour and all categories of rice. The rate of duty on rice is to be reduced from 30 to 25 per cent. The Council of Ministers also agreed to

effect a permanent change in the common external tariff on wheat flour from 40 to 30 per cent.

It is important to note, however, that the Bill seeks to revoke Legal Notices Nos. 120 and 121 of 1995 by which Notices this country previously sought and obtained a suspension of the common external tariff on wheat flour for a period of one year from August 1, 1995 to July 16, 1996.

Mr. President, you will observe that the rate of duty applicable under the common external tariff suspension is zero. Although the national tariff on wheat flour is to be generally reduced to the rate of 30 per cent, it is intended that the suspended rate of zero per cent should continue to apply until the expiration of the Legal Notices on July 16, 1996.

At the appropriate stage I will, therefore, seek to amend this Bill by deleting clause 13(2) which relates to the revocation of Legal Notices Nos. 120 and 121 of 1995.

You will recall that in October 1995, the five per cent customs duty on certain raw materials and intermediate goods was removed by Order published as Legal Notice No. 149 of 1995. Erroneously included in that Order were two tariff headings, No. 144.12 which includes plywood, veneered panels and similar laminated wood, and No. 48.16 which includes carbon paper, copy paper and other copying or transfer papers, other than those of heading No. 48.09, whether or not put up in boxes. It is therefore proposed to delete these two heading numbers from Legal Notice No. 149 of 1995.

Part XIV would amend the Unit Trust Corporation of Trinidad and Tobago Act by removing the \$5,000 exemption in respect of dividends paid to unit holders by the Unit Trust Corporation. This is really in the nature of a consequential amendment as a result of a proposal to exclude from the tax net all dividends paid from whatever source and whatever the amount.

In Parts XV and XVI the licence fees and duties payable by money lenders and pawnbrokers would be increased to \$500 and \$2,500, respectively.

In Part XVII licence fees referred to in the Second Schedule to the Liquor Licence Act would be increased by 50 per cent.

10.40 a.m.

In Part XVIII, it is proposed to amend the Brewery Act so as to change the system of collection of excise duty on brewery products from one which is based

on wort to one based on a final product. The present system of collecting excise duty based on wort—that is the stage before the product is manufactured into beer; subsequently, all wort is converted into beer, through a process of fermentation. As a result of this system of collection, duty is paid on beer that is exported. Consequently, the manufacturer of beer has to apply for a drawback which is a refund of duty paid on goods exported.

I have been advised by the Comptroller of Customs and Excise that it is not anticipated that this proposed change in the system of collection of excise duty on brewery products will result in any loss in revenue.

Part XIX seeks to amend the Value Added Tax Act. Clause 19 (a) and (b) would raise from \$100,000 to \$150,000 per annum, the level of commercial supplies in respect of which a business is required to be registered under the Value Added Tax Act.

Clause 19(c) would remove the VAT concessions granted to returning nationals.

By clause 19(d), the provisions of section 121(a) of the Income Tax Act, by which the Board of Inland Revenue would be given an expressed power to institute summary proceedings, will apply to the Value Added Tax Act as well.

Finally, by clause 19(e) the list of zero-rated goods under Item (1) of Schedule II of the Value Added Tax Act has been extended to include food items such as cheddar cheese, table salt and pasta products.

I hope that I have been able to give sufficient explanations with respect to each clause.

I beg to move.

Question proposed.

Sen. Danny Montano: Mr. President, in following the events of the last few months since the Government came into power, we on this side have looked at not only what has been said but also what has been done. It is the duty of the Government to govern fairly and equitably and not to bring fiscal measures or to apply Government's Treasury purse only for the benefit of its followers. It has a duty to all the citizens of the country. I would liken it to a marriage where the parents have a duty to all the children of the marriage, whether they are children of the union or by a prior marriage. In other words, they have a duty to treat fairly with the step children or the adopted children and not merely the children of the

union. It is along those lines that we, on this side, have looked at the actions of the Government.

In a finance bill or a budget, the Government raises revenue to spend on certain programmes for the benefit of the people. It is imperative that there be a fair and equitable distribution of that wealth. One of the most important aspects and outcomes of a budget or finance bill such as this, is that there must be the real opportunity for employment which is one of the key issues that we have in the country today. It is imperative that the Government looks in all the quarters and corners of the society and do its utmost to create, not merely jobs, but an atmosphere where there is hope and an opportunity for employment, whether it is directly by the state, private sector or self-employment.

That hope and opportunity has been missing for the past six months. It must do many things. Fiscal measures such as have been enunciated this morning and in the Budget Speech are not only going to create hope and opportunity. A government must do much more. It must, by its words and actions, create hope and the belief that things will get better. Every person has the right to hope that he has a chance to succeed in the society; that he can provide for his family and in the evening when he goes home there would be sufficient food for the children.

What is happening in the society is not that. In prior times Ministers of Finance had faced the polls directly and were accountable directly to the electorate. They had enunciated their financial plans, goals and ideas. They had a constituency to which they would be directly accountable. Unfortunately, we do not have that here, but it does not necessarily discount the validity of what the Minister of Finance is doing. It merely means that what is done is in some isolation. He is isolated from the direct criticisms of the people whom he should be representing.

When I speak about words and actions, it is this. There is an old saying that actions speak louder than words. Up to the point of the budget all the people really had were words and since then, we had certain actions. I do not want to go too far into this, but it is highly relevant that the Government—I must repeat—must create the right atmosphere for investment and hope. The bludgeoning of the press does not do that. The menacing grimaces of the perpetrators of the assault on the media does nothing to inspire the confidence and hope of the people in this country. In fact it does exactly the opposite. I will show later exactly what the effect of that has had.

In the programmes of the URP we are seeing a very biased form of expenditure. From observation of the programmes and discussion with people in the industry, we are seeing that most of the projects which are being done at this point are service-orientated in nature, and they have moved away entirely from the construction element of the URP. That means that less money is being spent because the programmes are labour intensive on the clean up campaigns and programmes of that nature, and also the impact in durability of the effects of the programme will also be short-term. If something is not put fixed into the ground it would not be there too long.

What is actually happening is that the thrust of the URP is beginning to encroach on the activities of the local government, so that when the local government begins its programmes later on in the year, the URP will have nothing to do. It would employ persons to stand and do nothing. The drains would have been cleaned and the grass would have been cut.

10.50 a.m.

Mr. President, another shocking thing is this; I will give you an example of the rather partisan use of government funds, which is fundamentally wrong. In the *Trinidad Guardian* of April 16, 1996, headlined:

“Arima residents in URP protest.

The residents of Pinto Road, Arima, have planned a massive demonstration this morning at an Unemployment Relief Programme (URP) project site in the area.

According to the spokesperson for the residents, the demonstration was prompted after they turned up at the work site on Monday, to find out if their names had appeared on the roster.

But while there, they said, a woman, in open view of them, began scratching names off the list saying, ‘That one is not a party member’ and ‘I do not know that person, take off that name.’

‘They want us to join party groups before we can get jobs ...’

What we saw in the newspapers only yesterday was that the membership of the Government’s party had gone from 40,000 to 60,000. Mr. President, that is exactly how it is being done. I would refer Senators to my opening comments: “The Government is the Government of all the people, not just some.” That type of partisan dispersal of government funds is fundamentally wrong. There is a

price to be paid for that and the price will be paid, Mr. President. Unfortunately, for the time being it will fall on the backs of the citizens of this country but, ultimately, the price will be paid and right will be done.

When one looks at the deeds of the Government and the projects that have been cancelled—again, probably, because of party politics, the Government has moved its construction projects out of the urban areas into the rural areas. Projects such as the National Library, the Centre for the Performing Arts, Chancery Lane, and the Carenage school have been cancelled; they are off the books. It was said that they have been delayed and will be re-thought and so forth, but they are off the books, Mr. President, and I will tell you why later.

There is something that is missing here; we have said it before and we will say it again: the effect of spending money in an urban area stimulates the economy in a way that does not exist when one spends money in rural areas. I am not necessarily calling for a bias, what I am saying is this; there are economies of agglomeration that are gained when moneys are spent in urban areas. In effect, it is like this: if one tosses a pebble into the centre of a pool there are many ripples that come out of it; if one tosses a pebble on the beach it lands with a thud. Effectively, spending moneys in the urban areas has much the same effect. When one spends a dollar in a high density urban area the dollar gets spent and re-spent very quickly, so that within a very short space of time the effect of a one dollar expenditure could be multiplied 20 or 30 times.

The very nature of the rural economy precludes that from happening, a dollar is a dollar. Mr. President, rest assured it has the same effect on the person who receives the dollar the first time, but the dollar does not filter through the rest of the economy as quickly as it does when it is spent in the urban areas. The effect of that is this: one is creating a situation where there is high unemployment in the urban areas and if nothing is done to stimulate that, then the unemployment rate is likely to rise, spending would fall and the whole economy would slow down. One would see what is happening with that in a moment.

Mr. President, I draw your attention, again, to the issue of the Carenage school: we are talking here about children. The school was everything, but started, it was cancelled, the ministry said they would re-think it maybe later on but in the meantime the children have no where to go.

We heard much about the Government's expenditure and how the different ministries were going to spend efficiently and so forth. Mr. President, allow me to suggest that when one spends in the urban areas one spends more efficiently

because of the effect of stimulating the national economy. Therefore in a strict economic sense, that kind of expenditure is more efficient than spending in the rural areas. I am not saying not to spend money in the rural areas—I am not saying that at all—I am trying to point out that the removal of the urban projects is going to have an impact on the national economy that I do not think anybody on that side has really worked out the numbers for.

We have seen also, as a result of all this, there can be no doubt that there is a serious lack of confidence in the national economy. A lack of confidence in the economy must mean a lack of confidence in the Government. The issues I highlighted a few months ago speak very clearly. Those are facts. It has manifested itself in a number of ways. One has only to look at the foreign exchange. We are finally beginning to see a little movement in the Trinidad and Tobago dollar, thank heavens, but after six months and after the quarterly instalments are received from the oil companies. How long that will last is anybody's guess. Long may it last, but I have my doubts.

The confidence in the system and the Government is not there. I refer again to actions of the perpetrators in this Government, not their words but their actions. If one walks through the countryside one would see the hesitation and doubt that the people have, and one would see the impact on the local economy very soon.

In terms of the level of business and Government's ability to raise its revenues to be able to spend as it plans to, I would refer again to the *Trinidad Guardian* of Monday, March 25, where Minister Finbar Gangar is quoted as saying:

“In order for the LNG plant to come on stream we must find 500 million cubic feet of natural gas per day. That requires a significant exploration effort by Amoco. The expenses incurred in that exploration effort will be offset against government revenue which currently accrues to the country.

He said that offsetting the expenses could create ‘cash-flow problems’ for the government.”

Mr. President, that is a fact of life. I understand well the necessity for making deals of that sort with the foreign companies that come here. I am not chastising the Minister for any such arrangement, it is a simple fact that the offsetting of expenses would reduce Government's revenue and could, in fact, create cash flow problems.

11.00 a.m.

Mr. President, at a time when the Government is going to need revenues in order to maintain the level of expenditure that it has budgeted for, one rather doubts whether or not it would be able to manage that at all. Keep your eye on employment! The urban projects have already been removed and unemployment is rising.

In terms of the confidence levels, we could look at the sales in the Unit Trust Corporation for this year. In January of this year sales were \$73.3 million as opposed to last year \$52.8 million, in other words, there was still some expectation. By February, sales were \$48.8 million against last year which was \$73.3 million; sales in March were \$56.5 million as opposed to last year \$97.9 million. Mr. President, that saving is confidence, with all the fiscal incentives and everything else that we see in the budget. That is the reality. That is what is taking place.

We hear vacuous statements about levelling playing fields and so forth. Here is what the former CEO of the Unit Trust Corporation said about playing fields. It is relevant. It is rather lengthy and, therefore, I would not quote from it. The article is in the *Daily Express* of Friday, March 15, 1996. What he is saying is that if the Unit Trust is to compete on a level playing field, two things must happen—and I say three things must happen.

In the first instance, he said that the Unit Trust should not be mandated just to 90 per cent of its income because the other mutual funds do not have that requirement. Secondly, it is improper that there are directors of other mutual funds sitting on its board. So that their strategies, methods and so forth are fully exposed to the competition—most unusual—but yet that is a level situation. I would go one step further and say that the mutual funds that are being operated by the banks—I am not suggesting that they should not be operating mutual funds—they themselves can offer to the mutual fund holders, banking facilities such as savings account and chequing account. The Unit Trust has no such privilege.

In the United States and in other areas, mutual funds are permitted that kind of activity and yet the Unit Trust does not have that, but that is levelling the playing field. I do not think anybody there knows what that expression means, Mr. President, in terms of what is happening in the business world. By speaking to merchants and businessmen in the national community, I have seen—and they are saying to me that their retail sales for the first quarter are down at least 15 to

20 per cent. Mr. President, let us take an average on the low side—let us say 17 per cent across-the-board, including construction firms; let us say that they are down 15 per cent, the arithmetic is fairly simple. If the budgeted VAT collections are roughly \$1.4 billion for the year, it would mean that the collections for the first quarter should be roughly \$350 million. If, however, retail sales are down by 17 per cent, that translates to approximately \$60 million—I challenge the Government to tell me that I am wrong. I have estimated that the VAT receipts are down by at least \$60 million. Against that, we have read in the papers that the revenues from oil have increased. I am delighted to hear that.

Mr. President, I have heard the Minister of Finance himself say that we must wean ourselves away from the dependency on the energy sector. Yet, it appears that it is going to become more important than ever. I am very happy if the deficit in VAT can be made up by oil revenues. That is what we have it for. I am very happy, but the fact is if the private sector economy is failing that would mean unemployment. In order for them to contain and maintain the level of profits they are going to have to trim their expenses, and the first thing that goes is labour. That is what they are facing. That is the reality. When we couple that with the fact that in the urban areas major projects have been cancelled, the effect on employment—they are only four months into this fiscal year, I do not know what the effect is going to be four months from now.

With respect to the lottery sales, again, if you speak to the vendors who have terminals, their sales are down at least 20 per cent. Mr. President, I have estimated that that would translate into net Government revenues being down by about 40 per cent, and if the expected revenue from lottery was about \$220 million then that decline in the first quarter is at least \$22 million. So between VAT and lottery there was a shortfall of at least \$82 million.

Mr. President, I cannot say that I am happy with the performance of the Government. I cannot say that I have hope that things would get better. I must have hope. There are many behind who have no such hope.

I appeal to those on that side who have made statements such as "country before party" to think about what that really means. The Government sits there for the benefit of the people, and not to the benefit of themselves [*Desk thumping*] and they must take actions, not words, to rectify the wrongs that have been done and to give the people hope and confidence that things would get better.

Thank you, Mr. President.

11.10 a.m.

Sen. Rev. Daniel Teelucksingh: Mr. President, I wish to select two issues arising from the Finance Bill 1996 which I consider as demanding urgent attention.

Firstly, wheat prices, as mentioned a while ago by the hon. Minister, affecting among other things the price of hops bread which went up yesterday and, secondly, natural gas processing and matters concerning petroleum operations referred to in Parts VII and X of the Bill.

I think the Government needs to urgently address this question of our nation's self-sufficiency in certain foods which we can produce locally to counteract such problems that we may have, particularly with our sources of imported foods. We cannot wait for a weather crisis or such natural disasters in the United States of America before we do something. A few days ago, I read in the newspaper about the apparent glee and pleasure of the beef producers in Trinidad and Tobago because of the mad cow disease. Do we wait for things like these before we realize that we have resources that we can develop?

I want to spend more time on the second concern, that of natural gas processing in Parts VII and X of the Bill, and questions related to petroleum operations. Mr. President, I am not surprised that in a Bill with so few sections that so much time and attention is being given to natural gas processing. Is this indicative of the significance of natural gas and petroleum in the 1996 budget and to the national economy?

I wish to bring again to the attention of the hon. Minister of Finance and the Government, certain observations and concerns which I consider to be of paramount importance to the country.

Natural gas may be our last valuable energy resource, no wonder the hon. Minister is giving it so much prominence in the Bill. Oil supplies have been diminishing rapidly and we have found no real significant oil discoveries and deposits in recent time. It is estimated that we have about 20 trillion cubic feet of reserves in natural gas which may well be the life jacket of our economy. Just because someone was able to calculate our reserves, is a reminder for all of us that it is not an un-ending supply. We know that it is proving to be the magnet for major foreign investors, but there are some very serious concerns that we must address particularly in the management of this public asset. Many of our citizens have been disturbed and disappointed at the apparent irresponsibility over the past

years, in the use of our energy resources at the bargaining table, or in the market place.

I want to illustrate. Ever since November 23, 1991, there have been strong protests of the give-away deal in the 20-year natural gas contract between the National Gas Company and Amoco. In that deal, natural gas was sold at a price cheaper than hops bread. In January 1993, Nucor Iron Carbide in its 20-year contract with the National Gas Company benefited from a gas offer said to be the lowest for any petro-chemical industry in Trinidad and Tobago with concessions one would never get not even in Iraq or Russia. I understand that Nucor is having discussions with the National Gas Company on a new natural gas contract for four additional plants to be built at Point Lisas. Mr. President, hops bread went up yesterday at the nation's bakeries and I doubt if natural gas will equal that price at the rate we have been disposing of it. This is my concern and my link up between the two. What do we have to take to the market place to sell and to trade? And what do we want? Hops bread! As the hon. Minister of Finance said in the budget speech earlier this year, it was estimated that there were 100,000 hungry, poor people in this country. What do they have to sell? The same natural gas that you are selling now at a price at which we cannot even buy hops bread.

Mr. President, do you remember the PowerGen/T&TEC agreement? So much has been said about that, and in that agreement, gas was no problem and someone said it was for free. The present parliamentary Opposition says that the Farmland/Mississippi Chemicals pull-out from La Brea features a preferential gas offer. Do you see how important natural gas is? Even in an issue like that, natural gas is playing an important part—if even in finding an excuse—so the argument for the pull-out is a gas price, among other reasons.

Let me add to this that the proposed LNG plant which is to be constructed in Point Fortin by Atlantic LNG, costing about US \$1 billion hopes to use an estimated 475 million cubic feet of natural gas per day. I mention this figure because some people think that we have an endless supply. No! The supplies have been calculated, therefore, it is possible that one day, just as petroleum, it could run out. Amoco would supply all of the 475 million cubic feet of natural gas per day to Atlantic LNG, of course, they are the main shareholders. What are the benefits to this nation? Already the Natural Gas Company sold the rights to farm that gas for 20 years to Amoco.

I want to add something here, Mr. President, and this is one of the reasons why I have pooled together all these illustrations. I see a common denominator

important for the new Government as well as the new NGC board. Whether it be Amoco, Atlantic, Nucor, Arcadian, Farmland or PowerGen, I want to bring to your notice that a moving figure, the Natural Gas Company, is vested with wide powers so that all gas contracts signed, sealed and delivered are done by the NGC. There is no coming to the Parliament—maybe a Minister, yes, but far in the background, I believe, are the Minister and Government—no citizenry, no press, no explanation, no accountability, and this has been the pattern over the years. I hope this would change with the new Government.

The National Gas Company has been, over the years, Government's chief negotiator, chief salesman, chief broker, with unchecked authority to fix prices and sell [*Desk thumping*] regardless of whether deals favour the people of this country who are the real owners of that precious asset which will be depleted one day, and which is being depleted. To negotiate and sell natural gas and to commit in irrevocable, contractual arrangements seem to be the company's right over the years and we have to ask ourselves—others have been doing it: What is the nature of the on-going relationship, if there is any, between the National Gas Company and the Ministry of Energy and Energy Industries, that is the Government? Is there any relationship? If there is, I believe it is a paper relationship. Who is answerable for any irresponsibility in, let us say, questionable pricing of this public asset?

11.20 a.m.

Is the infamous Amoco deal of 1991 or the Nucor deal of 1993 a disaster for our people? Notwithstanding the need to attract foreign investors, if we are not vigilant we would be entertaining certain foreign investors who would be here as foreign harvesters. In light of these illustrations and other past experiences, Sir, I hope that the time has come—and the time is now, it is already so late—for an immediate review of the authority vested in the National Gas Company to dispose of our energy resources.

Mr. President, allow me at this time to turn to another matter pertinent to the energy sector—and I use the Finance Bill as the spring board for it; this Bill speaks about petroleum—concerning millions of dollars lost in the proposed Industrial Estate in Brighton La Brea.

Hon. Senator: Not us, PNM.

Sen. Rev. D. Teelucksingh: Mr. President, reports indicate that more than \$81 million were spent on infrastructural work on that 1800-acre site. Some

people have been speculating. I have been told that it is possible that it was more than \$81 million; maybe \$120 million. Somebody says \$165 million in sunk money. What a financial debacle!

Sen. Daly: Same as Severn Trent; economic crime!

Sen. Rev. D. Teelucksingh: Mr. President, who in this country is not inquiring why Farmland Industries and Mississippi Chemicals Corporation pulled out to relocate the ammonia plant elsewhere? Everybody seems to be asking. So far—and you are aware of this—the result is an unhealthy mud slinging between Government and Opposition. It is going to be an election issue but, more than that, in season and out of season, Government has an answer and the Opposition, that is belonging to the former administration, has a reply.

There are many outside who are concerned about this. Millions of taxpayers' money sunken and lost when over the years we could not find money to build another junior secondary school in this country; when over the years we have had—I have said this over and over again—so many thousands of children failing Common Entrance even before they went to the examination room because of a shortage of school places. We were able to find so many millions but not enough to build one secondary school for our children.

Mr. President, I do not think that the answers given by the two parties that rule the Parliament are sufficient. In fact, all of us who do not belong and who are looking on are lost to the extent that this issue has been so politicized; party dog fights are the curse of this nation and the people have been the losers, and it is issues like these that leave some of us in a sense of hopelessness as far as inquiries go; the treasury becomes depleted, our people suffer and what we witness is petty rivalry and a lack of wisdom.

Certain questions need to be answered. I am not too sure about the two sets of answers I am getting. Was the area really geologically suspect? Or, is the area really geologically suspect? Why would a reputable experienced company as Farmland/MissChem suddenly seem to change its mind after encouraging a sod turning ceremony? Furthermore, why would we invest so much money when another investor, Atlantic LNG, decided to move its US \$1 billion LNG plant to Point Fortin?

This is a fair question which has to do with accountability and the use of that money: What kind of survey and infrastructural work was done for \$81 million or more? Somebody has to investigate that! Who benefited? What really was done;

building some roads, capping some wells, changing the face of the Brighton Golf Course? We have to look into that. Somebody must have become a millionaire overnight. Is that still waste land after \$81 million were spent?

11.30 a.m.

Mr. President, Government and Opposition explanations contradict each other. We are witnessing political gamesmanship on a very serious matter. We have had answers already on both sides. I do not think I am in a position to accept any of them. I believe an independent public inquiry is needed because so much is at stake. I know this is absolutely essential. This is the only way we will get at the truth of this matter.

I want to close with another observation which might be small, but important. I notice that the hon. Minister, in the budget and also in this Finance Bill presented to this honourable House today, made mention of the amendments to the Motor Vehicles and Road Traffic Act. I know he has had, as so many of us, interest in the registration and re-registration of imported vehicles and the completely built up cars, locally assembled with imported parts.

It is most interesting, Mr. President, I do not know if you saw it, but there is a report from the other place that a Member of Parliament from the former administration said while this matter was being discussed—and it comes up here as part of the Bill—the PNM, while in office, had deliberately refused to be involved in the used car industry because there were no means of ensuring proper regulation and so forth. Recognizing that, meant that he recognized there was a problem—a very serious problem. There are all kinds of implications.

If one goes to any of those scrap-yards one would see tons of scrap metal imported from Japan and other parts of the world. There would be a serious environmental problem in Trinidad one of these days. With all these shells, Trinidad has become the graveyard and dumping ground for all these motor vehicle assembly plants of the world, maybe. And here it is, the previous administration is saying they deliberately refused to be involved in an industry like that.

Today, I compliment and congratulate the Government for its determination and courage to clean the Augean stables. It takes much courage to deal with something that others did not want to touch with a 10-foot pole. I congratulate and compliment them because of all the ripple effects of that kind of trade. In addition to that, there are people who bring used refrigerators and washing machines from

all parts of the globe, in addition to used motor cars. If we cannot even dispose of national rubbish, how could we deal with international rubbish? So I compliment you for this very important step. It must be a very bold step and it is something that environmentalists and others will be very interested in, and you certainly will receive our support.

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

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. President, as I rise to make my contribution to this debate, let me offer my belated congratulations to you. Because of a combination of circumstances, this is my first speech in the Senate. [*Desk thumping*] However belated, let me congratulate you, not only on your appointment, but also because of the dignified manner in which you conduct proceedings of this honourable Senate.

Before I get into the thrust of this debate, I think I owe it to this honourable Senate to give some explanation why this is only my initial speech. Because of strategic reasons it was decided that I should make my budget contribution in the other place; and since then we have not had the opportunity to debate matters which are within my normal sphere of competence. As I start this debate, may I offer, again, my congratulations to my Cabinet colleague, the Minister of Finance. During the budget debate in the other place I had reason to congratulate him on his presentation, because it was, and still is, the best received budget in recent times in this country. [*Desk thumping*]

Today, once again, he has exhibited a combination of accounting skills, financial acumen, together with a pragmatic and realistic approach to managing the finances of our economy. This undoubtedly will lead to managed economic growth, while addressing the problems of poverty and unemployment.

During my allotted time in this debate, I wish to take the opportunity to achieve two important objectives. Firstly, I want to remind this honourable Senate of some of the energy sector measures proposed by the Government during my contribution in the 1996 budget debate in the other place. Secondly, I wish to put those measures in perspective as to where we, as a Government, are at this particular juncture.

On that occasion, while speaking in the other place, I made the point that the energy sector has been, and continues to be, the leading sector in Trinidad and Tobago's economy. Revenue generated in this sector provides the catalyst for

economic growth and development. I demonstrated this fact by showing the sector's 1995 contribution to GDP, government revenue and foreign exchange earnings which, respectively, stood at 27.9 per cent; 21.8 per cent and 68 per cent.

These figures demonstrate, quite clearly, the dominance of the energy sector in this country and they further reinforce our view that in the short and medium term the energy sector will serve as a catalyst for growth and development and also as the engine room of the economy.

It was against this background that I again analyzed the sector's overall performance and proceeded to present what was, in this Government's view, a well thought out package of measures designed to ensure the survival and growth of the energy sector. I enumerated at that stage under numerous headings, the policy measures and provisions which this Government would have undertaken. The first area we dealt with, and which I am happy to contribute to this morning, was the administration of the sector.

Sen. Teelucksingh in his contribution made some very pertinent observations, in particular, with respect to one company in the energy sector, the National Gas Company. I want to make it quite clear that at this point and during the tenure of this administration, the control of the energy sector undoubtedly lies within the Ministry of Energy and Energy Industries. Let us clearly understand that. There is one Minister of Energy and Energy Industries, not three or four, as happened in previous times. That will answer the Senator's question. The National Gas Company reports to the Minister of Energy and Energy Industries.

Sen. Daly: I wonder whether the Minister would indicate who represented the Ministry of Energy and Energy Industries in the recent negotiations that took place with Atlantic Energy.

Hon. F. Gangar: Mr. President, the Minister of Energy and Energy Industries was represented—actually the team was appointed by the Minister of Energy and Energy Industries. The team reported to the Minister of Energy and Energy Industries; the Minister directed the negotiations and the Permanent Secretary in the Ministry of Energy and Energy Industries was a member of the negotiating team. Does that satisfy the Senator?

Sen. Daly: No. Who was the head of the team, Sir?

Hon. F. Gangar: The Minister.

Sen. Daly: Did the Minister attend?

Hon. F. Gangar: Mr. President, specific policy measures announced to deal with the administration of the energy sector included the appointment of a Cabinet sub-committee on Energy; and this is the body which controls the energy sector in this country. That committee is headed by the Minister of Energy and Energy Industries; and includes the Minister of Finance, the Minister of Planning and Development, the Minister of Trade & Industry and Consumer Affairs, the Minister of Foreign Affairs and the Minister of Public Utilities. So I think that clears up, once and for all, Sen. Teelucksingh's query as to how the energy sector is administered in this country.

Mr. President, I now turn to the question of oil price and production levels. During the budget debate in this Senate made by Sen. Vernon Gilbert, he alluded to the fact that our price of \$17.50 was optimistic. I think even he will admit, at this stage, that events have proved him entirely wrong. At this time, in reviewing crude oil production for the first quarter of 1996, preliminary figures indicate that crude oil was produced at an average rate of 132,240 barrels per day. The budgeted forecast for crude oil production was 133,000 barrels per day. At the moment, we find ourselves slightly below our target in the order of 760 per day. However, this figure must be interpreted on the understanding that it is quite early in the year and the budget figure was made on the basis of the oil companies' work programmes, which have not yet been fully implemented. It is our hope that, as the drilling programmes gain momentum, production will increase and even surpass the budgeted levels.

In the area of crude oil pricing, Mr. President, the position is much brighter than had been anticipated in our forecast. I see Sen. Montano has left at a very strategic time because I was going to respond to him. The budget was predicated on a price of \$17.50 per barrel for our export crude. I am happy to announce that world oil prices are moving higher than we anticipated and our export crude has averaged \$19.59 for the three-month period. [*Desk thumping*] That is when you have a decision based on factual information available and you take that decision, not based on questionable politics, but on hard facts; that is the result of it.

11.40 a.m.

Sen. London: Based on the Minister's statements, it seems that much more revenue would be accruing during the course of this year. Is some of that revenue going to be utilized to review the projects that were suspended in Port of Spain?

Hon. F. Gangar: Mr. President, I would defer from answering that question. I now turn to the question of natural gas, which was another subject raised by the

Sen. Rev. Teelucksingh. Many of the sentiments and ideas expressed by the hon. Senator are valid. We, on this side, are the first to admit that. In effect, over the last 10 years there has been a perceptible shift in the economic base of the energy sector from oil to gas. However, concurrent with that there has not been the institutional strengthening, the regulatory strengthening to deal with this shift where there is an unbalanced situation where the legislation and the regulations cannot effectively deal with the shift in our economic base from oil to natural gas. This Government recognizes that that has produced a dysfunctional effect and it is moving very expeditiously to rectifying such a situation.

There has been no other factor which has created so much controversy in this country than natural gas pricing. The multilateral lending agencies, the private financial lending institutions, the investors have all bitterly complained verbally and in writing about the very *ad hoc* and subjective policy with respect to gas pricing employed by the previous administration. That is a fact of life. There have been wild accusations—maybe some have been justified; maybe some have been unfounded—and we are trying to institute a policy for natural gas pricing which is objective, realistic, reasonable and transparent, where there will be a levelled playing field for everyone.

In this regard, we intend to introduce an independent agency under the Ministry of Energy and Energy Industries to regulate the natural gas industry. This agency will be a regulatory body to set up and monitor the ground rules for the natural gas sector. We will also be employing the introduction of natural gas legislation to assist in the regulation of the industry. We also intend to introduce a pricing structure for natural gas marketing which will be put in place to determine gas price and guarantee supply to new investors.

Much has been said by people who should know better with respect to this question of natural gas pricing. It has been trumpeted in the press of this country as an excuse, a smokescreen, an obfuscation to the disaster which is at La Brea now. It is most unfortunate that people who are doing that should know better. This Government is using natural gas in the most efficient and cost-effective way for the benefit of the population of Trinidad and Tobago.

When we view the attraction of industries to this country in a comprehensive, holistic and systematic way, one cannot separate natural gas as the only variable. When one is setting up an industry in the country there are numerous factors one has to look at. One has to look at the capital cost, the price of natural gas which

one pays, and I will get back to that. One has to look at the price at which one sells the natural gas. One looks at the fiscal incentive package.

The issue with respect to Farmland and ammonia, it is most unfortunate that it has been used in a way which is most unfair to the investors, and I will speak about that a little later. With respect to our energy policy, it is well known that one of the cornerstones of this Government's energy policy is the maximization of local crude oil production as a primary objective and major cornerstone in its economic development. Over the last six months we have seen serious initiatives by the operating companies. I have been informed by my technical staff that the drilling of 48 development wells is expected to be performed primarily by Trinmar, Amoco and British Gas in the off-shore environment and by Petrotrin and Premier Oil on land.

Combined estimated expenditure for exploration drilling is estimated in 1996 at US \$31 million with development drilling estimated at US \$165 million.

Mr. President, in the budget presentation in the other place, the Government announced its intention to encourage the programmes of joint ventures, lease operatorships and farm-outs, utilizing private sector companies employing a strict bidding process.

I am pleased to report that our programme is accelerating in this particular effort. In keeping with the announced plans to encourage this sphere of activity, a deed of assignment for licence, a farm-out agreement and a joint operating agreement was signed by the Ministry of Energy and Energy Industries, Premier Oil and Petrotrin to conduct explorations in the East Brighton area with Premier Oil as the operator and Petrotrin having a minority interest. In this venture, exploration expenditure is estimated at US \$3.5 million. We also continue to look at our options with respect to the National Petroleum Marketing Company.

As part of the review of the agencies under the state, the Government proposed during the budget debate to address the role of the National Petroleum Marketing Company Limited in the retail industry in the early part of 1996. I am pleased to announce that progress has been made in this direction and a committee has been set up to study and make proposals on the retail marketing of petroleum fuels in Trinidad and Tobago.

I now move on to what progress the Government has made with respect to new projects for 1996. With respect to the Farmland/Mississippi Chemicals ammonia plant, which has been the focus of much discussion during the past few

weeks, there are facts and there are conjectures. The reality, however, is that the developers have analyzed that the geotechnical reports are most unsuitable. With respect to the La Brea site, notwithstanding this, I wish to advise this honourable Senate that the developer Farmland/Mischem remains committed to the building of an ammonium plant and they are working with Plipdeco, National Gas Company and the Ministry of Energy and Energy Industries in finding an alternative site.

With respect to the Arcadian Ammonium Plant, the Government has given approval for Arcadian to proceed with the establishment of a fourth ammonium plant.

Sen. Prof. Spence: I wonder if the hon. Minister will assure us that that site would not be Chaguaramas?

Hon. F. Gangar: I can assure you that the Minister of Energy and Energy Industries will not approve Chaguaramas as a site.

The Government has also approved the project for the establishment of a scrap iron substitute plant by Cleveland.

I intended to steer clear this morning from the issue of the La Brea/Brighton Industrial Estate. I think the Minister has been reported extensively in the press on what has been said. I understand that the Leader of the Opposition has made a tacit withdrawal from this particular debate and he knows why he made that withdrawal. Because he has no ground to stand on. If he stands on the ground, he would shift like what happens on the Pitch Lake now.

11.50 a.m.

I think what we have before us is an opinion from Trintoplan, Golda and Associates, McClelland and Amoco Trinidad Oil Company. I do not know what other documentation hon. Sen. Daniel Teelucksingh requires. That is incontrovertible evidence as to what is the condition of the site in La Brea. Mr. President, we all make mistakes.

Sen. Daly: Mr. President, is this documentation to which the Minister referred available to us?

Hon. F. Gangar: Mr. President, I have no hesitation in making the document public information to anyone. [*Desk thumping*] I do not know what additional evidence the hon. Senator requires. If one knows about the reputation of McClelland, they are first in the world, closely followed by the other companies.

The opinions are reinforced by the technical experts, M. W. Kellog. I do not know what else we can supply.

Sen. Teelucksingh: Mr. President, I think that at present in the country the problem is that we are not hearing from these experts. We are hearing from UNC/NAR and PNM. We have two reports. These are the reports which I do not think we are in a position to accept unless supported by those documents which he has promised to lay. That is my difficulty.

Hon. F. Gangar: In keeping with this Government's commitment to transparency, I have commissioned an investigative team which is currently investigating the La Brea/Brighton Industrial Estate. Subject to Cabinet's approval, when that report is completed, I promise to bring it in an unedited form and table it in this Senate.

Sen. Daly: Mr. President, since the Minister is in such a commendable, generous mood, would he give us an undertaking that he would lay the documentation to which he referred earlier, on the Table at the next sitting of the Senate?

Hon. F. Gangar: Mr. President, subject to Cabinet's approval, I would have no objection in laying the particular documents.

I now turn to the question of the Atlantic LNG Project. This particular project has been in a nascent stage for the last four years. I wish to advise this honourable Senate—take this opportunity out of respect to advise—that at 10.00 a.m. on April 29, the Government and Atlantic Energy signed an agreement to proceed.

Again, in keeping with a previous promise I had made I wish to read into the records of this honourable Senate certain salient features of the agreement. I promise at some time as soon as the Omnibus Agreement is signed an executive summary will be presented and laid in this Senate. With your permission, Mr. President, I would like to read certain extracts.

“The Atlantic LNG Company of Trinidad and Tobago (Atlantic) proposes to construct an LNG plant capable of processing approximately 425 million standard cubic feet (MMSCFD) of natural gas at Point Fortin and must make immediately certain financial commitments to the EPC contractor, Overseas Bechtel Inc, ... In order to make such financial commitments prior to the execution of the formal Omnibus Agreement, the shareholders of Atlantic seek confirmation from the Government of the Republic of Trinidad

and Tobago (GORTT) that the terms outlined below are acceptable and would be incorporated into a formal agreement between Atlantic and GORTT ...

- (1) As a 'highly capital intensive enterprise', Atlantic would be granted all of the relevant benefits enumerated in section 5(1) of the Fiscal Incentives Act in respect of its 'approved products' (LNG and a mixed stream of natural gas liquids) for a period of 10 years commencing from the 'production day'.
- (2) The National Gas Company of Trinidad and Tobago (NGC) will establish on behalf of GORTT a skills development centre for the purpose of developing skilled labour consistent with the needs of the energy industry ... Atlantic will pay US \$8 million to the centre and commit to an additional US \$250,000 per annum for 20 years beginning in the first year of LNG sales.
- (3) Atlantic will support technology transfer by providing training (including on the job training) and pay the cost of the training, (but not salary and benefits), and any necessary travel and subsistence abroad, for at least 20 persons but no more than 10 at any one time on such aspects of the LNG business as mutually agreed between the Minister of Energy and Energy Industries and the President of Atlantic LNG ...
- (4) Atlantic commits to GORTT to achieve a minimum of US \$100,000,000 of local content effective as of the date of the execution of the Omnibus Agreement ... In the event that this commitment is not met, Atlantic will make an additional contribution of US \$3,000,000 to the centre ... Opportunities will be pursued to increase the local content to a preferred level of US \$150,000,000 million but not so as to increase overall EPC Contractors cost."

This is not a paper commitment. We are extracting our pound of flesh. I am just putting it mildly.

- “(5) Atlantic would continue in good faith negotiations with Phoenix Park Gas Processors to conclude a mutually acceptable commercial agreement regarding sale of the mixed NGL stream. The design of the LNG plant will include the

technical capability to install the necessary equipment to extract ethane.”

We are not going to allow anybody to take our natural gas, compress it and ship it abroad. We must get something for it. [*Desk thumping*]

“The parties recognize the strategic importance of ethane for the development of downstream petrochemical projects in Trinidad and Tobago and Atlantic will consider in good faith any GORTT initiatives for the commercial extraction of ethane.”

This agreement has been signed on behalf of Atlantic Energy and by the Minister of Energy and Energy Industries. That is not all. I will now address some other issues. The question of this Atlantic Energy Project has gripped this nation for a significant length of time. My good Friend, Sen. Daly, who is very effusive in his applause now had at one time accused this Government of sloth in governance, but we take out time to extract what is good for this particular country.

As I said, we view things not as an LNG Project but with respect to the overall effect on the economic well-being of Trinidad and Tobago. We took the opportunity to do some very interesting things. I wish to advise this honourable Senate that we have renegotiated the infamous 1991 gas supply contract. We have also negotiated additional quantities of gas to further the downstream development of industries which would assist in the economic development of this country.

12.00 noon

Mr. President, I wish to advise this honourable Senate that we are still counting the dollars which we have saved. I must say it will be hundreds of millions per year which this country would have saved because of the current negotiations. [*Desk thumping*]

I saw the opportunity to give hon. Senators an update with respect to the development of the energy sector over the last four to five months. We have had an oil price which is way beyond our budgeted expectations; a stable crude oil production; the addition of four trillion cubic feet of gas to our reserves; the addition—hon. Sen. Rev. Teelucksingh, you must talk to me some more—of 33 million barrels of oil to our reserves; 16 million barrels of condensate to our

reserves; TT \$12 billion worth of investment—as of today’s date—approved in investment over the last four months. Some people take 10 years but they cannot do that, Mr. President; we have done it in four months. We also have TT \$10 billion worth of investment currently under consideration; two methanol plants, three proposals for aluminium smelters, two more DRI plants, one ethylene plant, and the list goes on. So when Sen. Montano speaks about investor confidence, I wonder if he is living in the same country I am living in. He is not here now and he knows why he is not here, Mr. President.

As I close I would just like to recap the last paragraph of what I said in my contribution to the budget debate in the other place:

“The challenges of the energy sector which I have outlined here today, impact on the lives of every citizen of this country. The efficient exploitation of the country’s resources, I am sure, is the silent hope of all of us. This Government is ever mindful of this and indeed it is our primary focus as we implement our policies, plans and strategies for the administration of the sector.

Each day the citizens of this country look forward to a higher standard of living and a more comfortable and happy environment in which to live. We are all aware that the management of energy resources is a critical input into the achievement of this goal.” *[Interruption]*

This is beyond your scope of competence. I continue:

“If we are able in administering the energy sector to direct the efficient utilization of the country’s patrimony to assist our citizens in living better lives, at the end of the day we shall be able to say, we had a job to do and we have done it well.”

Mr. President, our six Opposition Senators would concur that we have made a very good start.

Thank you.

12.05 p.m.: *Sitting suspended.*

1.08 p.m.: *Sitting resumed.*

Sen. Philip Marshall: Mr. President, just before the lunch break, we ended with a very stirring contribution by the Minister of Energy and Energy Industries. I have enjoyed the acronyms that have developed on this side of the Senate over

the past few weeks. Certain Independent Senators had asked questions such as; have we been gased or, have we been soiled? When Sen. Rev. Teelucksingh made his contribution, this morning, about the price of bread, I was wondering whether he was going to ask: Have we been baked? *[Laughter]*

I want to go back to the hon. Minister of Finance's presentation of the 1996 Finance Bill. First of all, I would like to remind Senators of the importance of extending the deadline for completion of the residential, industrial and commercial properties under section 45(a)(2) from December 31, 1995 to December, 1996. It must be remembered that the construction industry is an important aspect of our employment. In fact, in 1994 the GDP of the construction and quarrying industries represented some \$2.3 billion; in 1995, it was approximately \$2.6 billion. So there was an increased activity, notwithstanding the final completion because of bad weather, possibly, an increased activity of some 15 per cent in this sector accompanied by providing employment for almost 40,000 people. We hope that the continuation of this measure would continue to provide support for the all important construction industry.

With respect to the amendments to the Petroleum Taxes Act, this as well, is a welcome amendment, since the businesses now involved with the separation of liquids from a natural gas stream previously were charged with the very high effective rate of 55 per cent while not being eligible for the many allowances under the Petroleum Taxes Act. So, this again is a step in the right direction.

I acknowledge the contribution of the Minister of Energy and Energy Industries and extend my congratulations to what appears to be the very successful conclusion of negotiations with respect to the LNG contract. No doubt, this would have required on both sides, some give and take, from some previously held possibly, hard-nosed conditions. I know that foreign companies negotiate very hard and at one time rumours were that maybe this project would not be completed.

Mr. Speaker, we ought to be very encouraged by the Government's ability, not only to complete successfully this negotiation but, apparently, as I understand it, to go back to the 1991 contract with Amoco and renegotiate this position. In fact, you know how concerned I have always been with knowledge and transfer of technology, and I was therefore pleased that in the bargain established in the oil and energy sector, was the development of an Energy Skills Development Unit, where foreign investors, if I may so understand, have to make a significant contribution to the establishment and running of this organization. This

development represents a much needed harnessing of the expertise and learning with which this country in the oil and gas sector has always been renowned.

In fact, I made some notes during the Minister's contribution and my understanding with respect to this LNG contract is that they would be making a contribution of US \$8 million to the establishment—I think US \$240,000 a year, at least for 10 years on an ongoing basis—for the transfer of technology. A commitment to provide local contractors with at least US \$100 million in the construction of the plant, although the original target was set at US \$150 million and, possibly, an additional contribution of at least US \$3 million to the Skills Development Centre if the target of US \$100 million with respect to that portion of that contract work is not met for the development of the LNG plant.

The hon. Minister of Finance in his presentation this morning also talked about looking at the importance of tax compliance, and I think if we go back to the *Review of the Economy* we would see the importance, in fact, of the need for a good compliance unit.

1.15 p.m.

Let me recapitulate some figures for you. In 1990, the total VAT collected was in fact, \$927 million; in 1995, the provisional estimates were \$1.3 billion, an increase of 43 per cent over that five-year period.

With regard to individuals, the income tax take from individuals in 1990 was \$571 million; in 1995, it was approximately \$1.4 billion, an increase of 150 per cent. When one looks at the figures of employment over the same comparable period, in 1990, there were 374,000 persons employed; in 1995, there were 429,000 persons employed, an increase of 15 per cent. Here there is a situation of an increased employment rate of 15 per cent and thereby one would assume if it was pro-rated, a 15 per cent increase in disposable, or gross income. Yet there was an increase in the collection of increased taxes by 150 per cent and in VAT by 43 per cent.

Therefore, Mr. President, it is very important that the Minister ensures that his compliance units spread the burden on all with effective compliance and collection and that, moreover, we continue to measure the effectiveness of the collection of certain taxes to make sure that the cost of collection do not outweigh the benefits.

I am sure that the Minister of Public Administration and Information would agree that activities consume resources, and costs arise when resources are

consumed by activities, and it is very important that in any governmental organization, that we measure and ensure that we do not have the performance of non-value added activities especially because of outmoded systems and regimes whereby the cost collection outweighs the benefits of any revenues earned. Remember we need to collect the taxes to look after our unfortunate and to continue to fund the much needed development, learning and transition that we require as a nation.

The debate this morning talked about foreign investors, the concerns about giving away our patrimony in terms of low gas prices, and the situation in the past where we may have appeared to do just that. I would like to quote from an article in the *Daily Express* dated April 30, 1996, supposedly giving a fairly detailed verbatim report by the hon. Prime Minister when he opened the Fourth Annual Conference on Sunday, April 28, 1996 at the Trinidad Hilton, which was organized by the Rotary. He said, or he was reported to have said:

“The only way in which we as a region can be assured of the attainment of such a vision is through the promotion of both local and foreign investment. This promotional effort must be vigorous, providing real incentives which will clearly make our countries the best options for investors.”

And the next sentence is important:

“We must come to grips with the fact that, just as small firms and businesses must devise innovative ways to compete in the global market place, ... against both industrialised and other developing countries for scarce investor capital. ... we must concentrate on enhancing the investment climate through the creation of a comprehensive investment framework which is completely devoid of any constraints to investment. It must be transparent, non-distortionary and non-discriminatory. The second imperative is that administrators must display a positive, supportive and welcoming attitude towards investors.

For too long, governments have displayed less than positive attitudes towards potential investors by operating under the perception that investors seek to unfairly take advantage of our economies. This is seen especially where governments set rigid criteria to be met by potential private investors, and where investment projects must first overcome a series of hurdles before they are eligible for approval.

The bureaucracy must alter its philosophy whereby it becomes a welcoming and supportive partner to the investor.”

I am going to keep this article and reflect on these words because when a foreign investor chooses a country, he does so first and foremost based on the political and social stability of that country, even before the specific tax or other financial incentives are offered.

When a US \$500 million plant is put down, one’s mind cannot be changed and one cannot take it up and walk away with it. It represents a long time and a lifetime investment for many companies, even large American trans-nationals. This was a different situation, Mr. President, from what happened in the financial crisis in Mexico and it is not appropriate to make such a comparison with Trinidad and Tobago because that foreign investment was in portfolio investments in shares, stocks and so forth. Equally or easily realizable for investments is where the foreign investor, were he to feel a twinge of uncertainty, could simply tell his stockbroker to sell and out goes the capital that was so easily invested.

Therefore, when these projects take a long period of time, it is not necessarily because foreign investors are trying to take our eye out. They have to make sure that the policies of a new, or any succeeding government consistently reflect the mood and policy of the country as a whole in terms of the compatibility and the investment incentives from one regime to another. Where they make certain basic propositions about the financial returns from the investment, they have to know that they would be supported not just through the lifetime of one government, but perhaps several. Some of these investments may take two decades to reap the pay back. This is why it was so encouraging this morning that the Minister of Energy and Energy Industries offered to lay before this Senate the basis of the agreements, at least an executive summary, to demonstrate the transparency with which these commitments had been made by this nation and other private sector or publicly held organizations.

In fact, I appreciated his response to Sen. Daly’s question in terms of the fact of negotiations and the decision of the Government to set up an independent regulatory authority relating to oil and gas that would oversee the whole terms relating to a framework for pricing, marketing and the investment climate, and making sure that incentives available to outside potential investors are offered within a framework of governance that is supportable, transparent and consistent.

I do not necessarily abide by the fact that a government in office has to lay bare the details of a transaction, while it is being consummated, in its Parliament. There are certain business rules and regulations that affect a negotiation, but what I would certainly support is that any independent regulatory agency can report to the citizens of this country that the prices offered in natural gas or other facilities fall within a certain benchmark of what would be offered to these investors by other countries and what we had to do in terms of these prices if they were slightly competitive. If that were the case, we had to do this to attract this investment to our country.

I will just end by saying that we must look at both sides of the coin.

1.25 p.m.

Sen. Prof. Spence: Mr. President, I wonder whether the hon. Senator is saying that a parliamentary committee could play such a role?

Sen. P. Marshall: Mr. President, that would be appropriate and such a committee, even if not spelling out the details of the transaction, can report that the prices, inputs or the framework for the negotiations appear acceptable in terms of the then existing competing climate for that specific investment. That is very important.

We have had very many important debates and discussions over the past few weeks concerning management contracts, foreign firms, and we owe a duty to the citizens of this country that both Houses debate these matters to assure them that their money is not wasted and that the resources of this country are well looked after and they remain in good hands.

Thank you.

Sen. Prof. John Spence: Mr. President, I had hoped and am still hoping that the hon. Minister would give us some idea of what has happened since the time the budget was presented or at least the time when the various measures came into effect, from January 11 to date. There has been one quarter or more to assess the results of what has taken place.

Having read the *Guardian* report of his presentation in the other place, I felt that we might not have been taken through the details and we would have more of an overview of precisely what is going on with respect to the economy, particularly the way that the measures were put in place and how they are

affecting the way the economy is performing. In the final analysis, that is where the proof of the pudding lies.

It seems to me that we really need to know what is happening in the economy. There are certain things which should be happening which do not seem to indicate any great improvement over the situation before. We still seem to be relying upon intervention by way of the money supply to control what activities are taking place. So, we still have high interest rates which seem to be likely a disincentive to investment, and we need investment to create jobs.

We see the phenomenon of excess liquidity without investment and the Central Bank having to remove some of that liquidity. Why are we not getting investment if the cash is available on the local market? Indeed, we are having the option licked up by allowing foreign investors to access the local money market.

I need to refer to the WASA deal. Surely, we could have got better interest rates externally if Government had given the guarantee at the beginning. If the guarantee was given anyhow, why did we not do it upfront and try to access a more favourable interest rate than presume the money has been borrowed on the local market?

If savings are important, how have the measures in the budget affected savings? Some of us felt that the changes in the credit unions and the Unit Trust, for instance, might be a disincentive. Has that been the case? Or has savings ratio increased?

What are the other sectoral policies? We are all very pleased to have had the contribution of the hon. Minister of Energy and Energy Industries because that gave us a good indication of what is taking place in that sector. This is a sector which carries itself. Sen. Marshall has pointed out that stability in the country is the important factor to investment, but I would say it is the more important sector outside of the energy sector, because some of the places in the world where investment is taking place in the energy sector certainly cannot be described as politically stable.

We are very pleased for the exposition on energy, I think it is very good and I congratulate the Government on that score. But that is an easy one.

What about the other sectors? Manufacturing, tourism and my favourite, agriculture. What is happening in those sectors? What are the policies? We are still hearing from the Government that policies are being developed in

manufacturing. The Minister of Trade & Industry and Consumer Affairs states that an industrial policy is to be developed.

With respect to tourism, we still cannot see the master plan. I have repeatedly asked that this be made a public document. Why is it still a secret document, not even formulated by this Government? In the budget debate the hon. Minister said it could be made public at some time. The question is, why not now?

With respect to agriculture, one could only glean from various public statements what the thrust is becoming in that sector. There has been no explanation such as we have had for energy in the agricultural sector. I would love to have sat here this afternoon and listened to the plans and proposals for the agricultural sector. What do we have to do? We have to glean from statements made by various government ministers. This is a very difficult way of gaining information because I suspect that, in many instances, the speeches are written for the ministers and they may not have had the time to scrutinize them carefully to determine whether they reflect Government's policy. So, one may be criticizing the Government's policy as expounded through a ministerial statement when in fact that may not be a policy statement at all.

There were two recent statements which give me cause for some difficulty with respect to the agricultural sector. In the *Trinidad Guardian* of April 11, 1996, hon. Mervyn Assam speaking in Debe said that:

“Agriculture is on the decline and unemployment is very high in the area. Therefore we need to diversify the economic base by getting into new investments in industry.”

He was suggesting that we should industrialize. Not that we could see what is wrong in the agricultural sector and why it is declining, but that we should replace it by industry.

Another statement by Mr. Nanan has the same effect, that the agricultural sector is declining and how we would deal with that situation.

Both give the impression that one is going to industrialize. The hon. Trevor Sudama gave a statement about the decline in the agricultural sector in some other part of the country. No response, about what we intend to do to stem this decline, but that it will be replaced by industrialization. But in fact, it is not occurring because we are not getting investment. How are we moving and how have the measures that were taken in the budget affected the sectors to which I have just referred? What about the subsectors?

The construction industry. Shortly after the budget presentation there were a number of programmes on television with interviews of persons in that industry, which implied that there would be a very great fall with respect to that industry because of decisions taken with respect to Government's investment. Has that in fact occurred? Sen. Marshall referred to the contribution of the construction sector in 1994 and 1995. What is happening in 1996? Is the Government monitoring those areas? If it is, could we get an update in the hon. Minister's winding up?

Education: Today, I have not been aware of any great activity with respect to policy changes, policy initiatives. How are we operating in that sector? Are we still operating on the education plan as proposed by the last government? Has there been a review of it? What is our thrust with human resource development to take us into the twenty-first century? On a number of occasions, I spoke about computerization in the schools. No response. What are we doing in that regard?

What is the situation with respect to tertiary education? I tried to get a response by suggesting how we might organize our tertiary education in this country with the hope that we would prepare ourselves by human resource development. Again, no response. What is happening in those areas? Have they been affected by any measures taken in the budget? If so, what has been the effect?

1.35 p.m

Recently I was a little concerned to read what Dr. Ramesh Deosaran said about the proposals being made with respect to national security. They have made very concrete proposals with respect to how we might address the crime problem, and Dr. Deosaran stated publicly, in the last couple of days, that the Prime Minister had responded that action would be taken. But he himself was getting concerned that there seems to be not too much movement in that regard. So Mr. President, how are we moving?

Recently, I went to a seminar put on by the Development Finance Company Limited and there was a very interesting presentation on the woodworking industry. We talk about the difficulty of creating jobs; we talk about the investments in the energy industry which may create some temporary jobs with respect to construction. On the whole, we do not add a great number of jobs, although the hon. Minister has indicated the hope that the money will trickle out into the rest of the economy, and therefore some activity will be created in that way.

At this meeting there was a presentation on the woodworking industry, which suggested that with our existing resource of timber, if a small portion of it were processed into finished furniture products, we will be able to earn US \$500 million per annum and create 30,000 jobs. Now this may seem like an exaggeration. How is this possible? But if a reputable international expert comes to our country and makes such a statement, surely, it is something that we should, at least, be going for. We should, at least, be investigating it. But what are we doing? We are still exporting raw teak logs from Trinidad and Tobago.

I have been talking about this with three successive governments. There is still a company purchasing teak logs from Trinidad and Tobago and the company, I believe, has its headquarters in a developing country. It is not even exporting the logs to that developing country; it is exporting them to a third developed country for value added to take place. Why, today, with this Government are we still exporting raw teak logs? We do not even process them into timber, let alone into basic units to be used to make furniture, let alone into furniture, when the skills are available, and the raw material is available. What is not available—the will, the knowledge; the management? What?

Mr. President, I find myself having great difficulty in becoming enthused by the presentation, even though we would seem to be making progress in the oil sector. Surely, we rely on oil because it is in the short-term and the medium-term that we have the problem with jobs and poverty. The *World Bank Report* recently indicated the level of poverty that still exists. But we all know it, there is no need for me to reiterate that. The real issue is: what do we intend to do? What are the targets that we should set ourselves?

In my response to the budget presentation, I borrowed from the hon. Prime Minister's contribution when he was Leader of the Opposition in which he suggested that the important thing in a budget was to set targets. What targets have we set for the increase or loss of income we will get from the various taxation measures? This is one disappointment that I have had in the original budget presentation, that in the past we were told if a certain measure was taken, the Government would lose so much revenue or gain so much revenue.

By now we could have judged whether those forecasts were valid or not. After all, the forecast for the price of oil really is outside of our control. I do not know if the hon. Minister had some insight into the possible weather conditions in Canada and Europe in December but, clearly, that was an event which could not have been forecast. But surely we can decide on some of the other targets—target

for the level of employment; the level of reduction in poverty; the amount of income that we intend to get by the measures we take; and a target for the expenditures that we would put into effect when we get the revenue.

So, Mr. President, I think we still have a serious problem, because we do not really seem to be getting down, apart from the energy industry, to the really critical issues that we have to face. Perhaps the Government is getting down to it, but its public relations are not good enough to indicate that this is so. Perhaps the hon. Sen. Wade Mark, on his Sunday evening interviews, should get some of his other Ministers. I am sure he could make a very good performance with the hon. Minister of Energy and Energy Industries. What about some of the others to tell us precisely what is taking place; and he comes over the three channels, so that I am sure we would look at it performe!

But really, I would have thought that this was the sort of debate that we would have had and the sort of issue we would have heard from the Minister of Finance. I merely suggested that perhaps his presentation might have been circulated in advance so that we could read it and then we could discuss some of the other issues. In fact, it was circulated in a way, because it was published verbatim in the *Guardian*.

What progress are we making in the tourism industry? We still have a great problem with how development might take place in Tobago, because sand is still being mined in Tobago. While we worry about the constitutional arrangements and therefore whose responsibility it is, whether it is the Tobago House of Assembly or the Central Government, we see pictures of bulldozers still taking out sand from the beaches. I say to my Friends from Tobago, the Senators from Tobago, anytime they decide to stand in front of the bulldozers, I hope they will invite me to do so, as well. I think this is the only thing that will galvanize the authorities, whoever they may be, into action. I certainly hope that when the relationship between Trinidad and Tobago is sorted out, issues such as this will become clear, so that there will not be the present situation, which seems to be the case, as to who is responsible.

What sort of tourism will we have developing in the future, if issues like that are not addressed? Sen. Mc Kenzie raised the issue of the yachts and the possible effects that the large number of yachts coming in might have, if they are not properly controlled both in Chaguaramas and in Tobago. What action has there been with respect to regulating those developments?

So, yes, we are doing very well in the energy industry. Yes, we are getting heavy investments there. I am afraid, I rather feel we would have got them anyhow. It would have meant very difficult and adverse circumstances for us not to have got those. It is not so easy in the other sectors, where positive Government intervention is needed. I do not buy the argument that, by reducing corporation tax, investment will occur and, therefore, development will take place, because it has not happened and there is no evidence that it will happen. If the hon. Minister, in winding-up, can show evidence that by reducing corporation tax greater investment has occurred, and therefore Government intervention is not needed, I will be the happiest person. But I do not think he will be able to do so, because I do not think that is the way it works.

What happens, anytime there is more money put into the system, either by a reduction of income tax or any other device, immediately there is excess expenditure on consumer goods, and a problem develops whereby pressure is put on the rate of exchange and the Central Bank has to intervene by taking money out of the system and putting interest rates up. Is that an incentive to investment? Is working the money supply in that way resulting as an incentive to investment? I do not think so, and I do not think it is likely to happen.

Mr. President, I would be extremely grateful if the hon. Minister could address some of these issues I have raised, in his winding up.

Thank you very much. [*Desk thumping*]

1.45 p.m.

Sen. Martin Daly: Mr. President, I had not intended to speak in this debate but as one of the proponents of accountability for public assets, it gives me very great pleasure to join in the congratulations that have been offered to the Minister of Energy and Energy Industries for his very responsible and timely account of administration in the energy sector.

Something very significant happened in this Parliament today. Part of the Bill which is being debated concerns the petroleum sector and there was a genuine and very timely exchange between my colleague, Sen. Rev. Teelucksingh, and the Minister concerning the accountability of the National Gas Company which, to some of us, over a long period of time, seems to control one of our most important resources without any proper accountability to the Parliament or the people. It is obvious from both the Minister's words and the spirit in which he

made his contribution that he intends to rein this particular runaway horse. And that makes me very pleased indeed.

What has happened here is that the Minister has responded to the stimulus of parliamentary debate and parliamentary accountability. He indicated that he was a little cross with me because I spoke about sloth, but that is good. Because it means that if he gets cross he gets constructive and real, and he gives us a real and timely response. Today, the Senate can be proud of the fact that it became a relevant output for public information in a timely fashion. In the best sense of the word, the Minister has been provoked by many of the contributions that have been made in the Parliament and by some of the criticism of the Government's reticence with respect to information.

The result is that people will find out tomorrow that important things were said in the Senate about the Farmland matter which has dominated the news over the last two weeks; important things were said in the Senate about the role of the National Gas Company in the future and the fact that the Minister intends to rein this runaway horse; important things were said about the 1991 gas contract with Amoco. So that we are not only producing information but I am at pains to emphasize we are producing timely information.

The Minister also responded in a very constructive way to the stimulus today portrayed by Sen. Rev. Teelucksingh and he apparently understands that the people out there do not believe Ministers on political operatives any more. The reason they do not believe Ministers on political operatives is until the example set by the Minister today; we only get the spin.

In the United States of America, for example, you get both the source information and the spin. Our politicians have tried, particularly in relation to the divestment programme, only to give us the spin. If you continue to deny the public the source information then they would stop believing you; just as I was highly critical, and I am still, of the fact that we debated a management contract we have never seen. We only got the spin from both sides. The Minister today, has taken two very significant steps. He has provided, through the medium of the Parliament, information in a timely fashion about matters of contemporaneous public interest. He has also indicated that source information will be provided.

I do not want in any way to be ungracious or detract from the significance of the event to say that I am disappointed, of course, that when pressed he had to say subject to Cabinet approval. I am disappointed for two reasons. First of all, I understood it to be the policy of this Government that there would be less centralization and the Ministers would be more free to run their own departments.

Secondly, it is difficult for me to see how the Cabinet can now depart from giving formal approval to the laying of the details of the information which the Minister has provided today. That is my only little note of reservation, but I think it has been a very good day for the Parliament.

I have consistently campaigned about this. We cannot have the abdication of responsibility for public assets to political operatives who are not accountable. That has always been my complaint. If there is an abdication of responsibility like that and no concrete information is given to the Parliament then they can do pretty well what they please with the country's assets. Not only are they not accountable but they can take any decisions they like and then pretty soon the country would be run by a cabal and that is not the way our system functions.

While I agree with some of the reservations expressed by Sen. Marshall, I never suggested that we must disclose information while negotiations are in progress. I said we should follow the new standards set today. You complete a negotiation in April and you come and tell us the results of that negotiation in April. That is what has happened today. I am content to say that I feel satisfied that has only happened because this Minister, thank God, has been responsive to the continuous pressure, by the public, for information. No one is going to accept anything he or she is told about the Farmland issue unless the source documents can be seen and analyzed.

I join the debate as one of the severest critics to the secrecy of the past Government that, by and large, has been continued by this Government to welcome the new dawn that apparently broke today in relation to the Ministry of Energy and Energy Industries.

My colleague, Sen. Prof. Spence, has a great deal more charm and a great deal more understanding than myself, and has pointed out that while he, too, is grateful for this dawn in the Ministry of Energy and Energy Industries it really does not carry us very much further because he has analyzed all of the other policies and things about which we are not being given information, even in the context of the performance of the country's economy in the time between the budget presentation and when we came to pass the former legislation.

While today at any rate no praise is too high for the conversion—or perhaps, that was always his view—of the Minister to the disclosure of information about public assets, his colleagues who thumped the desk must remind themselves that they are a very long way behind.

Sen. Prof. Spence has given various examples of the things about which we are still in the dark and, of course, I would like now to return again to one of my favourite subjects.

There is a new item that is growing with interest in the media every day; the airport is back in the news. We now have the pull out of Hughes, we still have no airport. Well, I suppose the place where the planes land technically is an airport. We have absolutely no word about a new board to replace the failed board of the Airports Authority, and they have failed miserably, and any way, Hughes has now pulled out and we have no word about this.

1.55 p.m.

I would have thought that this is something in precisely the same way that we got contemporaneous and timely information about the Farmland issue. The Minister of Works and Transport should try to tell us something about the airport and the significance of the Hughes pull out. I would cite that as an example of how far behind some of the ministries lag in this business of disclosure of public information. It is not good to tell us something three or four months later when some other issue is dominating the news media.

I am very content as an advocate of disclosure of information concerning public assets with all that has happened today. As I said, I do not in any way wish to dilute the commendation that is due to the Minister. Indeed, by contrast, the water fiasco is another very interesting matter. We have had so many fiascos such as the airport fiasco and the water fiasco about which I complained so bitterly recently. The Minister responded very directly to what Sen. Teelucksingh said. He was not only able to give us hard information but also—I gather as confirmed by Sen. Marshall's note—to tell us the expected monetary returns from the deal which has been struck.

Is there another deal which has been struck recently about which the country knows the monetary returns? He was able to tell us the benefits in terms of transfer of technology and in concrete terms what were the contributions to learning and the advancement of learning, if I understand what the Minister said as apparently confirmed by Sen. Marshall. He was able to tell us about other value added activities which surround this project.

Sen. Spence's contribution made the contrast with the teak logs. Clearly, this is an approach which, if transferred to the Ministry of Agriculture, Lands and Marine Resources, would soon put a stop to the export of the raw material about

which Sen. Spence has spoken. Just when one's frustration rises to its highest; every cloud has a silver lining.

I urge the Government, even in this moment in which it has made some hope rise again, to understand that this is a pattern which must be repeated, if its words about transparency are not going to simply ring hollow. It is very important that we get an account, as we did today, of the administration of the energy sector and in a timely way. I maintain that this Minister at any rate has apparently understood that constructive criticism, whether it is in Parliament or the media must be responded to. It is also refreshing that the cumulative amount of criticism about secrecy has produced these concrete results. It is a pattern which I hope would be repeated.

This is another significant thing which has happened in this debate and we will hear more subject to Cabinet's approval. I certainly would not forget about it. In fact, I have already written out my parliamentary question in the event that it is not forthcoming.

The other interesting thing is that by complete contrast to the water fiasco, in which this Government had a hand, the Minister told us that the investor with whom his team negotiated had guaranteed us certain things. Is it not nice to hear that we are on the receiving end of a guarantee of something for a change? Is that not refreshing? Is that not what makes us hopeful at the end of the day? I bet you, Mr. President—I suppose you cannot bet me. It is unparliamentary, so let me rephrase that. I confidently predict that no one in the international community is going to stop viewing Trinidad and Tobago as the place to invest because the Minister said that we extracted our pound of flesh. Did everyone hear how the Minister put it? He said that we extracted our pound of flesh.

If we listen to the negotiators from the "Anthurium Suite" they would say that you cannot speak to the fellows like that. They will take their business elsewhere. I also congratulate the Minister for being able to speak in blunt commercial terms. Perhaps it is still not too late for this Government to review what it did with the water fiasco and to consider very carefully how much longer it is going to pussyfoot with the airport and Hughes issue.

I certainly would not use the word "sloth" in relation to the airport. I prefer to use the word "discomfort". I hope that the lessons of today would not go unanswered. I join with Sen. Spence, although I had not thought about it until he raised it, but clearly, we do not need an independent regulatory authority who can guarantee the sanitary nature of the deal which has been struck. I agree with Sen.

Spence that what we need is a parliamentary committee. Now that I have had time to think about it I support his recommendation that if we cannot get agreement on the Standing Orders in the other place, then we must take a lead.

Against that background, it would be very easy to lend one's support to this Finance Bill, particularly Parts VII and X which deal with the petroleum sector. Now one has some idea of what one is supporting as a result of the exposition which has been given by the Minister. It has been a very good day for the Parliament. The only other good hope which I would express in relation to the other ministries is that we can now have a less zigzag parliamentary programme and settle down to a regular pattern of doing business.

Thank you.

Sen. Prof. Kenneth Ramchand: Mr. President, when the hon. Minister delivered his budget statement several months ago, there was a decent measure of self congratulation for having done it so fast, and a certain amount of apology for possible short comings due to the briefness of time which he had to prepare the statement.

[MR VICE-PRESIDENT *in the Chair*]

Mr. Vice-President, I had hoped that now some time has passed and the Government has had a chance to get a clearer view of the situation inherited, and the situation itself has changed, that the Finance Bill would have provided an opportunity for a certain amount of revision and adjustment for putting new emphases on matters which have already been discussed, including things which might have been permitted. Part of my contribution would be covering one or two omitted matters and opportunities lost for including in the Bill things which I feel matter a great deal to the country.

2.05 p.m.

I want to support Sen. Rev. Teelucksingh's comments on the subject of independent public enquiries before I go on to my own points. The independent public enquiry has been played down as being cumbersome, time-wasting, costly and toothless, and it may well be that parliamentary committees can do some of the work that such commissions of enquiry are expected to achieve. But some matters will continue to call for public enquiries.

Mr. Vice-President, I do not know yet what Atlantic is getting out of the agreement referred to by hon. Finbar Gangar, but having heard the Senator's

disclosures of what informed and honest negotiations can achieve for the country, I am convinced that we do need independent public enquiries into a number of matters, such as Severn Trent, Project Pride and BWIA; that we need provisions for follow-up police investigations and then the construction of a jail for white-collar criminals on Soldier's Rock.

I want to associate myself with Sen. Daly's congratulation of the Minister for restoring to Parliament, the respect it has been losing in the absence of accountability, and due to the lack of a freedom of information act. Incidentally, Mr. Vice-President, if we did have a freedom of information act, the loud debate on press freedom that took place recently might never have needed to take place at all.

I join Sen. Daly again, in saying that it is not too late to look at the Severn Trent arrangement and to institute an independent public enquiry into the signing of that contract.

I now turn to three matters that I feel could have been included in the figures and in the statement of the hon. Minister of Finance. The first is a subject that people have talked about but we have not seen what it really means to the economy in terms of the country's revenues. I am referring to intellectual property rights. I would have liked to see, in the statement, some allocation of funds for the setting up of a body to go into the whole question of intellectual property rights, with a view to ensuring that this country does not lose, economically, from the absence of a concern with intellectual property rights.

Intellectual property rights is a very problematic matter because the movement to harmonize the laws concerning intellectual property has come from the larger industrialized countries and from the multi-national corporations. In a paper delivered at a conference recently, Dr. Tymoon Stewart, showed us why the multi-nationals and the so-called developed countries were the leaders in seeking to harmonize those laws. I quote:

“Multi-national corporations and larger countries needed to locate subsidiaries in various parts of the world and apply their newest innovations. They needed, therefore, to protect their technological know-how from imitation or infringement. They wanted to be able to develop strategic alliances or joint ventures and share their technology with their partners, without losing control over the rights to profits, derived from the use of the technology.”

Mr. Vice-President, we have a very cheap and poor example of this in Kentucky Fried Chicken. I do not know why Colonel Sanders' face and Kentucky Fried Chicken special formula have to be advertised all over the country and why he has to be paid money for frying chicken. I suspect that all the Kentucky Fried Chicken outlets pay money to Colonel Sanders, whoever he is, for the secret of frying. These intellectual property rights are paid for by these smaller countries, because the multi-nationals and the larger countries have got us in a kind of vice and they make us feel that we would be pirates if we fried chicken and it tasted like theirs because they would say we stole their formula, even if it was suggested that this here was Kentucky Dried Chicken.

The multi-nationals were the ones who gave the lead and the so-called developing countries had a kind of resistance to this for good reason. We had an interest in being able to copy freely, computer software and other cutting-edge technologies. We want to be able to reproduce drugs that are produced elsewhere. They would do all the research, development and so forth and we would examine the drug to see how to make it so we could produce it cheaply without having had to do all the research.

We want to be able to produce Lucozade. Why should we buy their Lucozade when all we need is glucose and water? We would examine Lucozade to find out what they put in it and produce our own fizzy energy drink. Developing countries—and in the words of my good friend, Trevor Munroe: “It was 300 years of whips and chains and they owe us”—tended to feel that they had a right to a certain amount of piracy and to make use of technologies that were paid for elsewhere to develop things for themselves.

Mr. Vice-President, the situation has changed. Our stance that we stood to gain by not having laws about intellectual property rights is now archaic; that stance is losing us money. I can explain that by going into some detail about what intellectual property rights involve. Intellectual property rights are divided into two categories. The first is called industrial property and it includes inventions, trademarks and industrial designs.

2.15 p.m.

Inventions include patents and trade secrets; for instance, we need to protect Angostura Bitters. If somebody had taken *bois bande* and made a lotion called *bois bande* lotion we would need to protect *bois bande* lotion because we do not want anybody else overseas labelling anything *bois bande* lotion. Now, with the growth of a full set of industries relating to bush medicines; with the possibilities

of cosmetics, and all kinds of chemical concoctions that the liberal parts of the world like to get from us because we have science; the possibilities in our landscape and in our flora, fauna and so forth, for the production of things that the outside world need such as patents, the trade secrets and so forth, we need to have this law of intellectual property rights.

On the question of industrial design which is within industrial property, I was astonished to read something which strikes me as a way of protecting the steelpan which, it seems, nobody else has noticed. The industrial design of something is both functional and ornamental, and if you can protect your industrial design—it has to do with the shape, colour, the line, the pattern and so forth—you can protect a piece of property. It seems to me that under intellectual property rights there may be an opening for us to patent the shape of the steel drum. Anybody else in the world who wants to make steel drums would have to make them one inch different or slightly oblong or make a parallelogram so that people could "chook" their waists, but they cannot make this round shape that we have.

So you see, Mr. Vice-President, the question of intellectual property rights on the industrial side is of concern to us with respect to the national instrument about which we are always complaining. Every day people are producing pans—incidentally, a little joke was told to me by a historian recently, that the city in the United States which, nearly 50 years ago was the home of the Firestone Company which is now producing the most pans, stole the land that had been given to Marcus Garvey when he was repatriating African Americans to Africa. So we have a long history of that city stealing our things. Let us not lose the main point that it is possible, under the industrial design rubric, that we can patent the shape of the pan and prevent other countries from manufacturing Trinidad and Tobago's steel pans. That is about the best we can do and there are many public relations to indicate that the best pan and the only pan is the Trinidad and Tobago steelpan.

The second category of industrial property falls under the proper title "Copyrights" and that includes computer programmes, which we are happy to steal, and cinematographic works and other compilations of data, and the filming and recording of elements in our culture. This is something that has been going on free-sheet and wholesale; people are just coming in here and stealing cultural property and there is no law that prevents them from doing so.

Over the weekend there was a big concert for Indo Caribbean Awards and I have a notable instance of what happens when you do not have laws about intellectual property rights. Nrityanjali's Dance Theatre was contracted to perform

and made arrangements by telephone with the representatives of JMC recording; they were to appear as guest artistes in the First Annual Indo-Caribbean Music Awards on April 27, 1996. In addition to the many discourtesies that they faced, arising out of the belief of the commissioning body that they were just dealing with scrunting and powerless artistes unprotected by the law, there were very serious infringements of the rights of the group.

When the group requested bringing their own video camera to film their performance for their archives, their request was explicitly denied. The organizers said that they had exclusive rights and no permission would be granted. Long discussions took place between Saturday and Monday, a promise was made of a copy and also a contract and to this date—I received this note this afternoon—12 successive contacts were made by Nrityanjali representatives to secure the intellectual property of Nrityanjali against any form of exploitation. All these attempts were unsuccessful. According to the Theatre, this has happened against the background of newspaper reports which indicate that JMC would air the recording of the programme of the First Annual Indo-Caribbean Music Awards on Black Entertainment Television, TV Asia and Pay-Per View Television.

Mr. Vice-President, just to summarize briefly, I think that we do need, as a country, to spend some money on investigating the whole question of intellectual property rights to even have lawyers trained to deal with this matter, not only because it could protect the national instrument but also it could protect us from further pillaging of cultural and intellectual artefacts which, nowadays, have a great appeal from this country and in other countries.

The second item I want to deal with concerns the steelpan movement. In 1990, the NAR Government allocated \$7.5 million for research and developmental work in the steelband movement. Of this sum, \$3.5 million were collected; \$.5 million was earmarked for research on the history of the development of pan, and \$3 million were invested by the investment arm of Pan Trinbago, PANVESCO. According to the Secretary of Pan Trinbago, many steelbands have been able to access loans guaranteed by PANVESCO to assist in carnival preparations. PANVESCO plans to expand the loan portfolio and had given very good reasons for not wanting to break into that \$3 million which bring in profits and returns which are being used to assist the steelbands.

2.25 p.m.

As early as 1991, Mr. Vice-President, Pan Trinbago had put up plans for the upgrading of over 20 pan yards all over the country including two in Tobago and

they have been trying to secure the release of a further \$2.4 million from the \$7.5 million allocation. According to the Secretary of Pan Trinbago, this money has not been forthcoming.

Pan yard development is one of the keys not only to the development of the steelband, but also to the following:

1. The alleviation of unemployment and poverty in communities;
2. The fostering of community spirit;
3. The involvement of teachers, craftsmen and other members of the national community in the smaller communities around the pan yards;
4. The development of the pan yards as centres for self-help and economic activity.

They are planning in most of these pan yards to give space to graduates of institutions like Servol to do sewing and various kinds of manufacturing and to give them opportunities to trade and set up supermarkets and so forth. The pan yard will become a centre and—

Sen. Phillips: With your permission, Sir, I just want to explain that in that pan yard project which is being referred to, several of the areas identified for constructing the pan yards are on private lands which are not in control of the group or pan group and which are not Government's lands. This is part of the reason why it is not possible yet, and until that land situation is settled, we cannot have pan yards set up in these pan theatres that are talked about. The project is known and some have been created, but those that are not created, the land situation is the problem.

Sen. Prof. K. Ramchand: Thank you very much, I was told that too, by the Secretary of Pan Trinbago and also that the Government would do its best to assist either in acquiring those lands, or finding alternative sites. I was going to end what I was saying about pan yard development by suggesting that there has to be greater co-operation at the community level between the respective ministries and the pan yards in selecting the sites and making sure that they are properly distributed.

Secondly, in helping to direct the shape that this new pan yard would take, and in dealing with many of those legal problems that would arise, I was suggesting that, in addition to what was already being said about the upgrading and development of the pan yard, we have had much discussion about the educational system and crime in certain areas. We know that people who come from certain areas have no motivation to go to the schools, and yet they have great motivation to hang around the pan yards.

Many persons, including Mr. Lloyd Best and myself, have been looking at alternative kinds of community schools, and in those areas where the pan yard is the centre of a community, a community school might well develop around the pan yard and it can become a centre of learning. It is a place where young persons flock to willingly, and in such a place they might be motivated to see a similarity between the kind of effort that is put into learning to play the pan and the kind of effort they need to put into learning the academic subjects. They might learn that the effort necessary, hopefully, Mr. Vice-President, is similarity. The pan yard, as a place of learning will encourage them to see a connection between book learning and the work of their hands and heart. These pan yards could be upgraded, and envisioned in this way could make a contribution to the problems of crime and education and they may well give us new ideas about the kinds of schools and educational systems, teaching the blend between the practical and the academic.

In fact, it might help us to transform the whole inherited notion of schools that was imposed upon us immediately after the abolition of slavery. One of the things that this country is labouring under in every aspect of our lives and certainly in education, is that we have inherited a system—just as we have inherited the parliamentary system—into which we have not brought our own authenticity. We have not modified these systems satisfactorily to suit the needs of our population and to allow our population to fulfil their true selves. I hope it is not too late—

Sen. Prof. Spence: I wonder if the hon. Senator would think it important enough to suggest that perhaps the matter which the Minister raised might be solved by the Government using the Land Acquisition Act?

Sen. Prof. K. Ramchand: I will certainly think that is a suggestion which the Minister might want to consider. I do not know if the Minister would want to say anything on that.

Sen. Phillips: As far as I am aware, the Land Acquisition Act is really to facilitate projects like road development which are necessary for the country. To use the Land Acquisition Act to develop a steelband, we would have to modify it, and I do not know if it is—well, we would have to investigate it.

Sen. Prof. Spence: Reducing crime will be in the public good.

Sen. Prof. K. Ramchand: Yes, and also we will not be only developing a pan yard, but a school. I am sure that if the Government is convinced that this is the right thing to do, then we might not have antagonists in seeking the land. The people who own the land might be persuadable, especially if we have good lawyers.

I hope it is not too late to suggest to the Minister that the necessary funds should be released and the relevant ministries should make resource persons available to assist Pan Trinbago to open up the possibilities of the pan yards. Is it too much to expect that the indigenous source of the 20th century's only new musical instrument might also be the source of new systems of education and new thinking about education?

Thirdly, Mr. Vice-President, I want to come to the question of education. I do agree with Sen. Spence that the example of the Minister of Energy and Energy Industries letting us know what is happening in his Ministry and how it fits into plans for the economy and so forth is welcome. Presentations dealing with agriculture, education and the other fields might have come in very handy indeed, and if I speak about education and say things which we hear later that the Ministry is planning, I cannot help it, because I do not know what the Ministry is planning.

Everyone knows there is a national disaster, and it is a national scandal that the system of primary education through the Common Entrance Examination and entrance to the Junior Secondary Schools for the majority of our students is the road to the jail, hell, poverty and crime. Everyone knows that, and even the students who escape the hell of the Junior Secondary Schools get a kind of education which makes it very difficult for them later on to become truly educated. The requirements of the Common Entrance Examination are not the requirements for anyone who wants an education and in our country, the problem is worse. We are living in a country where we have to confess that the home and the family do not exist as shaping, nurturing and caring influences for many children. For the majority of our children these are non-existent.

2.35 p.m.

Our Government and the people who provide our education and who are responsible for care have to take this into account when they think about education. It is my view, Mr. Vice-President, that every year the budget should show thinking about education and the needs of our population. I do not see anything about this in the present Bill.

I would not go into detail here but reports on education insist on the importance of the primary school and I add to those comments that I would like it built into the construction of primary schools and the establishment of primary schools in this country that the primary school is making a deliberate attempt to be a place that can provide for our young children a caring, loving and relaxing environment and atmosphere that will help them to be healthier people.

[SEN. PROF. K. RAMCHAND]

The primary school must not only provide that care, love and sustenance that one gets in the family and home, but it must also provide the basic education.

Thirdly, the primary school must provide an atmosphere and a context in which our children are encouraged in the direction of self-expression and self-discovery through music, art, painting, dance, all kinds of activities so that our primary schools will be very special schools taking into account the drawbacks and deficiencies that we have been suffering as a result of poverty, exploitation, enslavement, indenture, colonialism, abuse by multi-national corporations and so forth. We have to focus on the primary schools and new ideas about how these schools could grow and be the basis for our most important resource. It follows from all of this.

I was sorry, I apologize, last week when the Senate was being adjourned I was the only one who voted against leaving at 4.30 p.m. It was not that I did not want to have lunch here today, I just wanted to finish the debate on Sen. Mahabir-Wyatt's Unremunerated Work Bill. I even had a little joke that I would slip in something about teachers who have great claim of being providers of unremunerated work but I did not get my chance so that is why I said, no.

Seriously, Mr. Vice-President, the Leader of Government Business should consider that when Private Members' Motions come up, the same urgency will be felt and we would get a letter saying that the Leader of Government Business has determined that Sen. Mahabir-Wyatt's Unremunerated Work Bill will go through all its stages even if Senators have to be kept here until the next morning.

Sen. Mark: I do not have the authority to do that.

Sen. Prof. K. Ramchand: Whoever.

Sen. Mark: He could do it, Sir.

Sen. Prof. K. Ramchand: Mr. Vice-President, I thank my senatorial colleague very much for eliciting that licence.

If we are going to take a serious view of education of the primary schools and to think about community schools so that some community schools would be based in the pan yard—over and over I make distinct about community schools in Cedros where I would teach people refrigeration science, fish preservation, coconut processing; I would teach them all kinds of science based upon the occupation being carried out. Our community schools will be related to

communities; sometimes they may be centered around the pan yards; sometimes they may be centered around whatever the activities are in the particular region.

If we are taking such a serious view of education in this country then the budget statement every year has to reflect such an intent and a priority. If we have to provide buildings we have to do planning and we would also have to do something about teachers' salaries.

I am not going to spend much time just to point out that the average teacher in a secondary school gets about \$2900 per month. Thank God, he does not have to pay a mortgage because he cannot afford a mortgage. But after he pays his income tax, he carries home about \$2100 or \$2200 per month. How can anybody who is responsible for the care of the young, who has to prepare lessons at home at nights, who has to be able to be a giving person, a relaxed person, how can a person living on \$2200 per month carry out the very responsible function that he is doing for the state, himself and the children?

I just want to end on the question of teachers' salary by a little speech that I give to my gardener once per month and I have been giving him this for the last five years.

Hon. Senator: The same gardener?

Sen. Prof. K. Ramchand: Yes, the same gardener. It is a good speech. It goes like this:

"You have to pull up your socks, boy. You have to pull up your socks. When I gave you this job I followed a rule laid down by a writer called Mr. Naipaul. Do you know what Mr. Naipaul said? He said when you are hiring a man look at him good. If you are sure you could cut his tail, hire him. Don't bother with recommendation. Don't ask for testimony, just look at him and if you feel you could cut his tail, hire him."

Cut his tail is an edited version of a phrase beginning "buss his ..."

"So boy I have you. You have a good job. You don't work Saturday, you don't work Sunday. If the party nice, you don't come Monday.

When you come to work, you cruising in at 9.30. When you leaving you starting to get ready from half past two. So it is a good work. You making \$80 a day. You paying no income tax. If you don't want the work, tell me, man. If you dont't want it, I am sure I could get a police or a teacher to take it."

Sen. Mahadeo Jagmohan: Mr. Vice-President, I am much obliged for the opportunity given.

Mr. Vice-President and hon. Senators, I shall be brief on this occasion. I refer to an eloquent speech by the Minister of Energy and Energy Industries this morning. He made mention about bilateral talks and agreements for some measure of education for people in the energy sector. I am not sure that I understand him to be positive that it will only be people in the energy sector but I merely wish to inquire and perhaps to state on my own that it would be necessary for that training to spread throughout the entire society.

We are hoping that it would not only be for training people at the tertiary level to become engineers or post graduate work for people who are already there as graduates but that craftsmen, technicians and perhaps engineers would be trained to undertake work in the oil industry.

2.45 p.m.

We are bothered at times, because we see where training is undertaken at public expense it is in-service training, which is not open to the public and there are many people out there with potential to accept training, but the opportunity is not afforded them.

Sen. Gangar: Mr. Vice-President, I wish to assure hon. Sen. Jagmohan that the planned National Skills Development Centre will be at all levels, primarily at the craft and technician level, where we would be developing the requisite skills in welding, electrical installation, process control automation and that type of thing. So we will be doing it at three levels—craft, technician, and supervisory levels, and also at the tertiary level. It is an all-encompassing proposal.

Sen. M. Jagmohan: Mr. Vice-President, I am much obliged for the explanation given, because I had some fear about this. I urge the Minister to use the Junior Secondary, Senior Comprehensive and Composite schools as locations to give people in the lowest rung of the economic ladder an opportunity to upgrade their skills and knowledge to make them employable in all sectors of the economy.

With respect to the construction industry, so much has already been said but, at this stage, I wish to make the point that when reference is made to the construction industry in Trinidad and Tobago, many people see in their mind's eye millionaires who have the funding to undertake construction. They see civil engineers, structural engineers, programmers, planners and people of that ilk. But

may I state that whenever construction work is undertaken in Trinidad and Tobago the poorest person, perhaps the person with no skill at all or only a bit of common sense, gets an opportunity to work and be able to earn in order to feed himself and his family. On the basis of the last budget, I am strongly urging that consideration be given to projects in the construction industry throughout Trinidad and Tobago so that the poor people, who are unemployed, will get an opportunity to work and earn money.

I am sure Sen. Prof. Ken Ramchand will be pleased to hear about this aspect. Primary schools are the greatest targets of thievery and burglary in Trinidad and Tobago. They are being vandalised at will. We observe in this Finance Bill that \$1,179,627,224 is allocated to the Ministry of Education. We are suggesting to the hon. Minister of Finance to put machinery in place so that there would be 24-hour security at all primary schools. Because of the ages of the children who attend these schools, they are much more vulnerable to attacks than those who go to secondary schools or other institutions in Trinidad and Tobago. We are suggesting that care be taken to have all these buildings rigidly fenced to create some difficulty for people who enter at will with vandalism on their minds.

This is a matter that was ventilated so much already by the press and other people, but I must mention it. The removal or withdrawal of industrial plants from the La Brea/Brighton Industrial Estate has done great damage to the hopes and aspirations of a substantial number of unemployed people with large dependent families. Mr. Vice-President, you will no doubt recall, that at one time in La Brea the company that does the mining and refining of pitch from the Pitch Lake was to either shut down, go out of existence, or relocate to some other place and only depend on the raw material from Trinidad and Tobago. The then government, under the great man, Dr. Eric Williams, saw to it that the Pitch Lake became the property of Trinidad and Tobago. That was done and has brought about much ease to a substantial number of people in that area, and, of course, it now benefits the whole country.

With respect to the fears that the general population of Trinidad and Tobago had that anything put on the industrial estate will sink, many people here know that there is a relic of World War II which is as heavy as an oil rig that is now abandoned in La Brea and it has not sunk one bit. And the Tower of La Brea has not shifted or anything at all, so that false notion being entertained and projected by people, should be re-examined and only the truth should be projected.

With respect to the releasing of funds for a very important area, Mr. Vice-President, there should be stability in employment in the daily-paid sector, which

is one of the most important sectors that not many people in Trinidad and Tobago are aware of. We see great difficulties being experienced by these people because there is a system in which the law regulates the existence of permanent cadres or permanent establishments. This is reviewed biennially and workers are assured every two years that permanency will be assured in their employment and when vacancies come up by death, retirement, or whatever, they are to be filled.

There has been much delay from January last to now. Some of these should have been finished by February this year but they have not been done. Mr. Vice-President and Members of the Senate, there might be roughly 50,000 such workers in Trinidad and Tobago. A large number of them are unionized by the National Union of Government and Federated Workers, of which the distinguished Sen. John is President General and Chief Executive Officer.

What is happening now is that the chain reaction of the holders of these jobs affects about 200,000 people and of that, maybe, 150,000 are voters in Trinidad and Tobago. Care should be taken, especially by those who want those votes, to have the permanent status of these people regularized. I urge the Minister of Finance to urge the relevant Minister to move with haste in this respect, because people are frustrated and their frustration affects productivity and production. It is extremely important that this matter be dealt with, with all the speed at our disposal. People are anxious to know that they are permanent workers. People are postponing overseas trips; some people are postponing activities that would generate the economy, like availing themselves of loans to build houses or buy cars; or even giving educational opportunities to their children. We are aware that the Minister in charge of Public Administration and Information is dealing with this matter, but the delay is affecting people.

Sen. Mark: On a point of clarification, Mr. Vice-President, I would like to inform my hon. colleague that if he is referring to the permanence of the 12,000—13,000 daily-rated employees employed in local government, Cabinet took a decision last Thursday to make all those workers permanent. I just wanted to put that on the record, if he did not know that that decision was taken last Thursday.

2.55 p.m.

Sen. M. Jagmohan: Mr. Vice-President, I am much obliged, but indeed there is much reluctance on the part of chief executive officers, town clerks and city clerks in implementing any such decision because this has not yet been formalized. Yes, it is a Cabinet decision but the instructions have not trickled

down to the people who should carry them out. Mr. Vice-President, I heard the hon. Minister's explanation.

With regard to these matters that I have addressed, it is extremely important that action be taken without delay.

Thank you.

Sen. Dr. Eric St. Cyr: Mr. Vice-President, I would like to make very few remarks on three areas. First of all, I am very encouraged to see that the promise for which my dear Friend, the Minister of Information and Public Administration, stood so strongly, the promise of open government, transparency, we are seeing some good evidence. I encourage this entire Senate to assist the Government of the country in keeping that way.

The hon. Minister of Energy and Energy Industries in his very forthright contribution told us something about a gas price policy and among the comments I picked up was that there will be one gas price for all. I think that is a central piece of a gas pricing policy.

Sen. Gangar: Mr. Vice-President, may I just clarify before I am misquoted outside of this honourable Senate what is intended here. The gas pricing policy which is being contemplated or in place with this Government is that those investors who are in the same class or type of business, we are going to narrow the realm of subjectivity and, therefore, they will be afforded equivalent gas prices.

Sen. Dr. E. St. Cyr: Thank you very much, Sir. I think that opens it up and leaves some of the complications in it.

One of the issues that our steel got into problems with in the American market some years ago when we ran into that problem of countervailing duty had to do with an accusation of a subsidy somewhere in the price. So, we want, as we tread on that piece of ground, to tread carefully.

There is, in my understanding, a phrase called "a most favoured nation clause" where persons can claim comparative treatment, and as we open the economy we want to be cautious as we go in those directions.

The second issue I want to make some brief comments on relates to the external sector and what is commonly called in the literature the "residential sector". My colleague, Sen. Prof. Spence, was on to that point, that it is relatively easy to deal with investments, expansion and growth in the corporate energy

sector. Those areas bring in foreign exchange but they certainly do not solve the bigger issues of raising incomes generally, showing expansion in employment and broadening the productive base of the economic system.

We still have not seen in this area from this Government an indication of how it proposes to grapple with that part of the problem. Sen. Prof. Spence was very clear that typically we do well in the export corporate sector. We bring in large amounts of foreign exchange that typically get used up in conspicuous consumption and when the boom goes down we are sometimes worse off than we had been before.

We really need to see the hon. Minister of Finance and his technicians and all of us as generators of ideas come up with a national solution to that problem of stimulating investment throughout the country; agriculture, manufacturing services, the provision of what Sen. Ramchand referred to in my view as really widening social capital, not only physical bits but the whole development of the human person in all its dimensions, all the skills, energies, aptitudes and attitudes of the human person. We really need to see a broader social attack on that area and we have much work to do in that direction.

My third comment is that when we come to accounting for the use of public assets, I myself, a few weeks ago suggested the possibility of a public inquiry in a certain area but it seems to me that the approach would look rather punitive as though one was going after a situation which had gotten out of hand.

I am wondering whether we should not routinely at the end of every big project have a hearing which would say, let us review how we set about this thing; how did we come to these agreements; how did they work; how did we implement; where did we get taken for a ride; where did we do well, what was the net cost benefit to the nation so that we could, as it were, put that project to bed, apportioning blame where blame needs to be apportioned, apportioning congratulations where they need to be apportioned but going mainly for the learning experience when we come to the next project. In other words, developing by holding not an inquiry in a punitive sense, but a stock-taking of how, as a nation, we approached an issue. Perhaps, a standing parliamentary committee on project reviews might be the way to go. Perhaps, we may need to do it in another way.

Mr. Vice-President, that is my contribution.

Sen. Vernon Gilbert: Mr. Vice-President, the programme of tax reform set out today by our Minister of Finance, I am sure, is designed to reduce individual income tax, provide a more equitable tax system, simplify the computation of tax liabilities and the filing of tax returns, minimize distortions in economic decision-making and to improve the overall climate for savings and investments and hence, economic growth. All good intentions, but would this be achieved?

In the Minister's contribution he spoke about the Member's Club increase in contribution and I wondered if I understood it rightfully in the context of that increase at it relates to persons in the urban areas as against persons in the rural areas, and such clubs being used for social entertainment and for buying time bearing in mind the high unemployment rate.

On the question of the Motor Vehicles Act, much has been said about that tax fiscal measure.

Mr. Vice-President, I want to advise about the question of control in the area of importation of all these fancy vehicles that our rich folks enjoy and the deprivation of our car parts places, our mechanics who, in the past, would have benefited from the old days when car parts were being imported into the country CKD and we maintained such cars.

3.05 p.m.

With regard to the situation in which all these cars are stolen from overseas and brought into the country, are we encouraging crime outside? We need to pay particular attention to such eventualities. I would not delve too much in the question of the Motor Vehicles Act. I will go into the question of the registration and the ownership of such cars as it relates to a private owner owning a vehicle and using it as collateral for his normal business. Imagine cars are now being fetched at lower prices. One could imagine what collateral can be acquired when one's vehicle is devalued because of that competition.

Another area is the question of the Unit Trust incentive and the person who benefited from such incentives. We saw it as an opportunity in the past where the middle income earner or someone who graduated from a lower income level having achieved some greater financial status could have invested in the Unit Trust. Of course, now there is some sort of disincentive and immediately we see such persons being pauperized.

We go one step further on the question of house mortgage allowances. I remember vividly, it might have been around 1989, when the then NAR/UNC

Government would have reduced the mortgage interest or reduced that incentive from about \$48,000 to \$36,000 then \$24,000. Immediately it came to my mind that we have a reverse nine scenario where it is now the UNC/NAR Government reducing that incentive. One can definitely see that it has been the intention not to grant persons at a certain level the opportunity to save, far more to create employment.

On the question of energy, I was pleased to hear my Minister of Energy and Energy Industries—I say “my” because we are a part of Petrotrin—make reference to my prediction that the oil price and oil production would drop. If I remember correctly, I did say that we need to exercise some caution. I am sure that *Hansard* would clarify the comment. However, in the business of oil pricing it is anybody’s guess, except at times when a company or a group may choose to use consultancy advice so as to come up with the best depending on the exigencies and timing.

The other scenario is that the oil price and production performance is averaged over 12 months. It may be high in the first quarter and may plummet later in the year depending on what happens. I can assure the Minister of Energy and Energy Industries that my role is to ensure that the production stays up—the price I have no control over—because I need an increase on my job any way. I reiterate, all in all, it is anybody’s guess. I think that we in this Senate should welcome when the price and production are high because it would be for the benefit of the nation.

I make the point that if we have in fact experienced a windfall in the last four months, I would have appreciated hearing the Minister of Finance allocating some of that fund towards job creation in particular areas such as the library project. Why the library project? In my contribution to the budget debate I continued to voice concern for the East/West Corridor where unemployment is high. At the same time, I want to go to my backyard. If we are in fact experiencing a windfall through a US \$3 per barrel and our production is steady, I have no qualms with the Government spending some of that money in Ortoire/Mayaro, Guayaguayare, Moruga, Point Fortin, Fyzabad and La Brea as I have been reminded. On hearing the Minister of Energy and Energy Industries today, I think we have a grand opportunity for the Government to look towards creating employment in the key areas where unemployment is rife.

I heard that the LNG facility has been relocated to Point Fortin. We are pleased to hear that the agreement has been signed. I know that our Minister

means business. He is an action man. I join fellow Senators in complimenting him for giving us an eloquent discourse of what is happening in the energy sector.

On this whole question of La Brea, I would not go into any detail, Mr. Vice-President, but I would only say—as a person who knows Point Fortin and La Brea, and someone who has had some input—it is a question of momentum.

3.15 p.m.

When one looks at what was happening with the whole question of the energy business and the employment generated by the energy sector, and one looks at the projects that have been put into this country, in particular, Point Lisas, Ispat, Nucor, the takeover of Fertrin by Arcadian, Tringen and if one looks beyond, one can appreciate the vision of the PNM, Mr. Vice-President. What would a government do regarding unemployment? The unemployment situation has not been able to be turned around by the private sector, it has mainly been in the energy sector. Whilst we appreciate that the private sector is very important, there is the need to work on the area that would carry one whilst one develops the private sector. If one does a bit of arithmetic one can invest, let us say, over a 10-year period to achieve an 80,000 head count in newly employed persons. Imagine in any one year, if well planned, we are talking about employment for 8,000 persons; that could only be done when major investments are made, hence the reason for the PNM contemplating an investment in an LNG facility in La Brea.

Mr. Vice-President, the then government had problems and in many projects, this Government has problems. In fact, I heard a Minister make the point that the PNM government sunk \$80 million. I do not want to ask what is \$80 million, but, when one comes from the environment from which I came, \$80 million may be a number that one would not say is very high. One would have to look at the project in the long-term and it may be useful to sink \$80 million.

I will bring an experience to this Senate. Trintomar was a project initiated by the then NAR Government—again, it might have been the NAR/UNC Government. That project turned out to be a fiasco; a total failure.

Sen. Gangar: Mr. Vice-President, just to put the records straight, having worked on Trintomar project from the very beginning when it was the South/East Coast Consortium, I wish to correct Sen. Gilbert. The Trintomar project was started, quite rightly, under the PNM Government and he has nothing to be ashamed about. *[Laughter]*

Sen. V. Gilbert: Mr. Vice-President, I think we need to clear up this. He might have been involved when the project was in its puberty stage under the PNM, but it was during the NAR/UNC that implementation and hard decisions as the ones we are now talking about were taken. Our Minister of Energy and Energy Industries spoke about reserves, and what I did was to walk him into asking that question. I was making the point about an engineering success but an operational failure, in that, in the Trintomar project we thought we had the reserves and it was anybody's guess. Again, we had the experts who told us the reserves were at a certain figure and when we went into the project we recognized we did not have the reserves, hence a fiasco. Who is to be blamed, Mr. Vice-President? All I am saying is that we have got to look at things objectively. I can call another project, in particular, it was ex-Trintopec then, we spent US \$35 million off-shore but did not find any oil. If one multiplies US \$35 million by 3.6 or 4.8 then one would see the amount of TT dollars one is talking about.

Recently, we heard about the Tobago Deep Water Harbour with respect to the question of dredging. One now hears about a rock in the sea and the need to have cost overruns in order to have the harbour properly prepared. Mr. Vice-President, it is all really a question of information, experience and what turns out when a company or any group gets involved in a project. One would never know the outcome until one gets involved. The point I am making is that some projects fly and some projects fail. Those that flew, they have earned their employment. However, I will advise the Government: Do not stand by and be cowed into not taking chances. They have got to take good judgmental chances—*[Interruption]* Well, it is easy to say but, hopefully, we would see the benefit of making good decisions.

In my contribution during the budget debate, I made the point about budget overruns and the need for proper contractual procedures. I am sure the Minister of Finance would have remembered when I voiced my concern about the whole question of how to manage the tenders and contracts, and the need for educating our public servants—I am not saying that they are not fully *au courant* with the method of tenders and contracts, but there is the need to properly put out and evaluate a tender and to monitor performance. I was pleased to hear from our Independent Senators earlier of the need for monitoring. Mr. Vice-President, I was also pleased to hear the Minister of Finance make the point on the WASA situation; where one needs to monitor proceedings, and when one talks about our money, to avoid cost overruns. Again, this is all for the common good of the country.

I hope that this whole La Brea/Brighton issue would not be pushed under the carpet but would be looked at in a different context, in that, we have to move on and we have to look for projects that will fly. Hopefully, they will not be as risky as the ones we have looked at. I wish the Government luck as they proceed in whatever term-period they would have because I am not so sure that they are on the road to creating employment.

The other point is, why do people invest money. Mr. Vice-President, it is only when one invests money would one create employment. As a result, I thought I would read a bit from the *Daily Express* dated Monday, April 22, 1996 on why people invest. It says:

“Concerns in respect of crime, drugs, racial and other tensions in Trinidad and Tobago have apparently left our foreign investment potentially unscathed.”

Mr. Vice-President, why do people invest? They look at crime, drugs, racial issues and tensions wherever. A little birdie whispered to me on the question of the Farmland Ammonia project and the feeling is: Why at this last minute is Kelloggs saying that the site is not appropriate, especially after the sod turning ceremony? Is it that there is some concern for the national security in the country? Is it a concern that things are not right and people are quarreling? There are issues with respect to URP. In fact, up to this morning we heard about certain persons being accused of not giving work to the right recipients.

Sen. S. Baksh: Mr. Vice-President, I would like to inform the hon. Senator that, as far as I am aware, in terms of the Unemployment Relief Programme, all the practices and recruitment policies are fair, just and equitable and are based on the needs of individuals.

Sen. V. Gilbert: Thank you, Mr. Minister.

Mr. Vice-President, I heard much about that this morning on the television and I am enthused at the Minister’s response. I look forward to equity as time progresses.

I heard one of our Senators make the point—and it is very analytical—on the employment increase; and how such an increase, if done, can contribute to revenue. I believe it is something that the Government needs to look at. For an increase of 15 per cent in employment, there was a 43 per cent increase in VAT and a 50 per cent increase in personal income tax—that is something that needs to be looked at. In effect, we are saying that there may be prudence in pushing

investment, rather than sitting by and hoping that we can save money and not pay attention to the rigours of a high unemployment situation.

3.25 p.m.

Mr. Vice-President, on the issue of the business levy from 0.5 to 0.4 per cent, we are of the opinion that that levy satisfies a particular clientele and I hope that our Minister of Finance would look closely at the bands of persons or agencies that would fully benefit and take appropriate action. The levy is very significant if we are talking about many millions where companies are having a turnover of, let us say, \$12 million, when you move lower you would find that that facility really does not matter, and it can be proven when the Minister does his calculations. Of course, we recognized the benefit for the small business in terms of gross earnings where they are exempted.

I want to refer to Point Lisas a little on the question of environmental risk. Mr. Vice-President, there is a rumour again, because the Minister of Energy and Energy Industries did not elaborate very much today on where the ammonia plant would be going—I think the *Sunday Express* stated that it was Couva—and of course, the Minister said he was sure that it was not Chaguaramas. I just want to advise of the environmental risk in terms of heat generating in an area where there are so many plants. A number of people have been talking about what is likely to happen when all of these are concentrated in one area in particular, the water surrounding and the sea. I hope that we look at all the risks before we determine where these plants should be sited.

Apart from looking at La Brea we also need to look at technology enhancements and what happens, let us say, in the North Sea where there are steel platforms. The civil engineers—good thinkers—we have a very good university at St. Augustine where there are good technocrats, and I am sure, probably with time, that we can have another look at what we can do with La Brea and not just cast La Brea aside. I think it is important that we look at it. It is a pity that one could not wait on the LNG programme because I recognize—and I am sure the Minister of Energy and Energy Industries recognizes as well—that there is a narrow window in terms of that gas contract. In other words, because of the other competitors, to whom do you sell your LNG and when? There was the need to accelerate the whole question of having an LNG plant sited somewhere within a certain time-frame. I am sure, probably in the future, La Brea/Brighton would be identifiable, especially the harbour which has some of the top facilities in the country at this time.

I do not want to alert any concerns, only to say that when I looked through the *Mirror* of April 24, "Remembering Chernobyl," it was a question of my concern for Point Lisas once more. Looking at the number of plants, such as Ispat, methanol, urea, the full works, I think we need to put some engineering in place. We have a good facility at St. Augustine and we should use the experts who are there. I understand that even Prof. Phelps is on the committee and he, as I remember, is quite an expert and he can surely give us some worldly advice on the matter.

We heard much on the question of tourism and the need for investing in the area of tourism. It is a high employment generator and we have facilities. Mr. Vice-President, you would have heard me plugging for the beach areas to exploit the opportunities we have in those areas. Where is better than Maracas, Mayaro, Moruga and Point Fortin?

On the question of agriculture. We remembered in the budget presentation the allocation of lands to certain persons. I hope that there is transparency in the matter but at the same time accelerate the effort, to reduce that high food import bill and to get the employment rate up and have people involved in revenue earning business, be it ground provision; be it long-term projects, but at least occupied in the whole agricultural sector. We need to move people's attention from the energy sector into the agricultural business. Sometime in the past we went in the other direction where, because of the high oil price, persons were attracted to employment in the energy sector. Now, we need to have them moving backwards or moving towards the area of agriculture and tourism.

We heard much on education. Again, without persons being properly trained and educated, I think we would get into a little problem and I am pleased to hear the Minister of Energy and Energy Industries talk about the skills training opportunities for our young people but I can assure him—if I remembered rightly, it was a PNM thrust anyway because of its concern for having young people properly trained: be it in small business, be it in the skills that are required in the oil industry; be it the skills in small manufacturing industry. Mr. Vice-President, there are bright kids outside and quite a number of them have "A" levels and "O" levels and nothing to do. I think it is really an effort in the right direction but we need to come out of that lethargic way of just talking and not acting.

More and more one comes to this Senate and one listens, but I would be very much more comfortable if I see some actions and targets set toward increasing the

employment and reducing the time that people spend in leisure and being idle. At the same time, there are a couple of schools that we need to build in certain areas—I remember particularly in Guayaguayare where there was a Roman Catholic school that was destroyed by fire and we heard nothing about it.

We now look at the oil areas from where we get the revenue. *[Interruption]*

Sen. S. Baksh: Mr. Vice-President, the contract has been awarded and building would commence shortly.

Sen. V. Gilbert: Mr. Vice-President, I am really enjoying the evening. I am getting the answers. Thank you, Mr. Minister—that the school will be rebuilt.

The other area is the question of the technical schools. I hope that the Minister of Energy and Energy Industries would not only look at Pointe-a-Pierre or Port of Spain, but also look at putting such facilities in the rural districts whereby the persons who are to benefit would reduce on their travelling cost because, I can tell you to travel from Guayaguayare to San Fernando is an easy \$20.00; to come from Moruga to San Fernando is an easy \$15.00—and there are bright kids there too. I think it is an opportunity to have them appreciate and benefit from the revenue that is in their backyard. If one looks at the production in its own right, almost 70 or 80 per cent comes from offshore. We need to give particular attention to the persons who are living in those areas.

Mr. Vice-President, I think that we need to exploit the areas of management training. Yes, Minister of Finance and Minister of Energy and Energy Industries, I am not talking now about hands-on training, I am talking about training to manage large companies. It is the same point we made about WASA; we brought in some management consultants here, but we want them to leave in three years, hence we must prepare our people to manage. I made the point to another Minister a few nights ago. We need to give autonomy; we need to give responsibility, but hold such persons accountable and being accountable means that they are familiar with the balance sheet; they are familiar with the performance targets. They should be held accountable to the Government and the Government should not be running the facility. Let those managers run the facility and let them be accountable so that you spend your time looking at the whole process of strategic planning for the future in order to run this country.

Mr. Vice-President, I have said a number of things here. I heard our Minister sometime ago making a point about too many projects in Port of Spain. I hope the Minister thinks differently and puts some more projects in the rural areas, at least

in Port of Spain and let us avoid siting all these projects in the central region of this country.

I want to make a comment to Sen. Barbara Burke that if you happen to put all your projects in Central, it would not be surprising to find a convoy of buses with persons from North looking for work going to Central, and likewise a convoy of buses coming from South. What happens when the two clash? I think it is important that we look at the whole question of spreading the investment and thus reducing the unemployment in all areas of the country.

Thank you very much, Mr. Vice-President.

3.35 p.m.

The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, this has been a much longer debate than in the other place. It has been one that through your graciousness, has allowed some flexibility and latitude so that we have wandered into a number of areas. I should attempt, in winding up, to address as many of the areas as I can. Obviously, there are some of them that are not within the purview of my portfolio but I will certainly like to consider that this debate has contributed very much to all of us in terms of understanding the workings of Government and certainly this Government, as it pertains to transparency and openness.

It is strange that we began the debate almost as we ended. After I had made my presentation, I seem to recall Sen. Montano talking about—and you may pardon me for using what I may consider to be a technical term—the velocity of circulation of money. He said at the time, when money is circulated in the urban areas it is much more appealing because it has a greater velocity and, therefore, it would redound better to the economy. Then, Sen. Gilbert ended the debate by saying do not worry with Sen. Montano about the velocity of money in the urban areas, but spread it as well in the rural areas. Therefore, I am pretty clear now that they do not seem to understand—*[Interruption]*

Hon. Senator: There is no policy on that.

Hon. B. Kuei Tung: I wish that they would consult so they would at least have the same point of view for consistency. I would more support Sen. Gilbert's approach which is to have a more balanced approach. I think in the previous administrations, they had assumed that this velocity concept or principle, where money turns around much quicker in the heavily dense area—and I see Sen. St. Cyr is about to pick me up on my economics. I am not an economist, Senator, so

you will understand that I am trying to pick this up as I go along. It will obviously redound better, but when you do that, you tend to find that the velocity—and to use his own example of throwing a stone in the puddle—by the time the ripple reaches the very wide end, it becomes so very dissipated that it really does not touch the lives of the people who live in the rural areas. Therefore, some balance must be found whereby in throwing money into the urban areas, we must find some way to get some of it into the rural areas as well.

That is precisely the kind of policy that we wish to pursue; a policy where we will govern for all and not just for those who live in the urban areas. In addition to that, Mr. Vice-President, what that creates is a certain attraction from people who find themselves destitute or in a situation where they are unable to meet their needs, flocking towards the town and creating what we consider to be social problems in the urban areas. The temptation to throw money only into the urban areas, whilst it sounds good, should also be balanced with the need to have some economic activity in the rural areas.

Sen. Montano also talked about mutual funds. The question about levelling the playing field always addresses this Minister of Finance—it has to, because we are concerned—and, as I have said in another place, if we had gone along and given tax benefits to new mutual funds we would have eroded the tax base to the point where we would have been collecting much less tax. It was felt instead, that because we are committed to economic reform, and within that economic reform to talk about lowering the tax rates that it is much easier to start removing allowances in anticipation of these lower tax rates, rather than giving more allowances to more mutual funds. In addition to that, a mutual funds bill is presently being drafted and it is intended to ensure that all mutual funds including the Unit Trust Corporation will become subject to the same form of legislation. Presently, on the books is a Unit Trust Corporation which allows Unit Trust Corporation certain things. It also has certain restrictions and the intent is that pretty soon we will bring a mutual funds bill that would see the repeal of the Unit Trust Corporation Act and allow all mutual funds, including the Unit Trust to come under the same umbrella and so level the playing field once and for all.

Sen. Teelucksingh talked a bit about wheat flour. We have, as you know, had to correct a situation whereby, because we have had a suspension from the CET where the duty which was previously 40 per cent is now 30 per cent had been suspended down to zero by the Caricom Trade Ministers.

What this Bill had sought to do in the other place, was to reduce it from 40 to 30 per cent but that would not have achieved the specific purpose for which we had intended and, therefore, there was a small amendment proposed at the committee stage whereby we will retain the Legal Notices that allowed the suspension of duty from 30 per cent as obtains in this Bill to zero. This is partly because of our concern, as well as Sen. Teelucksingh's, about prices in particular. The Prime Minister has already indicated that he is concerned about prices and we are doing everything we possibly can to keep prices down. What we need to do is to ensure that the Ministry of Consumer Affairs continues to maintain a prices watch whereby they are assured that the measures we take are not going to be reversed because of unscrupulous businessmen.

I say that in particular because there was a temptation in having removed VAT from certain goods that the reduction takes place temporarily and as soon as the powers that be take their eyes off these prices, one suddenly finds that the prices begin to creep back up to their pre-VAT levels and so the unscrupulous businessmen themselves increase their gross profits by the percentage of VAT. That is not something that we would want to tolerate. We would want to ensure as far as we can that, firstly, we get a commitment from the merchants and businessmen that they would adhere to the Government's policy of trying to pass on these reduced prices to the consumers so that they will benefit. Secondly, where there are cases of these unscrupulous businessmen, we are prepared to take them to the full brunt of the law as allowed.

There has been much talk about the National Gas Company and I thank my colleague, the Minister of Energy and Energy Industries, for that very lucid presentation as to where we are with respect to a number of negotiations. The role of the National Gas Company is made a little clearer now and if we look at it in perspective, we would understand that the Minister of Energy and Energy Industries is responsible for giving out awards to companies for exploration purposes, and where gas is discovered, the National Gas Company is allowed as an intermediary which reports to the Ministry of Energy and Energy Industries with respect to how we deal with that gas. In the past, the National Gas Company has been responsible for buying and selling gas and so regulating the gas industry in particular to ensure that benefits will accrue to the nation. In particular, this Government is committed to expanding downstream industries where we can add much more value to the treatment of gas.

Sen. Teelucksingh also talked about second-hand cars. We are not allowing a regime of second-hand cars. What we have right now is a sub-committee of

Cabinet whereby that committee is reviewing the whole question of second-hand cars. A decision has not been taken. This regime that I am putting in place merely recognizes that there are a number of used cars that had crept into the system.

I have been told by the Licensing Authority that many of these cars are road worthy and it was on that basis that I came up with a special regime to allow these cars into the system and, therefore, special registration fees of \$20,000 and \$30,000, respectively, have been introduced in the last budget.

3.45 p.m.

It is not the intent of this Government to allow Trinidad and Tobago to become a dumping ground for used goods, whether it be cars, fridges or whatever and therefore any importation of used goods have to be on a controlled and measured basis. I say that in the context of a policy but, obviously, this policy will have to be defined when the sub-committee of Cabinet reports to the Cabinet with respect to the whole question of second-hand cars.

Sen. Marshall talked about the extension of the construction incentive. Let me state quite clearly that the benefits to be derived from this particular incentive, obviously, are decreasing from year to year. The benefit is that the rental income that accrues to these buildings that are constructed for residence, commercial or industrial purposes, up to the year 2000 has been exempt from tax and therefore each year that passes the benefit gets smaller.

What we need to do, therefore, as a government is to come up with a more creative approach so that the incentive can remain. I am not in a position to say precisely what that is going to do but, certainly, any project that was started last year that creeps into this year or any project that starts this year and ends before the end of the year will qualify for this benefit. The ministry will be developing a new policy, hopefully, to have some sort of incentive continue in the construction industry.

I want to make it relatively clear that there has been some confusion with respect to the pronouncements that were made in the budget presentation and during the budget debate. Some people felt that the incentive had been continued up to December 31, 1996, whereas there were some who felt that it had not been continued. It is my intention to indicate that it has been extended to December 31, 1996.

Sen. Spence asked whether I would be in a position to talk about the first quarter results. I think I am on record as saying that I have a monitoring

committee that looks at the performance of the budget in particular and the actual performance of the finances of the country on a month-to-month basis. We have just received March's numbers. We have received January, February and then March and I am pleased to report that the numbers are turning out fairly close to what we expected.

It is not quite precise but what is even better is that the actual surpluses that we earned in the last three months—month after month—have been much higher than originally budgeted. That is not necessarily to take into account any windfall profits as Sen. Gilbert talked about because I do not think that we have earned any windfall *per se* as yet. It is a bit too early for the benefits of these new or higher oil prices to creep into the system but, fortunately, we have been able to contain expenditure somewhat. We have been able to achieve the revenues that we project and, so far, our surpluses are a bit in excess of what we have budgeted.

In terms of the performance of the economy, Sen. Spence, we treat with our objectives and you would recall that our objectives had been articulated in our *Medium Term Economic Policy Framework*. What we are seeking is not very short-term objectives although the budget itself contributes towards our achieving our three-year objectives.

Our three-year objectives have, for argument sake, a reduction in the interest rates, a reduction in the unemployment level, stability as far as we can achieve in the exchange rate and so forth. We look for a certain ratio of growth. What is critical to us is the question of confidence. We have had a change in government in the last six months and during this period there have been a number of factors pulling and tugging at the whole question of confidence. There is a certain mercurial quality to confidence. I say that because you would be surprised that at a drop of a pin or a hat, confidence can be eroded or shattered depending upon people's perception.

Sen. Gilbert talked a bit about why an investor would invest. I suggest that an investor invests in the hope of making substantial returns. That is the only reason why he invests. He does not invest because he likes the country; because there is no crime; because there are good-looking women.

Sen. Gilbert: Mr. Vice-President, he will be very concerned about pumping US \$300 million in a country where there is social unrest or indications that there is instability.

Sen. Gangar: Probably soil instability!

Hon. B. Kuei Tung: Instability of the soil.

Mr. Vice-President, I am merely stating that he would weigh the whole question. Everything is done on a threshold. If the crime will impact upon his level of return, he has to take that into consideration but, at the end of the day, his first concern is really making a return on his money or it does not matter how ideal the circumstances are he would not be interested in investment.

What is needed to get this economy moving is a huge amount of investment whether it is domestic or foreign. Certainly, we need large amounts of direct foreign investment. In particular, I would like to refer to the energy industry. Yes, we have had no difficulty in attracting investors in the energy sector and there are a number of reasons for this. Trinidad and Tobago is still regarded as a country that has relatively cheap natural gas. There is a good supply of electricity and other utilities. There is good infrastructure. There is also a good source of labour and therefore, it is still seen as an ideal location for energy industry type investments.

What we need to do is to be able to start to build on that in order to attract people in other areas where we know there are great opportunities for employment creation. But in addition to that, the Government consider, subject to adopting its own divestment policy, the possibility of divesting some of the holdings that it has in the energy industry, which performs quite well, and sinking some of these in areas where they are needed to boost either tourism or agriculture.

That does not mean that the Government is interested in getting into business. What I am indicating here is that what Government needs to do is to find joint venture partners who are willing to come into hotel development, tourism development, agricultural development and this is where we would be able to diversify the economy away from the oil industry—there have been successes in the oil and gas industry—and put money into areas where maximum employment opportunities would be created.

I say that because there is some concern that there is not enough going on in the non-oil sector to give people the confidence that employment is being created. The question of confidence will always be there and, as I said, confidence has a rather mercurial quality to it in the sense that it is something that is really not hard and fast or exact and, therefore, it is something that has to be managed on a continuing basis.

Sen. Prof. Spence: Mr. Vice-President, I consider the outline that the Minister has given with respect to the utilization of Government's assets as an excellent one. That is an excellent approach to divest and re-invest in some other areas. The problem is while this is given as a thought, there are no concrete signs so far as to what will happen in those other areas. So, I wonder if he could expand a bit in that context.

Hon. B. Kuei Tung: Yes, Mr. Vice-President. I agree that there has been no tangible sign at this time, but much work is going on right now; certainly in my ministry where we are developing, what I call, an investment/divestment policy. That is why I do not want to leave it as just a privatization policy or divestment policy but, as a policy, we want to boost certain areas of the economy which hitherto have been ignored or have not been exploited by using funds that have been generated through the sale of successful companies.

One of the mistakes that has been made in the past is to assume that when one sells companies that are not making money, that those funds can be used. What we have found in the past is that many state-owned enterprises have been losing money and in divesting there, one has no opportunity to realize any sort of funds for investment in other areas. What one has had to do is to crystallize debts that have been existing, pay debts on behalf of some of these poor performing state-owned enterprises.

Now, we have to become a bit more proactive. We got to look at some of the companies in which we have shareholdings that are actually profitable and make the conscious decision of disposing of them and funnelling those funds into other areas.

Sen. Spence, there is absolutely no reason why the tourism master plan should not be made available. As a matter of fact, I myself had a copy of it at my home even when I was thrown out of the last government so I assumed that it was made public to everyone. If Mr. Brian Kuei Tung could have got a copy I assumed everybody could during the regime of the last administration.

3.55 p.m.

Mr. Vice-President, I would undertake, therefore, to have a copy of the tourism master plan made available. It is a fairly hefty document.

What I suggest is that I make a copy available to the Library of the Parliament so that it would be available to everyone else. We have recently had an industrial policy brought to Cabinet, but it is now being distilled by a subcommittee to

Cabinet, and very soon we know that the Trade Minister is anxious to make an announcement with respect to that industrial policy. It will be put out for public comment. *[Interruption]*

I am not in a position to talk about the plans of the Ministry of Agriculture, Land and Marine Resources and the Ministry of Education. What I can say is that, if afforded the opportunity, given a relevant piece of legislation, we will be happy to bring the agriculture and education minister here so that they, too, can articulate the kind of plans they have for their respective ministries.

What can I say about Sen. Ramchand? I think one might be tempted to say that Sen. Ramchand has political ambitions of his own. Mr. Vice-President, allow me a second to explain that. Sen. Ramchand attempts to bring his own Finance Bill, so I have to assume that he is desirous of one day becoming a Minister of Finance, who will talk about intellectual property bills and industrial property, or copyright. He even ventured into the realm of the teachers' salaries.

As the Government, we are very concerned about the protection that intellectual property rights means for people who have intellectual property. I should also say that I ended up being very confused at the end of Sen. Prof. Ramchand's dissertation merely because I began to realize how difficult it is to pin down exactly what he means by intellectual property. On the one hand, he is saying we should have intellectual property, and we agree with that; but then he asks: why should anyone be protected because they now have a patent to fry chicken? Well I do have one, Sir, and I would like to think that one day I, too, will have protection for my own copyright or my own intellectual property. *[Laughter]*

Sen. Prof. Ramchand: If I can try to explain to the Minister of Finance, I meant that the Kentucky patent is one that is bought from somebody else; and I was just illustrating how good it is to have your own patent. If we had some for our own things, other people would be paying out what we are paying out, for our patents.

Hon. B. Kuei Tung: Sen. Ramchand, I merely indicate that there is some legislation in the books, I am told, with respect to intellectual property but it needs updating and, certainly, there is a crying need to protect our own people with respect to their intellectual property here in Trinidad and Tobago.

Sen. Jagmohan talked about the Skills Development Centre as well as other matters with respect to the creating of permanent jobs in local government. We were happy that we had the opportunity, in reviewing some of these projects,

to throw the idea of developing local skills on the table when we were actually negotiating with some of these huge multinationals. It came about a little by accident that we were talking about what, really, is the benefit of these projects to the people of Trinidad and Tobago. It arose that some of these investors were quite willing for the transfer of technology. They were willing to assist us in having people because it is in their best interest, as well, to have that kind of skill available to them. They were talking specifically about technical and vocational training for people who can be absorbed into the energy industry and, for that we were fortunate, as I said, that in looking at these negotiations or discussing these things the question of a National Skills Development Centre came up. We think that it is a sign of goodwill on the part of the investors that they are willing to contribute, not merely to the construction of this Skills Development Centre, but also to its upkeep.

I believe I have touched on all the matters Sen. St. Cyr has raised. With respect to the gas pricing policy, the Minister of Energy and Energy Industries has dealt with that. I have talked about the diversification of the economy away from oil and gas; and I have certainly been indicating, in no uncertain way, that we are committed to open and transparent government. I think, today, as Sen. Daly has said, marks a new day where we are able to indicate precisely how we plan to operate from here on.

It is not that we plan to have negotiations with investors in the open. You would understand that there is no way that can happen. What we need to do is to have negotiations done confidentially and privately, but that ultimately the people with whom we negotiate these investments understand that we have a responsibility to go public with precisely what we have been able to achieve on their behalf. In other words, it is my view that the people of Trinidad and Tobago must be able to judge the Government on its ability to negotiate these investments on their behalf. Therefore the confidentiality will be retained to the point where a deal is struck where there is a contract or an agreement; and at that time we have a responsibility to take the people of Trinidad and Tobago into our confidence and let them know precisely what we have been able to achieve for them. It is on that basis that we plan to operate what we regard as total and transparent government. So that we do not plan to allow confidentiality clauses to creep into these agreements.

Sen. Ramchand: Is the Minister suggesting that an agreement would be arrived at and it would come to Parliament and then, after that, the contract would be finally signed?

Hon. B. Kuei Tung: That is wishful thinking. I would really have liked it to be like that, but no one is going to negotiate with you in good faith, knowing that you will have to re-open the entire negotiations and, as it were, display all of his confidential business even before he had something in his hand. It is not until he has something in his hand he will have the confidence of knowing that he will allow you to go public with it. It is really not practical in that sense, in the way you are suggesting.

Mr. Vice-President, just a few more remarks and I would try to wind up. Sen. Gilbert talked about the members' club and the licence. What has happened with this is that in recent times the trend seems to have been developed where, because of the distinction between the licence fees payable by a club and a regular bar that sold liquor, many of the bars opened under the guise of being a sports club. In order to do away with that so that there was no distinction, we had to increase the licence fees payable for all clubs and bars and bring them to one figure which is now \$1500. So it is really an approach to ensure that there is no leakage or no mockery made by bars which operate under the guise of being a members' club.

I have dealt with the Unit Trust. I have indicated there really is not a windfall profit at this time, yet.

In respect of the reduction in the business levy, it is not that we want to make heavy weather of a small item. I do know that because the business levy is 0.4 per cent, obviously it moves from very large numbers based upon large turnovers and to very small numbers where the turnover is very small. But our reduction is, again, part of our commitment to lowering taxes generally. As you know, the business levy was intended to widen the tax net to bring people who, each year, have been declaring that they experience losses, but still remain in business. Therefore, the intent is to make them make some contribution to the Treasury. What we are doing is looking at the reduction of 20 per cent from 0.5 to 0.4 merely as part of our whole regime of taxes being lowered.

So, Mr. Vice-President, I hope I have been able to address all the concerns raised by Senators on the other side. I do have a number of amendments which I will propose during the committee stage, and these amendments are intended to improve the quality of this Bill.

On the one hand, may I indicate that the first amendment is intended to allow the President to waive the special registration fee and the whole intent of this, ultimately, is for Cabinet to be able to waive the special registration fee for parliamentarians. If there are any parliamentarians who are desirous of buying a

used second-hand car which is subject to a special registration fee, the intent is ultimately to waive that special registration fee for them.

4.05 p.m.

The other amendment is with respect to clause 13. We plan to have the two Legal Notices reinstated to ensure that the suspension of the common external tariff which at present is 30 per cent is maintained at zero so that the importation of wheat flour will attract more duty.

The third and final one is mainly to correct a draft error which is on the supplemental list of amendments to ensure that we strengthen the legislation to allow approved pension funds, annuities and charitable and sporting bodies to continue enjoying exempt income.

Mr. Vice-President, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 5 ordered to stand part of the Bill.

Clause 6:

Question proposed, That clause 6 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, I propose an amendment to clause 6 as follows:

6
in relation to section 1

Renumber section 17A as

7A section 17A(I) and insert after section 17A(I) (as renumbered) the following subsection:

“(2) The President may remit or refund the whole or any part of the fee referred to in this section where he considers it expedient to do so.”

Question put and agreed to.

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

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

Clause 9:

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

Sen. Kuei Tung: Mr. Chairman, I propose an amendment to clause 9 in relation to section 16 I of the Corporation Tax Act.

9 in relation to section
16 I of the Corporation Tax Act.

Delete section 16 I (1)
and substitute the
following:

“16 I(1) Where, in a year
of income, the profits of—

- (a) an approved fund or
scheme under section
27(1)(c) of the Income
Tax Act;
- (b) a sporting body or
institution
approved by the
President under section
6(1)(e) or (g);
- (c) an approved annuity
business not subject
to tax under this Act,

include—

- (i) a dividend paid by a financial
institution carrying on unit
trust business and licensed
under the Financial
Institutions Act;

- (ii) the amount or value of a distribution paid by the Unit Trust Corporation of Trinidad and Tobago,

payable out of interest in respect of which tax has been deducted under section 3B, such approved fund or scheme, approved sporting body or institution or approved annuity business is entitled in that year of income to a tax credit equivalent to the tax deducted on that portion of the interest that relates to the dividend or distribution received.”

Question put and agreed to.

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

4.15 p.m.

Clauses 10 to 12 ordered to stand part of the bill.

Clause 13:

Question proposed, That clause 13 stand part of the bill.

Sen. Kuei Tung: Mr. Chairman, I beg to move that clause 13 be amended as follows:

- (a) Delete clause 13 (2) in relation to Legal Notices Nos. 120 and 121 of 1995.
- (b) Renumber paragraph 3 in relation to Legal Notice No. 149 of 1995 as paragraph 2.

Question put and agreed to.

Clause 13, as amended, ordered to stand part of the bill.

Clauses 14 to 19 ordered to stand part of the bill.

Question put and agreed to, That the bill, as amended, be reported to the Senate.

Senate resumed.

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

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. Vice-President, before I move the adjournment of the Senate I wish to serve notice to hon. Senators that on next Tuesday we are going to deal with the following Bills:

Habeas Corpus (Amdt.) Bill

Jury (Amdt.) Bill

Evidence (Amdt.) Bill

We shall commence at 10.00 a.m. and take all the Bills through the period 10.00 a.m. to 8.00 p.m. if necessary.

May I also indicate that as time permits after we have concluded Government Business by 4.00 p.m. we shall, with the agreement of the Independent and Opposition Benches, and your leave, Mr. Vice-President, engage in Private Members' matters.

I beg to move that the Senate do now adjourn to Tuesday, May 7, 1996 at 10.00 a.m.

Mr. Vice-President: Hon. Senators before announcing the adjournment, I would like to advise the Senate that the President will be out of the country from Tuesday, May 7 to May 24, 1996. Your humble servant will be acting in his place.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.23 p.m.