

*Late Start**Friday, December 20, 1996***SENATE***Friday, December 20, 1996*

The Senate met at 1.05 p.m.

**PRAYERS**[MR. PRESIDENT *in the Chair*]**LATE START  
(APOLOGY)**

**Mr. President:** First of all, let me apologize to hon. Senators and others for having invited you to our sitting for 10.00 a.m. and not being able to start at the appointed time. I understand there was a problem with the public address system which, hopefully, has now been rectified.

**LEAVE OF ABSENCE**

**Mr. President:** I have granted leave of absence from today's sitting to Sen. Nathaniel Moore.

**SENATOR'S APPOINTMENT**

**Mr. President:** I have received correspondence from His Excellency, the President of the Republic of Trinidad and Tobago as follows:

"By His Excellency NOOR MOHAMED HASSANALI, President and Commander-in-Chief of the Republic of Trinidad and Tobago.

Noor M. Hassanali  
President.

TO: MR. VINCENT CABRERA

WHEREAS Sen. Nathaniel Moore is incapable of performing his functions as a Senator by reason of illness:

NOW, THEREFORE, I NOOR MOHAMED HASSANALI, President as aforesaid, acting in accordance with the advice of the Prime Minister, in

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exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, VINCENT CABRERA, to be temporarily a Member of the Senate, with immediate effect and continuing during the period of illness of the said Senator Nathaniel Moore.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 19th day of December, 1996."

**OATH OF ALLEGIANCE**

*Sen. Vincent Cabrera took and subscribed the Oath of Allegiance as required by law.*

**SESSIONAL COMMITTEES  
(APPOINTMENT OF)**

**Mr. President:** Hon. Senators, in accordance with Standing Order 64, I have appointed the following Senators to serve on the Sessional Select Committees for the 1996—1997 session.

**Privileges Committee**

Mr. Ganace Ramdial - Chairman

Mr. Wade Mark

Mr. Phillip Hamel-Smith

Mr. Vernon Gilbert

Mr. Martin Daly

**House Committee**

Mr. Ganace Ramdial - Chairman

Mr. Wade Mark

Rev. Barbara Gray-Burke

Prof. John Spence

Miss. Penelope Beckles

**Standing Orders Committee**

Mr. Ganace Ramdial - Chairman

Dr. Daphne Phillips

Mrs. Nafeesa Mohammed

Mrs. Diana Mahabir-Wyatt

Rev. Daniel Teelucksingh

**Statutory Instruments Committee**

Mr. Ganace Ramdial - Chairman

Mrs. Carol Cuffy-Dowlat

Mr. Selwyn John

Mr. Mahadeo Jagmohan

Rev. Daniel Teelucksingh

**CONDOLENCES**

**Mr. President:** Hon. Senators, since the Senate last met, we were informed of the passing away of two former Senators. The first, Dr. Percival Harnarayan who served in the Senate during the period 1981—1986. The second is Mr. Francis Prevatt, who served as a Member of the House of Representatives between 1966—1971 and a Member of this Chamber between 1971—1976. During that entire period he also served as a minister of the government.

Hon. Senators, as a mark of respect to these former Senators I ask that we stand for a minute's silence.

*The Senate stood.*

**APPROPRIATION BILL  
(BUDGET)**

Bill to provide for the services of Trinidad and Tobago for the year ending on the 31st day of December, 1997, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings [*Hon. B. Kuei Tung*]

*Question put and agreed to.*

**PAPERS LAID**

1. Report of the Auditor General on the accounts of the Sangre Grande Regional Corporation for the year ended December 31, 1992. [*The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian. Kuei Tung)*]
2. Draft Estimates of Expenditure for the year 1997. [*Hon. B. Kuei Tung*]
3. Draft Estimates of Development Programme for the year 1997. [*Hon. B. Kuei Tung*]
4. Draft Estimates—Details of Estimates of Recurrent Expenditure for the year 1997. [*Hon. B. Kuei Tung*]
5. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the year 1997. [*Hon. B. Kuei Tung*]
6. Public Sector Investment Programme for the year 1997. [*Hon. B. Kuei Tung*]
7. Draft Estimates of Revenue for the year 1997. [*Hon. B. Kuei Tung*]
8. Review of the Economy 1996. [*Hon. B. Kuei Tung*]
9. The Medium Term Policy Framework, 1997—1999 [*Hon. B. Kuei Tung*]

**1.15 p.m.****ARRANGEMENT OF BUSINESS**

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, I beg to move that the Senate now deal with the second reading of the Appropriation Bill, 1997, instead of Motion No. 1 which will be taken at a later stage of the proceedings.

*Agreed to.*

**APPROPRIATION BILL  
(BUDGET)**

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):**

Mr. President, I beg to move,

That a Bill to provide for the services of Trinidad and Tobago for the year ending on the 31st day of December, 1997, be now read a second time.

Mr. President, this is a money Bill which has been approved in the other place on December 19, 1996. It provides for expenditure of \$12,399 million, including capital repayments and sinking fund payments under the various heads as indicated on the Schedule of the Bill.

Mr. President, as we approach the new year and contemplate our successes of the past year, we begin to prepare to make firm resolutions to ensure further successes which will take the country into the new millennium.

Mr. President, we live in an era of rapid change and must prepare our country to take advantage of the many opportunities which will become available. To ensure that Trinidad and Tobago is a successful player in this environment, this Government is determined to be proactive and efficient in its approach to development.

In order to meet the many challenges of the competitive, global world scenario the Government must strengthen its economic structure and create a new approach to the business of government. Our ultimate goal is the creation of a better quality of life for all our people. If we are to succeed in this endeavour, then Government must implement the necessary strategies which will ensure the long-term growth path of the economy, and which will redound to the benefit of all our citizens.

Mr. President, the performance of the economy during 1996 is a very clear indication of the positive direction in which the country is moving. Economic growth in 1996 will exceed 3 per cent. While the dominance of the petroleum sector is an enduring fact, we have witnessed expansion in the non-oil sector of 3.6 per cent, which is twice the rate of growth of the petroleum sector. To me, this is a very encouraging sign. The policy of diversification of the economic base and this Government's streamlined, re-engineered approach to implementation has yielded outstanding successes. Inflation averaged 3.4 per cent, while the latest official unemployment rate stood at 15.1 per cent at the end of the second quarter. The country's net reserves are estimated at US \$620 million or 3.3 months of import cover and our fiscal balance will remain in surplus at approximately \$523 million. Our budget proposals for 1997 are intended to fuel this momentum and to ensure another successive year of positive economic growth.

Mr. President, our vision for this country is the creation of a strong diversified economy, with high growth rates, high levels of savings, competitive interest rates, low unemployment, an affordable debt service, a stable exchange rate and non-oil sector investments comparable with the energy sector investments. We envisage a

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tolerant, healthy society based on mutual respect, socially acceptable conditions of work, and the elimination of poverty. We will pay particular attention to youth, education and gender equity and provide adequate social services. We will recognize and support our national cultures and ensure that our skill competencies are appropriate to meet the needs of the future.

Mr. President, we will exploit our resources in a sustainable manner, conserving and optimizing them. We will reverse past environmental damage, and our infrastructure will be on par with the developed world.

In achieving these objectives, Government chooses to adopt a multipartite approach to policy formulation and implementation as we seek to satisfy the needs of all our nation's stakeholders. To pursue that objective, the Prime Minister has set up a multipartite commission which has been in operation since the middle of this year. That multipartite commission has as its objective—the development of a vision over the next 25 years as well as to develop the necessary strategies which will help us to achieve that vision.

Mr. President, to ensure that the underlying economic fundamentals remain on track would necessitate that we raise the level of national savings and investment, keep inflation in check, maintain stability in the foreign exchange market, ensure a sustainable balance of payments position, and pursue an appropriate fiscal and monetary policy stance.

Government's fiscal policy will be designed to increase revenue collection and maintain expenditure at manageable levels. In order to enhance our revenue collection drive, we will restructure and simplify the tax regime as part of our overall effort of reforming the tax administration and improving its efficiency.

Mr. President, this tax simplification exercise seems to have escaped a great many of our citizens, who seem not to have fully understood that the purpose of having to remove certain deductions, allowances and credits is the intent of this Government to pave the way for a much lower regime. Government has indicated even from its previous budget, that it is committed to lowering the taxes and ensuring that the tax system is not cluttered with an array of deductions, credits and allowances which have only been sought in the past to channel people in a direction in which the economists choose to let us go. More than that, what is important for us is that if we do not attempt to remove these credits, there is absolutely no way that any government could lower taxes. The days of the old

economic approaches of having very high rates of taxation and then allowing deductions that will encourage people in particular areas really have to make way for a new system, where the citizenry today is certainly more intelligent and more knowledgeable in terms of world affairs. Therefore, the intent of Government is to put more discretionary income in the hands of its citizens so that they can be empowered to choose how they spend, consume and save ultimately, their incomes.

Mr. President, in addition to this tax simplification exercise, the level of Government's current expenditure must be contained, and more resources will be devoted to capital expenditure. Further, in the medium term we will continue to generate appropriate fiscal surpluses to strengthen the savings effort. We recognize the paramount importance of investment to the development of the economy and, accordingly, we have not only allocated an unprecedented \$1.7 billion for our Public Sector Investment Programme, but have taken the necessary steps to ensure its effective implementation.

We are confident that an aggressive public investment programme much of which is focussed on infrastructure, will have a very positive effect on private sector investment and ultimately on economic growth. In addition, Government recognizes that improving infrastructure services is the key to alleviating poverty and raising the standard of living for our citizens as well as generating employment opportunities.

### **1.25 p.m.**

Complementary to a strong fiscal stance is supportive and effective monetary policy. Our monetary policy has been effective, given the full liberalization of the exchange rate regime, and the increasing "dollarization" of the domestic economy. Accordingly, monetary policy would continue to focus on containing the rate of price increases, and effectively stabilizing the exchange rate market. Measures would also be adopted to address the level and spread of domestic interest rate. These objectives would be accomplished to the more effective use of monetary instruments currently available to the monetary authority, including the reserve requirement and the open market operations. On that score, let me be the first to congratulate a bank—whose name I choose not to mention at this point—that has taken the lead by announcing clearly, that it has reduced its prime interest rate by 1.5 per cent. I am sure that the other banks would soon follow this lead.

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In addition, we would continue to liberalize the financial sector and deepen the level of competitiveness of the financial system. This would be achieved without compromising entry requirements and prudential norms to potential entrants to the banking system.

The tourism sector must also play a major role if we are to realize sustainable levels of economic growth. It is a labour intensive sector which can provide interim opportunities for many of our people. We can ill-afford to forego or even defer the optimization of the potential of tourism, an extremely competitive industry. Tourism is not a half-way business; it is either we are in, or we are out.

Perhaps, for the first time we have committed ourselves to the growth and expansion of tourism in a serious way. We propose to make Trinidad and Tobago one of the major tourist destinations in the region. The investment requirements towards developing the tourism plan are substantial, and Government is prepared to act as a catalyst where necessary. For instance, we have agreed to take an initial equity position in the Lowlands Estate Project.

Casino-type gaming is normally the subject of considerable debate. I am of the view that it is entirely within the capability of this Government to regulate effectively, the operations of this type of activity. I assure this honourable Senate that in formulating the appropriate legal or regulatory framework, this Government intends to hold extensive dialogue with the widest cross-section of our national community. This measure is merely one of a number of interrelated measures reflecting Government's commitment to the development of the tourism sector. The approach is a structured one in which all of the affected areas have been carefully determined as a basis for strategy formulation.

Complementary to our efforts in the tourism sector, the aim of the Government is to make the agricultural sector inclusive of forestry and reserves, vibrant, vigorous, competitive and capable of generating profitable enterprises, and able to attract both foreign and local investment. Further, the industry will be characterized by improved domestic production, and productivity, thereby providing for enhanced and sustained income, and by extension, the reduction and consequent alleviation of poverty and enhancing national food security. These goals and objectives will be achieved within a policy framework which emphasizes and demands that due consideration be given to the sustainability of the nation's natural resource base and eco-system, and to ensure continuity of productive activity.



Non-governmental organizations make an important and invaluable contribution to our society and, as a result, we have agreed to increase the allocation to NGOs by a further \$10 million in 1997. I wish to reiterate as well, that the tax deduction in respect of payments made by companies to charitable bodies will continue. In addition, we will implement measures to impact positively on the welfare of the less fortunate among us. The Government will embrace every effort to ensure that everyone is fed, clothed and sheltered.

Government's policy with respect to the housing and settlements sector will be guided by the need to increase the number of affordable homes to persons in the lower income groups; establish viable housing settlements and ensure the security of tenure of squatters.

Government will accelerate implementation of the Health Sector Reform Programme in 1997. In addition to upgrading the physical infrastructure, implementation of the national ambulance services project will commence. Particular emphasis will be directed to three critical areas in the delivery of health care, namely, overcrowding at the major hospitals; waiting times at the casualty departments, outpatients clinic and pharmacies, as well as waiting time for surgical procedures. Focus will also be placed on primary health care.

The measures I propose to introduce in 1997 to support our policy initiatives have already been detailed in the budget statement, as well as the Provisional Collection of Taxes Order, and other budget documents entitled *Fiscal Measures 1997*. I also draw your attention to the vast amount of information provided, not only in the estimates, but also in the following documents:

- (a) the *Public Sector Investment Programme* which provides details of Government's investment programme;
- (b) the *Medium Term Policy Framework, 1997—1999* which is our policy agenda; and
- (c) the *Review of the Economy 1996*, which reviews our economic performance during 1996.

I do not propose to repeat all the fiscal measures now. However, I will like to briefly focus the attention of this honourable Senate on the main issues in some of these measures.

We propose to generate another surplus amounting to \$269 million on our fiscal operations in 1997, the equivalent of 0.7 per cent of GDP, a policy stance that

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is consistent with our commitment to keep the economic condition sound and on target. Budgeting expenditure, including capital repayments and sinking fund payments, is estimated at \$12,399 million, approximately \$1,680 greater than the revised position for 1996. In 1997, the central government's Public Sector Investment Programme will be more than doubled to \$1.7 billion, or just under 5 per cent of GDP. We expect to collect \$10,127 million in revenues in 1997, about \$497 million more than we did in 1996. Oil revenue is estimated at \$1,816 million, or 17.9 per cent of total revenues based on an oil price of US \$20.00 per barrel, and an average daily production of 129,051 barrels. The non-oil sector is expected to generate \$8,311 million in revenue as a result of a targeted real growth rate of around 4 per cent.

The reform of the tax system will be accelerated in 1997, leading thereby to the enhancement of the equity, efficiency and cost effectiveness of revenue collection. The emphasis will be placed on simplicity, as I have said before, and administrative transparency of the system.

Further, the institutional restructuring and strengthening of the credit union sector is one of the major initiatives we intend to pursue aggressively in 1997, to increase the level of savings, and to finance small and medium-sized business enterprises. To this end, the statutory limits on interest and dividend will be revoked. The credit union leadership is aware that these initiatives are in the pipeline, and as Minister of Finance, I commend its active participation and co-operation in the process.

We propose to remove motor vehicles licences as of January 1, 1997. We believe that collection at the pump will be a more equitable system of collection of this fee. Government has already indicated its commitment to competition and the motor vehicle industry has been effectively liberalized. Empirical evidence over the past year suggests the need for more vigorous oversight of the industry. Stringent regulations will be enforced, including certification and inspection to ensure the road-worthiness of all vehicles. Additionally, measures are to be introduced to curtail speculation by unscrupulous dealers, particularly in the market for imported used vehicles, and locally assembled motor vehicles using foreign parts. These measures are also designed to restrict the traffic in stolen parts and reduce the incidence of vehicle theft.

Despite the liberalization of the domestic economy, certain industries and activities have remained virtual closed shops. It is interesting to note that there are no restrictions to sell non-prescription drugs in the United States of America,

Canada and in the other Caribbean islands. Trinidad and Tobago is the only country within North America and the Caribbean where pharmacies enjoy such a partial monopoly. Whatever may have been the reasons in the past for the creation of such a monopoly, when viewed in the context of the present day philosophy of the business world and a liberalized market economy, this is an archaic practice. It is neither good law nor commercial practice. It stifles free competition, and works to the financial disadvantage of the consumer.

Furthermore, pharmacies, at present are enjoying the best of two worlds. They have a partial monopoly in the sale of non-prescription drugs, and they now compete with shops, groceries and supermarkets by selling a variety of grocery products. It is therefore unfair that pharmacies should enter the arena of free competition, while retaining the partial monopoly in the sale of non-prescription drugs.

As I conclude this presentation to this honourable Senate, may I be permitted to convey my deep appreciation to the national community at large. It is perhaps impossible in a country of such diversity as ours to achieve total consensus. I am of the view however, that the majority of our citizenry recognize the very diligent efforts of this Government to resolve the problems which we face.

**1.35 p.m.**

Mr. President, we are living in a challenging and exciting era in our history when there are complex issues to be addressed and resolved. In these times there also exist unique opportunities if one has the vision to see them, and moreso, the initiative and the will to take advantage of what is being offered. The increased use of more technology and the elimination of borders in the creation of the global village can see small economies like ours sidelined in the world scenario. This Government will not allow Trinidad and Tobago to be placed in such a situation.

Mr. President, in this season of goodwill, may I extend my Government's and my own best wishes to the people of Trinidad and Tobago for a safe and festive holiday season, and a bright and prosperous 1997.

Mr. President, I beg to move.

*Question proposed.*

**Sen. Danny Montano:** Mr. President it is Friday afternoon, 1.30 p.m., and I would like to go on record that I take issue with the Government bringing us here at this time to debate this matter in the way in which it has been done. While I am

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willing at all times, indeed at any time, to do work on behalf of the country—even on a Saturday or a Sunday, or Christmas day if there were such an emergency—I take issue with being called here and being told that we will work late into the night and for Saturday as well, and possibly into Sunday and Monday if necessary, at this time of the year. Sir, allow me to express my disappointment and disagreement with it and to say that I do not believe that the interest of the people, or the country, is served in this manner.

The interest of the people is served when we all have time to reflect on the comments that are made here in the Chamber. This place is called Parliament, which comes from the French word "*parler*" meaning to speak, and it is of absolutely no use to anyone at all unless the people are in a mood and their minds are directed to the matters that are taking place in this Chamber. Therefore, I say that the manner in which this debate is about to be conducted is a prostitution of the fundamentals of the constitution of parliamentary democracy. [*Desk thumping*]

In closing my comments on the 1996 Budget, I made reference to the fact that a budget and its statement needed to have clear, concise, and truthful statements and in that regard, the *Budget Statement 1997* disappoints me, and it does not meet my expectations, nor the country's. It is misleading and virtually on the point of being dishonest. I thought that the hon. Minister would have learned from the experiences of President George Bush when he said, "Read my lips, no new taxes." I am certain that the country will remind the Government of that in due course.

The Minister of Finance is on record as saying that he will not increase taxes. Sir, that is as misleading as it is dishonest. It is like saying that we are not going to raise the water, but then he lowers the bridge. The effect is the same. [*Laughter*] People are going to pay more taxes. In fact, any person earning over \$3,000 per month and who is in a position to make a contribution towards a mortgage, pension fund or annuity is likely to pay more taxes, not the least of whom are the motor car owners in the country. I urge all those owners to keep their gasoline bills over the next year and add them up to see whether or not they have paid more or less taxes than the annual licence fee.

Anyone who is travelling more than 1500 kilometres per month is likely to pay significantly more in gasoline tax than the annual licence fee. The people from Santa Cruz are going to pay more tax when they come into Port of Spain; the people from Valsayn, Sangre Grande, Arima and Barrackpore are all going to pay more tax. I have also been advised that in the unification of the duties on spare

parts for motor cars, the spare parts that are most often used such as spark plugs and fan belts will likely increase rather than decrease. If that is not an increase in taxes, I do not know what is.

In April this year when we debated the Finance Bill, I lamented the fact that the Minister of Finance was not an elected representative and does not personally account to a constituency. He is isolated from the people by coming into the Ministry via the back door. I say further, that he has no intention of ever facing a constituency, and when one looks at the gifts that are contained in the budget, I would call it a goodbye budget. What probably happened here is that the Friday night before the budget delivery, the Minister met with a couple of his friends and investors in the party and said, "Boys, what are we going to do here? What do you want?" Largesse all the way around, but the fact is that little or nothing has been done for the people of the country and I suggest that the Minister is not going to be here very much longer. *[Laughter]* We do not have people at the centre of the budget here, there are a few persons at the centre, so this budget is clearly not rooted in any fundamental, economic, social or political philosophy. There is no philosophy here, and while the supporters of the party might be cheering and saying "hoorah, hoorah", the fact is that I stand here and it is like looking at the emperor with new clothes, I see nothing. There is no philosophy for the benefit of the people.

**1.45 p.m.**

In one year, nothing has changed in regard to the plight of the poor. What we have seen is that a measure of \$64 a month to assist the elderly has been granted. Certainly I would not spurn that, but it seems to me like crumbs to a starving lion. It would seem, Sir, that like the monarch who lost her head, the Minister feels that the poor should eat cake. However, I remind the Minister that the price of food has risen faster under his administration than under any other administration in the last five years.

I am sympathetic with the Minister in that one or two budgets cannot solve the issue of poverty. It is a complex issue, but one which requires primary, not secondary or subsidiary focus. The poor must not be relegated to the vagaries of trickle down and Darwinian economics. A budget must present meaningful opportunities to the poor and, in fact, all persons in society.

The determination and measurement of poverty in Trinidad and Tobago suggests, based on 1992 statistics, that poor households spend 41 per cent of their

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incomes on food alone. We all know that incomes have remained fixed in the past several years. Certainly, the teachers know that very well, but even at the poorer levels their relevant incomes would also have remained fixed. If we extrapolate the increase in the price of food from 1992—1996, then the poor persons in our society are spending 65.3 per cent of their incomes on food alone. What have we heard about that? The teachers, who have had no increases between 1983 and 1986—

**Sen. Mark:** On a point of correction, Mr. President. It is misleading to tell this Senate, and to put on the records of Parliament, that the teachers have not had an increase since 1983. The last increase was an award given by the Special Tribunal in 1989, which was implemented by the PNM regime in 1992.

**Sen. D. Montano:** Mr. President, whom does the budget really touch? Who really benefits from the measures contained in the budget? Certainly, if a person owns a hotel and plans to put down a casino or walks to work, the budget will work for him, but the rest of us, goodbye. If a person happens to be a contractor and a supporter of the UNC party, then he is very likely to get a nice juicy contract under the PSIP and is likely to do very well, especially with the tax allowances that he will get. However, the smoked glass and mirrors contained in the budget statement will not hide the reality that many persons, particularly the middle-class, the largest savers in the country, will be badly hurt.

In the 1996 Budget Statement, the Minister said that he would empower the population this year. I ask: Who has been empowered with this budget? Nowhere in the budget statement, here or in the other place, have I heard the word “mother” or “child” mentioned. The Minister talked about family values and casinos virtually in the same breath. Who really has been empowered? It seems to me that it is not the little man; it is not the middleman; it is not even the high man. It is the man whom I would describe as a parasitic sychophant to the UNC party. They are smack dead centre of this budget and they have not only been empowered, but they will be boldly enriched. I take exception to that, Sir.

The Minister said:

“We can honestly say we got the economics right.”

I would say that he was lucky. The increased price of oil saved his bacon and in that regard I heard a sobriquet used, “Lucky Luciano”. I think it is very appropriate. It is fortunate, not just for him, but for the country as a whole, that when the Minister of Finance makes serious mistakes, God seems to intervene to say he will not hurt us, but help us in this way. So it happened.

I would just like to point out what happened this year. In our contributions last year we raised serious concerns about the revenue estimates, particularly from VAT and National Lotteries. We were right to raise those concerns. If Senators would recall, there were some distortions in the VAT because of some offsetting entries that had to be paid to certain state enterprises and paid back. Despite those entries, we were of the belief that the estimates were optimistic. In fact, the Draft Estimates of Revenue for 1997 show that VAT receipts are down \$347.8 million.

The Minister had projected real receipts from that, discounting the offsetting entries, of approximately \$1.6 billion, which would have been 4.98 per cent of projected GDP. This would have been higher than any previous year. We cautioned that it was not a realistic estimate. In fact, what has happened is that after taking the offsetting entries he referred to last year from what was collected this year, the actual receipts amounted to \$1.252 billion, or 3.82 per cent of GDP, which is the lowest ever rate of collection.

We had questioned the Minister's comments about increased measures for compliance, especially since he really did not enunciate exactly what he was talking about. When we asked, we received no response. Nevertheless, revenues for this year are again projected at 4.84 per cent of the projected GDP for 1997. Mr. President, in light of last year's total failure to meet the expected projections, I ask the question: What will change in 1997, other than the merging of the regimes of the administration of VAT and income tax that will cause the collections to reach the Minister's estimates? He has articulated nothing in terms of specific measures.

We had serious questions about receipts from the National Lottery and we understood that approximately \$70 million from 1995 receipts had been brought over to 1996. That was in fact contrary to the law. National Lotteries Board is required to make remittances in full by December 31. The Minister gave us that indication and yet the revenue for 1996, which would have included the \$70 million estimated from 1995, has fallen short by \$78.9 million. If we then add to that shortfall the \$70 million, which really relates to 1995, then the shortfall is really \$148.9 million. So the total shortfall from VAT and lottery is \$496.7 million. There are further shortfalls:

Repayment of loans from public enterprises—\$108 million

Capital revenue from the sale of assets and grants—\$88 million

The total shortfall, then, is \$692.7 million, at least, just on those items alone.

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**1.55 p.m.**

Therefore, the Minister and the country were lucky that we had a windfall in the price of oil which brought us back to the tune of some \$454 million and which, I note, he has not estimated, prudently, for next year. However, having fallen short in excess of \$200 million, the only way then to take it into surplus was to cut back on spending and that, in fact, happened. Spending was cut by some \$390 million. Mr. President, we were correct in saying that the Minister could not achieve his projections.

Notwithstanding the fact that the Minister has indicated that there was growth in the economy for this year, the fact of the matter is that the poor are getting poorer and they are less able to cope with modern society. The level of poverty is rising. The poverty line is encompassing more persons every year. In fact, despite the Minister's statement in the budget last year that food prices would go down, quite the reverse has happened. Food prices have gone up by 13 per cent.

At this point I would like, again, to refer to the teachers and the effect of having a pie that is a static size, having to find more food every year for the same product—that is just to keep food on the table. If the pie does not grow then all it means is that one simply has to eat less. That is what the teachers of the country are fighting for. While they are doing that, and while I fully appreciate that there may be constraints on the Government, the fact of the matter is that the Government has no right to refer to them as criminals, because their cause is a correct and justifiable one. In that regard, Sir, I want you and the people to take special notice of something that I have been saying over and over again in this Parliament.

Recently, teachers held a demonstration downtown and some students from a girls' high school paraded with them. The Minister, acting in what I would describe as a neo-Nazi SS manner, sent for video tapes, films and photographs of the persons who took part in that march. Sir, there is no place for that in our country. That kind of intimidation does not have any place in our society and our democracy. If one is walking legally on the road, one has every right to do so without anybody threatening, intimidating or taking photographs for an improper purpose. No, Sir, they have no right to do that. These young girls are being taught that they do not have rights, that they cannot stand in public and say, "This is what I believe and this is whom I support." They are being threatened at a tender age and this mark will stay with them for years. Is that what we want? I take strong issue with that, Mr. President.



I have said it over and over again in this Parliament and I am going to say it again, the Government has lost sight of what is legally right and what is morally wrong. It may be perfectly legal to go and get photographs and video tapes and so forth, but it is morally wrong to do so. There is no law to stop that, but we know in our hearts that is wrong. I therefore suggest that the Government has lost sight of the fundamental philosophy of the Constitution of Trinidad and Tobago.

In dealing with the changing of the tax rates, the simplifying of the regime and the setting up of the \$20,000 personal tax allowance, I would say that is a retrograde step. We are going backward instead of forward. What the Minister achieved last year was very simple and I said it last year, that effectively, the first \$20,000 of one's income would be tax free and the system of rebates that he had worked out, worked in such a way that in the first \$20,000—\$30,000 margin, the effective tax rate was really 42 per cent. Therefore, the system could have been simplified by merely doing it that way. It was perfectly simple, it did not need to be simplified anymore.

Mr. President, by the Minister removing the tax credits for spouses and children, a single person is entitled to the same \$20,000 limit, without any further credits as someone who is married and has children to support, to send to school, and who has to go to work from Sangre Grande into Port of Spain. However, the peculiar thing is that if a married person divorces his wife and has to pay alimony, he gets a deduction for her. Therefore, as immoral as it may sound, from a tax standpoint, as a professional accountant, I would have to advise my clients to divorce their wives, continue to live with them in the house and pay them alimony because they would get that as tax relief. Mr. President, it makes no sense at all. Is that what we call family values?

In the budget statement, the Minister said that he is going to encourage savings and investment efforts. Mr. President, this budget discourages savings, and by discouraging savings we are going to deplete our stock of financial savings, therefore, we would no longer have the local financial resources to defend our currency and to keep our interest rates under control. The fact is, when the dollar begins to depreciate it tends to fuel speculation and people lose confidence in it even further and would then move their savings into some other currency. It is a simple equation. However, as they begin to do that, the supply of currency in the local market dries up, affecting liquidity and driving up interest rates.

**2.05 p.m.**

Mr. President, what is so difficult to understand about that? There can be no doubt that with the lack of fiscal incentives to promote indigenous savings there would be a natural bias towards instruments in some other currency and we have to protect our dollar. We are going to face a flight of capital which is going to drive up interest rates, and it would stall economic growth and development which is the driving factor behind employment.

Mr. President, the Minister indicated in another place that the \$18,000 cap for pensions, annuities and mortgage interest is a sufficient cap because the average amount of mortgage interest being claimed is \$8,000 and the average pension and annuity claim is \$3,700. I have to challenge that. The Minister should know that \$18,000 a year in mortgage interest would cover a mortgage of approximately \$165,000. Young persons coming into the market are effectively being told—maybe they can only buy a house costing \$165,000—“you can either buy a house or you can save; you cannot do both.”

As regards annuities, insurance companies are already being asked to cash in the annuities that have been paid in so far. Taxpayers are willing to forfeit the 25 per cent tax on the encashment of their annuities, obviously, in order to move the capital sum into some other location. It has a snowballing effect. The effect is that the insurers are going to have to scramble for cash to pay off the annuities. One of the most liquid forms of investments they are holding is Government securities. So, one is going to find Government securities being dumped on the market, and that could have an impact on the price value of the securities. Insurers are one of the biggest purchasers of securities. If they do not have those receipts from the purchase of annuities coming in, they are not going to be in the market for the purchase of Government securities when they go to the market. So that it limits the ability of the Government to raise revenue.

In 1995, out of a total of \$200 million in new business of the insurance companies, \$139 million or 70 per cent was just annuity business. That is what is being lost. Notwithstanding what the Minister says, that most taxpayers were falling under the \$18,000 cap—that is not so much the issue—the fact is, the amount of money involved and mobilized into productive savings; and the amount of money being kept on shore and does not leak out; that is the issue of \$139 million.

Over the saving life span of any normal person which one could reasonably expect to be 30 years, \$139 million exclusive of the interest would add up to \$4.1

billion. That is really the savings of the country we are talking about. This provision means do not worry about that, go and put your money in the Cayman Islands or wherever, it does not make any difference; do not worry to keep it here at all.

Mr. President, what one should know, too, is that insurers invest roughly 10 per cent of their funds in mortgages and pension funds; between 30 and 50 per cent in mortgages. If one dries up that source of income for the pension funds and the insurance companies, one dries up the amount of capital available for new housing developments and construction has a direct impact on employment.

Mr. President, the philosophy underlying the previous allowance of one-sixth of one's chargeable income to be used for the purchase of annuities or as a contribution into pension funds was a simple and clear philosophy. It did not amount to a loss to the Treasury, it was merely a deferment of the tax that one would otherwise pay, because when one draws out the annuity, one pays tax on it. No problem with that. So then what do we face here? We face a situation instead, Sir, where, if one purchases an annuity he is purchasing it with tax-paid income. If you have a mortgage in excess of \$165,000, then your contribution to the annuity comes out of tax-paid income, and when one draws it out one is going to pay tax on it again. So it is a system of double taxation.

Mr. President, I ask: Who in his right mind is going to do that? So you completely stall the incentive for \$139 million to be saved in the country. Instead, that \$139 million is going to flow overseas. That is what is going to happen. It would flow into instruments outside of the country. In the past year there was a depreciation of the currency by 5 per cent, so anyone who had invested in foreign exchange or in some instrument in US dollars would have gained 5 per cent non-taxable, just on that premise alone. Bearing in mind, that the Minister is not going to defend the currency—perhaps I can go even further and we are talking about 30 years here, so one must make a decision that is going to be good for 30 years—what is the right-thinking man going to do? Is he going to keep it here, or send it abroad? Well, send it abroad. It makes no sense whatever. That is what is going on here. How does the country benefit from this? What is not understood about that? I ask: What does the country need? Does the country need a policy of savings? Does the country need a policy of consumerism? If the country needs a policy of consumerism, then the Minister is right and I am wrong; but if the country needs incentives to save and policies that discourage consumerism, then I am right and the Minister is wrong.

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There is a difference between saving at a bank and saving with an insurance company. The banks mobilize savings in an entirely different way from insurance companies. Insurance companies make long-term investments and the banks are inclined to give short-term loans to consumers and companies who use the savings from the investor to work in that business so that they might flourish. Insurance companies do not do that, they invest in long-term instruments, primarily government securities, other long-term bonds and mortgages. That is how their funds are used.

**2.15 p.m.**

Any argument that this measure puts the insurance companies on the same playing field as the banks does not make any sense, because the savings are utilized for entirely different purposes. The people investing in annuities with insurance companies are making long-term plans, thirty-year plans. They are investing in their houses and in their futures, in their old age. We are talking about 30 years, not three, four, or five years. We are talking about thirty-year plans. That is the fundamental difference, Sir.

With regard to charities, I would ask the Minister: What is the political or economic philosophy that underpins the measure to remove personal contributions to charities as a deductible item? What is the reason for measure? What is it all about? Charities and NGOs in our country are a most effective means of socialist assistance. They mobilize resources more effectively than any government could. This is not to chastise this Government, but the fact of the matter is that governments do things in a cumbersome and inefficient way. That does not only happen here, but it happens abroad, and therefore institutions like the church and the other NGOs provide social assistance and are able to use their contributions, their donated revenue, more effectively than a government institution could do.

A simple reason would be that much of the personnel resources of the NGOs are donated time, so the NGOs and the churches do not necessarily have to pay salaries. If you work for a Government institution that is providing social assistance, people expect to get paid by the Government. There is nothing wrong with that; that is just a fact. The fact is that the NGOs are able to mobilize and make better use of revenues. They have more direct effect on the underprivileged than the Government can. Therefore, a proposal to increase the allocation for social assistance to Government organizations to \$10 million is not going to do the trick, unless that \$10 million is going directly to the charities and NGOs. I ask: Is

that measure part of the Minister's anti-avoidance drive to try to increase the tax compliance measures? It seems to me to be a rather drastic, extraordinary measure if that is the case.

Mr. President, as regards the employment allowance of 200 per cent, I have difficulty with that. When it was previously brought in, it was cumbersome and ineffective. It was difficult to monitor and enforce, and it was, I think, sensibly withdrawn. Employment opportunities are generated by confidence and growth. People in business do not go out and hire or do things, spend money, just to get a tax break. They may engineer their expenditure in a form so that they can enjoy a tax break; yes, a tax incentive, but they do not go out there just to spend money to get a tax break. Nobody does that and to suggest, that is nonsense. It just does not take place.

What happens is this: Construction companies do not maintain a large employee base. They go out and hire workers when they have a contract. That is what they do. They hire on a per contract basis, so it is likely that the persons who will benefit most from this measure are going to be contractors in the building industry. Under the expanded \$1.7 billion PSIP, there is no doubt that friends of the party, political investors, are going to be paid back in a way big, because this is the reality of what is likely to take place.

Construction companies would normally incur between 30 and 40 per cent of their total revenues in labour. They might expect to enjoy a profit on the job of about 15 to 25 per cent and therefore if you double that labour charge on the tax computation it wipes out their taxable profits entirely. It wipes it out. So, it is not just an incentive, it is a complete tax break to the persons who are going to enjoy significant contracts under the PSIP. No tax other than the business levy which has been reduced. That is what they are facing.

Mr. President, if they really wanted to increase employment, I could have suggested that they take \$300 million from the PSIP, give it to the Small Business Development Company, which traditionally will lend approximately \$150,000 per business. Now, that would engender and foster permanent employment. The sum of \$300 million out of the PSIP by \$150,000 is investment for two thousand businesses. Two thousand businesses could benefit from that next year. What I am suggesting is if 6,000—10,000 permanent jobs can be created by that every year, it would have a dramatic effect on the employment in the country.

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With regard the pharmacies, I heard the Minister's contribution and I just do not buy it at all. Talk about competition? I do not think that anybody on that side really understands what the pharmacy does and how it really operates. Where the Minister lived, there were four pharmacies within 100 meters of each other, so you cannot tell me there is not competition within that environment. The competition there must be fierce, but the fact is, Mr. President, we have a small economy and our numbers are in fact small, but sometimes the cost of doing business is very high and the pharmacy has to have a registered, qualified pharmacist on staff, on the premises all the time. That is a high cost.

What happens, is that the drug business alone—operating a drug store and selling prescription drugs—cannot pay any pharmacist or owner of a pharmacy to keep a druggist on the premises. It cannot pay. But, we need to have pharmacies scattered throughout the country. They cannot just be located in Port of Spain, they must be all over the place.

**Mr. President:** The speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. P. Beckles*]

*Question put and agreed to.*

**Sen. D. Montano:** What is really necessary is that this quasi-monopoly was granted to the pharmacies in order to justify their existence. That was the simple point and remains the plain and simple point. If you do not want to have pharmacies scattered throughout the country, then agree with the Government, but it is not right.

I know of a situation in Covigne Road Diego Martin, where there is a pharmacy serving a poor community. Without that pharmacy in that location, the people have to go a long way and I know the hours that this man works and I know how he struggles to make a living, even though he has a monopoly on the non-prescription drugs, but he serves the community in which he is. I can tell you that this measure is going to wipe him out. The people in the area will have to go a long way to buy what they need. I ask you, Mr. President, what do you really believe is the motive for that measure? Do you really believe that it is a commercial philosophy? Or is there really a powerful lobby behind that measure? You decide.

**2.25 p.m.**

On the issue of the casinos, there is a major drug problem in the country and I ask the question: Is it appropriate to introduce measures that are going to facilitate the laundering of money? Could they not have dealt with the drug problem first and simply announced a policy to say, “well we might do it in a couple of years; it is going to come but we are going to deal with the problem first”? No, it is done now. While we are in the thick of the problem, we bring something else, only to give us another problem. For what?

What are casinos going to contribute to the national good of the country? Are they going to uplift the values and standards of the country? Are they going to make a measurable contribution to the Treasury, or are they likely to take revenue away from the national lottery, which is, in fact, a form of taxation?

What is going to happen here? Does the Minister really believe that casinos are not going to bring with it Mafia and organized crime? It is the Mafia that built Las Vegas, Bugsy Siegal. Are we somehow going to be isolated from the drugs, the prostitution and the crime that go along with casino gambling? I have difficulty with that, Sir. What signal are we sending to the society, when a government cancels programmes that promoted the donations to charities and yet institutes a programme to legalize gambling? What signal are we sending to the world?

A friend gave me this, and I would put it to my colleagues on the other side. It is from the *Qur'an*:

“They ask thee concerning intoxicants and gambling. Say: ‘In them are great sin and some benefit for men but the sin is greater than the benefit.’” HQ 2:219.

Turning to foreign exchange, the Minister said that the general public and buyers at banks are now more aware of how the flexible rate system works. Does the Minister believe that the buyers in the banks and the public are not aware of how the system works? Is that what he is telling us? It is absolutely astonishing that with the power he has in his hands, he has virtually said, “I have no intention of defending the dollar.” He said that the rate should stabilize; that there is nothing that should happen, and so forth. But it is happening. He says, in effect, “I have no intention of doing anything about it.”

I suggest that the Minister has little understanding of the factors that underpin economic activity. He is clearly unfamiliar with what happened in France two years ago when the franc came under pressure by currency speculators. The French

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central bank, after several months, was virtually exhausted in its defence of the currency and had no choice but to turn to the German central bank, the powerful German Bundesbank, to support the French franc. When that happened, the currency speculators backed off and the value of the franc was saved. Now that is a responsible government; doing everything in its power and making statements to the fact, "come as you will; come who you will, we will defend the value of the currency". It was publicly stated.

What do we have here? Nowhere has the Minister given us any confidence that he will come to the rescue of the value of the currency. In Canada, the government has made it very clear to all comers that it will defend its currency and that mark is US 70 cents to the Canadian dollar. The Canadian government will defend it at that mark. But we have no such policy; we are just left to the vagaries of speculators or whatever happens in the way. Like Pontius Pilate, the Minister has washed his hands and said, "I have nothing to do with that; I am going just now".

Mr. President, in October of this year I had a conversation with a senior foreign banker and I asked him what was happening with our currency. This is what he said: "You can talk economics until the cows come home, but the only reason for the depreciation of the TT dollar is the lack of confidence." That is what he said. This is a senior foreign banker in Trinidad. I then said to him, "why should there not be confidence in our economy?" He said, "let us face it, the fox is in the hen's house."

**Sen. Mark:** Mr. President, on a point of clarification and record. If the hon. Senator is quoting from some senior banker, we would like to know the name of the banker, the letter and the date, so at least we would have an appreciation. Anybody could have written a statement. He, himself, could have written that. So we would like to know the date of that letter, the banker, and so forth.

**Mr. President:** I think the hon. Minister is correct. If you are to continue to quote, you need to quote the authority, the office and the banker.

**Sen. D. Montano:** Sir, I am not going to quote any further, but it was an astonishing indictment of a regime that was barely 11 months old.

I would like to point out further that the foreign firms operating in the country, involved in the exploitation of our natural resources, earn primarily foreign exchange. What happens is that their expenses are in TT dollars. Therefore, when the currency depreciates, their expenditure becomes a smaller percentage of their revenues. That is what happens. So they earn more money. Many of these firms



are operating here with concessions so that they pay no taxes. Albeit the concessions are limited in time, they pay no taxes. I have no quarrel with that, but one must understand that they do not have a vested interest. They have no interest at all in defending our currency. In fact, it suits them when our currency depreciates, and that is why it is so important for the Government to have a definitive policy on currency speculation and management. It is vitally important.

I would like to point out that the workers of these companies are not protected by the vagaries of the currency. While the firms that they work for benefit, they do not get anything at all. What has happened is that they can no longer deduct their union contribution; they cannot deduct their pension; they cannot deduct their mortgage or annuities. So they are paying more taxes while their employers are not paying any tax. So where is the philosophy in this budget?

The country has never seen a budget like this, that does not touch the people at the lower levels. It serves only the parasitic sycophants of the ruling party. The Minister clearly has no constituency to account to and I say that he clearly has not finished this budget. This budget is not finished. What we are likely to see is a silver-haired knight come charging to the rescue in an effort to bolster his own failing political fortunes.

With those few words, I thank you, Mr. President.

**2.35 p.m.**

**Sen. Martin Daly:** Mr. President, may I begin by thanking my colleagues on these Benches for allowing me to make my contribution at this time. They are well aware that I have to pack a suitcase. They are also well aware that I will be putting in my suitcase, a copy of the Financial Institutions Act just in case I have to return here directly from the airport, but I do not think this Government is going to be so hasty as to attempt any such thing, despite the fact that there are rumours circulating, that there is a draft bill around town. In fact, I met someone at a funeral yesterday who told me he had a copy. I thought that at a funeral was a very appropriate place for him to be talking about such a foolhardy proposition. I just mentioned that in passing.

Owing to the graciousness of my colleagues—many of whom are experts in finance and economics, and I should be listening to them first—I am having an opportunity to participate in this debate, which I certainly hope would be the last financial debate taking place in this Chamber for the year.

Mr. President, I want to begin, because I am forced to, by referring again to the total disrespect of Parliament that is being showed by the arrangement of

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parliamentary business. I think we need to restate what a parliamentary debate is about on any subject.

My personal view—and I certainly do not have any unnamed source to quote, I am just expressing my view—is that the purpose of a parliamentary debate is for everyone present to exchange ideas in the hope that, ultimately, government policy would be sounder and better for the nation as a whole. The fact that the debate is sometimes adversarial does not alter the fact that one of its purposes is for us to exchange ideas, ultimately for the nation to benefit.

We cannot, in my respectful view, exchange sound ideas at three or four o'clock in the morning. In fact, it is so well known by the "SS" to which Sen. Montano referred, that your body metabolism is usually so low at four o'clock in the morning, that that is when the "SS" wake you up to take you to prison, that is when you are the most confused. Indeed, I suggest that the problems with the microphones today, may well be related to the confusion that is poured into them at four o'clock in the morning.

The second purpose of a parliamentary debate, Mr. President, as I see it, is to involve the population in the exchange of ideas, so that they are informed about the nation's business, and they are better informed about what the contending sides are proposing to do. I do not care whether the spin doctors on the Government side try to suggest that parliamentarians are lazy, because they do not want to come here at three o'clock in the morning, or parliamentarians are lazy because they do not want to come here on the Saturday before Christmas. They can say that; the population is much more sensible.

We cannot have an exchange of ideas that involves the population if you choose to have that exchange at a time when the resources of the media are so stretched that they cannot cover the debate properly. It is a miracle that they are able to cover it at all. As far as I know, there are no 24-hour print media operations in this country; there are press times that have to be met, otherwise there are dire consequences for circulation. So after a certain time, you cannot get anything in the newspaper unless a head of state or somebody dies. So, the outward flow of ideas is stultified by these parliamentary arrangements which are so unsatisfactory.

So the population never gets to hear, see, or participate in the exchange of ideas. Now, who are we fooling by having the debate at a time when no one is listening. Again, the spin doctors can say what they like, but my position on this has been very consistent. This Parliament, as a body, is being persistently

disrespected by the manner in which the business is arranged here. So sure, let us come on Christmas day; let us come on Carnival Monday. Not a problem. But you cheat. The population is not listening. They are consumed with other business whether you like it or not, and the exchange of ideas cannot take place in that type of situation.

What is there in this budget that required it to be brought as late as December 13, 1996 with the ensuing arrangements to which I have referred? There is nothing in this budget that prevented it from being presented on November 13, 1996. So what we are seeing here is a worsening of the situation.

Last year, at least in the Senate, we were spared the indignities of being hostage here at three or four o'clock in the morning, but now that is being applied to the Senate as well, no doubt, because the quality of the ideas here, despite the pressure that is put on the Senators, remains consistently high, that it is necessary to deprive the population of our views, whether they are right, wrong or wacky.

The population is being deprived of the benefits of parliamentary debate because the arrangements that are being made for the conduct of the parliamentary business militate against the ideas getting out, and the times of day at which these debates take place militate against the population caring anything about what is being said.

So if this Government wants to take on Christmas, let them, but they will lose. The problem is we all lose; the whole nation loses. It is extremely poor leadership to inflict these kinds of arrangements. It has nothing to do with personal convenience, because certainly in relation to anyone sitting here, replacements are available and arrangements are made for one person to leave and another person to come.

It has to do with the frustration of the whole process of parliamentary democracy. No news gets out the Chamber or very little news gets out the Chamber, and anyway when the news is carried out of the Chamber, no one is interested enough in what is going on because they are caught up in traditional, cultural, or religious festivals which have been here, certainly if you are a Christian in relation to Christmas, from the time of man. So what is the point of this exercise?

Moreover, Mr. President, in order to make a contribution in Parliament, one has to do research. One has to speak to people. One has to read the papers. One cannot do it under these conditions and at short notice. These are blockheaded

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arrangements. We have complained about them time and time again, and when there is a certain asperity on the Independent Benches, the cause for it, which is well known to nearly everyone sitting on the Government side, does not seem able to be recognized.

So, Mr. President, I will continue to protest the absolute disrespect of this Parliament by the way in which business is arranged, and I repeat that there is nothing in this budget to prevent it from being presented before December 13, 1996 with the consequent chaotic arrangements we now have. So, if you want to stifle parliamentary democracy go right ahead. But there are some of us, however long it takes, who are going to protest against it.

Now, Mr President, it is particularly important that we have an exchange of ideas about this budget, because contrary to what we were told—that there would be no surprises, that there would be no tax increases, that it really would be a steadying exercise—that is not so.

Whether you like it or not, and there are others here far more qualified than I to speak about it, casino gambling is going to provoke debate. There must be time for that debate and what people say about it must be received by our population in order that they can make an informed judgment about it.

There is a major policy shift in this budget with regard to savings. At the moment, where I have reached in my contribution, does not matter whether it is a right shift or a wrong shift, it is a major policy shift and it must be debated. There must be time to debate it, and the debate must be done when people are competent to understand what they are hearing, and people can string ideas together coherently and the population can take part in that debate. There is a major issue in this budget concerning foreign exchange stability which affects every single person in this population, but we are debating that at the dead of night. There are other issues that are equally important but these are things that must be debated properly so we can be informed by the exchange of ideas.

**2.45 p.m.**

Mr. President, I would speak on three or four issues. The first one I would deal with is the question of foreign exchange stability. I can speak about this because I run a small business and, in conjunction with the foreign exchange question, my business objectives are also affected by what the Government's policy is on savings. So, I am attempting this not because I have any qualifications, but because it is something that affects my business judgment day in day out.

It seems to me that there is no official recognition by any government that we have had in recent years, that there is a huge appetite in this country for the US dollar. That is to be recognized. I am told that the Central Bank has been keeping certain statistics about foreign exchange activity since the liberalization of the currency on Easter Monday, 1993. I am told that these statistics are referred to as selective indicators on commercial banks. I understand that these statistics are available and are public statistics.

My research has indicated that during that period, 1993—1996, there has been an imbalance between the amount of money purchased on the market and the amount of money sold on the market. Indeed, I am told that in November, 1996 there was a US \$13 million shortfall between the two. So that in a recent month—a month before the budget month—we consumed US \$13 million more than was readily available for sale on the market.

Mr. President, that is a serious matter and we also have to recognize that the foreign exchange is affected by the drug trade, and that area of activity creates an appetite for US dollars. Whether the policy on used cars is right or not, that is another area that has created an appetite for the US dollar—the “Bamboo” cars as they are popularly called. Now, I am not getting into any debate for the moment as to whether that is a good or bad trade. I am merely identifying that these are things that, in my simple opinion, contribute to the fluctuations in the rate of foreign exchange.

Mr. President, it seems to me, therefore, that Sen. Montano is right, that the Government should have a policy as to what it thinks the rate of exchange should be at any one time—maybe in a broad band. They must have some idea of what they want the rate of exchange to be. That is an idea which should be arrived at in conjunction with the other players in the foreign exchange market. I do not see anything in this budget which suggests that those consultations are taking place or that the leakage of foreign exchange that takes place through the drug trade and the motor car industry generally is being dealt with.

Therefore, I do not accept the Minister’s statement in the budget speech that the population has got used to the fluctuations and will understand that the currency must fluctuate and so forth. The point about it is no one in this population is going to get used to that and they must have a level of comfort that someone’s hand is firmly on the tiller as far as the rate of exchange is concerned.

So, I do not believe that what is said in this budget about foreign exchange stability can bear a great deal of scrutiny. One does not have to be a distinguished

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economist, as some of my colleagues here, to understand that you can have the best balance sheet for the country in the world but if you cannot get your hands on the money, then you would have a cash flow problem which can contribute to the lack of foreign exchange stability. It is elementary. One can produce a balance sheet for a business which shows fantastic revenues, but if one cannot collect those revenues it means that one cannot collect one's receivables. It does not matter how good one's balance sheet is, if one does not have access to the money which is the lifeblood of the business, then that person is in trouble. It is as simple as that. I do not know what arrangement is in place to ensure that foreign investors, for example, keep a certain amount of that foreign exchange flowing back into the country. I simply do not know the answer to those questions.

Mr. President, why I become concerned is that it has been our way to facilitate savings by giving tax concessions on those savings. They are not permanent tax concessions because, as Sen. Montano has pointed out, eventually when one realizes those savings one pays tax on them, so it is not a permanent concession. That has been our way of treating with these things.

Now, it will no longer be attractive to anyone who has disposable income to save, to invest in local insurance products without those concessions. It will no longer be attractive for this simple reason: it is linked to the foreign exchange stability. If I cannot get any encouragement or incentive to save here—and I am concerned about the stability of the TT dollar—I would simply invest my money abroad. Sen. Montano explained it very well.

So when one is renovating a house—in this case one's economic house—if one is going to be taking bricks out of the wall one has to be sure those bricks are not tied to other bricks or are not load-bearing bricks before one pulls them out. What is going to happen is precisely, as predicted by Sen. Montano, that persons who have money to save are no longer going to save it in TT dollars and the result will be that the country's capital stock will be diminished and the money available to invest in the types of products that Sen. Montano referred to, such as government securities, simply will not be there.

It is a vicious cycle. There is exchange rate instability, whether it is real or perceived and people, in turn, will not want to hold their savings in what is popularly called "hard currency". The incentive to keep it here has been removed. To my mind, that is a vicious circle.

I listened to the Minister very carefully. He is really a tolerant man. Every measure that he has proposed has caused people to say that it is for self-interest or

it is for his friends. I heard him articulate a very clear position. He says he is moving—and I understand what he is saying, but I do not agree with him—to lower rates of taxes and, eventually, when one gets one's money one can do what one likes with it and pay a relatively low amount of tax.

I do not agree with him because I do not think that savings come very easily to any of us. It certainly does not come very easily to many of us Trinidadians, particularly where we feel it necessary to keep up with the "Jones" in the matters of motor car, houses and other things. The Minister may recall that someone looking at what I thought was a very suitable car for myself, asked why I did not get a proper car. That is an example of the foolish way in which we make demands for the US dollar.

**2.55 p.m.**

I do not think that the provisions for relief in relation to one-sixth of your accessible income is something the Government is giving away. I do not see it as a concession at all. It is a facilitation or an encouragement to do something that benefits the nation as a whole. That is the point at which I wish to join this debate. I do not want to join this debate at what I consider to be the low level, about why the Minister left alimony payments and why he is doubling the PSIP programme. We will never get on in this country if we debate things in this manner. I was amazed to hear the political leader say it was an anti-Robin Hood budget.

These matters that we are debating about foreign exchange stability and how savings should be mobilized, have nothing to do with rich man/poor man—what is befitting the poor or the rich man. There are sectors in the economy, people and corporations, that have money to invest and save, they may be relatively few in number, and they could not conceivably be described as poor, but how their disposable income is treated is of vital importance to the nation as a whole, including the poor. Therefore, it is no good talking about who like the poor more, and who is anti-Robin Hood. As the calypsonian says, "We pass that stage". This is an important issue, and there are differing views to be aired. I do not agree with the Minister. I think that one will never get a high level of savings unless there are mechanisms in the economy, put there by the Government, to facilitate savings.

There are many persons who are far more skilled in this field. I know the policy decision I have taken in relation to my small business, and I can tell you that my own insurance agent rang me to let me know that many of his clients were cancelling their standing orders in favour of an insurance company that they have

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in place as a regular mechanism of saving. It is a very important issue, Mr. President, because in many businesses there are compulsory savings, or encouraged savings, as you would well know. Depending on your level in the hierarchy, you could be a very ordinary employee in a pension scheme, your compulsory savings are being made all the time.

If, for whatever reason, a policy decision is taken in relation to those activities, and that level of funds—and time permitting, I will show you the level of funds that I am talking about—that is a very serious matter and needs to be considered carefully and I strongly believe that is a mistake. I do not care how low the Minister takes the tax rate, I think it is a mistake conceptionally to remove the facilitation to save locally. I do not connect, as the Minister does, a low tax rate with the savings facilitation. I do not see it as a giveaway, or as a break, but as leadership. I see it as the Government—and the thin-skinned Members of this Government always have a problem in understanding what I mean when I say government. I am talking about how one governs a country and the government of a country has to show leadership in all types of matters and of course par excellence, in economic matters. I believe the Government must lead people, by putting mechanisms in the economy, to lead people to save, and the removal of this particular facilitation is not, in my respectful view, a simple matter of simplifying the tax structure.

I do not have any problem with the overall allowance—we can discuss the level at which one pitches it—which mops up all the little credits here, there, and everywhere. That is probably, administratively, cheaper for the Government and easier for all of us. I do not have a problem with the declining allowance for mortgage interest, although buying a house, and paying, is a form of saving. But I am concerned that we now have nothing in place in the economy to encourage us to save money and to save it locally. In my respectful view, it is a serious issue on which the debate must concentrate.

If as my agent—I can give you his name if you like, but that would be advertising his company—has told me, there is going to be a stoppage of these inflows of money into insurance companies, then the money available for them to invest in the economy, is going to start drying up, and that has consequences which I have described. A lot of material has been put out since the budget was announced, and Sen. Montano has referred to some of it, and it is a fact—and the Association of Trinidad and Tobago Insurance Companies has put out materials demonstrating this—that a very high proportion of the business that is done, and,



therefore, the funds that are brought in for investment in insurance companies, come by way of pension plan, deferred annuity, or pension saver business.

If that money is removed from the economy, I think there are serious consequences, some of which we cannot predict. If for example, as the association has told us, there are \$7 billion worth of assets, that they manage this amount of assets in the pension fund business, and those funds are going to start to dry up, I think there may be consequences in the way that Sen. Montano has described, and those funds will not be available to invest in government securities. Therefore, I think when you remove that particular brick from the wall, it is a load-bearing brick, and therefore there must be something in place to make sure the collapse consequences do not follow. I think it is a very important issue.

In terms of employee contributions, if one looks at the last report of the Supervisor of Insurance, the one for the year ended December 31, 1994, one would see the huge sums of money that are in pension fund plans. We are not only talking about professionals, but about the pension industry as a whole. Whether it is people making their own contributions, or people making contributions through an employer, and the graph, figure 11, at page 49 shows that \$118 million was invested in 1992 by employers, and about \$75 million by employees through pension fund savings plan. Those are large sums of money, and savings like that ought not to be discouraged for the reasons that I have said. I really think the debate here, needs to be informed a bit more about this issue and whether the Government has properly understood the consequences of removing this particular brick from the wall.

As I have emphasized, Mr. President, if removing this brick from the wall now encourages the appetite for US dollars in order to save abroad, then that shortfall will get bigger, with certain consequences to the exchange rate. It is imperative we know what the Government's thinking is in those circumstances. I do not expect it to say that the rate of exchange it wants is "X", but there are ways of indicating to the persons who are involved in the market, that your broad foreign exchange objectives are these. Quite frankly, although there are some thin-skinned Members of the Government who do not attempt to understand what a debate is about, a lot of attention is paid to the Minister of Finance on the question of foreign exchange stability, and many demands are made of him concerning foreign exchange, and about all kinds of intervention, about which we would not speak here unless we have to come back with the little bill in the suitcase, to which I referred.

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Where is the Central Bank? It is not primarily the Minister's responsibility for foreign exchange stability. Ultimately, he is responsible to Parliament. The people who should be smoothing out these kinks are the Central Bank, and in my opinion, we need to hear a lot more from the Central Bank whenever the population is concerned about the foreign exchange. It may be an unreasonable concern, but they are the people who must soothe the fears of the population, in the first instance, and deal with these things, even though the Minister is ultimately responsible. Indeed, when big men—not meaning in their size, but in their outlook—are hurling insults at each other over a six to nine-month period, where is the Central Bank? Why are we looking to the Minister and the Government, and asking Parliament to break up its holidays to consider emergency legislation?

**3.05 p.m.**

Mr. President, they are the persons who are primarily responsible for all these matters. I think we are somewhat misguided in asking people whether the Government should intervene in the exchange rate; whether the Government should intervene when big men “cussing up” each other with disastrous consequences for the country. That question should, first of all, be addressed to the Central Bank who is the regulatory authority, and who was recently given the extended powers in 1993. I would like to hear from them. I could only hear from them through the Minister—and let us say, start more proactively informing the population about their monetary policy and what are the consequences to the population.

I am very worried that the end result of this budget is going to be a further erosion in the value of the TT dollar, a wholesale erosion of savings being made in TT dollars with the wholesale erosion in the assets that are available for investments by insurance companies, and it could ultimately affect employment. Despite computerization and technology, the insurance industry is still reasonably labour-intensive. This is a crucial matter and we are not going to resolve it by saying, it is about rich people's money.

In fact, if one looks at the report of the Supervisor of Insurance to which I referred, at pages 112 and 113, one will see that in December, 1994, there were 78 self-administered pension fund plans with a range of employers, starting with Agostini's and WITCO at the end and all kinds of other businesses in between. At pages 114 and 115, one will see that there were 153 insured pension fund plans.

Mr. President, another problem is that we start encouraging people to save abroad. Whatever the inadequacies of the office of the Supervisor of Insurance and

the Insurance Act, at least, these funds are being regulated by our regulators with local conditions in mind. When people start investing abroad in foreign mutual funds, particularly those which do not have agents here, they really are removed from the regulators abroad. I think it is very important that the Minister takes a second look at the removal of this facilitation for fear that the consequences would be such as I have described.

There should not be a \$13-million shortfall in the demand for US dollars month after month. I think it is important that we debate that when we are fresh and it is important that we debate it when the population would pay attention to us. Those are my two major concerns for what it is worth; my contribution to that debate as someone running a business who has already had to take certain decisions as a result of these measures which point in a certain direction. I think it is unfortunate.

Mr. President, I would just like to say a few words about two other issues in the budget. I am not going to go wholesale into the casino. There are others, I am sure, who are going to deal with that. My concern is something that I will take up when the amendment to the Betting and Gambling Act is brought to the Parliament. Rightly or wrongly, I have a little difficulty in understanding why we are worried about casinos when we already have Lotto and others. I am having a problem with that. I am also concerned, because since the budget was announced all kinds of people have come out of the woodwork—one fellow said, “not only do I own a casino which I run as a members’ club, but I run it in such and such an area and it is the best one.” They have all now come out saying, “come gamble with me!” And they are also giving the names of some of the clubs and the locations—some of those as you drive through Woodbrook which are in pretty colours. People who travel the same route with me, I am sure that when that turquoise building on Ariapita Avenue was being renovated, the one with the gold plate, which says members’ only, that we admired the good taste of the decorators and, like me, probably did not know what was going on in there either. I know now.

So, there are 25 persons of substance who have now owned up that they are running gaming houses. Of course, in this country gaming means just “game cocks.” I do not know how we would pull that back. My concern is this. I say to those who are protesting about casinos, consider carefully the realities, consider the importance of regulations but above all, I want the Minister to consider very seriously whether the key issue is not who is the owner of the operation.

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One idea which has been put to me is that one should not be allowed to own a casino unless one has a company that is publicly quoted on a recognized stock exchange. That is a very extreme position because we know to float a public company, one has to be dealing with a lot of money, at least I think so.

The vehicle for owning a casino should not be a members' club at all because that is too clandestine and the secretary is just a figurehead who is not the real owner. All the duties and liabilities that one places on the secretary of a members' club is just placing it on a 'flunkey' and the brains and the money behind the casino is completely unknown to you.

One idea was that one should not get a casino licence unless the casino is owned by a company that is quoted on a recognized stock exchange. The reasons being that under our securities legislation, you can know exactly who the beneficial owners of the shares are. That may be extreme because it might not be big enough.

The key issue is that at all times the Government must know who the real owner of that operation is. Once they have their fingers on that, then regulation and its ability to determine whether there is money laundering and more importantly, to take steps with regard to it, is a lot easier. When one knows who the owner is, then one would know where his assets are located. If he is involved in breaking the drug laws and you want to use the confiscation or forfeiture procedures under our drug laws, we would know who the owner is and we would know where his assets are located. Knowing who is the secretary of the club and going to talk to the secretary is a complete waste of time. If we are going to have this official expansion of gambling, it is very important that the Minister look again as to whether or not the members' club is the appropriate vehicle for this operation. I think it is important that we think carefully about these matters.

Mr. President, with regard to used cars, I would like to say simply this. We need to get away from the sham of reassembling because that is just a farce. Tyres come down in one container, the shell of the car comes down in another and the engine comes down in another and that is so-called reassembling. That farce began as a means of avoiding the discouragement of the importation of foreign-used cars. If we do not have a policy on the importation of foreign-used cars in its complete state then one really should completely discourage and get away from this farce of reassembling, which I think is full of tax avoidance consequences.

My problem with the Government's encouragement and regulation on the foreign-used car business, is simply this: None of the regulations to which the

Minister has referred in the document dealing with the fiscal measures 1997 are yet in place. He dealt with them at pages 7—11. I am confident that there is a high number—and the Minister knows what I am going to express my worry about, and not because as people try to impute motives, he is a businessman and he lives here. I am confident we could have anything like five to 10,000 cars heading for here like a jockey racing down a canal; and when they hit the docks, they will be put in a bond as the regulations are not in place. Then the Foreign-Used Car Dealers Association will come, and just like other people do, soliciting the Government to pass legislation to suit a particular case, they would stand up outside the bond with placards reading, “Kuei Tung must go, we need our cars. Do not put the laws on us. Put it on somebody else. Let us get ours out and then pass the laws”.

**3.15 p.m.**

I think it is crucial that the Government does not permit the entry of foreign-used cars here until these regulations which everyone—including the “normal” motor car dealers if I can call them that—accepts that they are in place. Of course the question is, are they normal anymore? The point is, we must have these regulations in place as a matter of extreme urgency. In fact, that is something that we should be coming here to deal with on a Saturday, if necessary, when ships are racing towards us with all these foreign-used vehicles, because the country would suffer. Not only suffer in terms of loss of revenue, but also in terms of loss of safety.

There are a number of other detailed concerns which I may have about the regulation of the used-car market, but I will reserve those for when we debate the Bill. It is going to become crucial to define who is an importer or a dealer, and it is going to become crucial to have language and verification standards for the various certificates, not only the user’s manual but the certificate of cancellation. We may even have to involve our embassies abroad in some kind of verification procedure because, as you know, Sir, there were places—in different times of course, when we were law students—in the Commonwealth that made a very good replica of an admission certificate for barristers, and there is no reason why that should not be done for a certificate of cancellation for used cars. I would not take that up now, Sir, that would be better taken up at the appropriate time. In any case, I do not want to impinge on the generosity of my colleagues.

Mr. President, I do not think it is any business of the Minister of Finance to talk in this budget about the teachers because that is a negotiating matter. I was

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not going to refer to it at all, but this is the value of debate. It is something that is bothering everybody. I am speaking for myself. I thought the teachers had a wonderful case. I was very impressed with their first march. But I am afraid, Sen. Montano, I would use whatever evidence means are available to identify those children who were misguided. They were misled into taking part in that demonstration. I assure you, Sen. Montano, that a number of those young women about whom you spoke, were not standing up or standing still when they were shouting political slogans and waving placards. They were not standing still. They were involved, from the waist down, and I think the whole country had a problem with that. I think a great deal of the teachers' case went out of the window, once they involved school children in those demonstrations and involved them in singing those songs and dancing as though it were Carnival day—in school uniform! I think they made a fundamental mistake, and I think the whole country was turned off as a result of that.

If anyone in authority felt it necessary to identify their pupils in order not to punish them in the old fashioned sense but to put them back on the right road, then I fully support that. I think the teachers need to take a very careful look at how not to spoil a good case by bad procedure, just as good Parliament is spoilt by bad procedure, it is the same thing. So whether the trade union leader is Garcia or the trade union leader has made his mark in life, it is the same mistake. One spoils a good thing with bad procedure, or as my mother would say, "You do and do until you overdo."

Finally, Mr. President, I would like to get the Government to elucidate on this business of demonopolization of the retail petroleum sector. There are some statements here which simply do not give us sufficient information. At page 11 of the *Budget Statement*, there is reference to deregulation.

**Mr. President:** The speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Prof. J. Spence*]

*Question put and agreed to.*

**Sen. M. Daly:** Mr. President, it is said on page 11, that this deregulation is going to take place in three phases, but there is no reference to what is the Government's intention with regard to wholesale margins. There is no reference or elucidation of what is meant by local entrepreneurs. There is no elucidation about

what quality of proposals the Government is expecting, and there is no explanation of, if you are having other marketers, what is the role that the National Petroleum Company will continue to play in the marketplace. That whole policy denunciation on page 11 is so skeletal, that it is impossible to know precisely what it means. I look forward to some contribution emerging from the Government which will clear that up because I really think it is very obfuscatory. It really tells us very little. It is just a lot of generalities. It does not tell us a whole wash of policy things that we need to know.

Mr. President, let me—not because it is Christmas, but because I am conscious of the fact that there are some unusually thin-skinned Members of this Government—end by saying what I think are the matters that were very pleasing about this budget. I see PRIDE is gone. We now have National Airport Complex (NAC). Well, that is rather ironic and I would not make the obvious pun, but I think it is very nice to see that some attempt is going to be made now to have a fresh start and to get us an airport which is now five years overdue. I am pleased to see that there is some intention to finally give us an overpass. I do not think we have any in this country. We must be the only people in the world who build a highway with red lights every few hundred yards.

I am pleased to hear that the Library Project is being re-directed, and I think it is a tribute to the *bona fides* of this Government. Where credit is due, it must be given. It is a tribute to the *bona fides* of this Government that when they stopped the project, they listened to the protest, and looked at the project again. I think that what they are doing is making sense, by having commercial space available as an anchor to provide revenue for the project. I think it is very sensible; I hope it works and I wish them well.

Of course, I am pleased that they are spending \$64 million on the Magistrates' Court and I am pleased about the acknowledgements that have been given to the performing arts, the steelband, the National Pan College, and the National Steel Orchestra. You will recall, Mr. President, the sentiments of all Members—when we were in the “cubby hole” debating the Copyright Bill and the Patents Bill—about how little has been done to recognize the steelband which is being stolen from us day after day. I hope when we have the National Pan College, one of the first professors, or tutors, or fellows, or whatever we want to call them, who will be there will be a repatriated Mannette. Where is he Elizabeth? Is it Ohio? It is very important that one of the first fellows there, be the Mannette who is teaching pan in Virginia in the United States of America. But until we have these facilities,

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our pan pioneers will remain abroad. Even if they want to come back home and earn soft currency, as opposed to hard currency, there is nothing for them to do except once a year to tune pans for what Pat Bishop describes as “10 minutes of glory”. So sure, they will come home for a few weeks, or a few months, and deal with that and then go back up. I am delighted the Government has recognized those things. I think it is completely churlish for people to be jumping up and down saying, “You are doing this for pan, but you have not done anything for this or that,” and so forth. The pan has been neglected for the longest time and we have tried to make that point in the “cubby hole” a long time ago.

So there are some very good things in this budget, no question about it. There is a lot of vision in it, but before the Government gets carried away—of course we are marking down an implementation date on each one of these matters—I take it that if we re-institute the ceremonial opening of Parliament next year, that the National Steel Orchestra would play right outside there, because otherwise, this is just bramble. I am letting the Minister of Culture know that when we have the next ceremonial opening of Parliament next year, I expect the National Steel Orchestra to be out there, and if it is not, then your *bona fides* are spoilt.

### **3.25 p.m.**

Likewise I say to the Minister of Works and Transport, that I expect to be walking through the National Airport Complex (NAC) very shortly, otherwise that acronym would become as much a liability. [*Interruption*] Is someone hearing a rude noise? Oh! It is Sen. John. I am so sorry. That would be a liability for the Minister of Works and Transport as much as PRIDE was for his predecessors. I know he would conduct NAC with free hands. I am sure about that. I cannot say that I have the same assurance about PRIDE.

Mr. President, in the likely event that I do not see you officially for us to amend any legislation, may I join with those in wishing you and my other colleagues a happy Christmas.

**The Minister of Works and Transport (Sen. The Hon. Sadiq Baksh):** Mr. President, it is with the greatest pleasure that I hasten to support the Bill before this Senate. In doing so, I must extend congratulations to the hon. Minister of Finance for his presentation of a budget which clearly outlines the Government’s vision for our country, as we glide into the 21st century.

There are two burning issues with respect to this budget which I would address. The first issue surrounds the question of the objectives of the budget, and



the second is the role of the Ministry of Works and Transport in putting in the hard work, translating and giving meaning to these objectives, through its strategies, programmes and projects. Among the major objectives in keeping with the theme of the hon. Minister of Finance to transform Trinidad and Tobago into a total quality nation are plans to support Government's vision for Trinidad and Tobago as a people-oriented country; to give and get a competitive edge in the global market place and to continue to get tougher on crime.

Many strategies would be adopted to achieve the stated objectives. In fact, each ministry would develop its thrust, formulate strategies, programmes and projects designed to promote Government's vision. What specific strategies would the Ministry of Works and Transport follow in support of Government's overall objectives? Specifically, the ministry would function in those areas as elaborated by the Minister of Finance in his strategies, and dovetail his strategies into our programme—renewing and expanding the basic infrastructure to facilitate a dynamic and energetic business climate. We shall take action through the National Highways Programme, Drainage Programme and Public Building Construction Programme.

The Minister of Finance spoke about promoting crime prevention. We shall take action and implement this through our police station and outpost building programme. He also mentioned providing the project for employment. We shall implement this objective through the labour intensive method and the Unemployment Relief Training Programmes. He highlighted improving delivery of public services. We shall implement this through our transformation thrust at the Transport Division.

As a result, some of the major projects of the 1997 capital programme to meet some of the objectives of the 1997 Budget will be a National Highways Programme to include construction of an overpass at the Churchill-Roosevelt Highway, and the Uriah Butler Highway intersection; construction of a national airport terminal at Piarco; a national drainage programme; a modern transport division and the construction and redirection of our national library.

Total funding for the Ministry of Works and Transport in 1997 is in the order of \$1.25 billion broken down as follows:

| Item                | \$          |
|---------------------|-------------|
| Recurrent estimates | 408,295,660 |
| Capital budget      | 658,600,000 |

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|                               |               |
|-------------------------------|---------------|
| Unemployment Relief Programme | 130,000.000   |
| Road Improvement Fund         | 50,000,000    |
| Total                         | 1,246,895,660 |

It is important to make a brief statement on project implementation as it relates to the Ministry of Works and Transport, and its 1997 work programme. During 1997, project implementation of a scale absent from the construction industry over the last 10 years would be mounted. Between the construction of the national airport at Piarco and the National Highways Programme, an allocation of \$571,000,000 would be provided in 1997. As an integral part of the implementation process, Government would be pursuing a joint public sector/private sector participation to undertake some of its projects; in particular, the construction of the overpass at the junction of the Uriah Butler Highway and the Churchill-Roosevelt Highway, for which the Ministry of Works and Transport has received several letters of interest from consulting and contracting firms.

In addition, the scale of the National Highways Programme has made it imperative that project implementation units, adequately staffed, be developed to monitor and supervise the Road Construction and Maintenance Programme. The ministry has difficulty in obtaining expertise in civil engineering and quantity surveying. However, in order to attract engineers and quantity surveyors, Cabinet has agreed recently to include recommendations for such expertise under the purview of the Salaries Review Commission, with a view to offering an enhanced package.

Before leaving the question of project implementation, the Ministry of Works and Transport can effectively state superior implementation capability on the basis of the 1996 capital expenditure, which significantly outstrip the initial 1996 provision.

Let me turn your attention to some of the activities which would be undertaken in the programme in 1997. The Highways Division is about to take and implement on a time-slice basis, a six-year programme of rehabilitation and maintenance of the nation's network of roads. This programme known as the National Highways Programme comprises three components, namely, the Southern Roads Development Project; the Road Rehabilitation Programme and the Comprehensive Highway Rehabilitation and Maintenance Programme. The Rural Access Roads and Bridges Programme is another project being undertaken by the ministry. This project would enter its third and final phase in 1997.

I would deal with each of these projects in turn. The Southern Roads Development Project is divided into two contracts. Contract I consists of the extension of the Solomon Hochoy Highway from Toruba to Ciperio Road, a distance of approximately 3.5 km. Contract II involves the completion of the dualling of the San Fernando Bypass, that is between Chaconia Avenue and Cross Crossing Roundabout, a distance of approximately 0.6 km. It also involves the construction of a two-lane connecting road between the Bypass and the extended Solomon Hochoy Highway, a distance of approximately 2.6 km. The cost of the project is estimated to be \$32 million and is funded jointly with the Caribbean Development Bank.

Much has been said concerning the Government's ability to implement these massive projects in 1997. I wish to inform this honourable Senate of some of the activities which took place in 1996. These activities would allow the construction to commence early in 1997. The planning and engineering design for the relocation of about 70 squatters identified within the highway reserve, and 70 more, would be relocated before the end of construction. The pre-qualification of contractors was completed and recommendations have been accepted by the Caribbean Development Bank. An engineering design for both contracts are almost completed. A shortlisted number of contractors have been invited to submit bids.

The Road Rehabilitation Programme has two phases. Phase I includes reconstruction of the south bound carriageway between the 10 kilometre mark and the 25 kilometre mark of the Solomon Hochoy Highway and reconstruction of the north bound carriageway between zero and 15 kilometre mark of the same highway. This phase also includes the reconstruction of the Tarouba Link Road West, and specialist bridge repair work, a distance of 0.8 kilometre.

**3.35 p.m.**

Phase II comprises the Uriah Butler Highway shoulder reconstruction and overlay between the zero kilometre mark and the 13.3 kilometre mark south-bound lane; pavement overlay between zero kilometre and 13.3 kilometres north-bound lane; the Solomon Hochoy Highway pavement reinforcement overlay between the 15 kilometre and the 26 kilometre mark north-bound lane; and reconstruction of one kilometre of the Tarouba Link Road East. Also included in Phase II are local works which include the rehabilitation of Saddle Road between Tangerine Drive and Carriageway Hill Bridge.

Mr. President, in this project, much work was completed in 1996 to allow construction to commence in 1997. In fact, the Central Tenders Board received the

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tender documents for the contract of supervisory consultants, which was awarded, and construction works are scheduled to commence in January 1997. During the month of November, site visits with contractors were conducted. In addition, the scheduling of eight road segments together with detailed designs of Phases I and II were completed.

Mr. President, I now turn your attention to the Comprehensive Highway Rehabilitation and Maintenance Programme. This component of the National Highways Programme is funded by the Inter American Development Bank and the Government of Trinidad and Tobago. In 1997, a total of \$88 million will be spent; however, it will last six years at an estimated total cost of \$720 million over the duration of the project. It involves the rehabilitation of 586 kilometres of primary and secondary roads; the total reconstruction of 65 bridges in addition to substantial repairs to some remaining 1,000 bridges. Also included are trunk roads expansion works of approximately 50 kilometres—a shift from maintenance by contract for routine activities—and institutional strengthening and organizational changes to support all the works I just mentioned.

During 1997, the programme will consist of rehabilitation of 92 kilometres of roads and the reconstruction of eight bridges in addition to studies, that is, prefeasibility and detailed engineering designs for the trunk roads and detailed engineering designs for more bridges to be included in the second-year programme.

In 1997, the following roads and bridges will be rehabilitated: Western Main Road; North Coast Road; Eastern Main Road; Siparia Road; S.S Erin Road 2 and Northside Road. A number of bridges will also be constructed: B 2/5 Couva Main Road; B 1/5 Cunapo Southern Main Road; B 1/8 Western Main Road; B 2/9 Guaracara/Tabaquite Road; and B 1/61 Southern Main Road.

Mr. President, before this work could commence, some very integral steps in the procurement procedure have to be completed and these were done in 1996 and they include the selection of roads; the prequalification of contractors; and approval of a list of pre-qualified contractors by the lending agencies. The ministry is now at a stage where it will soon be awarding contracts for the 1997 work, and construction is expected to commence in March, 1997.

A major objective of the rural access roads and bridges programme, is to rehabilitate agricultural access roads throughout Trinidad and Tobago to assist in

reducing the cost of transport for present and future users of the national road system by rebuilding bridges that are in advanced stages of deterioration in principal and secondary roads. This project involves the design and construction of 150 kilometres of rural access roads in Trinidad and Tobago in three phases over a period of four years. The design and construction of 13 main road bridges in Trinidad and Tobago in three phases is also over a period of four years.

The project for design, development and implementation of a rural road maintenance management system for our rural access road network is partially funded by the Inter American Development Bank to the tune of US \$31.5 million and also by the Government of Trinidad and Tobago by an estimated US \$13.5 million. The total cost of this project for the three phases is US \$45 million. The intended beneficiaries of this programme are farmers engaged in agricultural activities throughout the nation, and road users—both drivers and passengers—of the national road system.

There were six contracts in Phase I—two road projects, and three bridge projects in Trinidad and a road and bridge project in Tobago. Five contracts were completed and maintenance certificates were issued for two contracts during the period and the maintenance period is in effect on the remaining three contracts.

In respect to Phase II, projects are in various stages of completion ranging from 40 to 95 per cent. Phase III will commence in 1997 and will entail the construction of approximately 10 kilometres of roads and eight bridges at a cost of \$63 million.

With respect to recurrent projects, in addition to the capital projects which are outlined above, the Highways Division is mandated to undertake its normal maintenance activities which include roadside cleaning, drain cleaning and pothole patching. In 1996, new programmes—the roadside drainage and the pothole patching programmes—were launched. The aim of the roadside drainage programme is preventative in nature and it is designed to eliminate the regular problem of flooding in traditionally affected areas and also to prevent the build-up of debris in all areas of our country. The work consisted mainly of re-establishing drains and cleaning shoulders of the roadways. The aim of the pothole patching programme is to restore the roads to an acceptable level for use by all our commuters. To date, works have been carried out on over 62,000 square metres of roads throughout the country and the programme is organized on a district wide basis and a hot line was instituted in each district to enable immediate action.

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The strategy of the Highways Beautification Programme for 1996/1997 is one to incorporate the following: to encourage corporate and community citizens to assist the ministry in developing and preserving our unique landscape attraction such as roundabouts, embankments, medians, traffic islands and reserves which would entice our people to keep our country clean and also to sensitize the environmental consciousness of our citizens at large and to change their attitude and habits of littering rivers, drains and roadways. In the long term, the goal is one of enhancing the appearance of all the roadways throughout the country and to have every citizen, corporate and community, develop a sense of patriotism and personal responsibility for the environmental preservation of our entire country as keepers of our land.

As part of the ministry's implementation strategy, the utilization of public and private initiatives have been identified as a key for future infrastructural development, and this has been one area in which a successful implementation of public/private co-operation has been enhanced.

As a sense of promoting levels of achievements to participating organizations, an awards committee was appointed with the view of giving awards annually to deserving corporations participating in the Highways Beautification Programme of the Ministry of Works and Transport.

### **3.45 p.m.**

The awards committee saw the opportunity of enlarging the programme to encompass the wider population and has proposed the need for a national beautification programme which could embrace the efforts of all levels of the populace and engender a sense of pride in our country.

The success of the national beautification programme will involve utilizing a communication programme strategy, using schematic and tactical approaches and will utilize television, radio, press and merchandising material. The groups to be targeted are the general public, government service, diplomatic missions, public and private sector organizations, community groups, individual households and schools. We are indeed about a total quality nation, as the Minister of Finance and Minister of Tourism pointed out in his budget presentation.

Our thrust in the area of a comprehensive drainage programme is to develop drainage infrastructure. This project involves two components. It is partially funded by the World Bank. The first component of this project comprises a series

of short-term works and rehabilitation works to selected water courses. The works identified for this component of the project are as follows:

**Short-term Works**

Caparo River short-term works

Caroni River short-term works

Rehabilitation of tidal exclusion gates on the Oropouche Lagoon

Dredging of estuaries at the St. Ann's River

Rehabilitation of gates in the Caroni irrigation area.

Also, within this programme, Mr. President, is the rehabilitation of selected projects:

Caparo River short-term work

Diego Martin River

Camacho Drain

Caroni River short-term works

Oropouche Lagoon improvement works

St. Ann's River, dredging of the estuaries

Malick River

Caroni irrigation area

Sea wall at Lady Hailes Avenue, San Fernando

Jadoo River, San Fernando

Friendship Swampland

Mausica River

Maraval River

Buccoo River

Arima River

Vistabella and Marabella Rivers

Gates and associated structures at Sea Lots pump house

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Moruga River

Sluice gates at Betsy's Hope

Pigeon Point, including a new pump house

Industry River

La Horquette River

Lady Hochoy Drain

Regents Park Drain,

Dredging of the estuaries of the Diego Martin River.

Mr. President, I can continue, but it will take up too much of my time.

The Drainage Division has been engaged in a number of consultancies in undertaking pre-consultant activities associated with these works. Implementation works are scheduled for March, 1997. The works are to be funded in the first part by the loan from the World Bank.

The second component of the project involves a series of far-reaching development projects which have significant implications for the agricultural sector. These include the Caroni River Basin improvement works, the Caparo River Basin long-term works, the Cipero River improvement works, the Oropouche Lagoon improvement works, the East/West Corridor project, Milford Road Slide, Tobago and the North Oropouche River Basin improvement works. The pre-qualification activities for this phase have begun and it is expected that this work would be ready for implementation in 1998/1999.

In 1996, the Drainage Division implemented a river clearing programme which was intended to enhance normal activities of the division by providing heavy equipment to assist the river clearing on selected water courses. Work was undertaken throughout the country during 1996 in the following areas:

North: Richplain Ravine, Sam Boucaud Ravine, Majuba Ravine and the Tunapuna Dry River

South: Trinidad River, Blackwater Channel, Raja Drain, Mitchell Drain, Cucharan River and Dunlop River.

Central: Bovell Canal, Chandernagore River, William Street Drain and Irrigation Channel.

East: Bamboo River and Huille River



In addition, under the development programme operations, the Drainage Division continued to work on the realignment of the Caroni River Project. Such works have been undertaken consistent with the future projections for the watercourse. In 1996, progress on the project involved the construction of the southern embankment in the vicinity of the crematorium at Caroni Savannah Road. In 1997, the programme envisages river clearing and associated construction works in the following watercourses:

- Blacken Ravine
- Arima River
- Mosquito Creek
- Blackwater Channel
- Felicity Drain
- Manning Ravine, Sangre Grande
- Blackwater Channel, Penal
- San Juan River
- Miss Gutter River
- Guayaguayare Seawall, Mayaro
- Alley's Creek, La Romain.

Mr. President, the Drainage Division has also been able to discuss and resolve two matters which impinged on the productivity of the division, in particular, by its impact on the recurrent programme. The first matter involved the settlement of an increased and reasonably-sized task to be done by daily-rated workers on a daily basis, thereby guaranteeing suitable levels of productivity from such workers. Secondly, where drivers did not have a vehicle to drive, it had become the norm not to use them to perform other functions. The division has now started to assign such workers to other useful functions.

Mr. President, I now turn your attention to the Construction Division. In terms of the budgetary objectives of the Construction Division for 1997, the programme will seek to support the thrust on crime in which context the division will continue its design work on police stations, police outposts, magistrates' courts, as well as a supervisory role in other project implementation. In addition, the Construction

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Division will actively support Government's strategy to renew, upgrade and expand building infrastructure. Permit me to review the Division's activities and achievements during 1996:

In-house development works: The division's in-house programme for upgrading public buildings continued and focussed on the following areas:

The Civil Aviation warehouse at Piarco: This project involves the construction of warehouse facilities for the Civil Aviation Division. This building is estimated to cost \$1 million. The project commenced in August, 1996 and it is scheduled for completion in March, 1997. This work is about 50 per cent complete.

The Ministry of Works and Transport Offices: This project entails improvement works to different offices and buildings associated with the Construction Division and the Ministry of Works and Transport offices, namely Colsort Mall offices, Salvatori Building offices, Edward Street compound, Ajax Street stores, D'Abadie stores, San Fernando offices and compound. These works are ongoing with a 1996 cost estimate of \$1 million. These works are about 35 per cent complete and expenditure to date is \$354,822.35. Work will continue in 1997.

President's Residence: This project is carried out on an annual ongoing basis, with the 1996 works entailing the erection of security fence and general refurbishing works to the residence. The 1996 estimated cost is \$500,000. In 1997, it is proposed to undertake comprehensive repairs to the main building inclusive of the roof and electrical works.

White Hall: This project is carried out on an annual basis and in 1996 works comprised the restoration of the building. The estimated cost in 1996 was \$750,000. The work is approximately 35 per cent completed and will continue in 1997.

### **3.55 p.m.**

Ministry of Works and Transport Head Office: This is a Build/Own/Lease/Transfer (BOLT) agreement between the Government of Trinidad and Tobago and the London Street Development Company Limited. It is the construction of a new seven-storey building to house the Ministry of Works and Transport offices. The estimated cost is \$45 million. An expenditure of \$31.6 million has been incurred to date and the project is 64 per cent completed. Construction is scheduled for completion early in 1997. The relocation of the Ministry of Works and Transport will commence by the end of the first quarter in 1997.

Projects undertaken for Client Ministries: During 1996, Mr. President, the Construction Division undertook work for the Ministry of the Attorney General; the Chaguaramas High Court and Magistrates' Court at Chaguaramas. This project entails the conversion of existing gymnasium to provide functional courts at an estimated cost of \$3,217,122.00. The works on this project commenced late 1995 with 100 per cent completion on the High Court during 1996 and 70 per cent of the Magistrates' Court completed. This project is expected to be completed early in 1997.

Sangre Grande Magistrates' Court: This project entails the provision of new magistrates' court facilities at an estimated cost of \$12 million. The final design is completed, a site identified and construction will commence mid-1997.

Port of Spain Magistrates' Court: This project entails the provision of new court facilities which will accommodate 16 courts at an estimated cost of \$40 million. Location of the site is in progress and the preparation of user requirements is also in progress. Construction will commence late 1997.

Port of Spain Magistrates' Court, St. Vincent Street: This project entails the refurbishing of the existing building to provide court facilities to accommodate four courts at an estimated cost of \$5.7 million. Contract documents have been prepared in 1996. Commencement of the project is dependent on evacuation of the building by the Ministry of National Security.

Arima Judicial Complex: This project is to provide seven Magistrates' Courts and five High Courts at an estimated cost of \$60 million. Consultancy services are to be engaged in January, 1997, with construction to commence late 1997.

Tunapuna Administrative Complex: This project involves the erection of a new building to house government offices and court facilities at an estimated cost of \$31,351,263.00. The works commenced late 1995 and is now 50 per cent completed. Construction is scheduled for completion late 1997.

Ministry of Public Utilities—Government Printery: During 1996, the project involved the re-roofing of the administrative building and general improvement works to the other buildings at an estimated cost of \$1.3 million. Approximately \$800,420.00 has been expended to date. Completion is expected by the end of 1996.

Ministry of Finance, Trinidad House: This is an ongoing project. Work in 1996 comprises the refurbishing of the ground and second floors of the building at an

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estimated cost of \$1 million. These works are 70 per cent complete. The overall completion of the entire building is scheduled for December, 1997.

Port of Spain Container Stripping Station: This entails the construction of a container examination station for the Customs and Excise Division and is estimated to cost \$12.6 million. This project commenced in 1996 and is scheduled for completion early 1997. This project is approximately 75 per cent completed.

Ministry of Education—Arima Boys Government Primary School: This project entails the construction of a two-storey primary school with 840 places, at an estimated cost of \$5,072,415.59. Work on this project is 98.5 per cent completed and is targeted for completion before year's end.

Patna/River Estate Government Primary School: This project is the construction of a two-storey government primary school with 840 places, at an estimated cost of \$4,582,742.35 upon completion. This project commenced in November, 1995 and is targeted for completion in 1997. Work on this project is 75 per cent completed.

Guayaguayare RC School: This project entails the construction of a two-storey primary school at an estimated cost of \$6.75 million. The school which will provide places for 840 students commenced in July, 1996, and is scheduled for completion in the first quarter, 1997.

Reform Presbyterian Primary School: This project funded under the Fincor financing facility comprises the erection of a two-storey primary school at an estimated cost of \$3.14 million. This facility which will provide places for 240 students commenced in November, 1996. This school is scheduled for completion early 1997.

D'abadie Government School: This project is also funded under a Fincor financing facility and entails the construction of a two-storey primary school and is estimated to cost \$3.8 million. The school will accommodate 240 students. The design is completed and documents have been submitted for tender. Construction is scheduled to commence in 1997.

St. Francois Girls' College: This project entails the construction of a library facility at an estimated cost of \$900,000.00. At present, the structure is 60 per cent completed and is scheduled for completion in 1997.

Carenage Government Primary School: This project involves the construction of a new two-storey primary school at an estimated cost of \$5.9 million. This

school is designed to accommodate 640 students. The design and tendering process are also completed and construction is scheduled to commence early 1997.

Princes Town Junior Secondary School: This project entails the renovation and extension of the multi-purpose hall. A brief has been prepared and submitted for design criteria. Survey is in progress.

Arima Health Facility: This project which is funded under the Fincor financing facility, involves the construction of a new building to house a hospital. This project is completed and the sum of \$40,775,736.85 has been expended.

San Fernando Hospital Extension: This project, funded under a Fincor financing facility involves the erection of a new Accident and Emergency Department and renovations of three wards. The project is 99 per cent completed. Expenditure to date is \$79,204,198.39.

Ministry of National Security—Rio Claro Police Station: This project is the provision of a new police station at an estimated cost of \$2 million. The final design is completed and construction has started, undertaken by the Unemployment Relief Programme (URP) in 1996.

Guard and Emergency Traffic Branch: The project is to provide a new traffic branch facility at an estimated cost of \$6 million. The design development is completed. The pre-contract arrangements are also 100 per cent completed and construction will be undertaken by the Unemployment Relief Programme in 1997.

Maximum Security Prison: The construction of a new maximum security prison is ongoing and is estimated to cost \$235 million. This project is 95 per cent commissioned and is anticipated to be completed in 1997.

Santa Cruz Fire Station: This project entails the construction of a new fire station facility at an estimated cost of \$7 million. The pre-contract activities are completed and an award is expected early in 1997. Construction is scheduled to commence in 1997.

#### **4.05 p.m.**

In addition to those projects which are scheduled for completion in 1997, the Construction Division is expected to be involved in a number of projects which include the restart of the National Library Complex. Work on this project would include the redesign of the building. This is extremely critical in the context of the

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additional space that would be made available to accommodate private sector organizations on a commercial basis. The sum of \$30 million has been allocated for this project.

The other major projects proposed for 1997 are estimated to cost a total of \$8.3 million—that is, in addition to all I have just mentioned. These include the reconstruction of carnival facilities and refurbishing of the Red House, the President's House and White Hall to name a few.

The Construction Division would also provide supervisory services for the following projects undertaken by the Ministry of Social Development:

- (a) the establishment of a Probation Hostel;
- (b) the establishment of a Half-Way House for children leaving institutions;
- (c) the establishment of a Remand Home for youthful offenders;
- (d) the modernization of the St. Michael's School for Boys.

Mr. President, I really could not give you all the projects in the Construction Division—I just thought about some.

Mr. President, in the area of transportation, in 1997, the Traffic Management Branch would continue its implementation of traffic schemes to help alleviate the problems associated with traffic congestions. This would lend itself to increased productivity as less hours would be spent in travelling time. In this regard, permit me to reflect on the works undertaken by the division in 1996.

The East/West Corridor Port of Spain Study: The general objective of this study is to improve the capacity of the East/West Corridor road system so as to alleviate the traffic congestion that exists during peak hours along the Churchill-Roosevelt Highway west of the Churchill-Roosevelt/Uriah Butler intersection and the Beetham Highway to the Lighthouse area. Additionally, this study would address traffic circulation matters in Port of Spain and transit development.

This study which has two components—the Port of Spain Transportation Study and the East/West Corridor Study—falls within the purview of the National Highways Programme and is being financed by a grant under a special Japanese fund at an overall cost of US \$600,000. The study commenced in May, 1996 and a draft of the Port of Spain Transportation Study Report was submitted in October, 1996. The second revision of this report was submitted the first week of December. It is expected that before year end the final report would be submitted.

With respect to the East/West Corridor Study, the conceptual design was submitted and accepted in August of this year. The consultant is in the process of completing the functional design and it is expected that the draft functional design report would be submitted early in January 1997.

With respect to the National Internal Transportation Study, a ministerial-appointed committee was established in April, 1996, to review and amend as necessary, the National Internal Transportation Policy for Trinidad and Tobago, dated April 26, 1988. The final draft of the National Internal Policy document was submitted in November 1996 and is currently being reviewed.

In 1996, the following traffic schemes and safety measures were undertaken. The relocation of taxis from Independence Square to an area between Independence Square South and South Quay. Road reflectors were installed on both edges of the South Trunk Road between Old Southern Main Road, La Romain and Otaheite. They were also installed at the intersection of the South Trunk Road, La Romain and the Old Southern Main Road near TJ's. These were also installed at the San Fernando Bye-Pass and the Mon Repos Roundabout and the Tarouba Link Road. A bridge railing was constructed at Lothians Road, Princes Town; the site of an accident which claimed the lives of two individuals earlier this year.

In March this year, safety devices were installed at the west axis of the Poole River on the Naparima/Mayaro Road. Since installation, there have been no accidents or run-offs into the Poole River as was customary.

**Mr. President:** Hon. Senators, the speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes [*Hon. B. Kuei Tung*]

**Hon. S. Baksh:** Mr. President, road safety measures and traffic scheme plans for 1997 include the following:

- (i) Lectures to schools on road safety would be continued in 1997.
- (ii) It is proposed to establish a data base on accident statistics, thus allowing the division to determine black spots and devise solutions to remedy the problem.

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- (iii) The relocation and rerouting of maxi taxis and taxis from the current location at Library Corner and environs. This process would involve the creation of long haul and feeder services for all transit operations. This means that transit services would be divided into around-the-town services, and services external to San Fernando.
- (iv) Implementation of a traffic scheme to ease the congestion in the Phillippine area.
- (v) The work extending from the National Highways Programme, with respect to the dualling of the San Fernando Bye-Pass and the extension of the Solomon Hochoy Highway would contain temporary traffic diversion measures from time to time.
- (vi) Plans are afoot to have a two-way traffic flow on San Fernando Bye-Pass between Scott Street and Union Hall Roundabout.

With respect to Princes Town, the relocation of maxi taxis and taxis. With respect to Point Fortin, time-based traffic diversions would be undertaken as well as relocation of a maxi taxi stand.

Mr. President, plans are being finalized to implement an experimental road traffic scheme to ease the traffic at the Croisee in the San Juan area.

The development of a Transit Hub is also under consideration for Arima, Chaguanas and Princes Town. It is noted that plans are in train to develop the Kings Wharf Transit Hub in San Fernando. Preliminary designs have been done and are now receiving the attention of the Traffic Management Branch. It is proposed to undertake the final engineering design and construction work in 1997 at an estimated cost of \$4.5 million.

Mr. President, parking metres and traffic wardens also form part of our proposals for 1997.

The Maintenance Division of the Ministry of Works and Transport has the responsibility to maintain and upkeep government buildings and associated equipment. This involves repairs, renovations, refurbishing works and ongoing maintenance works on government quarters, public buildings, court houses, police stations, fire stations, post offices, health offices, rehabilitation centres and hospitals.



Mr. President, you would recall that in my budget contribution 1996, I indicated that the Maintenance Division would focus on increased efficiency and effectiveness. Suffice it to say, the Maintenance Division has done the Ministry of Works and Transport proud in 1996.

**4.15 p.m.**

One of the main strategies to achieve the objectives outlined in the 1997 Budget involves, according to the Minister of Finance and Minister of Tourism, improving the delivery of public services. The transformation of the Licensing Division is designed to achieve precisely that objective, among other things. A careful study of the situation at the Licensing Division was done at the beginning of 1996 and it revealed that an immediate to short-term programme, as well as a medium to long-term programme, were required. These programmes were intended to address the undermentioned state of affairs at the Division's offices:

- (a) the unreliability and insecurity of the Authority's core client records (motor vehicle registrations and licences, driving permits);
- (b) the untenable scale of evasion of the Authority's core functions (vehicle registration and licencing, drivers permit) and consequently, the inequitable collections from these core functions;
- (c) inefficiencies in the usefulness of the Authority's core records for primary use by such agencies as the Police Service Administration, Inland Revenue Department;
- (d) poor and inefficient service to its clients (long lines and loss of productive man hours);
- (e) touting on a scale that boggles the mind;
- (f) an extremely inefficient management system;
- (g) an obsolete computer system inappropriate for financial and management procedures.

Our Government could not allow a division with such a slate of problems to continue to operate without taking swift action to change the course of events. Mr. President, we have done so.

The Transport Division which operates under a legal mandate of Chap. 48:50 is charged with the licensing and inspection of all motor vehicles for safety and road worthiness. During 1996, a number of short-term initiatives were adopted by Cabinet for implementation to aid in improving the process, which involved the adjustment to the motor vehicle licensing regime.

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Mr. President, having taken all the short-term measures, including the bringing forward of the date for renewal of licences in respect of the introduction of the anniversary system, we found the results unsatisfactory. During the month of October, 1,232 persons renewed their 1997 licences; November, 783; and December, 369. We were not satisfied with the signals received by the response. To us, this meant the same long lines in January. The normal rush after carnival at the licensing office, a situation which we intended to do all within our power to eliminate; the wanton waste of the nation's productive hours. Such time could be better spent in the productive effort and I am committed to assist in ensuring this realization.

As you will no doubt be aware, this proactive measure involving the replacement of the motor vehicle licence by a system to increase the fuel prices is essentially a financial trade-off. Please note that collection from the fuel measures is intended to equate the previous collection from the annual licensing revision. In fact, it is \$6 million less based on our projections. However, in anticipation of the number of people who did not come into the system prior to now, the inclusion of those people who will now be made to pay for their licences at the pump, we believe that it could be an equitable trade-off.

In the first place, I propose to introduce countervailing measures to replace the safety checks and balances previously provided under the replaced licensing regime. These new initiatives, I will explain shortly.

With this financial trade-off, we can now apply and focus more measures and more of our resources into one of our prime mandates—safety.

Another measure which has been recently implemented by the Transport Division is the payment of charges by debit card facilities. In today's financial world, it is absolutely necessary that we offer our clientele the option of not having to walk around with large quantities of cash. Mr. President, there are a number of provisions that we would introduce. In addition to these two measures, we will commence our medium to long-term programme for 1997 with the following initiatives:

- the introduction of new personalized number plates.
- the introduction of licensed private garages for checking the safety of aged private vehicles.

- the introduction of traffic wardens in Port of Spain and San Fernando on a pilot basis.
- related administrative improvements to enhance the efficiency of the operations at the Licensing Division, for example, installation of modern day computerized facility and organizational improvements and training.

Specifically, the Transport Division will work in collaboration with other state agencies to improve the safety of the motor-car environment. There will be a co-ordinated effort between the Transport Division and the Customs to ensure that all relevant information is collected when used motor vehicles enter the country. Also, enforcement will be intensified through road checks in conjunction with the Police Service to monitor insurance validity of motor vehicles on the nation's roadways.

As far as used cars are concerned, the situation at present is one where locally reassembled cars are allowed to proceed on the nation's roads after the normal inspection at the Licensing Office. We plan to tighten controls on such vehicles in order to provide improved safeguards to consumers and the citizens at large. It is intended that all relevant information, in particular the chassis numbers will be noted at the point of entry by the Customs Division. This information will be relayed to the Transport Division which will utilize this information when the cars are presented for registration and inspection. Such information will be transferred between Government agencies with despatch.

In this regard, we will therefore be upgrading our computer facilities to provide direct linkages between the Customs Division and Licensing Division and also between Licensing Division and Inland Revenue Department. We are also working closely with the Bureau of Standards to arrive at standards which the reassembled vehicles must attain in terms of safety requirements and in terms of commercial practices such as warranty, after-sales service, and the provision of spare parts.

Mr. President, we intend to tighten the screws on those items which enter our shores as spare parts and other services related to the used-car industry. The Transport Division is also in the process of implementing a personalized plate numbering system for motor vehicles during 1997. The proposed shift is intended to convert from the existing system which links the plate numbering to the vehicle,

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to a new system whereby numbers will be assigned to individuals. The main purpose of the change will be as follows:

- standardization of number plates;
- provision of an enforcement mechanism;
- reduction of evasion from the system.

The main elements of the new system include the following:

- conversion of the traditional system of numbering motor car plates to a new system of personalized numbering;
- the introduction of two (2) special sub-systems of numbering, namely, sequential numbering system and a vanity plate numbering system;
- the inscription of unique identifiers on the number plates which are linked to windscreen stickers;
- the colour coding of number plates, for example, orange plates for taxis, white plates for private cars and bordered plates for government vehicles;
- the ownership of the plate to be personalized and not linked to vehicles.

Mr. President, finally I have really tried to give you some insight into the tremendous scope and achievements of the Ministry of Works and Transport over the past year. I realize also that 1997, in terms of our objectives and budgetary allocations, presents a picture of even greater enterprise in projects, construction innovation, and expansion on matters that come under the purview of the Ministry of Works and Transport. In order for us to accomplish this, I want to make it clear that we can only do so with the confidence that we will have the dedication, efficiency, expertise and loyalty which the staff at all levels demonstrated during 1996.

A fresh breeze now blows throughout the Ministry of Works and Transport, not only from divisional heads, but from all the employees at all levels within the Ministry of Works and Transport, without whose enthusiasm and support, so much could not have been accomplished in such a short space of time. Therefore, I assure my colleagues here and the nation at large, that the Ministry of Works and Transport moves into 1997 with the fullest confidence of a total quality ministry, in

keeping with the challenge set out by the hon. Minister of Finance and Minister of Tourism for the nation as a whole.

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

**Mr. President:** Hon. Senators, I think this is an appropriate time to break for tea. This sitting is therefore suspended until 4:56 p.m.

**4:26 p.m.:** *Sitting suspended.*

**4.59 p.m.:** *Sitting resumed.*

**Sen. Prof. Julian Kenny:** Mr. President, if you go into a supermarket or a pharmacy, you would see certain products with dates on them. These are the “use by” dates. I have gone past my “use by” date today. I started this morning on Government business with Sen. Spence and I have been here since the opening hour. It is now 5.00 p.m. A debate, I understand, is something which one outlines or discusses or projects ideas. I have, in fact, gone to great trouble in the past couple days to prepare this and I was torn between simply submitting it to the hon. Minister of Finance and saying, “Thank you, Mr. President”, but I realized that my responsibilities require me to speak.

I will, of course, not read this and will try to distil in a few minutes, my thoughts on the matter of the budget. However, before doing this, I would like to revisit comments made earlier about the way in which we, Senators, are handled by the system. I am new to this and I was led to believe that there would be a legislative agenda for the second session. We were promised this by Sen. Mark and, in fact, the hon. Attorney General, but we have now gone into, is it the third sitting of the Senate, and still do not know where we are headed with the legislative agenda. I think that it is owed to the Senate that we are provided with this agenda, because this little piece of paper here—it is only eight pages typed—has taken me about two days of reading the document, distilling things and coming up with what I had to say. So I do think that the Government, really, ought to fulfil its promise to us and come up with a legislative agenda so we know where we are headed so we can apportion our time.

It is not only that. I have not received the Order Paper for today’s sitting. I do not think that Sen. Ramchand has, nor has Sen. St. Cyr. I do not know what has happened in the system, but, clearly, this is unacceptable. Sometimes Independent Senators get the impression that somehow the Government does not think very kindly of us, but we had a rather startling incident in the other place when the

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budget was being presented. We actually witnessed a Government Senator being ejected from his seat by someone—I was going to say a functionary; that is a better word. He was ejected from his seat by someone who has no office in Parliament. As far as I know he is a sort of a political person. What alarmed me was that this is a Government Senator being ejected from a seat. In fact, one other Senator had to sit behind a pillar from where the hon. Minister was out of line of sight. I am told that all sorts of worthy people had to be seated, given precedence over Senators, and this alarmed me. I think that in the Senate of this country, the Senators really ought to be treated in a somewhat kindly fashion.

I refer now to a distillation of a few of the items which have drawn my attention. There are, in fact, several of them but I will not deal with all nine of them. The first one I would like to raise is, what appears to me to be a rather disconcerting U-turn in policy regarding the environment. I cannot cite the particular source; I know it was *Newsday*, but Sen. Gangar, in fact, said at one time that this administration was not going to use the voluntary compliance approach; it was going to use the command and control approach regarding the wider pollution problem. In fact, I complimented the Minister in this Senate for this shift in policy from something which I am sure will not possibly work in this country, that is voluntary compliance. So when I see a statement in the budget which says that the focus is going to be on voluntary compliance, I become very, very confused. Where are we headed? I mention this reversal policy because I am starting to see different signals coming out of the Government.

**5.05 p.m.**

I am very pleased to say that the Minister of Health is here, he responded to my question, regarding the lead slag which was irresponsibly dumped in different parts of this country, by a local conglomerate. Nobody knows the actual figure, but there were truck loads, and when you take a big dump truck, it is about 10 tonnes of slag, so perhaps it was 100 tonnes of slag dumped. There was so much slag that you could surface roads with it. What has alarmed me is that in spite of the assurances from the Minister of Health that action would be taken and so on—and in fact section 35 of the Environmental Management Authority Act, makes it quite clear that the Government can go in and do remedial action, it is right there, in section 35 (a), (b) and (c); if the health and welfare of the community is threatened, you can go in there and clean up.

I hope that I am not wrong, but a senior officer of the Environmental Management Authority, with whom I am collaborating and co-operating, has told

me that in fact, the sub-committees which were set up on the instruction of the Ministry of Health, have not yet met.

So my question is: Does voluntary compliance mean that we accept we might have 100 tonnes of lead slag dumped around the place? The Minister of Health knows only too well, the cost of rehabilitation of the individuals who have been exposed to this extremely dangerous substance, the cost in detoxifying them. There were over 50 children hospitalized in this country, there were allegedly two severely brain-damaged, and there was apparently, I am told, one death. Yet months later we have lovely statements of the future.

It is there in the budget statement, the environment of course, always comes last, a little paragraph at the end of it, and this is what alarms me. Great words, great intentions, but where is the action? Do I have to come here once a year and say to whichever government is serving, "can we do something about removing this incredibly toxic material which has already found its way into children, and which is finding its way into the Caroni Water Treatment Plant at Piarco?" How often must I say this? I will come back to it when Private Members Motion comes up.

The second point I would like to deal with here is the subject of culture. I must compliment the Government for this resolute action taken on the old Fire Services Building, and the promised Performing Arts Centre up at the Princess Building and so on. Culture is not only performing arts. Culture is everything, that human record which we leave, which we meet and which we leave. It is rather distressing, therefore, to learn that "Banwari Man" which is the oldest Amerindian burial in the Lesser Antilles, dated at 5000 BC, was excavated from private property in Banwari Trace in South West Trinidad continues to be unprotected. Ten years ago a decision was made to acquire that site to preserve this unique thing, and something which may have some economic spin-off in our tourism development. We can promote this as a site, "Banwari Man; the magic of it". Yet 10 years later it is still sitting there.

Now, I do not know whether I should be blaming ministers, ministers are, of course, responsible and administrations change. Possibly it is the inertia within the public sector that is responsible for this, but "Banwari Man" should be almost a national shrine in much the same way that Nelson Island, the oldest standing building in this country, is more and more vandalized. I mention these things because culture is not only calypso, performing arts, and things like that; culture is everything that the humans leave.

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The National Trust Act of 1990, I think, was unanimously passed by both Houses; assented to by his Excellency and only required a simple thing like a proclamation of this Act—A year ago I raised it in this budget debate, that perhaps we really ought to be thinking in terms of proclaiming this Act. Trinidad and Tobago is the only Caricom country which does not have a functioning National Trust. Even little Montserrat has a National Trust, admittedly it is buried under volcanic ash now, but there is a National Trust in Montserrat, there is one in destitute Guyana. What is wrong? Why is it we cannot have a National Trust? Is there a good reason? Is it not important or are there financial implications? When we read the Act there are minimal financial implications. So I suggest that the Government considers this as a matter of some urgency. We have had a year in which to think of all these various Acts which have not been proclaimed.

The third item I would like to raise arises from the *Medium Term Policy Framework*. It is again, a bit distressing, disappointing, to see the *Medium Term Policy Framework*. I will of course not read it, but it is essentially no more than a précis of the EMA Act; it does not tell us anything about where we are going except you read it in the Act. In fact, it does not need to be here at all, you just have to read the Act to see what is intended. What alarmed me in particular were two things. In this particular financial year, there were certain things which were being done under the umbrella of the environment. One was the works in the Caroni Swamp to enhance it; the other one was the La Brea Magistrates' Quarters—I do not know why this has any historical significance—and the report suggests that things have gone wrong. The Caroni one, I think about \$5 million has been spent, but something has gone very wrong with the process and it has to be reorganized.

My query about this is that—I am not going to blame the existing administration because these decisions to contract that particular project to that particular person or firm, were taken some time ago—I cannot understand how any government can award a contract to somebody who is in breach of regulations for another part of the country. The firm doing the Caroni work was a firm that was illegally quarrying in the Aripo Savannahs, a designated scientific reserve. A sum of \$5 million has gone, the firm has gone bust and so on, so I think that all we were doing was taking the taxpayers' money or UNDP's money, and sort of helping the man along his way out of bankruptcy.

I raise these questions because I do not see in this any clear direction. I see a précis of the EMA Act. I was rather amused and distressed to note that one of the



things being reported of the work of the EMA—I would not belabour the point. Two things have been reported there:

1. they have made a Statement of the Environment Report, and
2. they have put out for public comment, some draft rules which have yet to come to Parliament.

Let us take first the State of the Environment Report. It is no secret that it was nonsense. I, in fact, went to great trouble, spent several days and I wrote to the hon. Minister of Planning and Development, pointing out all the errors and suggesting other courses of action. I suggested withdrawing this document. It is reported here, it has come to Parliament, every Member of the Senate has received that document, which to be very blunt is really the most trivial nonsense for which your children and grandchildren will be paying. Now, that is reported here, it is just a little fact, the State of Environment Report, as if it is something of substance.

The second one is the legislation or the rules for environmentally sensitive species, and environmentally sensitive areas. Mr. President, those rules have gone out for public comment, and the deadline for submission was September, 04. Now, I know I have submitted some views on it and I have also seen views submitted by attorneys and scientists.

**5.15 p.m.**

This is not a priority area. The priority area comes in other parts of the Act. There is a serious problem here with pollution. People are being affected, the water is dubious, stuff is being dumped all over the country, the Gulf of Paria is being poisoned and yet there are draft rules about environmentally sensitive areas and species. The fact is that the EMA has quietly had to withdraw these things because they were so defective in the drafting. I know this from sources within the EMA. So, why does something like this appear in the budget? It would be better not to refer to it because the job is not being done properly.

My suggestion to the Government is that it really ought to do a deep review of what has happened in the development of this organization and where it is heading. In fact, I have suggested to the Minister that he needs to take hands-on control and tell the board, and the executive, what the Government wants, which is a reflection of the philosophy of the Government. This is why I queried the seriousness about what we are doing about the environment earlier. I will now leave the environment to move to some other matters of interest.

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One is the income tax regime. In spite of comments about it, I must compliment the Minister of Finance and Minister of Tourism. Every time I sit with these stupid pink forms I make mistakes. It is not only that it is organized in such a way that the summary is on the front page and the arithmetic is at the back instead of doing the logical thing of page 1, 2, 3, 4, 5, but it is all for the convenience of the civil servants.

So, I must compliment the Minister for the reform. I, of course, will not be a beneficiary from the reform except that I will not have to spend as much time in filling out the forms. However, I would like to examine one part of it. This notion of giving people an \$18,000 allowance in which one can drop interest, annuities or loans, I think, is admirable in terms of simplifying the thing, but I suggest that the Government should possibly consider—if the philosophy is that one will be allowed to claim up to \$18,000 per year in addition to the basic allowance—allowing one to claim for things other than mortgage interest, loans or whatever has been allowed.

Mr. President, it is a fact of life in this country that when one attains the age of 65 years one becomes a non-person. One becomes a non-person at the Licensing Authority because it takes two visits to get one's licence. It is a fact of life, but consider what happens in the country to persons who have been paying health insurance. I paid health insurance for 30 years and never made a single claim so when I was retiring, I went to the insurance company and said, "Well, I will pay the university's premium on my own to continue". I was told that I was finished. The only thing that is now available is something which the Trinidad and Tobago Association of Retired Persons has managed. This is a group plan, but the benefits match the premiums. In fact, anyone who is looking after his interest has to think in terms of spending some serious money to get health insurance after the age of 65 years.

Mr. President, angioplasty at the Eric Williams Medical Complex costs \$33,000. That is not available to people who do not have money, and angioplasty is not done elsewhere.

**Sen. Jagmohan:** It is done.

**Sen. Prof. J. Kenny:** Where?

**Sen. Jagmohan:** At the Victorian Centre in Belmont.

**Sen. Prof. J. Kenny:** By-pass surgery costs about \$85,000 and I actually know of one person who died because that person did not have the means. At the Eric Williams Medical Complex, the money has to be paid up front.

So, surely, we geriatrics might be given a little thing. I am not asking for myself because I have already arranged my insurance plan. There are many people in this country who, in fact, may be in that position of being unable to have health insurance. At that age one does not want a mortgage because one already has a house, but one arrives at a point where a catastrophic illness can wipe one out if one does not have health insurance.

I suggest that possibly the Government should—not necessarily for this budget—think down the line as far as these allowances are concerned to let people know that they still belong here as citizens of this country.

I would like to turn next to motor vehicles. I, in fact, have a somewhat different view on this because of my interest in the environment. I will give the Minister my draft, but I believe that there are many benefits to motor vehicles—the mobility that one has and so forth—but they are, of course, a curse on society as there are pluses and minuses.

When one thinks of what the poor Minister of Works and Transport has to put up with—building overpasses and extending highways—the capital costs of these things are not borne by the gasoline tax when one thinks of the millions that have to be poured into it each year. In many parts of the world, administrations have recognized that one has to control it and all sorts of devices are used. We do not have toll roads, but many people have travelled abroad and have had to pay the tolls. I am suggesting that as part of our policy, we ought to be thinking in terms of making the users of the road system pay.

I am concerned about vehicles also for other reasons. My main concern, of course, is what it does to the environment. We still use leaded gasoline and high sulphur diesel fuel and anyone who lives along the East/West Corridor will experience the traffic fumes—the diesel particulates. In this country, because there is no effective inspection of vehicles—because we do not apply the law—we have developed an attitude and a permanent tolerance to having air that is unbreathable on our highways.

Mr. President, it is rather interesting that Barbados has essentially the same Motor Vehicles and Road Traffic Act as we do—being a former colony—and one

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does not see old beat-up vehicles belching out black smoke for the very simple reason that the motorcycle police in Barbados drive around the nation's roads. If they see a vehicle emitting smoke, sparks or flame they stop the driver and tell him or her, "You have a defective vehicle, you have to get it to a wrecker; here is 75 cents for bus fare". The driver has to go off with the bus fare, which is provided by the state, to get the wrecker to remove the vehicle from the road.

In Trinidad and Tobago if the police see a vehicle with a loose wheel they would stop it; that is defective. If it has no licence, they will stop it, but if it is belching out black smoke, particularly if it can cause serious disease, it could move on. My view is that we ought to be thinking of policies down the line because vehicles, as useful as they are, cause incredible costs to the country, both in terms of dollars and cents as well as in health.

The one thing which alarmed me about what I was reading here relates to the second-hand vehicle business. We, of course, in the Third World, have been the targets for garbage. I am not saying that all these cars that are being imported are garbage, but we have had incidents where American firms have barged city garbage from New York trying to find a place to dump it. The same thing exists with European garbage in West Africa. In the First World if there is any nastiness one wants to get rid of, one goes to people like us.

Let us face reality. In Europe the view of different administrations is that there is a life span for a car, beyond that one has to get it off the road. In France there is a subsidy of almost US \$1,000—I think they have some problems with it—to anyone who has a car older than 10 years. When it gets to 10 years they give you a cash credit of up to about US \$1,000 towards the purchase of a new car and then the other car is scraped.

My impression is that in Japan they are moving towards trying to stabilize car production and car removal. Is it not a lovely place? There are many people who want cars to ship off the obsolete model, feed the appetite for the US dollar as one can get a lovely big Laurel or whatever it is. I am not lobbying for the importers be they new cars or used cars, but what I am suggesting is that there really ought to be a long-term rethink of where we are heading with public transport.

**5.25 p.m.**

I suggest to the Minister of Finance and Minister of Tourism that he should raise the price of leaded gasoline by another 10 cents as an environmental cost. I will go along with that and I will keep 10 cents on unleaded gasoline. I will ask the

oil companies to offer two grades of diesel fuel, the normal sulphur laden diesel fuel and then a low sulphur diesel, and I will tax the former fuel at the same price as leaded gasoline, because the particulates would cause cancer, just like the other stuff. I will then consider for the low sulphur diesel, either neutral taxation or possibly the most gentle taxation; and for compressed natural gas, I would suggest direct subsidies. This would mean that it would make it more expensive to run the old way, and it would favour those who are going to try to do something about maintaining an air that is worth breathing.

This leads me to the taxation regime for these second hand cars. One that is only two years old the tax would be such, and as one goes on, one reduces the tax. I would reverse it. A 4-year-old car, I would hit it one big lash, on a 2-year-old I would be a little gentler. In other words, I would not make it attractive to bring in cars that are approaching their "use by" days. These are my comments on the motor vehicles.

Mr. President, I now turn to gambling. We would not use the euphemism about gaming or amenities; it is gambling. I do not gamble myself, I think it is totally irrational to do so. It has nothing to do with moral grounds and the like, but I have a concern about it, especially in so far as Tobago is concerned, because let us face it, the tourism thrust in this country is going to be Tobago. I hope that Sen. Mc Kenzie would permit me to speak on behalf of Tobago, although I know there is a new dispensation that says I have no business with their business at all.

If one looks at Tobago, it is one of the unique destinations for tourism in the Caribbean. It is set apart by a comparatively low population density; pristine waters around the coast so far, except for the yachties, and what they leave for you; a lovely and one of the oldest forest reserves in the western hemisphere, is the Main Ridge; beautiful rain forests, occasionally tourists get robbed there, but apart from these things, there is this unique thing and the particular charm and culture of Tobago. I say it is not a moral argument, I would be thinking in terms of enhancing that uniqueness to make it attractive to people who want the tranquillity, the charm, and so on.

My view of development in Tobago is not in any way original. Sen. Prof. Spence has been talking about development path, something which would make Tobago, its amenity value, or its attractiveness, more so. In other words, there is not only one route. If one wants gambling, one can go to Aruba, Puerto Rico, Las Vegas, or anywhere else one wants. I do not think that this is a real amenity. Let

us not only preserve but enhance the uniqueness of Tobago as a destination, and one would find that all the up-market people who have plenty money, would say, "Listen, I am tired of that nonsense, I really just want to go and sit in a calm environment, where I can go up in the rain forests, or to the sea, if I want." So, I am totally opposed to gambling personally, in the country, on purely philosophical grounds. It is a stupid way of parting with your assets. I am violently opposed to the thought of making Tobago like Aruba, Puerto Rico, or elsewhere.

When the hon. Minister uses the word "amenity", I suggest to him that there are other amenities that might attract tourists. Mr. President, I do not know if you have ever been to Amsterdam, there is a tourist amenity, the coffee houses, and there on the wall one can see them. Is this not amenity, the brands? Why not? This is amenity, it attracts people. [Interruption] Sen. John is anticipating me. I happened to have spent a weekend with my good wife in Amsterdam, and we went on an innocent tour, along the boat canals, and there it runs right through the red light district to the ladies displays, and tourists just lapped it up. I would not go back there, obviously. Let us think very carefully, before we plunge into this business and inflict on Tobago a developmental path from which they would not be able to recover.

Finally, Mr. President, now that the Minister of Works and Transport is back with us, I will just like to suggest to him, that in all these clean-ups and dredging, although he did mention the words Guaracara, Couva, and Ciperó, these rivers have been poisoned—let us be blunt—by industrial activities; the Caroni as well. What is needed here, is total rehabilitation, not the little palliatives of voluntary compliance. The history of the Guaracara River, in recent years there have been two fires, one fatality, an old woman living on the bank was burnt to death, today it is dead. I will like to think that if we really want to start talking about rehabilitation, it is not the St. Ann's River, it is the Guaracara River.

At one time, the Thames River, from about Reading downstream, was dead, smelly and the salmon that used to run in it had disappeared. Today, after measures taken over 10 or 15 years salmon are now running up the Thames River. It can be done, the Guaracara River can be cleaned up. The Couva River which is poisoned, and the Ciperó River, can be cleaned up and rehabilitated. Rather than concentrating on drainage, for example, letting all the rubbish go out to sea, can we not, in the medium term, think of developing policies, where we would target particular catchments and get a real rehabilitation going?

**5.35 p.m.**

Mr. President, I would like to remind the hon. Minister of Works and Transport about the Litter Act. I agree with him that we must do something. One of the greatest “litterers” in this country is the Trinidad and Tobago Electricity Company. Every time they cut down an old rotting pole they leave it right there for you. In fact, our beautiful scenic drive that runs all the way across from the Maracas Bay to Blanchisseuse and into the Arima Valley, they have done the superb job of putting up corrosion resistant poles. Do you know what they have done with the old poles? They have cut them down. And where are they? They are lying there. Where are all the cables? Lying there. Where are the insulators? Lying there.

In fact, I have a small property and I have a bit of worry now because the old steel poles are of a diameter of 18 metres. They have cut it off and have left it open. I have to worry when my grandchildren come to stay with me to make sure that they do not fall into the hole as it is about eight feet from there. They have littered my property. I have had to pay to move the stuff outside. The entire North Coast is littered with T&TEC’s poles.

The other litterer is TSTT. Wherever they cut down old cables they just drop them there and that is the end of it. The citizens now have to pick up these things. I do not want to hit WASA too much but WASA also damages the environment. Whenever they cut old pipes, not only do they leave a gaping hole in the road, but they actually leave much rusty stuff around and it is the citizen who has to pay to clean it up. My appeal to the Government is to enforce the Litter Act but start with the major perpetrators.

I thank you, Mr. President.

**Sen. Elizabeth Mannelle:** Mr. President, I am pleased to be able to contribute to this budget debate in this my first budget contribution. In seeking to analyze the budget presented by the Minister of Finance, I sought some advice and I happened to chance upon an article which focused on a speech given by the Prime Minister, Mr. Basdeo Panday when he was the Opposition Leader. This is reported in the *Trinidad Guardian* of Wednesday, January 10, 1996. The article was dated January, 1996 and referred to Mr. Panday’s contributions when he was an Opposition Leader prior to 1995.

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I found that the article was quite instructive. The current Prime Minister stated that a budget must, among other things:

“It must facilitate a direct and sustained attack on the problem of unemployment.

The Budget must contain measures that will reduce the pressures which the people in the country feel as they strive to survive.

The Budget must safeguard the stability of the currency.

A Budget must encourage the development of the human and production infrastructure of the country.

The Budget must be so designed that it encourages greater national savings...

A sensitively designed Budget should be formulated only after consultations are carried out...”

I had these six points at the back of my head as I re-read the Minister’s budget. I can humbly say that I am a relatively positive person. I have a positive outlook on life, but after listening to the hon. Minister’s presentation I became very concerned. After reading the budget statement and analyzing some of the features and measures, I became quite alarmed. I am now very concerned about the direction of the country. Notwithstanding the fact that I may be the second youngest Senator sitting here, and there are many other parliamentarians with experience of many years, I can say I am concerned about the direction of the country. It appears to me that this Government is leading the country down a slippery slope and I am wondering where we will all end up. It is not only a slippery slope, but it is a slippery, slimy slope. I say all this, and I want Senators to understand that I am not an alarmist person by nature; by nature, I have a very positive outlook, but I am becoming very concerned, especially when I have considered the comments of some of the business people and business organizations that have come forth after the budget was presented.

The Women’s Political Platform, as reported in *Sunday Express* of December 15, 1996, is concerned that the budget questioned the Government’s vision; and there is the *Newsday* editorial of Saturday, December 14, 1996; Mr. Lloyd Best’s article, I managed to read through it. He questioned this “total quality stupidity”, as he said. There were Chartered Accountants, Coopers & Lybrand who made the



comment: "Budget will not deal with problems"; the *Sunday Guardian* editorial, "Budget blues"; the *Newsday* article about the "TTMA concerned about Budget". I read these headlines because I have to be instructed by people who have been around for some time and who are in the business sector.

I want to also read the headline of an article which is not about the budget, but it puts it in context. It is an article written in the *Sunday Guardian* dated December 1, 1996 which says: "Dear Mr. Panday, Do you smell the bad odour of our society?" I would like to put this question to everyone in the Senate. Dear Mr. President, do you smell the bad odour of our society? Do any of the Independent Senators smell the bad odour of our society? What about the Government? Is there anyone over there who smells the bad odour of our society?

When I put this headline together with all the comments about the budget and Mr. Panday's point, it appeared to me that this Government is leading the country down a slippery, slimy slope to a slum.

I have chosen to live in this country. I chose to return to this country in 1995, so I am very concerned about the direction. I have no children yet, but surely I will and they will be living here. I am sure all the Senators here who have children are concerned about the direction of the country. When I say a slippery, slimy slope I will explain to Senators what I mean by that statement.

A slope is something that inclines downwards and the aspect of the budget that in my estimation really indicated a downward decline is that of the declining dollar. I am no economist. I am other things and I will get to those later.

I have listened to Sen. Montano's very instructive and very comprehensive review and I heard some of the statements of Sen. Daly, and I am aware of some of the other comments that will be coming. The woman out on Frederick Street knows about a declining dollar. One does not have to have a degree in accounting or in anything. If we go out on to Frederick Street where they are probably spending their hard-earned money unwisely, they can tell you the effects of a declining dollar. You see, the cost of living would increase for everyone in the country.

**5.45 p.m.**

I looked at the *Review of the Economy* and it stated, notwithstanding some other statements made by other ministers in other places, that the prices of food in

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the supermarkets of this country have increased. Poor people understand this. They may not understand what the Central Bank has to do with the stable exchange rate, but they understand that if the dollar value goes down they would have to pay more for food, they would have to pay more for basic services, pay more for housing, all manner of things including education. Sen. Daly has gone off on some trip which brings to mind that they will pay more for foreign travel and that is a very real concern.

I recall in the past, a number of my classmates had to return home because their parents could no longer afford to pay their school fees abroad. Notwithstanding the positive effect that may have on UWI's enrollment, the fact of the matter is that people outside in the street are now going to be very closely watching the declining dollar, as their standard of life begins to decline even further.

So, in accordance with Mr. Panday's point where the budget must safeguard the stability of the currency, this budget fails, because as stated earlier the Minister did not mention, and did not even address the issue of the declining dollar.

Another aspect which indicates the decline and the slope that we are all headed for is that of removal of incentives to encourage greater national savings. I read a number of sentences and statements in the budget and in the *Medium Term Policy Framework* about encouraging national savings, but clearly the Government is confused, or one person wrote one document, and another person wrote another document, and the two heads did not meet. One cannot hope to encourage national savings on one hand and on the other hand, remove the incentive for investing in credit unions. An even clearer inconsistency is that in the *Medium Term Policy Framework*, at page 9, where it says: "Government will focus on strengthening the country's credit union industry." Mr. President, will you strengthen a dead man? Will you swipe a blow at the credit union industry and then claim you want to strengthen it in the same breath? I really do not credit the Minister of Finance with any concern for the credit union industry.

I am also concerned about the reduced incentive to promote home ownership. I was in the other place a couple nights ago, and the Minister of Housing stated that it is his Government's policy to encourage home ownership. I do not have the *Hansard* quote, but he said that and one wonders how the Government hopes to encourage home ownership on one hand and then reduce the incentive for individuals to own their own homes by a reduction in the allowance, because clearly this reduction in the allowance will make it even more difficult for

individuals to obtain mortgages. It may result in delinquencies in mortgages because in planning whether or not you can afford to purchase a home, you consider your current income, you consider the mortgage interest deduction that you most likely will receive and you work out the real cost, the real out-of-pocket cost of the mortgage. This reduced allowance will have a negative effect on home ownership.

Mention was made of the reduced incentive to contribute to pension plans through these vehicles. Indeed, this fails Mr. Panday's test that a budget must encourage greater national savings. Therefore, under Mr. Panday's test, this measure fails; the measure of his Minister of Finance. We are talking about a slope sliding downward. Another measure that I want to express some grave concern about is that of the group tax relief provisions which will allow companies within a group to offset losses against profits. Let me first state I have no constituency. I have no company, I represent no organization, but I am speaking as a former tax practitioner from another country.

Mr. President, I can tell you that significant revenue loss may result from this provision. Reduction in tax for companies within a group may be all well and good—and I note that there is a limit of 25 per cent deduction in the tax—but what may also be facilitated or encouraged, and what may, in fact, happen, is that a whole new trading in loss companies may result. This is something I want to caution the Minister of Finance about—and it is not something to be laughed at, it is quite serious. Companies spend a lot of money to hire tax planners to structure their transactions in such a way that they would pay the least amount of tax. So I have a group of companies, a few are profitable and many of them are loss-making companies. I will offset my tax in the profitable company to 25 per cent as allowed, and then I would work and structure a transaction where another group with profitable companies acquires my loss companies to offset their tax only to the extent permissible and in the end the revenue for the Government goes down drastically.

I imagine regulations and rules concerning this provision will be presented and I would just alert the Minister that there are a number of concerns that should be carefully addressed.

Additionally, further reduction in corporate tax revenue may result when one considers the removal of the deed of covenant contributions from individuals. In effect, there would be little incentive to individuals to make contributions to

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charitable associations. I am wondering what sort of Government would remove that deduction for individuals. This incentive is a fundamental one in all taxing regimes. It is an incentive for individuals to make contributions to charitable institutions. It is an incentive for these institutions to perform certain social functions that Government is unable to. It stimulates the whole social conscience of a country and to remove this deduction, it is akin to saying we really have better things to do and we are not interested in encouraging the development of this aspect of the social conscience of the country. All this in the context of, do you smell the bad odour of our society? All this in the context of what is actually happening in the country and you wonder what sort of Government do we have. Where are they taking us?

A very flippant remark was made by the Member for St. Joseph in the Lower House, who stated that persons who are really interested in giving, will give nonetheless. I really think that misses the point. It is an incentive. It is a policy that should be put into taxing systems and if it is going to be moved it should be removed with some explanation, with some statement as to what the policy is now, not just wipe it away completely.

I want to move on to the issue of education because if we are on a slope sliding downward, one foothold that young people may have is that of a good education and I have to thank the taxpayers of this country for ensuring that I had a good education. An education is necessary to prepare the youth for the 21st century. I have a very elderly friend who is 95, and she says "I am sick and tired of hearing about the 21st century." The truth of the matter is, the 21st century is upon us and it will bring in a whole new dispensation in terms of the world of work, in terms of communication, in terms of information, technology and the like.

One looks at the budgetary statement with respect to education and indeed I went to the other place to hear the Minister of Education talk about what he is doing or what he plans to do. I am even more alarmed and concerned, because the Minister focused on the construction of school facilities, he boasted about the increase in the number of scholarships awarded and the number of committees re-established, but we can build schools from now until the cow comes home, we can establish committees, we can increase scholarships, but what are we really teaching the students? How are they really being prepared to deal effectively with the changing world? Many people talk about the fact that the world is becoming smaller, but even as the world becomes smaller, there is even greater onus placed upon us to equip our students to ensure that they deal with this contracting, yet expanding world.

**5.55 p.m.**

There is no mention of any strategy or policy for education. I am wondering what would be the state of our students. On this point I have to say that I met one of my former principals who said to me, "If you say one thing in the Senate, let this country know that teachers have never been at a lower level. They are totally fed up. They have had enough." *[Interruption]* It does not matter whether it is the PNM or the NAR. The fact is that today, in December, teachers have had enough. Schools can be built, committees can be established, it is very likely that there would be no one in these schools to teach the children in January. That measure has to be addressed quickly. *[Interruption]* We are talking about today, not any other day. I am concerned about where we are going.

I am going to address the culture aspect because in a slippery, sliding world, one of the few things which holds a community together is expressions of culture. It is one of the few means for people to give vent to feelings of frustration and their inability to cope. Cultural talents can give vent to one's feelings and increase one's self-esteem. I am concerned about culture not only in terms of preserving who we are and the things we do, but also as an avenue for generating income for all players. I think the *Medium Term Policy Framework* paid what I consider to be lip-service to culture. No major directions were indicated.

I speak as someone who is closely associated with the pan fraternity, not even by virtue of my name being Mannette, but by my whole involvement. I have played and worked with steelbands both in Trinidad and abroad and I have worked with members of the entertainment sector both at home and abroad. I understand quite well the concerns of those cultural and skilled artistes. I looked at the provisions in the budget and the plans for culture in the *Medium Term Policy Framework* and I have to give a big steups. Mr. President, no disrespect, but it is really a big steups.

The problem and the need of the cultural community is a performing centre, but that does not get to the meat of it. I think these measures to promote the nation's culture miss the mark. If one went into a panyard in 1994, then 1995 and 1996, one would see the same people in the same economic condition. The condition has not improved in any measure. It seems to me that these measures all have a sort of intellectual and academic perspective. Let us set up a conservatory and a carnival institute.

There is some merit in these proposals. I would not say that they have no merit altogether. The fact of the matter is, how many of the artistes would benefit? In

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this, I have to disagree with Sen. Daly—who has left, but I told him of my disagreement—that the establishment of a national pan orchestra is a big thing. I do not have to tell you that we have skilled and talented pannists all over this country, and that pannists are not running in droves to UWI to take a degree course in pan. You know this. More than anything else pannists need opportunities and measures which would put money in their pockets.

In that context, I have to compliment a venture about which I read concerning Carib Tokyo where their sponsor has assisted them in establishing a mini market at their panyard. That is on the right track. Unfortunately, when I read an article dated Wednesday, December 18 in the *Daily Express* headlined, “Tokyo to get back pans”, notwithstanding that Carib Tokyo has a mini mart and a bar, the fact of the matter is that they could not perform on the night of the launch because their pans were impounded in Piarco.

That is the point. There is a dire need for strategic and financial planning, marketing and merchandizing assistance in the pan community. We have to ensure that the panyard and cultural centres become independent business enterprises, and serve as resource units in the community. I am talking about what I observed and the needs which I have identified. For many of these people, playing the pan or being involved in the arts is their only skill. It is the only thing which may stop them from sliding down the social ladder on this slippery slope. We are looking to the Government to put some foothold to prevent them from sliding further.

I had hoped to see some sort of programme to facilitate research and development into new methods of pan making, tuning and playing, but I saw nothing. I had hoped to see some programme with respect to low interest loans for facilitating business and other measures in the pan and cultural community. I saw nothing about that. It may sound good to say that there would be a fully paid orchestra of pan players. The truth of the matter is that an orchestra of fully paid pan players is not needed. What is needed is to ensure that the pan players who play in their steel orchestras have some means of getting some dollars for their playing.

A conservatory band or steel orchestra, if hired to play outside Parliament as Sen. Daly mentioned, would probably cause more confusion within the pan community. This I say after speaking with pannists. This is not my intellectual thoughts on the matter.

**Sen. John:** I would like to correct the Senator. She made reference to the fact that the pans of Carib Tokyo were impounded. Being the expert and the critic on

pan, she should have known that the pans were not put on the plane, so they never arrived. Saying it was impounded, could reflect that the Government, knowing that a panside had their pans coming through the airport, and were impounded, should have been the first to get them released. The pans did not arrive because they were not on the plane, and as a result they did not have them for the function.

**Sen. E. Mannette:** Mr. President, I think that proves my point even further about the lack of management and competent organization. I do not mean to criticize the pannists, but I am very serious. I could reveal a more personal situation involving the same matter with pans that would illustrate more completely, the fact that we need to assist the pannists in that area. I do not think that point could be denied.

I wonder if I can make a comment about the carnival institute which I read about in the *Independent* dated December 16, 1996. It is also in the *Medium Term Policy Framework*. Carnival institutes, foundations and conservatories sound very good and we want to see what the carnival institute has and what is in the conservatory. How would this idea be translated into helping these masmen, artistes and craftsmen to have some sustainable employment? How is it going to facilitate the export of skilled labour? How is it going to ensure that all the people involved in the carnival actually have a better way of life? It could very well turn out to be an institute where foreign persons come and learn about the art and craft, then return to their countries to help their carnivals but there is little benefit to our artistes, and that would be a loss.

### **6.05 p.m.**

Even of greater concern to me than the lack of some clear direction in culture and education is the Minister of Finance's proposal to legalize casino gambling. I am talking about the odour in society, and if there is anything that would create odour it is the slime that may result from legalized casino gambling. The Minister mentioned in his budget presentation that the Government is targeting the higher end tourist markets of Europe and North America and he made reference to Aruba and Antigua, I believe. Mr. President, I have been to Aruba, I went there as a tourist and maybe I was in the higher end market which the Minister is trying to target and he is right. There are many casinos in Aruba; every hotel has a casino but that is all Aruba has, besides maybe water sports. I would like to think that we have much more here. I did not go to any of the casinos because, like Sen. Prof. Kenny, I do not have any interest in squandering my money in that way, but I am concerned about the public outcry that has risen against this measure.

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One has to listen to what the people in the street, the religious organizations and other individuals are saying. That is a major role for Parliament and Parliamentarians. I noted that the Archbishop, His Grace, Anthony Pantin of the Catholic Church came out against this measure saying that he was not consulted and if he was, he would certainly not have approved the measure. I noted that the President of the ASJA, Dr. Mansoor Ibrahim stated that it would further erode our spiritual morals and the economic well-being of the nation. I also noted that the Shouter Baptists opposed this measure and I am interested to hear what Sen. Gray-Burke has to say about it. The Evangelicals and the Pentecostals have expressed an emphatic opposition to casino gambling. They are also concerned that it will have the effect of adding to the further demoralization of the society. I am aware that a certain former assemblyman from Tobago, Mr. Benedict Armstrong is calling on the people of Tobago to stand up and oppose this measure, and I believe today we have the Anglican Church coming out against this measure. It seems as though the only supporter is a gentleman from a hotel who was mentioned in an article in yesterday's *Independent* which I do not have with me. He is a businessman and clearly, he is trying to increase his profits especially as he is associated with the Hilton Hotel and they had some negative publicity in the past. We see that only a hotel or a businessman will be interested in this measure and maybe the Minister of Finance.

If there is such a large public outcry against the measure, what is going to be the result of that? Are we going to ignore them? I think we must take note of the fact that in other countries where casino gambling is legalized, they are now having second thoughts and I refer to an article in the *Trinidad Guardian* of December 19, 1996 where it says, "Turkey Casinos face closure". In this article, it is revealed that the tourism minister in Turkey has acknowledged that the contribution of gaming operations to the Turkish economy is way below expectations and the created social damage is gradually increasing. Perhaps our Minister of Finance should contact this tourism minister. In Turkey they have realized that there are increasing negative social consequences since they have legalized casino gambling. Included among those social consequences are suicides, people losing their homes because of unpaid debts, increased alcoholism and the like. I wonder what the effect will be on the domestic violence situation. I would like to hear a contribution from the Minister of Women's Affairs on this.

Countries are looking in hindsight and reconsidering their whole tourism sector. Even in the United States, the Gambling Impact Study Commission was set up to look into the relationship between crime and gambling; negative



social effects and gambling, including alcoholism and divorce, and this was done because the United States government recognized that the existing policies and plans with respect to gambling and gaming were insufficient and, of course, it would be very difficult to outlaw that, given the strong gambling lobby. Then, I urge the Minister to consider the public outcry, and the fact that other countries are now rethinking their position and perhaps the Minister should rethink his.

Mr. President, one of the hon. Prime Minister's point was that a sensitively designed budget should be formulated only after consultation. One wonders what sort of consultation took place on this casino gambling measure. I note that there was consultation on other pieces of legislation such as the Freedom of Information Act, and the Copyright legislation. One would have thought that on something even more fundamental, this measure would have been presented to the public before it was presented in the budget.

When I think of the odour in the society because of the crime, domestic violence, and the drug element; and when I think of the casinos and what they would lead to; when I think of the reduced home ownership and the lack of clear measures to capture the talent of our cultural artistes, I really become very concerned and I wonder who on the Government's side really smells the bad odour of the society. Were the other Members of the Cabinet persuaded by the Minister of Finance that everything is okay? Maybe they were not persuaded. Maybe the other Members do not care and are concerned with protecting their turfs and ensuring that their ministries get whatever money is necessary, or maybe they do care, and are not persuaded, but they could not do anything about it; that is even sadder.

I am concerned that the Government is laying a foundation for a totally immoral and even demonic society. It is as though success of the day will be based on the roll of a die, and that patronage and nepotism will be the order of the day. During the UNC's 1995 party campaign they said, "Give yourself a chance." It is now becoming quite clear to us what they really meant.

Thank you, Mr. President.

#### PROCEDURAL MOTION

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, at this stage there is need for a procedural motion in accordance with Standing Order No. 9(8).

I beg to move move that the Senate continues to sit until 11.00 p.m.

*Question put and agreed to.*

**APPROPRIATION BILL  
(BUDGET)**

**The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar):** Mr. President, it is certainly a pleasure to join this debate at this time. As I commence my presentation, I pay special tribute to and congratulate the hon. Minister of Finance for his in-depth presentation. Last year in my opening remarks I paid special tribute to him for what I considered a very historic budget presentation. This year, I restate the congratulations which I gave to him last year.

As we continue this debate, it is important that we understand the philosophy behind the Government's approach. As the Minister has clearly outlined in his presentation, our goal as the Government is to develop what we consider a total quality nation to take us into the 21st century, having at all times due regard to the welfare of the citizens of Trinidad and Tobago.

This budget cannot be viewed in isolation. It must be viewed as the second of five progressive steps for our complete term of office. As the Minister has quite eloquently stated, the macro-economic indicators clearly show that the 1996 Budget has yielded the required results. As the hon. Minister has also stated, inflation has been kept below 5 per cent. In 1996, the growth in the gross domestic product is expected to be over 3 per cent, and for the first time in 12 years, we have had a reduction in the unemployment rate. So, quite frankly, the prescriptions which the hon. Minister made in 1996 have worked and we on this side have no doubt that those in the 1997 Budget will yield the desired results.

We feel, based on the responses we have received from the national community, notwithstanding the muted criticisms which have been heard from certain partisan and sectoral interests, that by and large our fiscal measures for 1997 have received widespread acceptance and acclaim by the national population.

When this Government came into office just over a year ago, I gave a commitment that, as the Minister of Energy and Energy Industries, I would ensure that the energy sector is developed to yield its maximum potential to the benefit of the citizens of this country. As we all know, the energy sector has been an area of major strategic importance to the growth and development of this country and as a catalyst for economic activity. When one looks at the financial indicators for 1996, one sees that the energy sector continues to play the dominant role in the economy of Trinidad and Tobago. For example, the projected contribution in 1996 to the gross domestic product is 27 per cent; the contribution to total Government

revenue is 32 per cent and its contribution to foreign exchange earnings is 77 per cent.

The dominance of the energy sector has not changed. What has changed in the sector is the style of leadership and management. What has happened is that there is dynamic and proactive management of the sector which has allowed us to achieve the expectations of our people. This proactive management has laid the foundation for growth in our construction and service industries, for development of the skills and technical abilities of our peoples, for the provision of opportunities for professionals, for the generation of employment—a foundation for the long-term improvement in the standard of living and standard of life of our people. This has been a major challenge which this Government has accepted, notwithstanding the formidable obstacles we face. We see this as a duty and as a covenant which we have made with our people. We are and will continue to be committed to one major goal, and that is to deliver maximum benefits to our people and to our country.

Mr. President, the people of Trinidad and Tobago became fed-up with excuses, and they demonstrated this fact late in 1995 when they elected this Government to office. We are here to make a difference; to demonstrate the potential which could be realized through the effective and efficient management of our natural resources. Effective and efficient management is not a static thing. One does not sit and draw up plans and policies for the future and go home and sleep and hope that they will be implemented. It requires leadership; it requires dynamism; it requires flexibility; it requires adaptability to the realities that confront one as one pursues one's objective. This has been and will continue to be the approach of this Government in the energy sector and of this particular Minister of Energy.

It is indeed instructive that although we have had so many hours of debate on the performance of this Government—I have had my technical staff in the Ministry cover every hour of the debate—so far there has not been one single criticism from the other side on how the energy sector has been administered over the last year. No one, not even our greatest detractors, can deny that the growth and development of the energy sector under this administration has been a major and unqualified success.

Over the past 12 months, the Ministry of Energy and Energy Industries has made impressive strides to reaffirm its leadership role within the sector. One of the greatest criticisms of the previous administration was that the Ministry of Energy

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did not have any significant role to play. Their role was farmed out to others. The primary objective of the Ministry is to effectively control, manage and regulate the industry with a very high level of efficiency. As I have stated, it is clear that the energy sector will retain its dominant role as the prime mover of the country's economy, making impressive contributions to the growth in GDP, the foreign investment programme and construction employment levels.

The success of the energy sector did not come by accident. It has been the result of careful planning, team work and dedication. A key element of the Ministry's success has been in the functioning of the energy sub-committee of Cabinet which is under the chairmanship of the Minister of Energy. This committee, which has been active throughout the last fiscal year, has played a leadership role in the development and implementation of policy initiatives within the sector. It has addressed and taken major decisions and given guidance to the ministry in the following areas:

- decisions on all proposals for the natural gas-based projects;
- decisions on fiscal incentives and natural gas pricing arrangements for all major energy-based projects;
- initiatives for competitive bidding and offshore exploration programmes;
- proposals for the domestic retail market for petroleum products;
- initiatives with respect to the development of alternative/renewable energy resources;
- initiatives with respect to the promotion of the use of compressed natural gas; and
- the future of the quarrying industry in Trinidad and Tobago.

**6.25 p.m.**

The energy sub-committee of Cabinet is no talk-shop and as the records would show, positive action was taken on all the areas addressed by this committee. This team effort would continue in the foreseeable future as we continue to build on the foundation we have laid.

I now turn to the question of energy policy. A Green Paper on the energy policy for Trinidad and Tobago is currently under review by the Minister of Energy and Energy Industries. There has been some talk that this Government has followed the energy policy of the previous administration. I would like to place in

the records of this honourable Senate that when I assumed office on November, 15, 1995, I met no energy policy in place. Not a single piece of documentation was available to me and I did not avail myself of the opportunity of having a hand-over with the previous minister. What I am saying is that the success of the energy sector for the last year is solely due to the policy of the UNC/NAR administration.

There is much more to developing an energy policy than selling gas at a cheap price and hoping for the best. There must be a coherent, consistent and holistic approach to the management of the sector because of the inherent complexity.

Over the past year we have also spent considerable time in strengthening the capability of the ministry. We have ensured that the physical infrastructure, including computer hardware and software have, in fact, been put in place and as we move into 1997, we are in the process of doing a major reform with respect to restructuring and reorganizing the entire ministry into more properly focused business units.

I will now turn to certain developments which have taken place within the energy sector over the past year. I would first address the issue of oil prices which was referred to by the hon. Minister of Finance in his contribution. Hon. Senators would recall that last year our projection for the price of oil, based on our Galeota crude mix was the subject of much criticism and ridicule, not only in this Senate but in the other place when we projected a price of \$17.50. Mr. President, I advised the Senate on that occasion that far from being optimistic our forecast was a conservative one. Mr. President, time and events have indeed supported my position.

The question of crude oil prices is a primary economic indicator for those of us who monitor the economic life of Trinidad and Tobago. The Ministry of Energy and Energy Industries recognizes the most notable characteristic of the crude oil market is its inherent volatility and the degree of confidence and the reliability of price projection can easily be tempered with sudden or dramatic events.

You will recall, Mr. President, that in 1995, the projected crude oil price was deemed by the hon. Leader of the Opposition and Member for San Fernando East, to be over-optimistic. The hon. Member questioned the 1996 crude oil price used to determine the revenue estimates and claimed then that the price was unattainable. In this regard, I am happy to report to this honourable Senate and to the people of Trinidad and Tobago that the actual performance of the Galeota

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crude in 1996 has exceeded the projected price of \$17.50. The price of the local domestic Galeota crude mix averaged \$21.36 as at November 30, 1996.

The trends indicated since the beginning of 1996 show a hardening of the price as several factors impinged on the international crude oil market. This, however, has not made us complacent. Our thrust in this area would continue to be directed towards increased production and exploration activity in the energy sector, and the further deepening of our industrialized programme in the natural gas subsector.

I am pleased to advise this honourable Senate that co-incidentally, today, the price of oil has reached its highest level since post gulf war conditions when the price of Brent has been trading for delivery today, for a January delivery at \$24.53; February delivery, \$23.97 and for March delivery at \$23.34. The price of West Texas Intermediate is trading today at \$26.20.

As I have said, the nature of the oil industry is very volatile. However, I can say with conviction to this honourable Senate that the days of cheap oil prices are, in fact, over. All indicators and reality of market forces, supply and demand conditions, clearly indicate that our projection for 1997, based on a \$20.00 price for the Galeota crude mix is, in fact, attainable.

I now turn to the question of crude oil production. The budgeted crude oil projection forecast for 1996 was 133,000 barrels per day. The average projection rate decreased from 133,466 barrels per day in January and is expected to average 129,000 barrels per day in 1997.

All companies with the exception of Enron were seen to experience fairly stable production levels. Production performance was above target in respect of Amoco and Petrotrin, mainly resulting from its lease operatorship and farmout programme at Trintomar. These efforts to encourage the active participation of contractors and service companies in the production activity will be further encouraged in the near future, with the addition of two new blocks for lease operatorship and farmout operations.

I now turn to the projections for 1997 in the field of oil exploration. Petrotrin's exploration and production division will be embarking on major activities during 1997 with the following objectives in mind: cost effectiveness, increasing oil production, increasing gas production to meet its requirements and addressing environmental issues.

Additionally, work is going on. There is a proposal for drilling a horizontal well, and as stated earlier, the leasing out of additional blocks under the

lease/operatorship programme. A high level of developmental activity is also expected through Petrotrin's operations in Trinmar. This high level of activity is certain to redound to the benefit, not only of Petrotrin, but also of the petroleum industry by increasing activity and hence employment in the service sector of the industry.

Petrotrin would also be actively pursuing opportunities for embarking on joint venture operations in several offshore areas. These joint venture operations would provide opportunities for sharing risks in exploration in areas which have not been previously explored or developed. One such programme with Premier Consolidated Oil Fields in the East Brighton area is already in place and similar ventures are planned for East Galeota and Block I, in the Gulf of Paria.

I now turn to oil and gas exploration. The Ministry of Energy and Energy Industries continued its aggressive oil and gas exploration thrust via the competitive bidding orders for acreage off the east coast of Trinidad and south/east of Tobago. Negotiations were concluded on the following production-sharing contracts:

- (a) Block 2c—Consortium of BHP and Elf Aquitaine
- (b) Block modified U(a)—Enron Oil and Gas
- (c) Block 2 (ab)—Consortium of BHP and Talisman
- (d) Block S11(b)—Consortium of Elf Aquitaine, Repsol and Amoco.

Negotiations are currently in progress with respect to the following:

- (a) Block 5(b)—Consortium of Amoco and Repsol
- (b) Block 4 (a) and 4(b)—Conoco.

**6.35 p.m.**

Mr. President, I now turn to the competitive bidding rounds for deep-water areas. The competitive bidding order for the deep-water blocks has been issued. These blocks are situated in waters ranging from 800—1500 metres in depth, and cover the area from north east of Tobago to Trinidad's south most boundary. To date, a total of 11 companies have expressed an interest in the bid round and have bought the data package which is sold at a cost of US \$100,000 for the basic data package which consists of selected lines and US \$200,000 for data which cover the

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entire east coast of Trinidad and Tobago. To date, the Ministry has collected over US \$1.7 million from data package sales. Companies expressing an interest include Agip, Amoco, Arco, BHP, British Gas, Elf, Exxon, Conoco, Maxus, Shell and Texaco.

Mr. President, agreements were also put in place for work in East Brighton. Petrotrin and Pecten have completed a joint study of selected areas of the Southern basin and the results are now being evaluated by the Ministry. Discussions are also continuing between the Ministry and British Gas with respect to the development of the North Coast Marine area, while British Gas has made an offer with respect to a Production-Sharing Contract for Block 5(a).

We now turn to the question of refining. Mr. President, Petrotrin's refinery upgrading programme is finally close to completion. With this event, the company would be faced with a major challenge of optimizing and sourcing crude oil supplies and/or processing agreements which would enable the company to refine products at internationally competitive prices.

The MTBE plant which is due for commissioning during the first quarter of 1997, would no doubt make a significant contribution to our gasoline quality programme, which aims to reduce the level of lead used in our gasoline—I am sorry Prof. Kenny is not here; I am sure he would have been happy to hear this. We are very concerned about the effect of lead fumes on our population's health. Trinidad and Tobago is a participant in the Hemispheric Co-operative Programme on the phase out of lead in gasoline.

The Ministry of Energy and Energy Industries is the focal point and secretariat of a committee which is actively pursuing a phase out of lead. This is a gradual process which would require the installation of catalytic converters in motor vehicles before lead could be completely phased out. The Ministry is considering proposals for reducing/eliminating import duty on catalytic converters and adjusting the existing differential between leaded and unleaded gasoline. A lead phase down exercise from 0.84 g/per litre to 0.4 g/litre is currently in force. Action would also be taken on the quality of diesel and diesel engines used by motor vehicles and their impact on the environment. A position paper on this matter is currently being prepared by the ministry to address this particular problem.

Mr. President, I now turn to an issue which has been very topical and contentious in recent times, and that deals with the retail marketing of petroleum products. No other subject over the last 25—30 years has evoked such emotion in



this country, dating back from since the days of O'Halloran into the 1990s. Earlier this year, I appointed a committee to study and make recommendations for the marketing of petroleum in Trinidad and Tobago. The report of this committee has been laid before Cabinet and its recommendations for the restructuring of the industry have been accepted with minor adjustments. I would like to reveal for the first time, all the details of this particular proposal which has been accepted by the Government as its proposal for rationalizing of the retail marketing sector in Trinidad and Tobago.

What has long been suspected is now confirmed and clearly articulated in the report, that is, that the current structure—a state monopoly operating in a tightly regulated environment—is totally incongruous in a world where liberalization and deregulation are the watchwords of the investor, and the quality of service and choice are the demands of an increasingly sophisticated and discerning customer. Clearly, the market has to be opened up. Our goal is to reinstate customer satisfaction as the dominant driving force in the industry, with quality products and quality service becoming available to the customer at competitive prices.

The plan envisaged two intermediate phases leading to full liberalization/deregulation by the year 2002. Fundamental features of these two phases are as follows:

- i. entry of local marketers;
- ii. rationalization of service station network;
- iii. upgrading of distribution network;
- iv. upgrading of service station infrastructure;
- v. development of legislation to control and monitor activities in a fully deregulated market.

Phase II:

- i. introduction of non-national marketers;
- ii. further rationalization of the network;
- iii. further price adjustments as subsidies are gradually removed, excise duty is reduced and a consumption tax introduced.

Mr. President, with respect to Phase III, we propose a partial divestment of the National Petroleum Company. My Ministry would be working assiduously to

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develop the pre-qualifying criteria for new marketers and also liaising with the Environmental Management Authority to ensure that appropriate legislation is enacted, to control damage to the ecology from service station operations and to remediate effectively any instances of hydrocarbon contamination of the sub-soil and/or ground water at existing sites.

This particular exercise of demonopolization of NP has been a subject of much speculation over the last few weeks. There has been a series of misinformation, and the population has been misinformed, either deliberately or otherwise, with respect to the intent and procedure as to the way in which this particular demonopolization is going to be handled. Mr. President, do you know that reporters from the press drew their own conclusions, that with the demonopolization of NP, the market would be open to the multinationals, leading to a collapse of the National Petroleum Marketing Company and also to runaway prices of gasoline. I hope that this statement which has been made today clarifies the intent of the Government of this country.

I now turn to the question of compressed natural gas. A recent audit of the CNG project has revealed a number of shortcomings that have contributed to the non-attainment of critical objectives such as vehicle conversions and gas sales. Even though the number of stations in operation—which is 14—exceeds the original number envisaged and conversions to date have not met the original target, delivery capability of the system is short of what is required for ensuring an acceptable turnaround for the motorists. Complaints of 30—40 minutes waiting periods at peak times are received on a regular basis, and certain dealers do not give this aspect of the operations the same focus as their gasoline sales. Many solutions have been suggested, each having financial implications for the Government or the marketer. Remedies such as increasing storage cascade size, upgrading compressor capacity, or erecting CNG dedicated stations are being looked at. Once the problem of delivery capability has been sorted out, we shall be looking at the feasibility of introducing fiscal incentives to the motorist, as well as the marketer, to increase the viability of conversions and the expansion of the network. Duty concessions on conversion kits, compressors, storage and dispensing equipment will be investigated and introduced as appropriate.

**6:45 p.m.**

We shall also be looking at fiscal incentives for CNG plant and equipment for fleet owners. We are also looking at targeting particular areas of the public service

sector where travelling officers may be offered some form of subsidy or soft loans for converting their vehicles to CNG. This project was the subject of a detailed feasibility study in 1991, but there appears to have been insufficient planning in the implementation stage and a lack of monitoring from the state. In order to redress this situation, I propose to appoint a CNG steering committee which will guide and monitor the continuing development of this alternative vehicular fuel, with special emphasis on:

- i. Public education
- ii. Regulatory legislation
- iii. Pricing
- iv. Identification
- v. Incentives
- vi. Training
- vii. Technology updates
- viii. Operational matters.

Mr. President, I now turn to the question of natural gas. The major development in this area was the commencement of production by British Gas in the Dolphin Field in the first quarter of 1996, and production to date has exceeded expectations. Two wells have been producing at 55MMscfd when expectations were that they would produce at 20MMscfd. Of particular significance, has been Amoco's discoveries off the east coast of Trinidad. This has significantly increased the country's proven natural gas reserves. We all know that the 1991 gas supply contract with Amoco was renegotiated with significant savings accruing to the country. This event I have discussed in great detail previously, so I would not repeat the details of this development.

Mr. President, one of the greatest successes over the past 12 months has been the country's ability to attract foreign investment in the energy sector at such a phenomenal rate. Since coming into office, the Government has approved investments to the sum of US \$2.85 billion. As we all know, Atlantic LNG Plant and Upstream Field Development, including Offshore and Onshore Pipelines, Farmland and Arcadian Ammonia Plants, Cleveland Cliffs DRI Plant and the CLICO/FERROSTAAL Methanol Plant and there is much more to come. Thus far, more than 2,000 jobs have been created in the energy sector and this is expected to

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peak at 8,000 early in 1998. Further, it is expected that more than TT \$3 billion would be injected into the local economy over the next five years.

Mr. President, I would also like to draw your attention to certain projects which are now in the discussion phase. With respect to ammonia production, Hydro Agri has proposed an upgrade/de-bottlenecking of its existing plant. This is scheduled for completion in 1998.

Caribbean Nitrogen company—a joint venture of CL Financial and Ferrostaal—has indicated that it wishes to construct a 1800 tpd facility.

With respect to methanol production, the Titan Methanol project, a joint venture of Saturn Methanol, Beacon Hill Energy Fund and Amoco proposes to construct a 2500 tpd plant using the Lurgi process and requiring 80 MMcfd. I am also pleased to advise this Senate that Caribbean Ispat has signalled its confirmation to build a 1.5 million tpa megamodule to produce direct reduced iron (DRI). As the national community is now aware, the Government is in discussions with respect to the construction of two aluminium smelters in Trinidad. The Norsk Hydro Aluminium and a consortium led by National Southwire, and ICF Kaiser. These plants would require about 80 MMcfd of natural gas to produce electrical power for the reduction of alumina to aluminium.

Mr. President, while we continue with our megaprojects, the National Gas Company has identified the expansion of natural gas utilization within the local economy as a strategic priority and this will involve the continued expansion of the natural gas distribution system to industrial estates and market areas. The utilization of natural gas in these areas at less than half the price of the next cheapest alternative fuel will provide a competitive advantage for the local manufacturing industry.

In the area of distribution of gas to domestic and smaller commercial enterprises, the National Gas Company commissioned British Gas Global to provide a pre-feasibility study into the construction and operation of a natural gas distribution system to supply gas to domestic properties in Trinidad and Tobago. The commercial acceptability of this proposal is currently being evaluated.

I will now turn to the development of down-stream industries. For a long time we in this country have recognized the need to further develop our down-stream industries with the intention of increasing our value added components. Mr. President, it is the feeling of this particular Government that the time for action has now come, and in this regard, National Gas Company has been directed to embark

on a study for the development of a petrochemical industry based on ethane feedstock and involving the production of ethylene and other associated products. This will increase the local value added to our natural reserves, that is, oil, natural gas, and natural gas liquids.

In my contribution to the 1996 budget debate I made reference to the quarries situation in Trinidad and Tobago. In this presentation, I informed the honourable House that the Government will be undertaking a comprehensive review of the quarrying/mining industry. I can report today that the decisions on legislative provisions, restructuring and leasing arrangements for quarrying operations have, in fact, been put in place. These efforts have assumed particular significance as a result of the increased demand from heightened construction activity on the energy and highways rehabilitation sectors.

**6.55 p.m.**

Arising out of a study which was previously done, the Cabinet of Trinidad and Tobago has agreed to the following:

- (a) that the aggregate industry in Trinidad and Tobago be restructured to achieve maximum efficiency and optimal utilization of mineral resources along the following lines: private sector driven competitive market structures; a limited number of operators in the extractive industry; and appropriate legislative mechanism for regulating the industry.
- (b) That decisions on the final composition of the industry and on a divestment strategy for National Quarries Company Limited be deferred pending the results of the Ministry of Energy and Energy Industries' current study to determine the precise characteristics of the sand and gravel resource and the economics of extracting reserves.
- (c) That the current moratorium on the leasing of aggregate-producing lands be maintained as a general principle to facilitate the transition to a rationalized industry.
- (d) That the Ministry of Energy and Energy Industries be empowered to grant leases in exception to the above on the grounds of national interest, principally to meet increased demands resulting from heightened construction activity in the energy and highways rehabilitation sectors.

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- (e) That the Board of National Quarries Company Limited be directed to submit a business plan for 1997/1998 detailing its proposed capital expenditure programme and its plans for meeting production targets, market requirements, debt servicing obligations and proposed regulatory reform.
- (f) That the Minister of Finance and Minister of Tourism be directed to finalize a divestment plan for National Quarries Company Limited in collaboration with the Minister of Energy and Energy Industries, subsequent to completion of the resource-evaluation exercise and the final policy decisions on the optimal structure and composition of the industry.
- (g) That the Ministry of Energy and Energy Industries be authorized to submit within three months for the consideration of Cabinet:
  - 1. A detailed legislative brief for the regulation and control of the quarrying industry and for the management of the state mineral resources.
  - 2. Interim policy guidelines for the leasing and development of non-aggregate mineral resources.
  - 3. Final recommendations with respect to the basic structure, role and functions of an appropriate regulatory agency for the quarrying industry.
- (h) That the Minister of Energy and Energy Industries, in collaboration with the Ministries of Planning and Development, Finance and the Attorney General's office, be authorized to engage suitable consultants to:
  - (i) finalize draft legislation for the industry as soon as decisions on the approved legislative agenda are received from Cabinet; and
  - (ii) finalize detailed plans for the establishment of a regulatory agency following relevant approvals by Cabinet.
- (i) That the Director of Surveys and the Quarries Advisory Committee be directed to renew for periods not exceeding one year, all leases for quarrying on state lands on which:

- (i) quarrying activity has taken place during the period January 1, 1996 to November 1, 1996;
  - (ii) all outstanding royalties have been paid; exhausted acreage has been rehabilitated to the satisfaction of the Ministry of Energy and Energy Industries;
  - (iii) mining plans for the renewal period have been submitted and approved by the Ministry of Energy and Energy Industries.
- (j) That the Director of Surveys be directed to enforce the provisions of the State Lands Act in controlling mining activity on all renewed leases and eliminating all unauthorized mining on state lands.

After many years, action has been finally taken on this vexing problem of indiscriminate quarrying on state lands. Other initiatives which the Government is currently exploring deal with alternative and renewable energy options. For many years in this country we have spoken *ad nauseam* on alternatives and renewable energy resources, but nothing, in fact, has been done. A report was commissioned by the Minister of Energy and Energy Industries to examine developments in technology and the use of alternative energy, focusing on renewable energy and energy efficiency.

This report has, in fact, been presented to the Minister and it concludes that definite benefits are to be derived from fostering growth in the use of alternative energy in Trinidad and Tobago. With this in mind, we are now looking at certain approaches to encourage the use of alternative and renewable energy in Trinidad and Tobago. These involve the following:

1. New companies investing in renewable energy equipment.
2. Manufacturers be allowed capital investment allowances to stimulate capital flows and entrepreneurial interest in this area. This will help to stimulate growth in the non-oil sector.

In the case of the manufacture of photo voltaire equipment, which economies of scale and technological design require large capital outlays, incentives may be granted to foreign investors who are able to provide jobs and identify export markets for these products.

On the demand side, incentives should be given to consumers to purchase alternative equipment manufactured locally. These incentives, in the first instance,

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should be in the areas of CNG, solar thermal equipment, stills, dryers, water heaters and other competitive forms which can be used locally or exported.

Import exemptions on materials used in the manufacture of alternative energy equipment should not apply to completely knocked-down kits but to raw materials which could feed into other local industries supplying inputs to stimulate industrial linkages; that the Governments of China and India be approached to provide technical assistance with respect to setting up renewable energy equipment manufacturing plants.

**Mr. President:** The speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. W. Mark*]

*Question put and agreed to.*

**Hon. F. Gangar:** Mr. President, I thank hon. Senators for giving me sufficient time to complete my contribution.

As I said, we have spoken at length for many years about the question of renewable or alternative energy. It is the position of the Government and of this Minister that it is either we proceed with developing these options in a tangible way or we leave them behind, and we have opted for the first approach.

We have been, as I said, very successful in our first year in office with respect to the energy developments in the energy sector and this has been due to a number of factors. But, as a government, we have to be eternally vigilant that we retain our competitiveness and have the appropriate fiscal and legal framework in which to continue to attract investors into this country in the manner in which we see fit.

One of the fallouts of a global economy is that there is increasing competition for the available capital and we must continue to make our fiscal and legal environments investor friendly. In this regard, we propose to carry out a fiscal review pertaining to the entire hydrocarbon energy sector in 1997 so that we will continue to remain competitive. In this regard, there are certain areas which we are targeting. The first one is deep-water field development. As I have said previously, our current competitive bid round deals with depths in areas of 800 to 1900 metres. This is much more than has ever been drilled anywhere else in the world and it is important that we ensure and we develop the appropriate fiscal measures commensurate with the higher levels of risk associated with exploration and



subsequent development of the oil and gas fields in deep water. This is one area which we intend to do in 1997.

Also, we must revisit the question of marginal field development. It must be accepted world-wide that Trinidad and Tobago is a mature oil province in that a significant amount of the resources have already been exploited. In an effort to further increase oil production and encourage investments by smaller investors and oil service companies, we are committed to examining options for further fiscal relief and incentives. Our target will be undeveloped fields which are smaller and have lower production potential.

**7.05 p.m.**

Now that the refinery expansion is completed and almost US \$400 million has been spent, it is important that the state company be afforded every opportunity to allow itself to become viable. Under the provisions of the existing Petroleum Taxes Act, exploration and production operations are ring-fenced and taxed separately from refining operations. Consolidation of these two activities is not possible under the existing regime. We are of the view that these provisions should be revisited. This provision has been an area of great concern for many years and the time has come for re-examination.

Another aspect of fiscal reform, which would be considered by this Government, relates to the provision of fiscal relief for expenditures incurred, enhancing environmental and safety conditions in the petroleum operations. Government's consideration of these measures would be aimed at providing some relief to petroleum operators who are mandated to meet the provisions of the Environmental Management Act.

Mr. President, I have dealt very briefly, with some of the fiscal measures which the Government will examine in 1997. I make no commitment at this stage, but we are examining it. We are also looking at legislative matters pertaining to the hydrocarbon sector in the oil and gas industry.

In my last budget presentation, reference was made to our intention to review the legislative measures and regulations which govern natural gas operations in the country. Over the last year we have reviewed and given consideration to this matter, and legislative and regulatory measures, with respect to the development of a Natural Gas Act are currently in progress.

I also made reference in my last budget presentation to the Oil and Water Board. Complaints and provision of relief to citizens who have been affected by

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pollution of land by oil-mining operations, is presently governed by the Oil and Water Board Ordinance 1950 of the laws of Trinidad and Tobago.

Under the provisions of the Petroleum Taxes Act, this ordinance was repealed, but continued to be in effect through a failure to enact the relevant regulations under the Petroleum Act. As a consequence of the non-functioning of the Oil and Water Board, limited legislative mechanisms are open to an aggrieved person, to access the judicial system as a result of pollution effects of oil-mining operations to land and crops.

Mr. President, I have been advised by the hon. Attorney General, that the drafting of the relevant legislation to take care of this oversight has, in fact, been completed and would be brought to this honourable Senate very early in the new year. There is much more I can go on to, but I know I am approaching the end of my allotted speaking time.

There is one particular matter I would have liked to address here today, but the time does not permit me to address it. That is the La Brea/Brighton Industrial Estate. I have received the report of the committee set up to investigate this particular issue. I am happy it was presented to me at 9.00 p.m. on Sunday night. The conclusions are, in fact, wide ranging and have very far-reaching implications. I would have liked to, at least, give hon. Senators some idea of it, but, with only five minutes at my disposal, I do not have enough time. I promise this honourable Senate that at the first available opportunity in the new year, I would make a statement to the Senate on this particular topic.

Mr. President, as I close, I would like to say that the Ministry of Energy and Energy Industries has just completed what has probably been the most active and successful year in its history, and that is not idle boasting. The very short time I have had at my disposal clearly indicates what has been achieved this year and what will be achieved in 1997.

We have embarked on a major campaign to redirect and reorganize the thrust of the energy sector to go into the 21st Century. With the initiatives in place, one would expect that this task would be completed within 18 months. The thrust of the energy sector into the 21st Century will hinge, among other things, on deep water exploration and production; continued modernization of the refining sector; development of the aluminium industry, and the development of a vibrant petrochemical industry.

As we look ahead, the Government would continue its philosophy of close co-operation with all stake-holders, who are either actively involved, or are affected by operations in the energy sector. The ultimate stake-holders are, of course, the citizens of this country. We welcome advice and assistance from all quarters and we would continue to make maximum efforts to communicate and discuss our policies within the energy sector.

Our leadership would continue to be effective and visible, and would continue to guarantee the long-term viability of this critical sector of our national economy. It is clear that an efficient and vibrant energy sector is a prerequisite for sustained and sustainable development of our nation. Trinidad and Tobago is about to enter an era of substantial growth and development, as demonstrated by the range of projects planned and ongoing in the natural gas sector, and through our exploration efforts, as we take steps to prepare for our future. I can say, without reservation, that the rewards of these efforts would be utilized for the benefit of the people of Trinidad and Tobago.

The energy sector in this country has gone through many cycles. It is one of a cyclical nature. We went through the rough days of the sixties and early seventies, and then we had the oil boom up to the mid-eighties, we then went through a depression. At the beginning of 1996 we got one more chance with the increase in oil prices and a confluence of factors, one being the increase in oil prices due to a number of factors in the Middle East. The other is the advent of a new government with a sense of direction and purpose, and one in which the energy sector has been provided with the leadership, dynamism, and flexibility to effectively lead this country into the 21st Century. [*Desk Thumping*]

Mr. President, it is the intention of this Government to expertly and efficiently exploit and utilize our natural resources for the fullest benefit of the citizens of Trinidad and Tobago via the social, economic, and industrial transformation process. All would agree that we have done a marvellous job in our first 12 months in office. I would like to say, Mr. President; we have only just begun, and the best is yet to come.

I thank you.

**Sen. Dr. Eric St. Cyr:** Mr. President, let me take this opportunity to wish you Sir, and family, the very best for the season, and to extend similar wishes to fellow Members of the Senate and their families, and to the nation at large.

I join the debate where the Minister ended, in terms of a perspective, because in my view that would be one of the major criticisms I have of this budget—the

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extent to which I see in it a vision; the extent to which I see, not only some forward-looking measures, but also the implications, both social and economic, of the proposals in the budget.

I believe that since about 1897, that is just 100 years ago, when the Wood Commission reported, we have been in search of a strategy for this nation. It is just about that time that Tobago was joined with Trinidad. We had a clear vision in about 1956—Independence—and we pursued that with despatch. But once that had been achieved, I think the country bungled along without a clear perspective as to where it is going; and in 1970 we came into some serious disturbances.

**7.15 p.m.**

Perspectives for a new nation came about but we were really searching with those development plans 1964—1968 and 1968—1973. We really did not know where to go. Then came the oil boom and we had a ball. It ended just as suddenly as it came, we found ourselves searching for how to come down from cloud nine back to earth and we went through a period of painful adjustment during the middle 1980s. We went into a period of adjustments and stabilization, and I think we have now come through and can see some evidence of growth. This is where I want to pick up the narrative because it is my view that this Government has a golden opportunity to chart a proper long-term course for the nation.

I am in this respect, Sir, somewhat disappointed that some of the measures are being proposed before the multipartite commission has reported and sketched where we are going. Certainly, one of the things I want to spend some time discussing is the proposal for casinos which, in my view, is a move that could have very serious long-term repercussions for the nation. I wish we could have had a more profound and informed look at that measure. However, before I get to those measures let me say something about the budget *per se*.

Mr. President, I think we have a competent Minister of Finance. [*Desk thumping*] I am on record, when we looked at the variations of the 1996 budget, as congratulating him for the accuracy with which that budget outturn came.

We are looking into the future and I understand very clearly some of the measures that he has proposed. For example, I understand very clearly that he is concerned about the buoyancy of the tax system so he is very expertly plugging all loopholes so that he would know how things will respond in the future.

I want to make it very clear that I impute no improper motives to his proposals other than that particular one of being certain that when he pulls a lever in the

future he knows what the revenue outturn will be. I am therefore not taken in by the examples which show that the income tax measure would be very neutral. I think they will be relatively neutral in 1997, once we are in the net. So, as I said, this is his responsibility and he is carrying it out well, but we want to have a closer look at some of the things in there.

Let us take, for instance, the measures which would impact on incentives for savings which Sen. Danny Montano and Sen. Martin Daly so expertly discussed earlier on. I would not repeat the arguments as I think they were very well put. However, I would like to extend those arguments by saying that an economic system has two basic pillars upon which it rests—the “real sector” and the “financial sector”. In the discipline there is a big debate and I do not think it is concluded as to which leads which in the development process. What I am sure about is that the financial system must be widened constantly for development to proceed. It must also be constantly deepened and the life-stream in that whole system is flows of funds through that generated out of savings.

So that to the extent that I share some of the concerns that some of the measures are likely to threaten the continued flow of savings, I would like us to think very carefully, even review, the economic implications of the responses to those measures which could possibly impact on the savings effort in the country.

I know that the Minister has in mind a larger proportion of the nation’s savings coming from the public sector. I remind him that this is where the bulk of the savings accrued in the country between 1973 and 1983, and when they did accrue there was the problem of how to get them out of the public sector and into the productive sector. The public sector has not been very good at using surpluses generated in the public sector to get production going.

If the savings are already generated in the private sector, I think it is better to have them channelled into productive investment. I am making my basic point there. We need to do some economic soul-searching to assess, firstly, what is the likely impact of the savings in the private sector of the taxation measures in quantum; and secondly, where those savings are likely to be held. I also share the concern that if people are caused to shift away from holding their savings in TT dollars into holding them in foreign exchange of various denominations, additional pressures could be put on the exchange rate.

**7.25 p.m.**

Coming to the specifics when Sen. Montano mentioned that the allowance of \$20,000 would apply equally to single persons, as to married people with children,

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I thought that insight could have been better used, by making a case there for the family. He went in the direction of exemptions which were not changed, and I would not repeat those but I do think, Sir, that a man, his wife and, say, three teenaged children, is quite a different proposition from a single person. I know that what has been done is a switch back to that earlier system, where we were before 1988, I think it was, when we switched from making allowances, to giving tax credits. I have not had the opportunity to think through why it was thought that the earlier method was better, because I do take—and I do not have any difficulty with it—the bigger issue of the buoyancy of the tax system, and the ultimate objective to have a very simple method: that of taxing income and collecting a substantial part by indirect taxes, which I think is a good way to go. I would ask if not this year, certainly probably next year, if one would be kind enough to look at families and whether it is equitable that both single persons and families, have the same basic deductions.

On the income tax amendments to the \$18,000 allowance to cover mortgage interest, deferred annuities and pensions, I would like to make a special plea for individuals who hitherto, could claim deductions on covenants in support of charitable organizations. I understand that this is not an area where we are entirely satisfied that things were properly done in every single case, sometimes we throw the baby out with the bath water. I really do think that very important and good community and social work is being done by voluntary organizations. My personal view on non-governmental organizations, is that they should look elsewhere for funding, and they should generate their own financial support to discharge the responsibilities that they take on, but some incentive could possibly be thought of in support of the continuation of that work. I have personal experience, and in the case I know, it is very strictly managed, no nonsense is allowed. However, and I was wondering, if it were possible, if any thought had been given to reviewing this, if the tightening of the controls in that direction could not be considered.

When people support charitable work, they usually would like to be there to see the cases to which the support is being applied, and one often finds that if one went to other persons not directly involved, the support for that effort is not as forthcoming from third persons, so I am making this plea. I notice that it was not removed in the case of companies. By and large, the larger companies do support larger charitable organizations, but I think the bulk of the support for the smaller charitable organizations would come from individuals, and that is the group for

which I am making this particular appeal. If I may sum up that area, Sir, I am asking for consideration in these areas: income tax relief to families, and deeds of covenant to individuals.

The change from motor vehicles being licensed every year, to collecting at the pumps, my recollection is that this suggestion was first mooted in 1977. Mr. Boland Amar, when he was a member of the National Advisory Council, raised that matter and it was considered. I think the thought was that a motor vehicle in this society is a capital asset, and that there was need to have some monitoring, some regulation. I understand the proposal was to have set up an alternative method, and to collect what would otherwise have been collected there at the pump. My concern here, Sir, is that I believe this shift will fall heavily on the public transport system, relative to the private motor-car owner. If I can just take some numbers from the hat, the annual licence fee for a motor vehicle privately registered might be about \$200 and it might use \$100 worth of gas per week. Licence fee for a public transport vehicle of the same size might be \$50 and it may use about \$500 worth of gas per week. In my rough calculation, I could see the bulk of that shift being from private to public transport users, and with the possible pass through and price effect. One of the things with which I was grappling—which I put out for what it is worth—is whether it might not have been an alternative, at first registration, to take the equivalent of two years' licence fee upfront, and take 5 cents instead of 10 cents on the gas; but the expert staff that work in the Ministry of Finance must certainly have grappled with these matters and I am sure the best advice was given.

Mr. President, I am leading now to a discussion of the big issue in the budget presentation, the proposed amendment to the Betting and Gaming Act, to permit casino gaming to take place legally in this country. I put it that way because from reports I understand that some of it is taking place now illegally.

**7.35 p.m.**

Mr. President, I make no apology, as one coming from an economics background, to almost want to spend half my time discussing this issue. The old professors of economics were also professors of moral philosophy. The evidence over the years is that economic progress rests firmly on firm, moral foundations so that we start with a disciplined people, organized and living in well-ordered families, functioning in well-ordered societies of which work and production—the work ethic is an essential part of it. In such a society one finds that people base

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their lives on trust rather than on chance, so that, there is a systematic planning and execution of the family cycle, planning for relatively long periods and so forth.

The motto of our nation is: Discipline, Tolerance and Production. Sometimes I wonder whether we have drifted away from the production part and really allowed to develop an attitude of “get rich quickly” through gambling or other forms of scam.

This is at least the third time that I am going to speak on the matter of gambling and, I dare say, if we were to take the longer view we should really go back to the 1960s when this debate started. When the National Lotteries Act was being considered, that debate went for about four years, starting in 1966. The actual bill was approved in 1968 and the implementation took place in 1970.

I have had those debates researched, and I could give the benefit of some of the comments made then. We had people like hon. Ramzan Ali asking, on religious and moral grounds, whether we should not also legalize the other things that are done illegally in our country. He mentioned bush rum, marijuana, praedial larceny, abortion and prostitution.

Another speaker, the Rev. Dr. Roy Nehall, who was not present at the actual debate but in a number of related debates had also argued. So, from the historical records from the proceedings of the Senate, it will not be said for future generations that seeds of moral deterioration were sewn and no voice, however low, was raised in opposition.

I remind this Senate that our Constitution in the Preamble at page 11, states:

“Whereas the people of Trinidad and Tobago—

- (d) recognize that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law.”

I am almost to ask whether we are about to depart from this. Because we are raising in this a major moral issue. I want to put it this way. We turn to the point at which we were at by putting in National Lotteries in 1968, and putting in Play Whe, Lotto, and the others in 1992, and this had nothing to do with this present Government.

When we take a measure like that, the people on the spot are careful to put the safeguards in, but 25 years later they are no longer there. The people then say,



well, there are Play Whe, Lotto, National Lottery, and some people are doing it in private clubs, what is the big deal with just going the next step?

When the hon. Minister made his presentation this afternoon, I noted that he was careful to say two things impliedly; yes, we are going ahead with this measure; we know there are difficulties but we will be very careful to put in the necessary checks, balances and controls. I am sure that during his time this will work reasonably well, but I am looking at 25 years into the future when most of us here would not be still here to consider the possibility.

By some good fortune just yesterday my December 1996 copy of the *National Geographic* magazine was delivered by the post. There is an article on Las Vegas so I spent last night reading it. There are some interesting bits and with your permission, Mr. President, I would quote from it. On page 65 it reads:

“It seems all Vegas casinos are a variation on a theme: card and dice tables in the middle, roulette near the periphery, a solitary wheel of fortune near the entrance, and everywhere else, row upon row of blinking, bonging slot machines. The lights are low, the drinks are free. Off to the side, often in walled-off parlors, the truly high rollers indulge in baccarat, a card game...”

It also stated that one person said on losing substantially:

“I’m gonna go out and kill myself.”

Let me quote a couple other interesting bits.

“Friday. The 8 p.m. flight from Los Angeles to Vegas—The airplane is throbbing with a full load of pilgrims. Overwhelmingly male, they shout and punch one another’s arms. The cabin is dark save for overhead reading lamps that splash each traveler with an individual spotlight.

‘We will not sleep’, one says. Like his friends, he is wearing a bright blue patterned shirt, open halfway to the belt. ‘We will play cards, and roll craps, and find ourselves some women.’”

#### **7.45 p.m.**

The mother of a 6 year-old child living in Vegas is looking at the pictures and saying that the person needs a bra, but in my view these are not the serious issues. I think this is almost a caricature. In that same article on page 62, I think is really the core of the problem. It says there that this wealthy guest arrived at a 5000-

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room hotel and that there is a conversation between him and the owner. Afterwards he said,

“‘I’ll take it,’ I told my host. ‘How much?’

Gregg smiled. ‘I couldn’t rent you this place,’ he said. ‘It’s a complimentary accommodation for our very special visitors.’ Translation: If you’re one of the handful of people who have the wherewithal and inclination to drop a few million dollars at the Hilton’s baccarat table, you can use this penthouse.”

Free, of course.

My understanding is, and this is where I am coming from, that the casino is an innocent-looking front for what happens in the suites in the back of these large hotels. I understand that this is why casinos are usually attached to these large, posh hotels. In the suites the objective is really to draw in and corrupt the leaders of the nation. The corruption may take place by getting them compromised over money, over sexual encounters or in some other such way. It is all filmed and the ultimate objective, once the leadership has been corrupted, is that any demands made of them, they are not then likely to resist. In fact, by corrupting the leadership, whoever controls the casino, could control the country.

I recall Sen. Montano mentioning the Mafia and I recall Sen. Daly saying how critical it was who owns the casinos you permit. However careful you are to determine the ownership *ab initio*, ownership can change hands, so that is not a guarantee either. I do not want to push this too far. I hope I have said enough to make it clear that there is a voice, hopefully not crying in the wilderness, but sounding a warning.

If I may come to the problem from a slightly different point of view, it is not clear that a case has been made that tourism cannot be developed in Tobago without casinos. It is not at all clear. I have some information here which tells me that in 1994 for Tobago alone, application for facilities with 2,479 rooms were approved or to be approved, and application for facilities with 1,072 rooms were pending and that by the year 2000, 1,100 new hotel rooms were expected. I am making the point that without casinos, there is some considerable growth.

Sen. Julian Kenny sketched an alternative tourism product which would be unique and I think this is one of the keys in marketing. If you do everything that everybody else is doing, you are in the mass market and after a while something new comes and everybody moves. If you could develop a unique product which

has an appeal which is lasting—rooted in the culture, rooted in the geography—then you have something which could not be duplicated.

The Volume V 1995 Tourism Master Plan, nowhere, so far as I have been able to discover, makes any recommendation about casinos. In fact, Volume III tells us that Government must have a clear policy on casinos and all-inclusive hotels, and leaves it then to be worked out. And this is why I am thinking that we should probably await that multipartite commission which involves all the representative community leaders, whom I understand had some days of meetings in Tobago by way of articulating and agreeing on a vision for the society and the nation and how to go.

I know the hon. Minister is concerned that there are some tax dollars waiting to be taken from private clubs already in existence. My understanding is that they are not really operating illegally, but they are not in the tax net. I really would not recommend that we amend the law that would open up this nation to the big casino-type gambling in order to collect some taxes from some private clubs at this time. I was one of a group who wrote to the hon. Minister, circulating it here and I am not trying to embarrass or trying to push unduly.

**7.55 p.m.**

I would remind hon. Senators that when the Cuban revolution started it was not a communist revolution. The corruption of Batista was so bad with gambling, prostitution and moral decadence that the people of Cuba rose up against that. It was not until 1961, that the communist party tagged on. In 1940, when Muñoz Mariín was articulating the operation bootstrap with a proposal to bring casino gambling in Puerto Rico, 10,000 Pentecostal believers protested and marched through old San Juan.

In his presentation, the hon. Minister of Finance and Minister of Tourism referred to Aruba and the Bahamas and a couple other countries. I would refer to Barbados where two years ago, this issue came up, and after careful consideration it was decided that they should not go in the direction of legalizing casinos. Similarly, Jamaica decided it would not go in that direction. I am putting it to you that as a nation, and the leaders of a nation—not like Aruba which has a few options, but as a nation with alternatives—we should not go in that direction. I hope that we could mobilize the society to come up with wise long-term alternatives so that we could build this nation and society in a way that we could

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be happy 50 years in the future. I also hope that this Government would be the one to give the lead in the direction of pointing a proper long-term path for this nation.

**Sen. John:** Would there be a difference between a building with a casino and having slot machines and the gaming machines in Barbados and Jamaica, in the context of what you are saying? They may have legislated against having casinos, but I have seen all the gaming machines in hotels and nightclubs in Barbados and Jamaica.

**Sen. Dr. E. St. Cyr.:** Thanks for your comment, Sen. John.

**Mr. President:** The hon. Senator's speaking time has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Prof. J. Spence*]

*Question put and agreed to.*

**Sen. Dr. E. St. Cyr:** Thank you, Mr. President.

I am not sure how to respond to Sen. John's interjection. Taking as I am, the long and big view of the nature of the casino attached to the large hotel, I still do not think that obtains in Barbados or Jamaica. Even if we would not be going there now, we would be well advised not to open the door so that someone not being part of this debate would slip through that door in the future.

There are many more sinister dimensions to this, as I understand it. My understanding is that the jobs generated in these clubs are usually handled by young persons. About 10 years ago, I would have said young females, but in this time young males are equally vulnerable in the direction which I am thinking. They are usually recruited from the rural areas. Apparently, it is not such a proper life for them. I also understand that organized crimes usually follow these things. Recently, there was a case in neighbouring St. Kitts where not many years after casino gambling was legalized, there is an unsolved murder case. I do not want to sound alarmist, but I do think it is my responsibility to sound a gentle alarm.

Let me end by saying that we have an opportunity at this time to chart a proper course for this nation. It seems to me that the politics is so nicely balanced, that we have to talk, share, support and compromise. We have to work things out together. I think we have the skills. I was very careful to say that I have tremendous respect for the competence of the hon. Minister and his staff. If as Parliament, we could assist in assessing and looking at these longer and bigger issues, that is the role I think we should play.

Thank you.

**Mr. President:** Hon. Members, it is now 8.04 p.m. I think our stomachs are speaking to some of us. I would suspend the sitting for 35 minutes so that we may have some supper, which I understand is already laid on the table. We will resume at 8.40 p.m.

**8.04 p.m:** *Sitting suspended.*

**8.45 p.m:** *Sitting resumed.*

#### ARRANGEMENT OF BUSINESS

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, earlier on in the proceedings, the Senate agreed that Motion No. 1 under "Government Business" would be taken at a later stage of the proceedings. After consultation with both sides, it was agreed that the Senate would deal with it at this time.

*Agreed to.*

#### LAND ACQUISITION

**The Parliamentary Secretary, Ministry of Agriculture, Land and Marine Resources (Sen. Vimala Tota-Maharaj):** Mr. President, I beg to move the following Motion standing in my name:

*Be it resolved* that this Senate approve the decision of the President to acquire the lands described in the Appendix for the public purposes specified.

For the benefit of the Senators, Mr. President, the description of the lands and the purposes for which they were acquired are itemized in the Appendix to the Order Paper.

Mr. President, the parcels of land as identified in the Appendix refer to lands located at Penal in the ward of Siparia, in the county of St. Patrick comprising of 14 parcels situated at Penal between the Moora Dam and the Penal Power Station which are being acquired for water pipeline reserve for the generation of electricity. One parcel, now or formerly belonging to Usuf Ali Syne, is being acquired for road access to the Moora Dam and water pipeline facilities.

Proceedings for the acquisition of land for the water pipeline reserve for the generation of electricity were initiated on December 12, 1994 when a notice of intended acquisition under section 3 of the Land Acquisition Act, Chap. 58:01, was published in the *Trinidad and Tobago Gazette*, and authority to commence work under section 4 of the said Act was issued on December 22, 1994. A notice of intended acquisition was not published in respect of the parcel of land required

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for the construction of the road to access the Moora Dam and the water pipeline facilities.

On June 14, 1996, the House of Representatives pursuant to the Cabinet's approval obtained by Cabinet Minute No. 909, dated April 18, 1996 and section 5 of the Land Acquisition Act, Chap. 58:01, approved the decision to acquire the 15 parcels of land which included the parcel for the construction of the access road.

On July 7, 1996 the Senate purported to approve the decision under the same section. The matter was referred to the Chief Parliamentary Counsel who indicated *inter alia* that the Senate's approval was without legal basis and that the Land Acquisition Act, No. 28 of 1994, which was proclaimed on June 17, 1996 repealed and replaced the Land Acquisition Act, Chap. 58:01.

Mr. President, formal acquisition of the 14 parcels was continued with publication of an order of the President, approved by Parliament, made under section 5 No. 3 of the 1994 Act which sought to declare the lands acquired. It was subsequently ruled that the acquisition of all 15 parcels was done without legal basis and the process should begin *de novo*.

The 15 individual parcels of land are to be acquired to enable title of the land to be vested in the state so that the Trinidad and Tobago Electricity Commission could be granted the necessary lease by December 23, 1996 in accordance with the T&TEC/PowerGen Agreement. Severe penalties would apply to the state if these lands are not delivered unencumbered by December 23, 1996. It is therefore imperative to expedite the acquisition process of these parcels of land in the national interest under section 5 of the Land Acquisition Act, No. 28 of 1994, which was proclaimed on June 17, 1996.

Mr. President, section 5(4) of the Land Acquisition Act 1994 provides that requirement of time and publication provided for in other sections of the Act are to be deemed satisfied where land is being acquired for public purposes, and where the President is of the view that an acquisition under this subsection is necessary to expedite the acquisition process in the national interest.

Senators are asked to note that the parcel comprising 1,965.0 square metres is already being used as an access road and regularization of the acquisition of the entire 15 parcels is sufficiently urgent to warrant an acceleration of the process in the national interest.

Mr. President, I beg to move.

*Question proposed.*

**Sen. Nafeesa Mohammed:** Mr. President, I am a bit confused over the explanation just given by the new Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources. I am hearing that this Government brought a similar Motion sometime ago which we all approved and, subsequent to the approval, it was discovered that there was no legal basis for bringing that Motion to the Parliament. It just highlights the bungling incompetence on that side, Mr. President. It bothers me that after the event they would come here, as they have done so many times during the course of this year with so many other pieces of legislation, seeking to revalidate, or rectify the matter. It is indeed a matter of grave concern.

I was not too clear of the legal basis, or lack of legal basis to which Sen. Tota-Maharaj referred in her presentation—perhaps she would elaborate or just go it over for our benefit—but whatever it is, I heard something about a notice not being published. Whose fault was it that this notice was not published according to the procedures outlined in the Land Acquisition Act?

Mr. President, with respect to the deadline that is being mentioned for the acquisition of these parcels of land by December 23, 1996, it is yet another reflection of the manner in which they treat us in this Parliament. They try to railroad their way through. This is really a “crazy ants” Government. All that we have heard today is a clear reflection of the kind of government that is in power.

### **8.55 p.m.**

Contrary to what they have been trying to sell to the population—that we are not concerned about rural development—we, on this side, are in full support of any measure which will assist the people of Trinidad and Tobago. Certainly, a water pipeline reserve for the generation of electricity in Penal is a measure which we have no difficulty supporting. However, we ask that when they bring measures like these, they follow the proper procedure and not take us for granted.

We have heard this Government talk about what they plan to do about land acquisition. Since the last budget they have talked about compensating persons for the acquisition of land. What have they done with respect to compensation of persons whose lands are being acquired? They have spoken so much and, to date, we have not heard of any measures. Even in their budgetary allocations nothing is happening with respect to compensating persons for the acquisition of their lands.

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In these circumstances, I chastise the Government again for its *[Interruption]* It is not the PNM. This Motion has nothing to do with T&TEC and anyone selling T&TEC. They, too, will be selling several assets in our country. *[Interruption]*

**Mr. President:** Please allow the Senator to complete her contribution.

**Sen. N. Mohammed:** As my Friend, the hon. Sen. Wade Mark has said, it is the Christmas season, we have had a very long day, and on that score we support the Motion, but we urge the Government, please, to straighten out its act and deal with us properly.

**Sen. Vimala Tota-Maharaj:** Mr. President, I would like to let Sen. Mohammed know that her views have been noted.

*Question put and agreed to.*

*Resolved:*

That this Senate approve the decision of the President to acquire the lands described in the Appendix for the public purposes specified.

APPENDIX I

| DESCRIPTION OF LAND                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PUBLIC PURPOSES FOR WHICH TO BE ACQUIRED                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <p>1. The following parcels of land containing together 0.6208 of an hectare more or less, situate at Penal in the ward of Siparia in the county of St. Patrick and described in the schedule and coloured raw sienna on a plan of survey signed by the Director of Surveys and dated November 14, 1995 and filed in his office are required for public purpose; a reserve for water pipelines associated with the generation of electricity.</p> <p style="text-align: center;"><b>SCHEDULE</b></p> <p>Fourteen parcels of land containing together 0.6208 of an hectare more or less, situate at Penal in the ward of Siparia in the county of St. Patrick and comprised as follows:</p> | <p>A water pipeline reserve for the generation of electricity</p> |



| DESCRIPTION OF LAND                                                                                   | PUBLIC PURPOSES FOR WHICH TO BE ACQUIRED |
|-------------------------------------------------------------------------------------------------------|------------------------------------------|
| (a) 985.7m <sup>2</sup> said to belong now or formerly to Usuf Ali Syne;                              |                                          |
| (b) 1332.0m <sup>2</sup> said to belong now or formerly to Shafura Ali;                               |                                          |
| (c) 148.9m <sup>2</sup> said to belong now or formerly to Shaufur Ali;                                |                                          |
| (d) 977.2m <sup>2</sup> said to belong now or formerly to H. and R. Sookhan;                          |                                          |
| (e) 2.2 m <sup>2</sup> said to belong now or formerly to H. and R. Sookhan;                           |                                          |
| (f) 26.4m <sup>2</sup> said to belong now or formerly to H. and R. Sookhan;                           |                                          |
| (g) 548.2m <sup>2</sup> said to belong now or formerly to Sookdeo Ramnarine;                          |                                          |
| (h) 23.2m <sup>2</sup> said to belong now or formerly to David McGregor;                              |                                          |
| (i) 198.1m <sup>2</sup> said to belong now or formerly to N. Mohammed, R.S. Mohammed and R. Mohammed; |                                          |
| (j) 77.1m <sup>2</sup> said to belong now or formerly to Pearly Sirju;                                |                                          |
| (k) 76.6m <sup>2</sup> said to belong now or formerly to Pearly Sirju;                                |                                          |
| (l) 205.7m <sup>2</sup> said to belong now or formerly to Ashley and Carole Leung;                    |                                          |
| (m) 985.8m <sup>2</sup> said to belong now or formerly to Baby and Prairagh Bajrangee;                |                                          |

| DESCRIPTION OF LAND                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | PUBLIC PURPOSES FOR WHICH TO BE ACQUIRED                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <p>(n) 620.6m<sup>2</sup> said to belong now or formerly to Joan Bhagan</p> <p>These parcels are more particularly shown coloured raw sienna on a survey plan filed as J.B. 104 in the vault of the Lands and Surveys Department, Red House, Port of Spain.</p> <p>2. The parcel of land containing together 1965.0m<sup>2</sup> more or less, situate at Penal in the ward of Siparia in the county of St. Patrick and described in the schedule and coloured raw sienna on a plan of survey signed by the Director of Surveys and dated November 14, 1995 and filed in his office is required for the public purpose; an access road to a reserve for water pipelines associated with the generation of electricity.</p> <p style="text-align: center;">SCHEDULE</p> <p>One parcel of land containing together 1965.0m<sup>2</sup> more or less, situate at Penal in the ward of Siparia in the county of St. Patrick said to belong now or formerly to Usuf Ali Syne.</p> <p>This parcel is more particularly shown coloured raw sienna on a survey plan filed as J.B. 104 in the vault of the Lands and Surveys Department, Red House, Port of Spain.</p> | <p>A water pipeline reserve for the generation of electricity.</p> |

**SEASON'S GREETINGS**

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, before moving the adjournment of the Senate, may I take this opportunity, seeing that Christmas is just five days away, to extend appropriate yuletide greetings to all.

Mr. President, as you know, this year has brought many challenges. On many occasions we were forced to go way beyond the call of duty, with much self-

*Season's Greetings*

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sacrifice and inconvenience. Very often it was necessary for the Senate to sit for long hours trying to resolve matters. Opposition Senators may have been tempted to believe that such marathon sessions were part of a political ploy to drain their mental and physical endurance. They can rest assured that these long hours were, in fact, a reflection of the new Government's commitment to attaining its desired goals within the limited timeframe at its disposal.

This Senate is comprised of three distinct groups—the Government, the Opposition and the Independent. Although we have opposing views and very often find ourselves in conflict, let us remember that our main purpose for being here is to contribute to the development of a better Trinidad and Tobago.

In this season, when we commemorate the birth of Christ and the peaceful spirituality of his existence, we in the Senate should ensure that we aspire to work in synergy with one another. Perhaps, in 1997, we can aim to create a more collaborative environment, one in which, although each side has a different agenda, we work in an atmosphere of mutual respect for each other's views and with a concern for the well-being of the citizens of our beloved republic.

On behalf of the Senators on the Government Benches, I take this opportunity to extend best wishes for a happy and holy Christmas to you, Mr. President, and your family; to my colleagues on both the Opposition and the Independent Benches, and their families; and also warmest season's greetings to the staff of Parliament—the Clerk of the Senate and her assistant, the orderlies who have worked hard; the hardworking police officers who have always been on duty providing protection, and their families; members of the news media who have given us coverage during the proceedings; and all of the people of our dear republic. We extend to all a Merry Christmas.

**Sen. Nafeesa Mohammed:** Mr. President, I, too, would like to take this opportunity to extend greetings on this very holy and sacred time of celebration. As my colleague on the other side mentioned, it is a time for peaceful spirituality, so we trust that when we return to this Chamber sometime in the next few days, good sense would prevail.

Mr. President, on behalf of my colleagues in Opposition, the People's National Movement, I wish you a very Merry Christmas. Also to our colleagues on the Independent Benches and, indeed, to the Senators on the Government side, we extend to all of them and their families, our warmest greetings.

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[SEN. MOHAMMED]

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I endorse Sen. Mark's best wishes to the parliamentary staff, particularly the Hansard Reporters, who have really been subjected to very unusual hours over the last few months, especially in this last week. They have been carrying a very heavy burden. Best wishes are also extended to all the other members of the parliamentary staff—the orderlies, the security officers and the news media.

Mr. President, we wish you and your family and everyone else a very Merry Christmas.

**9.05 p.m.**

**Sen. Prof. John Spence:** Mr. President, may I join my two colleagues in wishing a very Happy Christmas and a prosperous New Year to yourself and your family.

May I also join them in wishing a Happy Christmas to all members of staff who have been mentioned. I think sometimes comments are made about the way public servants perform, but I hope that anyone who has any doubt about the performances of public servants was able to see what goes on in this Parliament. Every level of staff performed to the maximum. We must thank them for that and wish them all a Happy Christmas and a prosperous New Year.

May we all come back invigorated to continue with the high standard I think we try to, and indeed, set in the Senate.

Thank you, Sir.

**Mr. President:** Hon. Senators, I thank you for your expression of good wishes extended to my family and to me and in like vein, as you have expressed those wishes, may I reciprocate to you and your family and trust that you enjoy a very Happy, Holy and Blessed Christmas.

To the hardworking and dedicated staff who has been stretched to the limit over the last few weeks, may I extend to you and your families, the best for the Christmas and hope that you will find time during that period to relax a little.

To the police officers, media and all other persons responsible for the smooth and effective operations of the Parliament, may I also convey to you and your families, best wishes for the holy season.

I also express season's greetings to Members in the other place and their families.

I have also received from his Excellency the President, a letter dated December 11, 1996 which I will read, with your permission:

*Season's Greetings*

*Friday, December 20, 1996*

“Office of the President,  
Trinidad and Tobago

December 11, 1996.

The Honourable,  
The President of the Senate,  
Red House,  
St. Vincent Street,  
Port of Spain.

My Dear Sir,

On behalf of my wife and myself I wish you and the other hon. Members of the Senate and your respective families good health, peace and happiness during the Christmas holidays and throughout the New Year.

Yours sincerely,

(Sgd.) Noor Hassanali  
President of the Republic of Trinidad and Tobago”

May I, on your behalf, thank his Excellency for his letter of expression of peace, happiness and good health and on your behalf, extend to him, Mrs. Hassanali and their family, a very Merry Christmas and a very productive 1997.

Thank you.

*Motion made and question proposed, that the Senate do now adjourn to Friday, December 27, 1996 at 9.00 a.m. [Sen. The Hon. W. Mark]*

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 9.09 p.m.*