

Senator's Appointment

Tuesday, June 13, 2000

SENATE

Tuesday, June 13, 2000

The Senate met at 10.33 a.m.

PRAYERS

[MR. VICE-PRESIDENT *in the Chair*]

SENATOR'S APPOINTMENT

Mr. Vice-President: I have received the following correspondence from the office of the President of the Republic of Trinidad and Tobago:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency GANACE RAMDIAL, Acting President and Commander-in-Chief of the Republic of Trinidad and Tobago.

\s\ Ganace Ramdial
Acting President.

TO: MR. DAVE COWIE

WHEREAS Senator Wade Mark is incapable of performing his functions as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GANACE RAMDIAL, Acting President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, DAVE COWIE, to be temporarily a member of the Senate, with effect from 13th June, 2000 and continuing during the absence from Trinidad and Tobago of the said Senator Wade Mark.

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 12th day of June, 2000.”

MR. SELWYN CHARLES

(CONDOLENCES)

Mr. Vice-President: It has also been drawn to my attention and I regret to announce the passing of Mr. Selwyn Charles on Wednesday, June 7, 2000 who died at his home in Chase Village, Chaguanas on Wednesday last. He was a

Mr. Selwyn Charles (Condolences)
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Member of Parliament for Caroni East Constituency and Parliamentary Secretary for Sport during the period 1971 to 1976. This is another occasion on which we regret the passing of an ex-parliamentarian. I have asked the Clerk of the House to communicate a suitable message of condolences to the bereaved family. At this stage, I will invite any Senator from the various benches to pay tribute if they care to.

The Minister of National Security (Sen. Brig. The Hon. Joseph Theodore): Mr. Vice-President, I rise to pay tribute to Mr. Selwyn Charles who passed away on Wednesday, June 7, 2000 at the age of 64. He had a career both in public and in sport. It is recorded that he represented Trinidad and Tobago at Inter-territorial Cricket in the late 1950s and the Maple Sporting Club in domestic cricket competition. Mr. Charles also served as President of the Central Football Association and was a staff member of the Trinidad and Tobago Telephone Company.

Mr. Vice-President, I knew Mr. Charles when we were growing up as boys and he was, indeed, quite a sportsman. I recall many a Sunday morning we would play hours of table tennis and then settle down to some “snowball” afterwards to cool down. In fact, I think we were all surprised when Mr. Charles became a politician and served the PNM government from 1971 to 1976. He was always a very humble person—not a man for fuss—and even when he had migrated to Canada he visited Trinidad and Tobago quite often. He would always go around and call on all the people he knew in growing up.

Mr. Vice-President, as I said earlier, Mr. Charles was a former Member of Parliament for the Constituency of Caroni East for the period 1971 to 1976. On behalf of the Government and Senators of this honourable House, I would like to extend condolences to the family of the late Mr. Selwyn Charles.

May he rest in peace.

Sen. Danny Montano: Mr. Vice President, I have the sad duty again to stand to express our regrets on the passing of another stalwart of the People’s National Movement. It is barely six months into the new millennium and so many persons from our society who had made their mark and left their name and made their contribution to society have taken leave of us. It is sad that another Member and another one of our heroes has fallen.

Mr. Selwyn Charles (Condolences)

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Mr. Charles was a strong, vibrant Member of the People's National Movement, a Member of Parliament from 1971 to 1976 and his loss to all of us would be felt and, of course, to his family. We on this side would like to send our deepest sympathies and respects to the family of Mr. Charles.

Mr. Vice-President, thank you very much.

Sen. Prof. John Spence: Mr. Vice-President, on behalf of the Independent Senators, I would like to express our condolences to the family of Mr. Selwyn Charles. Clearly, Mr. Charles must have been a man of very wide appeal to have represented the PNM for Caroni East—such was a time of national unity. We would like to send our sympathy, as I said, to the family of Mr. Selwyn Charles.

May he rest in peace.

Mr. Vice-President: Thank you all for those sentiments and I will ask hon. Senators to rise and let us stand in silence for a minute.

The Senate stood.

OATH OF ALLEGIANCE

Senator Dave Cowie took and subscribed the Oath of Allegiance as required by law.

10.40 a.m.

MISCELLANEOUS TAXES (AMDT.) (NO. 2) BILL

Bill to amend the Miscellaneous Taxes Act, Chap. 77:01, brought from the House of Representatives [*The Minister of Finance, Planning and Development*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate. [*Hon. B. Kuei Tung*]

Question put and agreed to.

STAMP DUTY (SPECIAL PROVISIONS) BILL

Bill to provide for the payment of certain stamp duties and fees by money, brought from the House of Representatives, [*The Minister of Finance, Planning and Development*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate. [*Hon. B. Kuei Tung*]

Question put and agreed to.

Stamp Duty (Amdt.) Bill

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STAMP DUTY (AMDT.) BILL

Bill to amend the Stamp Duty Act, Chap. 76:01, brought from the House of Representatives [*The Minister of Finance, Planning and Development*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate.
[*Hon. B. Kuei Tung*]

Question put and agreed to.

CORPORATION TAX (AMDT.) BILL

Bill to amend the Corporation Tax Act, Chap. 75:02, brought from the House of Representatives [*The Minister of Finance, Planning and Development*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate.
[*Hon. B. Kuei Tung*]

Question put and agreed to.

INCOME TAX (AMDT.) BILL

Bill to amend the Income Tax Act, Chap. 75:01, brought from the House of Representatives [*The Minister of Finance, Planning and Development*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate.
[*Hon. B. Kuei Tung*]

Question put and agreed to.

**FINANCE (SUPPLEMENTATION AND VARIATION OF
APPROPRIATION) (1999/2000) BILL**

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 1999/2000 [*The Minister of Finance, Planning and Development*]; 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.

PAPER LAID

Annual audited financial statements of Youth Training Employment Partnership Programme Company Limited for the year ended September 30, 1999. [*The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung)*]

ORAL ANSWER TO QUESTION**Faculty of Medical Sciences Dental School
(Review of Curriculum and Training Programme)**

- 15. Sen. Prof. John Spence** asked the hon. Minister of Health:
- A. Could the hon. Minister state whether the review of the Curriculum and Training Programme of the University of the West Indies Faculty of Medical Sciences Dental School which was mandated in Act No. 31 of 1998 has been carried out?
 - B. If the answer is in the negative, could the hon. Minister state when this review will be carried out.

The Minister in the Ministry of Health (Sen. The Hon. Vimala Tota-Maharaj): Mr. Vice-President, before I answer this morning's question, may I take the opportunity to welcome the Standards 3 and 4 pupils of Charlieville ASJA and their teachers to this morning's sitting.

The review of the Curriculum and Training Programme of the University of the West Indies Faculty of Medical Sciences Dental School has not yet been carried out.

The process has started. The technical assistance procurement unit of the Ministry of Health in the health sector reform has already developed the terms of reference for technical assistance for consultancy to conduct the review. The Pan-American Health Organization has been approached and has agreed to assist in the procurement of the consultancy. When the consultancy is procured, an initial report will be developed by the end of the fourth week. The final report will be submitted at the conclusion of the engagement, which is expected to last three months. The consultancy is expected to commence at the beginning of September, 2000.

Sen. Rev. Teelucksingh: Supplemental question.

Mr. Vice-President: Sen. Rev. Teelucksingh:

Sen. Rev. Teelucksingh: Thank you very much, Sir. Since the controversy in 1998 and prior to that, the inadequacy of clinical requirements, if this was not attended to, would the hon. Minister please tell us what is the position with persons who will graduate, maybe this year or next year?

Oral Answer to Question

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Sen. The Hon. V. Tota-Maharaj: Mr. Vice-President, I do not have that information available this morning, however, since assuming office, in my position as Minister in the Ministry of Health several months ago, oral health has come under me and I have been holding consultation with all of the stakeholders of that sector.

Sen. Rev. Teelucksingh: I hope that will be acceptable when the time of graduation comes.

Mr. Vice-President: The answer to that question was that information was not available.

Sen. Rev. Teelucksingh: Thank you, Sir.

Sen. Shabazz: I want to ask, why of late they are coming to the Parliament with no information and cannot answer people's questions?

Mr. Vice-President: That does not qualify as a supplemental question.

ARRANGEMENT OF BUSINESS

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, I seek leave of the Senate to deal with "Bills Second Reading" at this stage of the proceedings.

Agreed to.

Mr. Vice-President: We, in fact, will deal with Bill No. 2 and I call on the Minister of Energy and Energy Industries.

MINERALS BILL

Order for second reading read.

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. Vice-President, it is indeed my pleasure and honour to be afforded the opportunity to introduce in this honourable Senate the Minerals Bill, 2000, which I am sure all of us will agree is a very historic and landmark piece of legislation in Trinidad and Tobago.

The Minerals Bill will regulate the exploration for the mining, processing and trading in minerals and will govern other ancillary matters connected therewith. The administration will be administered by the newly created Minerals Division in the Ministry of Energy and Energy Industries.

This Bill is, by anyone's determination, one of the most far-reaching pieces of legislation for the management of state resources to be tabled in this honourable Senate since the Petroleum Act of the early 1970s, which was introduced with the purpose of the regulation of the entire petroleum industry.

The timing of the Minerals Bill is significant as Trinidad and Tobago is currently experiencing a tremendous increase in demand for aggregate fuel by high oil prices and fostered by this Government's thrust for direct investment in our downstream petroleum industries. The recent approval of the Atlantic LNG Trains 2 and 3 is noteworthy in this regard.

This Bill would also facilitate the development, in an orderly manner, of many other significant projects which the Government is now undertaking to recreate and rehabilitate the infrastructure of Trinidad and Tobago. Some of these come to mind—the inter-island ferry port at Toco; our new airport; our new library and the construction of our many roads and secondary schools.

The construction boom which this country is now experiencing is reminiscent of the boom years of the late 1970s and is, indeed, due, in no small part, to the astute initiatives of this Government.

As expected, this boom in construction, notwithstanding the benefits which it brings, also has certain attendant drawbacks. Information from the Ministry of Energy and Energy Industries database is that the number of active quarries peaked from 20 in the pre-oil boom era in the early 1970s to over 200 in 1985. Today, we are seeing a similar rise in the number of mining and processing operations, as well as a burgeoning retail marketing operations niche.

In the past, the sudden increase in demand for aggregate, coupled with the absence of comprehensive legislation like the Minerals Bill, resulted in unprecedented environmental damage, which is still with us today, a haunting reminder of the past. Associated with the massive environmental damage, there also exists a debt due to the state of some \$50 million as a result of the non-payment of royalties over the last 25 years.

10.55 a.m.

Mr. Vice-President, this situation is indeed a frightening one where, even today, in the Ministry of Energy and Energy Industries due to almost a century of neglect, there is no comprehensive record of the number of mining operations which are currently being put into place.

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Such daunting occurrences were characteristic of the past; primarily, because the quarrying industry was, and still is, indeed, loosely regulated through the purview of eight different pieces of legislation, in conjunction with an almost equivalent number of state agencies. This, Mr. Vice-President, is a recipe for confusion.

These various pieces of legislation include the Mines, Boring and Quarries Ordinance, Chap. 61:01, which was intended to provide for the overall regulation of the industry, particularly as regards the health and safety aspects of mining. Then there is the State Lands Act, Chap. 57:01, which sought to administer and control state land and monitor the removal of quarry materials and the collection of rents and royalties. Then we have the Town and Country Planning Act, Chap. 35:01, which provided for the orderly and progressive development of land in both urban and rural areas, as well as control over land use and permission to mine on private lands. We have the Public Health Ordinance, Chap. 12:04, which empowered local authorities to control activities which threaten public health, or pose a social nuisance. There is the Explosives Act, Chap. 16:02 which regulated the possession and safe use of explosives, the Factories Ordinance, Chap. 20:02 which provided for general safety within factories and safeguards for working conditions in factories; the Water and Sewerage Act and the Water Resources and Water Conservation Act, Chap. 54:40 which govern the abstraction of water from ground and surface water sources and control of water pollution; the Environmental Management Act, 1995, which serves as the umbrella legislation for the management of the environment and establishes an environmental commission to deal with matters related to enforcement of the Act.

Mr. Vice-President, this very diffuse legislative framework for management of the minerals sub-sector, fostered inordinate delays in the permitting and enforcement functions, arbitrary and *ad hoc* decision-making, insufficient technical studies, low levels of technology, and sub-optimal methods of mining. Past efforts to improve the management of the minerals sub-sector, through the Mines, Borings and Quarries Ordinance, were suspended in 1987, pending finalization of a minerals policy by the Ministry of Energy and Energy Industries.

In the formulation of this Bill, a wide cross-section of the community was consulted. The Ministry of Energy and Energy Industries can boast that its open-Government consultation process is akin to none that have been attempted thus

far, for such a landmark piece of legislation. The consultative process commenced way back in August 1997, with a workshop involving representatives from the various divisions of the following ministries:

- (i) the Ministry of Works and Transport;
- (ii) the Ministry of Planning and Development;
- (iii) the Ministry of Finance;
- (iv) the Ministry of Agriculture, Land and Marine Resources;
- (v) the Ministry of Trade and Industry;
- (vi) the Ministry of Public Utilities;
- (vii) the Ministry of Labour and Co-operatives;
- (viii) the Ministry of Housing and Settlements;
- (x) the Ministry of Tobago Affairs;
- (xi) the Environmental Management Authority; and
the Quarries Association of Trinidad and Tobago.

Arising out of this consultation process, an interim minerals policy and legislative brief was developed, which was accepted by this Government on October 08, 1998 for the purpose of developing the appropriate legislation.

Following closely on the heels of this phase, the Ministry of Energy and Energy Industries sought to ratify and harmonize the Bill again, by again, going out for comments from the various ministries, from active environmentalists and quarrying associations—including that notable lady Miss Anne Hilton, who writes in the daily newspaper—on the quarrying industry.. By and large, Mr. Vice-President, the inputs from these processes have been incorporated in the Bill before us today, which is the Minerals Bill, 2000.

Mr. Vice-President, as I indicated earlier, one of the complaints which we have always been subjected to, in this honourable House, is that the Acts are being put in place without the necessary administrative machinery to support the legislative framework. As I indicated earlier, a Minerals Division has been established within the Ministry of Energy and Energy Industries to oversee the effective and efficient implementation of this Bill.

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One of the major drawbacks of the quarrying and mining industry in this country has been the lack of overseeing, the lack of policing and the lack of regulation. Long before this Bill had been put in place, the steps had been taken to institutionalize the administrative framework to ensure that a regulatory process is there for the implementation of the Minerals Act. We have formed the Minerals Division, as I said, and this division replaces its predecessor, the quarries unit, which has been in existence since the early 1970s. The Minerals Division is headed by the Director of Minerals, to whom a lot of authority has been given in this Bill. This Minerals Division has some 14 technical positions made up of geologists and other technical people and 34 clerical, non-technical positions. It would be headed by a director, in whom will be delegated the responsibility for the administration of the legislation.

It is noteworthy that the Bill also seeks to delegate powers and functions under the Tobago House of Assembly Act. Of significance as well is the fact that the Minerals Division will be capable of fiscalizing and auditing all quarries, in that, royalties will, in fact, now be paid to the Ministry of Energy and Energy Industries.

The recruitment process for the staffing of the Minerals Division is already in train. Advertisements have, in fact, been issued and the Department of Personnel Administration is in the process of recruiting the necessary personnel to staff this most important division in the Ministry of Energy and Energy Industries.

During the prelude to the introduction of the Minerals Bill, 2000 the Government sought to manage the minerals sub-sector by regularizing and renewing quarrying operations that are presently mined, and allocating new quarrying operations through a competitive bidding process. So, we did not wait until the implementation of this Bill and the proclamation of the Act at the appropriate time. We have already started the process which this particular Bill requires, and that is a structured way of allocating quarries.

Long ago, Mr. Vice-President, any minister would get up one morning and allocate quarries to whomever he saw it fit. That process no longer obtains in the Ministry of Energy and Energy Industries. At present, new quarrying acreage is allocated on the basis of a competitive bidding process, and that approach has been enshrined in legislation which is before us today.

Mr. Vice-President, the Minerals Bill is intended to regulate the exploration, mining, processing, importation, export and sale of mineral deposits and is divided basically into nine parts.

- Part I explains the interpretation and terminology;
- Part II defines the categories of minerals and the responsibilities of the Minister responsible for the administration of the Act;
- Part III explains the concept of the licence;
- Part IV explains enforcement;
- Part V explains the rights of the licensee;
- Part VI outlines the health, safety and welfare of workers;
- Part VII explains protection of the environment; and
- Part VIII treats with offences and regulations, among other things.

This Bill seeks to empower the Ministry of Energy and Energy Industries to issue licences for the exploration of mining, transporting, processing or sale of common minerals. It is noted—*[Interruption]*

11.05 a.m.

Sen. Prof. Spence: Mr. Vice-President, I am confused, because my Bill only has four parts, so I do not understand if we have the wrong Bill.

Sen. Shabazz: You have too much information now.

Sen. Prof. Spence: All our Bills only have four parts.

Sen. F. Gangar: Mr. Vice-President, I have no explanation for that at this point in time. The Bill which has been approved has the various parts very clearly outlined here.

Sen. Montano: How many clauses are there in your Bill?

Sen. F. Gangar: There are 51 clauses.

Sen. Montano: We have 26 clauses. *[Crosstalk]*

Mr. Vice-President: Like the majority of Senators, the Bill which I have on my official file here is divided into four parts and has 26 clauses, a schedule and a preamble. Is that the bill everyone has before them?

Hon. Senators: Yes.

Sen. The Hon. Kuei Tung: Mr. Vice-President, in the interest of time and in view of the confusion that seems to have taken place, may I suggest that we move on to the Finance (Supplementation and Variation of Appropriation 1999/2000) Bill, please?

Mr. Vice-President: What I propose to do is to suspend the debate on the Bill before us, which we have already started, Bill No. 2 on the Order Paper. We will attempt to have the apparent misunderstanding regularized and revert to the Bill at a later stage in the proceedings. So I now call the Minister of Finance, Planning and Development and we will deal with the Bill that we had deferred earlier on in the proceedings, which is Bill No.6, the Finance (Supplementation and Variation of Appropriation 1999/2000).

Sen. Prof. Spence: If the Bill that the Minister is presenting is completely different to the one we have, then, clearly, we cannot go back to this subject later on today, because we would have to have the new Bill before us for some time; at least, a week minimum.

Mr. Vice-President: We will have to establish that it is different. I have not seen it. I will attempt to establish whether, in fact, we are reading off the same page or not. In the interim, we will defer it and revert to it later in the proceedings.

Debate on Minerals Bill deferred.

**FINANCE (SUPPLEMENTATION AND VARIATION OF
APPROPRIATION) (1999/2000) BILL**

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

That a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 1999/2000, be now read a second time.

As you are aware, this Bill was presented in the other place and was approved and agreed to on Friday, June 9, 2000. At that session, the other place agreed to a number of proposals relating to the 1999/2000 accounts. These proposals included two basic components: firstly, the variation of the 1999/2000 appropriation as follows: the recurrent estimates in the sum of \$547,390,310 and, secondly, the Public Sector Investment Programme in the sum of \$285,968,000. There was also an increase in the 1999/2000 appropriation by the provision of supplementary funds in the sum of \$927,651,519.

Mr. Vice-President, given the increase of \$927,651,519, the 1999/2000 appropriation will now be \$14,973,703,216. The increase in respect of one Head of Expenditure, namely, Head 19, which is "Charges on Account of the Public Debt", in the sum of \$927,651,519 is asking for the provision of supplementary funds in that amount. The supplementary funds in the sum of that amount are required under Head 19, Charges on Account of the Public Debt, basically, to facilitate the early redemption of Government's high cost domestic bonds, which attracted an interest rate of between 1 per cent and 1¾ per cent below prime.

These bonds had been negotiated several years back—some five, ten or 15 years back—before this administration came into place. It must have met circumstances which, at the time, might have appeared to be attractive then, given that they were 1 per cent and 1¾ per cent below prime. This was fine when prime was 9 and 10 per cent, today prime runs at somewhere around 17 or 18 per cent. So that 1 per cent in the case of the 1 per cent bonds meant that Government is paying as much as 16½ or 17 per cent on bonds.

If government is considered as gilt edged investment, obviously, this state of affairs cannot continue. What I have sought to do in the last few months is to bring the lenders around the table to see if I could have negotiated to have these bonds replaced by more current value/current circumstances bonds, where the interest rates do not reflect that kind of interest.

Now, I am not blaming any previous administration with respect to how it came about. As I said, at the time, maybe 10 years ago when prime was lower, 1 per cent below may have seemed to be a very attractive rate, but having tied it to prime, and prime having moved, meant that Government found itself caught in a situation where it is paying—in my view, and I am sure in the view of hon. Senators of this House—what would be regarded as a very high cost, given the fact, as I said, that government borrowing is regarded by all investors as gilt edged investments.

I have been able to negotiate, so far, the redemption of \$927 million worth of bonds. What that means is that in order to have this done—this is merely a financing, as such, so that it is not really, in the true sense, an increase in the budget, because I am replacing one set of bonds with another. I know this may seem to be a bit awkward to accept—I hope it is, because there is no other explanation that I can provide. It is an accounting convention that is accepted internationally.

Finance Bill

[HON. B. KUEI TUNG]

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As a result of this, I expect that funds are being sourced in the domestic market to redeem these bonds. It is estimated that this exercise would result in an annual interest savings of \$39 million. I guess I have earned my pay this week. [Laughter] Unfortunately, no budgetary provision had been made under the amount allocated for domestic principal repayment for early redemption of these bonds. I am, therefore, seeking approval of this honourable Senate to have this proposal approved. Accordingly it is proposed, Mr. Vice-President, that the subject Head of Expenditure be provided with the supplementary funding of \$927,651,519.

There are other bonds, incidentally, but some of these have interest of between 4 and 5 per cent below prime, which I will look at over time if prime continues to move too far away from what we consider to be a reasonable interest rate and I will have to return to Parliament to ask for further approval. But at this time, we are fairly satisfied that we have done our best to redeem.

I want to add one other thing. In the normal marketplace many people who buy government bonds do not expect that government would ever want to pay it off. I see this as a bit of a tricky thing, because I do not want people to think that the Government is now getting to a situation where investors who have lent Government money, on a long term basis, would suddenly expect Government to come and say, "We want to pay it back, because the cost is too high."

I, myself, used to be a manager of an insurance company, so I understand the need for insurance companies, in particular, to be able to plan their business in the sense that when they buy government bonds it means that they have lent government money. They expect to be able to earn the interest and they do not expect, in the main, that government would come back and say, "Well, we find that we are paying too high an interest rate."

It is my view that this is fairly much a one-off sort of thing that has hung over from the last 10 or 15 years, therefore, it is an opportunity for us to negotiate, as it is. We have not changed any terms and conditions of the bonds. In many cases, we have had to observe giving notice and what have you, so we have negotiated in fairly good faith and I think that these negotiations have been successful; more because of the generosity of the investors who have recognized that it is unfair for us to continue to carry this load.

Mr. Vice-President, with respect to the variation of the 1999/2000 appropriation, the recurrent estimates, \$547,390,310. The variations in the recurrent expenditure reflect the amended schedule of responsibilities of ministers

as assigned by His Excellency the President acting in accordance with the advice of the Prime Minister. You will be aware that a number of changes had been made to portfolios after the announcement and the approval of the budget, or the Appropriation Bill. Therefore, we could not have anticipated—I could not have, of myself—what the Prime Minister or the President would have done with respect to re-assignment. In fact, many of the changes that have been brought about have caused us to now have to eliminate some Heads and increase certain Heads.

For example, the Ministry of Finance, now has the Ministry of Planning and Development attached to it. There was a Head for the Ministry of Planning and Development and there was a Head for Finance. We are now suppressing or eliminating, I am not sure what is the correct term, but we are removing that Head from the Ministry of Planning and Development and we have to increase the Ministry of Finance by that amount to make it the Ministry of Finance, Planning and Development.

Some of the other Heads and changes brought about and the Heads to be increased are as follows:

Head 13	
Office of the Prime Minister	\$25,048,200
Head 18	
Ministry of Finance, Planning and Development	\$438,909,20
Head 23	
Ministry of the Attorney General and Ministry of Legal Affairs	\$24,409,390
Head 26	
Ministry of Education	\$28,836,000
Head 38	
Environmental Commission	\$28,602,700
Head 39	
Ministry of the Environment	\$1.585 million.

The Ministry of the Environment is new, as you know, Mr. Vice-President. This gives a total of \$547,390,310.

11.20 a.m.

The heads to be decreased are as follows:

Head 21—Ministry of Planning and Development	\$457,945,720
Head 24—Ministry of Legal Affairs	\$24,409,390
Head 42—Ministry of Local Government	\$11,300,000
Head 53—Ministry of Training and Distance Learning	\$53,734,200

That is a total decrease of \$547,390,310.

With respect to the Public Sector Investment Programme (PSIP), in the sum of \$285,960,000, we have reallocated funds under the 1999/2000 Public Sector Investment Programme. This is due to a revision of the PSIP with reassignment of responsibilities of ministers.

Mr. Vice-President, a review of the performance of the 1999/2000 PSIP was undertaken in April, 2000, and it was found that some of the projects had performed as well as forecasted, while others had experienced low levels of expenditure and slower than anticipated project outturns. Following this exercise, it was recommended that a reallocation of funds among programmes and projects should be undertaken. This would allow those which performed well and are in need of additional resources to proceed by having funds transferred from those which were not likely to meet their targets in the year 1999/2000.

Mr. Vice-President, as a consequence of the reassignment of ministerial portfolios, parliamentary approval is required for the transfer of funds from one ministry to another. The overall effect of these changes on the various Heads of Expenditure is as follows:

Head 6—Service Commissions	An increase of \$200,000.
Head 13—Office of the Prime Minister	An increase of \$17,700,000

Head 16—Tobago House of Assembly	A decrease of \$23,000,000
Head 18—Ministry of Finance, Planning and Development	An increase of \$84,107,000
Head 21—Ministry of Planning and Development	A decrease of \$ 122,560,000.
Head 22—Ministry of National Security	An increase of \$11,432,000
Head 23—Ministry of the Attorney General and Legal Affairs	An increase of \$38,924,000
Head 24—Ministry of Legal Affairs	A decrease of \$24,375,000
Head 25—Ministry of Agriculture, Lands and Marine Resources	An increase of \$11,605,000
Head 26—Ministry of Education	An increase of \$24,712,000
Head 36—Ministry of Housing and Settlements	A decrease of \$5,667,000
Head 38—Environmental Commission	An increase of \$2,150,000
Head 39—Ministry of the Environment	An increase of \$26,981,000

Head 41—Ministry of Culture and Gender Affairs	A decrease of \$1,047,000
Head 42—Ministry of Local Government	An increase of \$7,000,000
Head 43—Ministry of Works and Transport	An increase of \$16,493,000
Head 44—Ministry of Public Utilities	An increase of \$26,936,000
Head 45—Ministry of Social and Community Development	An increase of \$6,800,000
Head 46—Ministry of Sport and Youth Affairs	A decrease of \$61,819,000
Head 48—Ministry of Trade, Industry and Consumer Affairs	A decrease of \$14,150,000
Head 50—Ministry of Tourism	An increase of \$3,544,000
Head 51—Ministry of Public Administration	An increase of \$5,000,000
Head 52—Ministry of Tobago Affairs	An increase of \$2,384,000
Head 53—Ministry of Training and Distance Learning	A decrease of \$33,350,000

This gives total increases of \$285,968, the same as the total number of decreases.

I believe, Mr. Vice-President, that explanations for the variations in allocations of both the recurrent expenditure and the PSIP have been circulated to hon. Members of this honourable Senate. It is with pleasure that, in closing, I wish

to remind hon. Members that this Bill will increase the 1999/2000 appropriation by \$927,651,519. The total amount to be appropriated for 1999/2000 would, therefore, be \$14,973,703,216, but I want to remind the Members of this honourable House that this will have no impact whatsoever on our fiscal budgeted position as articulated in the budget for the year 1999/2000.

Mr. Vice-President, I beg to move that that Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act 1999/2000 be now read a second time.

Question proposed.

Sen. Danny Montano: Mr. Vice-President, the first question I was going to ask the Minister was from where he was getting the money, but obviously he answered that and explained that it is merely a rolling over of the debt, which I understand completely. We got some notes to advise us exactly what was being done and it seemed that the Minister actually read from the notes indicating that there was a variation of appropriation from the PSIP of \$285,968,000; from the recurrent estimates there was \$547,390,310, and then an increase on those bond matters of \$927,651,519. That adds up to \$1,761,009,829, whereas in the schedule attached to the Bill, the total amount of the increase adds up \$1,754,000,000—a difference of exactly \$7 million, and there is no explanation. I would like to have an explanation. Obviously, there must be something, but it is exactly \$7 million.

Mr. Vice-President, dealing with the new bond issues, I have a few questions for the Minister. The first one is this: According to the schedule that we received, it gives us the details of the bonds that are being redeemed, but in all the cases, the face value of the bonds as they are listed are different from the amounts that are being redeemed. In most of the cases, it seems to be fairly close. The first one is at \$285,245,000 fixed and floating rate interim bonds, government project financing floating, but the amount that is being raised to liquidate that debt is only \$245 million, and so on down the place.

The last item, No. 36, is actually a \$755,000,000-million fixed and floating rate bond of which only \$72 million is being redeemed. It does beg the question as to why only part of these bonds is being redeemed. Is it that the holders of the bonds did not agree to redemption? I really do not understand what the explanation is.

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The other issue that I really wanted to get into is, I fully understand the rationale for the redemption of these bonds and the placement with bonds of a similar face value and at a lower rate of interest. It certainly makes good financial sense. However, things do not come freely in this world, and what tends to happen, Mr. Vice-President, is that the agents or underwriters of these bonds usually make a fairly substantial commission, one way or the other, when these bonds are placed.

They can get a commission in two ways. One is that they can underwrite the debt themselves at a particular discount and then try to sell the bonds over to the public, in which case, they take the risk themselves of trying to sell the bonds at a price higher than what they actually bought them at from the Government. The second way, of course, is that they actually get a fee for the placement of the bonds. Let me give an example of what I am speaking about. In this morning's newspaper, the results of Royal Bank Trust were published. I am not suggesting that Royal Bank was involved in this. It is merely to demonstrate what these financial institutions do.

With respect to the Royal Bank, if my memory is correct, an interest income on loans and on the mortgages portfolio is some \$4 million, but the income from fees and commissions was \$42 million or \$43 million. It is telling us clearly that the activity of the Royal Bank Trust Company is not so much that of a lending institution, so much as acting as an intermediary financier. In other words, they are finding funds for whoever it might be, whether it is the state or whoever.

The point of the matter is that just in that year alone, Royal Bank Trust—I am sure they were acting quite properly—earned some \$40-odd million in fees and commissions. The issue here is, who is the placement agent and what were the terms? Or was it done on a direct negotiation between the state and the bank, or the holders of the bonds? I think we need to understand exactly what the situation is there and whether, in fact, the state incurred any short-term expenses in the placement of the new bonds in order to achieve a long-term reduction on the interest rates, and what the real cost of these new bonds would be when we take into account the placement expenses over time? That is the issue that I would like to have clarified, Mr. Vice-President, because those fees and commissions can be quite substantial.

There was a banker from the Cayman Islands in my office just last week, and he was telling me about the placement of the Government bonds in August of last year. If my memory is right, it was some US \$396 million. It was a very large

amount of money that was placed very close to the end of the financial year and he was suggesting to me that, in fact, the coupon rate of those bonds was some 9.75, but that the effective yield was about 10.75, because the bonds were sold at a discount.

In other words, it is exactly what I was saying earlier. The underwriter took the bonds and discounted them with the Government and said, “Listen, I will give you 95 cents on the dollar”, and in fact, then sold them over at a higher price. What he was saying was that in those circumstances, in that situation, with that bond issue, given the state's international credit rating, the coupon rate was, in fact, a very marketable rate, and there was absolutely no need to discount those bonds at all.

Therefore, under no circumstances should the yield be higher than the coupon rate. If anything, it should be the other way around. People should be paying a premium for the bonds because of the coupon rate and the inherent security and stability of the bonds. Mr. Vice-President, it is from that background that I ask the question here, because I would like to know how these bonds were placed. Whether they were simply replaced directly with the original bondholders and, therefore, there were no expenses.

Members might recall that about a month or so ago, the Minister brought a Bill to Parliament, and—if my memory is correct, we have not debated it, in fact, I think it is for debate this afternoon—one of the provisions in there is to allow the expenses of a financier in the placement of certain issues—bonds and so forth—to be able to deduct them from their taxable income. It is an issue. It is something that we all know and understand, so it does beg the question, and I am sure that the Minister, in his usual way, would have a ready answer.

11.35 a.m.

Mr. Vice-President, in terms of the reallocations from one ministry to the other when there was an effective merging of the portfolios, I have no difficulty with that, I think the use of the word “merging” probably best explains what is taking place. It is merely a merging of the activities and, therefore, there is no quarrel with that at all. I looked at the schedule which explains many things and I picked this one up: under Head 43—Ministry of Works and Transport, subhead 09—Development Programme, Project No. 219—Road Rehabilitation Programme has been increased from \$4 million to \$20 million and, of course, we have a new Minister in the Ministry of Works and Transport. Mr. Vice-President, the paving of a little piece of the savannah was \$5.3 million and that was done on

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a weekend. So with \$16 million it will not take more than a week with the new Minister there. What are we really fixing here, are we fixing the savannah in Arima? What are we really doing here?

On the next page, Project No. 001—Emergency Infrastructure Works, \$26.9 million. I would like to draw to the attention of the Minister of Works and Transport that I would be inclined to think that the Red House is in a state of emergency. [*Desk thumping*] Every time we walk down the corridor when it rains, there is water leaking all over the place. In the Chamber at the other end of the building the ceiling is actually falling down and I have been sitting here for four and a half years waiting for this ceiling to fall. I would hate to think that is going to happen, I know that is called “goat mouth” but there is no goat spinning at the top of the building, but what are we really going to be fixing here?

I would like to hear that what is going to be fixed are the hospitals. For all the money that has been reallocated all over the place, the one facility or area that absolutely needs urgent attention are the hospitals. I understand—though I have not had the misfortune to attend it—that the worst of the hospitals is the one in Tobago. Mr. Vice-President, where are we going?

We are supposed to be a modern, sophisticated country, we have had the Attorney General of the United States talking about the history of Trinidad and Tobago and is complimenting us on everything else. God forbid, that she gets sick because we would have to fly in an air ambulance to take her out. That is not right, when we are building an airport that is going to cost \$1 billion that is not seen anywhere in the national budget. Who is paying for it or how? We have had no explanation yet of what NIPDEC is doing with the funds, but obviously that is a price tag which the next administration is going to have to pick up. We are spending a \$1 billion to fix an airport and how much money has been spent over the past four and a half years repairing the hospitals? It has to be a fraction of that. Where are the priorities? Who writes the priorities? I know it is not the Minister of Finance. I would like the person who is writing the priorities to tell us that we need an airport that is going to cost \$1 billion, but we do not have to spend more than \$6 million fixing the Intensive Care Unit (ICU) at the Port of Spain General Hospital. Mr. Vice-President, somebody has to wake up and get real.

In the same vein, all the stadia that were to be built and with \$61 million being allocated to the Ministry of Sport and Youth Affairs taken away from the stadia, and going to the Ministry of Agriculture, Land and Marine Resources instead of to fix the hospitals—to fix roads instead of the hospitals. That does not make any sense to me at all. I cannot understand it.

Mr. Vice-President, other than that, I will take my seat and ask for the explanations from the Minister of Finance.

Thank you.

Sen. Dr. Eastlyn Mc Kenzie: Mr. Vice-President, I would be very brief. There are a few observations and one of the things that I am happy to see is that we are doing this in June. I remember the last time we did this was in August and the financial year was coming to a close in September, so this year, for some reason or the other, we are very early and I am happy about that.

I am happy also because I complained over the years that we were allowing non-performing projects to hold up the progress of implementing the PSIP, but now I see we are changing and shifting money from areas where we are not using it and where we are not ready, into areas where we can benefit from the allocations in the budget.

Mr. Vice-President, I looked at two of the changes and I see where we are increasing Head 52—Ministry of Tobago Affairs—and the reasons are quite good—for the establishment of a Skills Development Centre but I see where we are giving \$24,000 extra funding for this international musicologist and I wonder how this goes into the Tobago House of Assembly's responsibility for education. I am sorry that Dr. Job is not here, I really wanted him to be here instead of the Minister of Finance to answer how he was going to get the schools under the Tobago House of Assembly to introduce his music, dance and fine arts. I do not know, but I would hate to think that we have a fight on our hands with that, but I am very, very concerned.

I looked at Head 36 and I really wanted the hon. Minister of Tobago Affairs to get in with me on the acquisition of sites for non-agricultural development purposes and we see where there are savings from the non-settlement of matters relating to acquisition of lands. I am saying that this non-payment has been going on for a number of years and I tell the Minister of Finance, through you, that some of the delays are not due to any type of non-title, not getting the right title or so. We have the problems of not communicating from the Tobago end with the Trinidad end about using people's land. We had fingers being pointed to the Tobago House of Assembly's Works Division for just barging into people's property, cutting the lands, using the lands and not informing Trinidad, the Central Government which is the agency responsible for acquisition and that they have taken so much land from so many persons. They have absolutely no records. I know that former Sen. Carol Cuffy Dowlat and her team met with so many

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people of Tobago who had their lands taken—I should not say acquired because the formal process of acquisition had not gone through and their lands were utilized by the Government for roads and other developmental projects and they have not been paid.

Some of the people actually walked with their deed, and I have a long list with 38 names apart from the names of persons who did not attend the meeting and they are 20 more so 58 names in all. I also have the response of the then hon. Minister under whose portfolio acquisition fell, Dr. The Hon. R. Mohammed, of all the lands taken, not completed, and not paid for. I have pages and pages and for some of these persons, the problem has nothing to do with title, it has to do with non-communication between the Tobago House of Assembly and the agency in Trinidad responsible for acquisition.

I beg the hon. Minister of Finance to please, Sir—you have savings from the Ministry of Housing and Settlements—get into this and see whether you can get together with the hon. Minister of Tobago Affairs. I can give you so much information here and especially those people whose records are straight. They have letters from the Ministry of Housing and Settlements, letters from Valuation Division and the files sent up from Trinidad to Tobago and yet we cannot have anything going.

Some of them have died, their names are here and they are dead. So please, I beg for that facility that the hon. Minister of Finance and Minister of Tobago Affairs could see how they could get into the act and help the poor people of Tobago whose lands have been used by the Government and they have not been compensated.

Finally, Mr. Vice-President, I find it so insensitive—to use my teacher's words—or I find it hard to take that we are taking some of the money from the stadium and I understand why and I think it is justified, but when we were sharing it up, probably we only gave \$2 million or \$2.5 million of it back to other projects in Tobago and there are so many other things that are happening under the developmental projects that we need to have rectified.

Trinidad is quarrelling about paving the savannah, we are quarrelling about getting back the Shaw Park grass after Ring Bang. We do not want it paved, we want it grassed. [*Desk thumping*] Nobody passes on that old Milford Road—it is a pity the hon. Minister of Energy and Energy Industries is not here. We have all our gas stations on that road except for the one at Canaan and the one at Charlotteville where you have to go. Believe me, I do not know how in heavens

name we can really have a situation like this. That old Milford Road from the Spring Gardens Junction right into Sangster Hill is impassable, not even a tractor should be passing there.

I am very unhappy that we took the \$23 million from the stadium but only used a little of it in Tobago and we have a shortfall in the request that we made, so I cannot understand why we only got back \$3 million of it when we want so many things to be done. Every day it rains, we are not sure the people from the Winward end would not be cut off from the Leeward end, so there are so many things to do and I am not buying anything about the Chief Secretary of Finance and how he deals with money and how he spends money, because there is a way out here where you are going to give the Ministry of Tobago Affairs the money to spend.

11.50 a.m.

So they have a way out and if this is the way out, man, let the people of Tobago benefit. That has been my problem, Mr. Vice-President. I am not happy about it. Probably the hon. Minister has some reasonable explanation to give but, until I hear it, I would be unhappy. Thank you very much, Sir. [*Desk thumping*]

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, I just want to raise one concern that has to do with the Ministry of Training and Distance Learning. Mr. Vice-President, I wonder if you were surprised. The original estimate for that Ministry for the year is \$154,184,100. It is amazing and astounding and I would like some explanation. Why has the allocation for that ministry, a new ministry, been reduced—I am quoting from the Bill—by \$87 million?

Of course, there is an explanation given by the hon. Minister of Finance in that information and telecommunication services have now been transferred to the Office of the Prime Minister. Secondly, library services have now been taken from that Ministry of Training and Distance Learning and transferred to the Ministry of Education. However, it is glaring and I am asking myself, is this new ministry a mistake? Is this a sign that Government is having second thoughts on that ministry? Will the rest of its ministry portfolio be absorbed later by other ministries?

I have to ask myself, out of this \$154 million budgeted, if \$87 million is being taken out and if the Government thinks it has made a mistake with that ministry, why are we keeping the balance of the money for the remainder of the year possibly to be absorbed in a ministry where it is very possible that we have gone the wrong way? These are thoughts going through my mind. I mean, what else

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can I ask when I see so much has been budgeted and then taken away? Out of \$154 million, suddenly, by the stroke of the pen, \$87 million is being taken away? It has to be a mistake in the formulation of this new ministry. This is one of the questions; in fact it is the most important one.

I also need to ask—maybe I need to be educated here. Previous speakers spoke about health. It is something I look for in the explanations. Why is health not included with all of these transfers and shifting and so on? Explain to me, is it because of some technicality with RHA and what have you? Maybe it is. Maybe there is a good explanation but if there is not a good one then I have a feeling that, as a previous speaker said, there is need for us to find money. If we can juggle around funds and take from one pocket to put in the next and move from one ministry to put in the next, then there is no doubt about it, Mr. Vice-President, that the Ministry of Health should have been considered in this mid-year reconsideration of budgetary matters. I thank you very much, Mr. Vice-President. [*Desk thumping*]

Sen. Muhammad Shabazz: [*Desk thumping*] Mr. Vice-President, most of my concerns have been in some way already raised here for the morning. In looking at this Bill the first thing that struck me is the fact that \$28 million was taken from the stadium for Tobago. The reason it struck me is because this Government of national unity, Tobago is their main partner. There are so many things happening and that need to happen in Tobago and here the Government is moving \$20-something million away from the Tobago House of Assembly. I found that was a cause for concern.

As a matter of fact, I do not represent Tobago per se, but I am concerned because it is Trinidad and Tobago and on that side there is really nobody who speaks for Tobago. I feel that the question about what happens in Tobago must be very important because the people who are brought there to speak for Tobago, any time they open their mouths to speak for Tobago they could no longer sit on that side. So the question of Tobago must be raised by either the people on this side or the Independents, [*Desk thumping*] otherwise we will hear no concern, and nobody there will get up and ask the Minister why has he moved that money from Tobago. If anybody there asks him that, they could be in trouble. We are aware of that on this side, so we must be concerned with what happens with Tobago.

With all these development projects in Tobago and all these things to be done, why is the money taken away from the Tobago House of Assembly (THA)? Was it done in consultation with the people at the THA? Then there is the question of,

when the Government is consulting, with whom do they consult? We saw that consultation issue raised a problem here already where the THA is saying one thing, the THA people who were listening to the THA came here and made a point and they went home. I do not want to jeopardize the people who are sitting there, my dear friends, to represent Tobago, but I know how hard it is on them and I feel that it is necessary for me and for us to speak about Tobago.

Not only that; I see the Ministry of Tobago Affairs got an increase of \$2,348,000. Why has the Ministry of Tobago Affairs gotten an increase? Again, Sen. Dr. Mc Kenzie made the point. Would there be some conflict of interest? They are taking away the THA money, putting it somewhere else and giving it to the Ministry of Tobago Affairs. Two ministries—confusion. Two ministries, the Tobago House of Assembly and the Ministry of Tobago Affairs; we know that there are problems inside there because the people at the Tobago House of Assembly are stopping the Minister of Tobago Affairs from talking in Tobago, yet he is being given more money and money is taken from the THA. Confusion!

This is really not a political thing only, you know. It is a confusion that this Government is creating throughout this country on a number of issues. [*Desk thumping*] This Government does not listen, Mr. Vice-President. They care not to listen. I will go into that when we come to deal with the Equal Opportunity Bill when it comes because the whole nation is saying something and as long as the Government says something else, that is how it is to go. Tobago says something but they do not care about that. They go the next way, to the detriment of anybody in Tobago, because they do not care. This is a non-listening, non-caring Government.

I wish the Minister could tell me why has he seen it fit to give \$2 million to the Ministry of Tobago Affairs and take \$20-something million from the THA? What kind of conflicts does he expect to cause there? What will happen? I would like him to explain in his winding up why he has done that. Mr. Minister, again, there are points like the hospital and a number of other things to be done in Tobago for which Tobago has been clamouring. I really would like them to go there. Even before the Minister has spoken I would like to hear one of the Tobago representatives saying something or calling on the Minister from that end to really do something about this situation.

Another point that came up here again, and I would like to be brief on it, is the question of the Ministry of Training and Distance Learning. The last time I spoke here I accused the Minister of hiding money somewhere in order to be able always to pull it back, when he comes with this Bill, to use it in another place. I

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believe that when this was put in the budget, maybe a number of times, it was put in a way that the Minister could get to use it. You see, the nation must not be fooled again, Mr. Vice-President. It is important to note that this ministry was set up in order to pull a Member from this side and to that side. We know that to be the truth. They fooled him, painted a nice picture by saying, “You are going to be getting a big Ministry”, and when he did what he had to do they just pulled the ministry from under him, pulled the carpet, and left him standing there. I could see no other reason for having a ministry—[*Interruption*]

Sen. Cabrera: Mr. Vice-President, I rise on a point of order. According to Standing Order 35(1), subject to the revision of the Standing Orders, the debate on any motion, Bill or amendment shall be relevant to such matter, and I am drawing this to the Vice-President’s attention. Thank you.

Mr. Vice-President: Sen. Shabazz, whereas I would allow you some latitude because of the nature of the Bill before us, I would like you to stay as close as you can. There is that temptation to stray. Because of the nature of the Bill I would allow some latitude, but keep your eye on the content of the Bill before us.

Sen. M. Shabazz: [*Desk thumping*] I thank you so very much, Mr. Vice-President, and I would take the little latitude that you allow me. I would go back again to say, the question has been asked, how could \$87 million be taken from one ministry? One ministry transferred, Mr. Vice-President? We on this side are aware and we would like the whole nation to know this; that was an affront to attract somebody there and then move the carpet from under the person’s feet. We are sure about that. There could be no other explanation, and if they give us one we cannot believe it. The sum of \$87 million?

A Ministry as Training and Distance Learning, about which they spoke so much—education, building the minds of the young people and educating the elders, there has been so much talk about this ministry, yet all of a sudden this ministry has no role to play in the education and upliftment of the people of Trinidad and Tobago. There must be, and we want it to go on record, a sinister reason why this ministry, headed by Minister Griffith, has been treated like this. We are sure of that, Mr. Vice-President. Whatever explanation they could give and however well they could object, we are not going to listen to anything because we are sure that we are correct. There is no further use for that ministry, and when the time comes we will see no further use for that Minister. That is how they operate, Mr. Vice-President. It is the same philosophy with Tobago and Tobago affairs; it is the same philosophy here, so this is not only about figures. It may appear so but there is much more inside this than figures.

I want to go a little further. I want to make the point too with the Tobago issue, a point that I forgot to make. There are about five ministries to which money was transferred using that \$28 million you know, Mr. Vice-President. Could you imagine, Mr. Vice-President, Finance Planning, the Prime Minister's office—a \$42 million increase. They could not even take \$5 million of that to give Tobago? Finance and Planning—\$523 million. One place, personnel expenditure—\$23 million. Why could Tobago not get some of that?

Current transfers and subsidies, direct university study—\$243 million. Arrears to UWI—\$90 million. They could not give UWI—well, I do not want to make a case against the university, but give them \$85 million or \$88 million and take \$2 million from that and try to make sure that Tobago gets what it wants. Nothing like that has happened. No consideration at all has been given, and they speak about national unity, you know. They talk about getting all of us under one body and we know if the Government's national unity partner is being dealt with in this manner, what national unity is the Government talking about? That is to fool us. We go further down, Public Utilities—a \$26 million increase; nothing for Tobago. They are taking away Tobago's money.

There are some other things that we need to look at with respect to which I have made a note here. There are certain things that have been touched on. One, in going through this document I saw in the Ministry of Agriculture, Land and Marine Resources they transferred from Head 46, subhead 09, item 004, the Ministry of Sport and Youth Affairs, \$5 million. Then I saw transfers from the Ministry of Culture and Gender Affairs. Besides the Ministry of Sport and Youth Affairs, I have another note here showing where transfers have been made from the Ministry of Education, the Ministry of Sport and Youth Affairs, the Ministry of Culture and Gender Affairs and some other programmes—just give me one second, Mr. Vice-President. I say again—the point has been made here while we were debating another Bill—it is a serious indictment on this Government that so much money is being taken from youth and cultural programmes and sent to other places.

12.05 p.m.

Mr. Vice-President, I am certain as has happened practically every year here, the Ministry of Culture and Gender Affairs has always had a decrease every year when this Bill comes back to us. [*Desk thumping*] Why is that so? I do not want to feel it has anything to do with the Minister.

Sen. Dr. Phillips: Mr. Vice-President, may I make a point of clarification. Sen. Shabazz has been talking about decreases for ministries. I want to just remind him that this is a Bill looking at the Public Sector Investment Programme (PSIP). The deductions from various ministries have to do with construction and developmental projects that for some reason cannot be implemented to the full extent. It is not money moved from a ministry or from the Tobago House of Assembly just so, it has to do with certain projects in relation to the Ministry of Culture and Gender Affairs to which the Senator just referred. *[Interruption]* I am making an explanation.

Mr. Vice-President, in relation to the Ministry of Culture and Gender Affairs, it is stated very clearly that the project related to the reduction is, the renovation of the archives which is under construction and work is being done. The renovation of the archives is taking place. *[Interruption]*

Sen. M. Shabazz: Mr. Vice-President, on a point of order. In view of the fact that the Minister has her time to speak, could the Minister take that time to explain? I really have some points I would like to make here.

Mr. Vice-President: I want to assure you that your time is not running.

Sen. M. Shabazz: Mr. Vice-President, Oh. Thank you. Well, take as much time as you want.

Sen. Dr. Phillips: Mr. Vice-President, what I was saying is the Senator should not come here and mislead the Senate and the population with all the nonsense he is talking. *[Desk thumping]*

Hon. Senator: He does that all the time.

Sen. Dr. Phillips: He does that all the time. *[Interruption][Laughter]* The point is that certain projects have to be completed. *[Interruption]*

Sen. M. Shabazz: I do not do that all the time.

Sen. Gangar: All the time or most of the time.

Sen. Dr. Phillips: Mr. Vice-President, in relation to the Ministry of Culture and Gender Affairs, the archives which have been under repair for some time are still being repaired, and there are certain limitations in relation to the signing of the contract and when it was signed and how much work is to be done. This is the reason for the removal of that money at this time, but I assure you that project will continue to its end. Thank you. *[Desk thumping]*

Sen. M. Shabazz: Mr. Vice-President, I heard that explanation last year and, if I am correct, I think I heard it the year before. I keep hearing that same explanation about this archive thing, it is going to the archives and the archives aren't open at all. Look, the facts are here. One million and forty-seven thousand dollars decreased from the Ministry of Culture and Gender Affairs. Look it is here and not only that, where the money went? To the Ministry of Education and the Ministry of Tourism and Consumer Affairs. The money was moved from the Ministry of Culture and Gender Affairs and that is a fact. I am not saying anything here that misleads anybody. Look the facts are here! Every year, money is taken from the Ministry of Culture and Gender Affairs and the Government is talking about developing the minds of the youths in this country, and culture and sport, which will be the two main places to develop the minds of the youths in this country, is where the Government is taking money.

Mr. Vice-President, the Government is talking about construction projects. The money that was taken from Tobago was to build a stadium. There is where the Government took the money. So what construction the Minister is talking about and trying to make me feel that every time I say something it is not making sense? I am presenting the truth to that Government. *[Desk thumping]* Every time! Every time I get up to talk the Government is objecting. You are hearing this objection, that objection and the Government gets up after, when it closes off, to try to make me look stupid like I am just talking nonsense and rambling—but the facts are here.

Sen. Alfred: The facts are here. *[Desk thumping]*

Sen. M. Shabazz: Mr. Vice-President, the facts are here and the Government is saying, I am misleading the Senate and that very Minister gets up to mislead this Senate by not looking at the facts here. I am disappointed. Do you know what this Government is making me feel to do? The Government is making me feel to just close my contribution. *[Laughter]* Mr. Vice-President, all the Government seeks to do is shut you up, whether you are in the media or Opposition or Independent Benches. The Government is always seeking to shut you up. The whole nation is telling the Government not to bring the Equal Opportunity Bill, and it is still looking to shut up the nation. I will shut up at this point. Let the Government talk and say all what it has to say.

Mr. Vice-President, I feel at this point in time I should really close off my contribution. I find the Government should not behave like that. Let me just try to cool myself and go back to my contribution. *[Laughter]* *[Desk thumping]* *[Interruption]*

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Mr. Vice-President, the Government has been transferring money from the Ministry of Culture and Gender Affairs every year. I would like to ask the Government not to do that and pay more attention to the youths; pay more attention to the Ministry of Culture and Gender Affairs. It is an important ministry especially when we look at what is happening in this country. The Government will come here and tell us it is a way to keep the youths away from crime.

The Government is seeing crime increasing and telling the nation it is decreasing. That is what this Government is like and when you do not agree the Government gets annoyed. Crime is increasing daily, hourly and minutely in Trinidad and Tobago—[*Laughter*] [*Desk thumping*—by the minute and the Government wants us to believe that crime is on the decrease. The Government goes and makes strong statements that crime is on the decrease and the nation must accept that—nobody must talk back to the Government and crime is on the increase. This is why a lot of these things are happening because the Government is interfering with the youth programmes by taking money from Ministries that are supposed to carry out youth programmes which are based mainly in sports and culture.

Mr. Vice-President, when you come and ask the Government to please, look at what it is doing for the youths and try to build better programmes, the Government says that you are misleading the Parliament. The Government is doing that over and over and over and over but you must not talk. If you talk it must not go to the press because if the press reports it there will be confusion. It is so hard to stand up and make a contribution on anything with this Government.

Mr. Vice-President, this museum that we are hearing the Government building for three years, the Government just got up and spoke about the library building for about five years. Since the Government came into office it stopped the library project and now the Government brings back the library again. The library is an issue both in Trinidad and Tobago. Like the Government does not want to build libraries. Just now there will be a shortage of books in this country because the Government does not want people to get more knowledge. All right.

Mr. Vice-President, the Ministry of Finance, Planning and Development—Youth Agricultural Credit and Training Project. Okay? There was an increase. Education: under education when we look down the whole line under the Ministry of Finance—Establishment of the National Institute of Higher Education Research, Science and Technology (NIHERST).

12.15 p.m.

Mr. Vice-President, it is important to note, too, that in the Ministry of Local Government, there is a decrease again—another important Ministry as far as dealing with the corporations and getting work done. I make the point here, when we think about the decrease and look at what is happening in the corporations run by the Opposition—the San Juan/Laventille Regional Corporation, the Tunapuna Regional Corporation and the Arima Corporation—there is so much work to be done there that is not being done. We take note that in the Ministry of Local Government, there has been a decrease and we would like to note that to the hon. Minister of Finance, Planning and Development.

Mr. Vice-President, Sen. Rev. Teelucksingh made the point that nothing happened with health. For the first time, we see this Bill coming to us here with no changes for health. Health is not even mentioned and one must wonder: Why has health not been mentioned? Why is there no more money? As a matter of fact, they removed money from health the time before and the time before that. Money was sent from health to the Ministry of Local Government. This time, we see no mention. Maybe all is well. Health is utilizing the money given to it, but our health system, as the previous speakers have put forward, really is not saying that. So, we would like the Minister to give some explanation.

I would like to close off by hearing the Minister's views on what is happening with Tobago; what is happening with the Ministry of Training and Distance Learning and the position with the transfers from the Ministry of Culture and Gender Affairs and the Ministry of Sport and Youth Affairs and how it affects the youth of this country.

That, Mr. Vice-President, is my contribution.

Sen. Cynthia Alfred: Mr. Vice-President, there are three points I would like to bring to the attention of this Senate.

I get the distinct impression that when the appropriation is being done, it is more a question of matching figures. You take from X and you put to Y and if you take 10 from X, you put 10 to Y and the figures balance. Because, if that is not the case, then I would like to know—and like my other colleagues, I will try not to repeat anything that has been said—for instance, the \$23 million that was taken from the Tobago House of Assembly, in respect of the stadium, why the money was not put back into Tobago itself? Why was it not removed from, say the stadium, and put in other areas of development in Tobago?

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I have been hearing whisperings that somebody, the Chief Secretary, was screaming about the \$23 million and now we have been told that a different operational system has been introduced to finance the construction of the stadium. If that is so, that is fine. But to me, it is almost like a slap in the face to have \$23 million removed from Tobago when so many projects need to be attended to and you put it under the environment. I have nothing against the environment but put it in areas where easily, certainly, Tobago could have benefitted.

When we talk about Tobago, we have to talk about Tobago. That is our business, it is our concern and we have to speak about Tobago. I would like to mention the library. [*Desk thumping*] For the past so many years, the library in Tobago was substantially damaged by earthquake. It was promised, time and time again—I do not think we saw anything substantial in the estimates for the library. The library was closed for a substantial period—the library, the centre of learning.

Then, what happened? The facilities of the library were moved to the new technical/vocational centre at Signal Hill. Now, this technical/vocational centre, from what we have been told, was supposed to house, among others, but particularly, those youths from the youth camp who have been displaced from the youth camp. But, instead of that, there are about three or four different entities at the technical/vocational centre. The youth camp is not included and the library is now housed at Signal Hill.

Now, if anyone knows the distance between Signal Hill and Scarborough, it is about two and a half miles, but you have to think of people coming all the way from Charlotteville. They go into Scarborough, then they have to go to Signal Hill. What has happened? Not one single mention has been made about the Scarborough Library. When is that going to be seen to?

Mr. Vice-President, there is the question of the roads, especially in the north and windward of Tobago. The Minister of Tobago Affairs went to Tobago after a great amount of rain, when there were innumerable landslides. I remember him saying that they would be needing about \$19 million as a matter of urgency to fix the roads in the windward and the north.

There is a place in Goodwood on the windward end, maybe about 10 miles or so from Scarborough, called Big Hole. Mr. Vice-President, if you see the landslides—about three of them—that have taken place in that area. What the Works Division has done is put a barrier on the road and put a sign. It is frightening. I do not know but for me, every time I pass there, it appears to me that the cracks have widened so we have more than half the road taken up by this

landslide and that is the only road to the windward. I would have thought, if you were going to take money from the stadium—\$23 million—that \$19 million of those funds would have gone towards the urgent fixing of those roads.

What is the role of the Minister of Tobago Affairs in respect of this particular issue, the question of the fixing of the Windward and North Roads? Because, if those roads are not fixed and, God forbid, this is the rainy season and this is the time when you have more landslides. I saw a tremendous one higher up on the Windward Road a few days ago. God forbid that any of those three roads will just wash away totally and you would not want to even think of the fact that persons may be driving along those roads when those landslides take place. What is the role of the Minister of Tobago Affairs? He was acting Minister of Finance, Planning and Development. Surely that was the ideal opportunity to remember those roads in Tobago and do something about them.

You see, Mr. Vice-President, when we talk about Tobago, we are not talking for the sake of it, we are talking because there are so many issues; so many things that need to be mended and you come to the Parliament and time and time again, certain things are put in place and you see where areas in Tobago are not attended to.

Can you imagine, Mr. Vice-President, leaving Scarborough, heading for Roxborough, Charlotteville, or any of those areas and when you get to that area in Goodwood, you have to reverse? You cannot even turn around. Those persons coming from the windward, what is going to happen if one of those three areas were to collapse suddenly? Then, everybody in the windward would have to stay there and those in the leeward would have to stay there. I do not think that this is good enough.

I want to mention one other thing, Mr. Vice-President, the question of the water plant at Richmond. Time and time again, mention has been made about putting some money into increasing the water supply at Richmond for areas in Tobago. This Government, having promised "Water for all by the year 2000" has now reduced it to "Water for 80 per cent" and of that 80 per cent, I do not think Tobago was included, because here it is that not one single additional dollar has been put for the Richmond waterworks.

What is going to happen to Tobago? We have the Hilton coming on stream very shortly. [*Desk thumping*] We have all the other hotels. We have the existing ones in the East and everybody on the Government side, talks about Tobago and tourism. Those are just words, words that really have no significance because one is talking tourism. If you talk tourism, you have to talk water. That is one of the main ingredients of tourism.

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Where are we going? Or, perhaps, where are we not going? Because it seems to me that we are not going anywhere in Tobago, whether it is development; whether it is the Assembly doing nonsense. Whatever it is, the situation in Tobago, as indeed in the whole country, is worse than ever. Too many persons have been saying, "This country, this is the worst" and, apparently, the persons who do not recognize this, are the persons in the Government who should.

Maybe when Trinidad and Tobago collapses, then somebody would say, "But you know somebody did say that things have gone to the worst." We have gone to the worst. All I will end by saying is: Pay some proper attention to Tobago in respect of the library, in respect of having the tech/voc centre used for the purpose for which it was designed, having some of the money—I know it has already been done but, certainly, something has to be done about the windward roads because it could be now, it could be next week or it could be next month, we would not like to be here in this country and hear that a part of the Windward Road in Tobago collapsed and so many people who were travelling on it at the time went with the road. Or, it might happen in the night and persons may not be able to see what is happening and then we hear about the disaster. Let us prevent rather than have to cure.

I thank you, Mr. Vice-President.

Sen. Dr. Eric St. Cyr: Mr. Vice-President, I am very happy to see the hon. Minister of Finance, Planning and Development back here. I do not know whether he has been reading Alex Haley's *Roots* and applying it in the Far East, but it is very nice to see him back.

I want to make three comments on the matter before us. The first is the matter of presentation. The bulk of the transfers are consequential on the reallocation of portfolios within Ministries, but I suspect that there have been other transfers of a policy nature, which we could miss because we should probably, properly, have separated those which were simply consequential to the reallocation of portfolios and dealt with those separately. As Sen. Danny Montano said, we have no difficulty with that. But, I think there are some changes of a policy nature which, because of the way this has been presented, are likely to be glossed over. That is my first comment.

12.30 p.m.

If I were to take one example of a policy shift, and spend a little time on that, I would simply pick up on the long schedule, Head 43, Ministry of Works and Transport; where I see that for Project 219: Road Rehabilitation Programme, an

increase from \$4 million to \$20 million. My comment there would be this, that I am fully supportive of the Government recognizing that its first responsibility is to provide those services in the nation, which cannot be provided by private citizens—roads, water, environmental standards and the people-oriented infrastructure programmes. Having said that though, Sir, we must be careful that we do not go for the very high profile prestige projects at the expense of those infrastructure projects, which benefit the population at large. While I am happy to see a shift towards the improvement of the infrastructure, one wants to be careful that we do not disregard the quality of the human resource as a principal infrastructure in the nation. Here, the issue of health and education would be key.

On this matter, Mr. Vice-President, I do think that the health institutions in this country would call for some attention. When we come to health and education, the principal input there is the human input. I do not think, myself, that we could simply hope that the public outcry for improvements in the hospital conditions, and in the terms of employment of the health workers, should be treated other than with the utmost seriousness.

I want to make a related comment, touching on Tobago. I look at the allocation, Head 38: Environmental Commission, where \$1 million is taken from the Tobago House of Assembly Public Sector Investment Programme (PSIP) and allocated to the provision of office furniture and equipment. My comment here is: how insensitive, at a time when there is a matter relating to the infrastructure in Tobago before the Dispute Resolution Commission. At the very least, one could be more diplomatic in how one deals with these allocations. It is my view that the infrastructure in Tobago is in need of a fundamental overhaul, and a serious Government addressing the Tobago issues seriously would pay attention in that direction.

My third and final comment, Mr. Vice-President, pertains to the appropriation of \$927 million for the refinancing of bonds which were in a certain market situation, issued on terms, which turn out to be very, very favourable to the investors. I am very happy that the Minister of Finance has taken the steps that he has taken. He has had to renegotiate, and he tells us that, so far, he has been able to save us \$39 million. But, my understanding is that, if he is able to save us \$39 million, there probably would be left a lot more that could be saved. It is, however, difficult to come after and correct a matter and, usually, we would want to—perhaps when we are borrowing in the public sector—do it better informed, with greater expertise. I would ask, for example: why was so much of this debt on

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a floating rate? Why was not more of it on a fixed coupon rate? My second question: why was not more of the bonds with a wider repayment period, so that you had built into the bond a flexibility of repayment?

Certainly, I think some wider issues are raised which, part of it, we will take up when we deal with the Miscellaneous Taxes (Amdt.) Bill. But it does strike me that the financial sector of this country has been doing extremely well. I have seen a report suggesting that there is collusion in that sector. I think the International Monetary Fund (IMF), one of these very reputable organizations, has pointed in that direction. But, clearly, the public revenue is an area in which, as we organize at present, the financial sector has found a good hunting ground. I do not think anyone would deny that the tremendous increase in the value of shares of financial institutions is indicative of what I am talking about here.

12.40 p.m.

While I congratulate the Minister of Finance, Planning and Development for what he has already done in this direction—and I know that if you do have a bond with a certain life you cannot just retire it without breaking the contract, one would need to renegotiate—certainly, some of the questions which Sen. Montano asked also come to my mind. The negotiation of \$72 million out of \$755 million stands out, which is less than 10 per cent, but then there are others where perhaps we need to do a lot more work.

By and large, Mr. Vice-President, it seems to me that for the considerable tightening in the overall management of the public finances of the country, there is still a great deal of room. I do not mean in the day-to-day operations but certainly in the long-term planning. When you are negotiating a bond which is almost a perpetual bond you really have to make a judgment, both about now and the future. I am not saying that it is easy to make those arrangements to your benefit, but one could build in certain corrective safeguards.

With these comments, Sir, let me say, as I have said over the years, that I think that the technical competence of the Minister of Finance, Planning and Development is beyond question. I know while this is so we must still urge him in the direction of greater efficiency.

I thank you, Sir.

Sen. Winston John: Thank you. Mr. Vice-President, I as a Tobagonian do not feel in anyway that issues concerning Tobago, especially when dealing with subject matters like the one before us, would mean any difference to me as a

Tobagonian or as against anybody as a Trinidadian. The fact remains, as I said in my first speech, Trinidad belongs to me in the same way that Tobago belongs to any Trinidadian. [*Desk thumping*]. Hence, when any matter is before us I think that we have to deal with it in the way that really would be recognizable to any citizen of Trinidad and Tobago. We should deal with issues according to the issue and not because you are a Tobagonian or Trinidadian.

If we have, Mr. Vice-President, a plate of rock and water keeps running along it, the water naturally would create a channel. History has shown us over the years that this channel has been created by the normalcy in practice over the years. Hence, the practice of this Government is no different from the practice that went on before.

For example, in 1956 when the People's National Movement came into power, when you read the first budget speech you would find in there promises for a deep water harbour and an international airport that did not come into play until the National Alliance For Reconstruction took over. Recently we saw that a grant was given for the development of the roadway between L'Anse Fourmi and Charlotteville. That grant has now become the Brian Lara Promenade; so we from Tobago could see that we definitely have a stakehold in Trinidad. If you go on the Brian Lara Promenade, that is Tobago's moneys.

No one sent any challenge in respect to that and, hence, I find that it is very funny when I come here from day-to-day, there is always this challenge coming over; although it is friendly. Senators ought to remember that according to Bro. Spence I have to walk a thin line. In walking that thin line I have to be careful not to make any controversial statement whereby I would be sidelined in Tobago as well as being sidelined in Trinidad.

I wish that the challenge would desist and let us deal with the topic before us in a holistic way that would benefit the entire country of Trinidad and Tobago.

Thank you.

Mr. Vice-President: I think this is an appropriate point, Hon. Senators, that we break for lunch. I propose that we take our lunch break—it is now 12.45 p.m.—and return at 1.45 p.m.

12.45 p.m.: *Sitting suspended.*

1.45 p.m.: *Sitting resumed.*

Sen. Prof. John Spence: I have a few comments to make, but they are questions to the hon. Minister who is not here. I do not know if it makes any sense asking these questions. Oh, good. There he is. There are just a few points, Mr. Vice-President. When we get a document like this, each of us looks through it and picks up those things which happen to interest us, particularly. I will just pick out, literally, a couple things which interested me.

On page 12 of the document which is called *The Senate*, there is a reference to the Agricultural Development Bank (ADB). It says that small sums will be transferred, just \$300,000, but it says that the programme is to be reviewed to ascertain the capacity of the implementing agency. I want to ask the hon. Minister if when this review is being done, consideration will also be given to a suggestion that I made on a previous occasion, namely that there be open in the commercial banks, a window for loans to agricultural enterprises, but that window would be like the tourism window, namely, the profits from such loans will be tax-free. This would mean that the banks would lend at a lower rate of interest.

Currently, the ADB's rate of interest, I think, is 14 per cent going up to 16 per cent, so that it may well be that commercial banks, given tax-free concessions, could lend at a lower rate of interest. This might also, of course, involve savings in respect of the administration of the whole loan portfolio, which is now present because of the paraphernalia of the ADB. I wonder if the hon. Minister would comment on that review and tell us, perhaps, some more about the review of the ADB.

The second point was to follow up on what Sen. St. Cyr was saying about education being the important aspect of our infrastructural development. On the same page, just below the Agricultural Development Bank, there is the comment on the establishment of the National Community College, Phase 2, reduction of \$2 million, because of delays in the set up of a wide area network which seems to have impacted on the project implementation. I cannot quite understand why the setting up of the community college should be delayed because of the setting up of this wide area network. I mean, 10 years ago there would not have been a wide area network and we still presume we could have set up colleges. I do not see why the community college advancement has to be dependent upon the setting up of a wide area network. It seems to me very strange.

If we have all this emphasis on tertiary education, of course, it is well known that my position is that we should have a technical university and not a community college, but nevertheless, since the community college may lead in

the end to a university, I would like to see the community college set up as early as possible. Perhaps some explanation might be given as to why it has to be delayed because of the need to set up a wide area network. I just do not understand it.

Then, I move on to the establishment of the National Institute of Higher Education (Research, Science and Technology) (NIHERST). That is confusing to me, because that is \$6,300,000. It mentions the establishment of a permanent centre for NIHERST. Then it says that no site for the college has yet been determined. NIHERST is not a college. Are they talking about the community college or NIHERST itself? That I find a bit confusing. Why can a site not be found? If you would like a suggestion, hon. Minister, I would suggest the Caroni Racing Complex site. That was spoken of at one time as the site for NIHERST. It could well be used for that purpose. Some of the infrastructure may still be there.

Those were the two points with respect to the variation of appropriation. There are a few other points, perhaps not directly related to those issues, that I would like to ask the hon. Minister about. That is the setting up of the petroleum fund which would, no doubt, have had an impact on these, had it been set up. Secondly—again, this is not to do with variations—in looking at variations, I noticed that the establishment of a web site for the Government is being transferred from the Ministry of Training and Distance Learning to the Prime Minister's office in the sum of \$3 million.

I do not know whether, perhaps, Minister Gillette could answer this, but does it take \$3 million to set up a web site? That is a bit confusing, surprising to say the least. It also speaks about the development of an innovation system strategy plan. Development of the plan seems to be costing \$2 million. Not the setting up of the system, but the preparation of the plan. Those two items puzzled me, although they are just transfers because of the change in the allocation of portfolios. Nevertheless, they stand out because they have been mentioned here specifically, and I also mentioned the two points about the ADB, the community college and NIHERST.

Thank you very much. [*Desk thumping*]

The Minister in the Ministry of Health (Sen. The Hon. Vimala Tota-Maharaj): Mr. Vice-President, I rise to make a brief contribution on the Supplementation (Variation of Appropriation) Bill 1999/2000. Mr. Vice-President, I have noted this afternoon, several speakers raising concerns about the health sector and indicating that there is a crisis in the health sector.

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Yesterday I witnessed a very enlightening exercise where the Leader of the Opposition, the honourable Mr. Patrick Manning was on a talk show early in the morning. He gave full support to the Health Sector Reform Programme and he indicated that it was partly conceptualized under his administration. The loan was signed by this Government and we have bitten the bullet and we are now trying to implement certain aspects of the health sector reform. The goodly gentleman reiterated several times that he believes that all health sector workers should move across to the Regional Health Authorities to become effective. So, we do have the support of the Opposition in this health sector reform of the Ministry of Health.
[Desk thumping]

Mr. Vice-President, the Ministry of Health has not been a dormant entity as some sectors of our society may want to imply. I have no doubt, however, that given the pace at which we are progressing under the Health Sector Reform Programme, the citizens of this country would only continue to benefit further from our reform measures. We at the Ministry of Health feel very passionate about empowering our communities and citizens by bringing basic health care closer to them. So far, there have been several significant changes in this sector and we promise the citizens of this country that there is more to come in the near future as we continue to serve as the Government of Trinidad and Tobago until 2525.

Mr. Vice-President, under primary health care, which is my baby, so to speak, which falls under my portfolio at present, there are tremendous changes and infrastructural work taking place under our Health Sector Reform Programme. This afternoon I would like to share with hon. Senators some of the works currently taking place under this sector alone:

The Arouca health facility: renovation and extension in August 2000; Cunupia, renovation and extension in August 2000; Claxton Bay, renovation/extension, 2000; Blanchisseuse; Brasso Seco; Tunapuna; St. Helena; St. Joseph—all of these are primary health care facilities. I continue: San Raphael; Chaguanas; Flannagin Town; Couva; Freeport; Gran Couva; La Horquetta; Las Lomas; Maloney; Tabaquite; Tacarigua; Talparo; Todds Road; Manzanilla; Matura; Valencia; Cumuto; Coryal; Grande Riviere; Toco; Matelot; Cumana; Rio Claro; Brothers' Road; Biche; Guayaguayare; the doctors' quarters in Toco; the nurses' quarters in Toco; George Street, Port of Spain; Oxford Street; Laventille; Upper Laventille; St. James; Diego Martin; Petit Valley; all of these are for renovations, rebuilding, determining sites and so forth.

I still have to continue, Mr. Vice-President: Morvant; El Socorro; San Juan; Barataria; Maraval; Las Cuevas; Santa Cruz; Moruga; Princes Town; Erin; Lengua; Indian Walk; Penal; Siparia; Fyzabad; Penal Rock Road; St. Mary's; Roy Joseph Street; St. Madeleine; Bonasse; La Brea; Marabella; Debe; La Romain; Gasparillo; Granville. As a matter of fact, this morning the hon. Minister of Health turned the sod for one of the health centres in Cedros. I continue: Icacos; Williamsville; Chatham; and Point Fortin.

The hon. Member said that we do not care about Tobago. Let us see what is happening in Tobago and what will take place in Tobago before the end of this year. *[Desk thumping]*

Moriah	Determine site and rebuild
Charlotteville	adapt
Parlatuvier	renovate
Castara	renovate
Delaford	adapt
Roxborough	adapt
Speyside	renovate
Belle Garden	adapt
Pembroke	adapt
Plymouth	adapt and extend
Mason Hall	renovate
Les Coteaux	adapt
Bloody Bay	rebuild
Canaan	rebuilt
Buccoo	adapt
Scarborough	renovate
Bethel	adapt
Mt. St. George	renovate

And we do not care about Tobago?

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2.00 p.m.

Mr. Vice-President, there are two main components of the Health Sector Reform Programme; that is the infrastructure which I just shared with you, and under that we have our two major hospitals Port of Spain and San Fernando and evaluations have been done for them. I have the valuation documents here which are still confidential. Also, the Senators from Tobago both the Independent and the Opposition including my colleague, Sen. Winston John, joined me about a month ago when we signed off on the construction designs for the Scarborough Regional Hospital. So when issues about health are raised we are happy we did not get an increase or a decrease. We can manage what we have at present, we are not greedy, we are managing what we have at this time.

Mr. Vice-President, on the second aspect of our loan portfolio, the Health Sector Reform known as the soft aspect, that is the human resource aspect of the loan where there is a need for our personnel to move across to the regional health authorities, this is where the perceived crisis is taking place. However, because there are certain cultures established, there is a certain type of thinking within the public service with our workers. It will take time, there will be suspicion for movement to take place. So when colleagues from the other side on the Front Bench allude to sinister movements and actions by Members on this side, we had the guts to actually implement the Health Sector Reform Programme. [*Desk thumping*]

Mr. Vice-President, I wish to reiterate one more time that we are very happy at the Ministry of Health at this stage that we did not get a decrease or an increase, but we have remained with our allocation for the 1999/2000 and we are quite comfortable with it, and we are moving with it and will continue to move with it because we will continue to be sitting on this side as the Government of Trinidad and Tobago.

Mr. Vice-President, I thank you.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, I did not realize that while I was hearing my colleague in such full flight that she was going to be so brief, so she caught me rather unaware.

May I begin by thanking Senators on all sides for the contributions that have been made. I think the general tenor of the contributions indicate that in my presentation I must have been fairly expansive because the questions, whilst some have been very detailed, really were not very serious—and I do not mean that the

contributions were not serious, but they were not of such a serious nature that they would have changed the flavour as it were, of the debate. I do say in serious terms that I thank all Senators who have made a contribution on the debate of this Bill.

The Bill was meant to do two things: basically to do a reallocation of resources with respect to the Public Sector Investment Programme (PSIP) and maybe as a general comment, I can also indicate that a PSIP cannot be all things to everyone. I start a bit on the defensive by saying that I would like to have been able to accommodate every single interest that has been expressed today. Unfortunately, because we do not have funds, human resources and other resources that are required to meet all the demands of the society, obviously some priority has to be given. I recognize that health is certainly one of those and that is why I was quite pleased for the contribution that Sen. Vimala Tota-Maharaj made because it was our way of trying to indicate what is being done in the health sector.

The health sector benefits right now from a number of loans given to us by the multilaterals, and the way budgets are done is that we have basically to literally advance the funds and that is why in the budget there are normally funds for the health sector to be released upon meeting certain considerations that are made both by Government and by the lenders as well.

The other area with which we dealt was the reallocation of portfolios. As a general comment, I cannot say what are the characteristics that make a decision with respect to the reassignment of portfolios.

Sen. Alfred: I thank the Minister for giving way. The question that I was going to ask the Minister in the Ministry of Health was, who was going to do the various works in Tobago, was it the Ministry for Tobago Affairs or the Tobago House of Assembly?

Sen. The Hon. B. Kuei Tung: With respect to?

Sen. Alfred: With respect to the primary health care and refurbishing of those facilities. That is all I wanted to know, and if possible, I would like you to tell me.

Sen. The Hon. B. Kuei Tung: I am sure you recognize that I am not the Minister of Health. From what I understand, there has been a memorandum of understanding that has been signed between the Tobago House of Assembly, the Ministry of Health and the lending agencies as to who is going to be responsible for what. I know that the responsibility is somewhat divided between the Ministry

of Health and the Tobago House of Assembly. What I do not have at my fingertips are the details as to exactly who is responsible for what, whether the Tobago House of Assembly is responsible for primary and the Ministry of Health responsible for secondary and/or tertiary. I do not have that detail, so unfortunately, I cannot provide it.

Sen. Montano: I thank the Minister for giving way. I am going to ask the Minister of Finance what I was going to ask the Minister in the Ministry of Health, who backed away from it. You mentioned loans from these multi-nationals and I know that there is a loan facility from the Inter American Development Bank of US \$190 million and I know only a relatively small portion of the loan has actually been drawn down. The question is: Is anybody on that side aware of the fact that that debt has been classified by the Inter American Development Bank because of the failure of the administration to carry out the policies they said they would, including the refurbishment of the hospital?

Sen. The Hon. B. Kuei Tung: I do not think the question of reclassification really pertains only to the question of refurbishment. Actually, the physical requirements of these loans are the easiest to be met. The more difficult ones are the policy decisions. I do not want to stand here and start attributing blame with respect to who is responsible for what, but basically, the policy position of these loans has been determined by the previous administration.

The question, for argument sake, about decentralization of nurses and doctors, whether they should work for the regional health authorities or the Ministry of Health, had already been pre-determined when we came into office. What we have been attempting to do is find solutions to implement these policy decisions which had been taken before us. They are not easy and as I myself have met with the Inter American Development Bank as I have indicated, you cannot wake up one day and tell someone today you work for the public service and tomorrow you work with the regional health authority without them feeling that they have lost something. They have to give up something and, therefore, they want certain things in exchange for that. We have to meet with them and give them a guarantee that their pension would be assured. We have to make sure that their working in the regional health authority is no different in every sense of the word from working in the public service.

That was the intent in terms of the policy for working in the regional health authority, to give more authority and accountability to a regional health authority. Some workers see this—and I am expressing the concerns that have been raised

by many people who work in the public service. They must prefer to work under a broader public service than to work under a smaller regional health authority because they feel that the management may be more tough or demanding and I might say these are perceptions. You cannot get people to transfer out of the public service into the regional health authority unless you meet with them and discuss it. These things take a while. This is not something that would happen overnight. You are dealing with thousands of nurses, hundreds of doctors and you need to have them all on board before you move. That is why I say the physical features of the loan are much easier to achieve. We can fix hospitals, we can refurbish, but in terms of getting the people across is a much tougher job.

I am meeting with the Inter American Development Bank some time soon again to try to find solutions to some of these problems which require very broad-based consultation and a tremendous amount of dialogue with the people who are going to be affected by these decisions. As a matter of fact, these persons are entitled to their constitutional rights. They have a job, they have an employer and for you to change the employer on them means you have to get them to willingly agree. It is not that we are not going to do it or we are delaying it, it is just that the physical features re: refurbishment, equipping hospitals are much easier done. Buying a piece of equipment is much easier than trying to buy an employee to transfer. That is a simple fact of life.

I make no apologies for saying yes, it has taken a little longer than we have thought. The loan, to some measure, has not been classified. It has always been a loan that has been of concern to both the Inter American Development Bank and us because of the slow rate of drawdowns and we have been trying to find ways and means to keep it on the front burner to ensure that these loans are not lost.

As Minister of Finance, I am extremely concerned about the slow pace of drawdowns, because in the meantime we are paying stand-by fees and it is not easy for us to be paying these fees and getting no value for it merely because we want to access a loan that is considered to be extremely important to the health sector going forward. Unfortunately, we are not going to get benefits of our actions now, but several years down the road, so we have to be patient, aggressive and by the same token, we have to be very concerned and considerate about the public servants who are going to be affected by these kinds of loans.

I seem to have gone a bit off course, let me see if I could get back on track. The other part of the Bill before us is to ensure that the Prime Minister and the President's change in portfolios are not slowed because of a loss of funds. Sen. Dr. St. Cyr talked about a policy decision creeping in as well and that he would like three elements instead of two to be used in the introduction of this Bill.

In terms of policy, our approach to the Public Sector Investment Programme is that we will not push and allocate funds to projects that are slowing. If the project seems to have a difficulty, again, I talked earlier on about scarce resources and we do not want to tie up scarce resources in projects that are not going to bring immediate benefits to the people of Trinidad and Tobago. Therefore, our policy position is that we look at literally every single programme and project under the Public Sector Investment Programme and we do a hard analysis to say whether we are going to have a good chance being able to realize that or not, and each project and programme undergoes that close scrutiny to ensure that we do not retain resources to these programmes and projects if they are not going to use these resources during the budget year.

In April, when we did our review it was a very tough and difficult exercise. There were situations where many Ministers were reluctant to have any change done on these programmes and projects and again, a great deal of negotiation has to take place to be assured on both sides that we are going to be able to allocate resources to programmes and projects that are going to be finalized this year.

We do have one or two more complex problems to these. For argument sake, in many cases in a Public Sector Investment Programme, you really cannot fit the whole funding of a project into any one year and sometimes you try to do it over three to six years as the case may be.

2.15 p.m.

One such programme is the one that Sen. Prof. Spence raised on the wide area network, on the famous page 12. That one, I am told, the wide area network, has an approximate cost of \$16.38 million. Now, I am not a computer expert and I do not know whether that is a proper figure. We had only provided \$3 million because it is proving to be such a difficult project and programme to finalize—not in terms of its implementation but in terms of its preparation—that we found it was better to delay that for this year and push it back into next year, and use the provision of \$3 million for other purposes.

Sen. Prof. Spence: Mr. Vice-President, that I would have understood. Perhaps the wording here is giving the wrong impression.

Sen. The Hon. B. Kuei Tung: Yes, it is.

Sen. Prof. Spence: Because this is suggesting that the community college has been pushed back because the wide area network is not necessary. If it is that the wide area network itself has been pushed back, well that I understand.

Sen. The Hon. B. Kuei Tung: No, no, it is correct and I guess sometimes when we try to give a brief description as to what is causing the delay we could communicate a little badly. I have a bit more detail here and unfortunately we would have had to provide far more details—but sometimes in the interest of trying to be succinct we end up losing the tenor of the comments. So I must apologize for that.

Similarly, on the question of the Youth Agricultural Credit and Training Programme we had only budgeted \$300,000 for that Agricultural Development Bank. Now, I do not know if you are aware of this, Senator, this is really for a Youth Agricultural Credit and Training Programme. Whilst it was announced and launched in 1997 there have been very few youths who are coming forward to use it. Now what we have to do is say, “Well look, something has to be wrong. Somebody who conceptualized this programme must have been a bit off-target and we have to do one of two things”.

If we conceptualize a programme that is supposed to encourage youths to access agricultural funds and they are not doing it, then we have to do one of two things. We either step up our machinery to see if we can get youths more interested in it or we abandon the programme and go on to another programme. All we are saying here is that programme is now under review and, therefore, we are not going to be using that \$300,000 that was originally allocated to it.

Sen. Prof. Spence: Mr. Vice-President, again it may be badly stated here but this gives the impression that the Agricultural Development Bank is being reviewed. Now one has to think that the ADB should be reviewed. So that is why I was glad to see that.

Sen. The Hon. B. Kuei Tung: Yes, as I said, again I must apologize. In our interest to be rather terse or succinct we end up losing the whole gist of what we wanted to say. I am sorry about that. Let me quickly, then, go through some of the actual specifics that were raised.

Sen. Montano asked about that \$7 million difference. I was aware of that \$7 million difference. I will read literally verbatim the note that has been passed to me.

“...the \$7 million difference between the Bill and the variances as they relate to the PSIP and Recurrent Estimates

The reason for the difference is the netting off of sums transferred from and to the Ministry of Local Government.

Finance Bill

[HON. B. KUEI TUNG]

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The Ministry had an increase of \$7 Mn. under the PSIP and a decrease of \$11.3 Mn. under the Recurrent Estimates.

However under the Bill only the net figure is taken into account that is a decrease of \$4.3 Mn.”

In other words, they only brought in the decrease, so the \$7 million seemed to have floated off, so there is a difference of \$7 million, but they only brought in the net increase. There is, as I said, an increase of \$7 million under the PSIP and a decrease of \$11.3 million under the recurrent. The Bill had only had the net increase of \$4.3 million. So it will look as though it does not balance but it does balance as such.

Another question that was asked, was, why was only part of the bonds being redeemed? We only redeem the portion that is high-priced. Now, again, having had some experience in dealing with bonds and buying bonds, when one buys a bond one normally buys a part of a big issue. I was a little surprised to find out that when one buys a bond there are several series and there are series with different tenors. So, for argument's sake, I have there a note which says:

“Fincor \$206,740,000

Floating Rate Bonds Nov. 30, drawdown”

However, there is a series B which goes from 1990 to 2004; a series C which goes from 1990 to 2009; a series D which goes from 1990 to 2014 and a series D which goes from 1990 to—well, another series D for the same, and they all have different nt rates of interest because the rates of interest are negotiated based upon the maturity, the length or the tenor of the bond.

In many cases we have two choices. Well, we have flexibility now. We can deal only with one particular person who has some and is willing to give it up, in which case we only deal with him if his bonds are high-priced, or we deal with the whole series if we can, and that is why only part of them is being negotiated. Now, there is another point about it. Some of them are not yet due when one can prepay. Sometimes the prepayment does not kick in for 10 or 15 years as the case may be. So there are several reasons why these bonds are only appearing to be redeemed in part because we do not really have the capacity to redeem them all.

Sen. Montano also asked for the management charges. When I inquired, the Schedule that was given to me, out of \$595 million we have had to pay \$3 million in mortgage arranger's structural fees. So there is a fee but I do not think the fee is inordinately high, given the kind of benefits we will get from the savings when

we reschedule. As I said, we expect in the redemption to benefit by as much as \$39 million a year in interest. Now, bear in mind that is not one year, that is for each year thereafter and that is assuming that interest rates remain where they are now. So the \$3 million seems to be a very small price to be paid—I do not know if there are any discounts. I think they were all reissued at par. So they were not issued at the discount.

The Senator asked a question about the \$230 million. I think it is \$230 million, and not US \$300 and something million that we raised last year August or September, and yes the coupon rate was 9.75, but I thought the effective rate was about 10.27 per cent. Again one has to be sensitive to how the market plays and really try to reach out to what the market wants. In some cases the market would have been happy with a 10.27 per cent rate but one does not want in an emerging market, and Trinidad and Tobago is very much a developing country, to go out there and end up with a very high rate. So sometimes it is much better for one to go with a lower coupon rate and give a small discount so that the effective yield to the investor will give him what he wants but one does not distort the whole market because one went out too high.

We have seen countries go to the US market and, because they went so high and because they were not willing to negotiate, as it were, they have had a little disturbance in the market and they create problems for people in the market. We take this basically on the advice of the investment banks that have been used to help us raise these sums. So if the investment bank says that this is where they think they should pitch the market after subject due diligence, or what have you, we would normally take the advice of the bank.

Sen. Dr. Mc Kenzie, I am sorry, as I said I cannot tell you—I know Minister Job was here. I was trying to see if I could get him to answer your question with respect to—and I like how you said it—it is his music and his dance. I hope he has not created new music and created his own dance, but I know that he is anxious to try to get what he regards as classical type music and dance back into the school system. I cannot answer as to what it is going to take to get it done. I know that as Minister of Tobago Affairs he does have some responsibility for affairs in Tobago, but I also know that the Tobago House of Assembly is responsible for education. I guess the trick of it is to try to make sure that they can both co-operate, that is, the Ministry of Tobago Affairs and the THA, so that at least they achieve their common objectives. I really have no answer for that, Sen. Dr. McKenzie.

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[HON. B. KUEI TUNG]

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On the question of the acquisition of properties, I myself have received much correspondence from people in Tobago who have written me saying they have had agreements with the THA, in some cases they have had no such agreement, but they have had agreements with the THA to purchase a property, they have heard nothing about it and they cannot get any information out of the THA. It is something on which I am working with the Ministry of Housing and Settlements, which is the right ministry to deal with it.

Let me start by saying that we did not take away the money for the stadium for Tobago and I heard that coming across on many occasions this morning. What we have done is change the financing as to how we are going to do it because work on all the stadia, both in Tobago and in Trinidad, is moving apace, and they are on stream. What we have done instead is, whereas we had budgeted to have money from the PSIP to do the stadia, we got a proposal from a group, including Guardian, Republic Bank and so forth, saying that they will finance it. Now we no longer need the financing in the PSIP for it.

I do not want to sit here and defend why—I mean, I can still hear Sen. John's comments in my ear. I do not sit and determine these things as to whether the money should come to Trinidad or go to Tobago or what. It is all done based upon the priority needs as seen. Now, I cannot satisfy every priority need, as I said, and sometimes priorities in Trinidad are met and sometimes priorities in Tobago are met and one tries to meet these priorities as best as one possibly can. I have no answer for you, Ma'am with respect to why, even though they took away \$23 million, I think the number is, they only gave back \$3 million, other than to say that we could have only identified those projects at the time. But I am sure there are many other identifiable projects in Trinidad and in Tobago that are not being addressed. I can only assume that we set our priorities as best as we can given the limited resources that are available to us.

Now Sen. Rev. Teelucksingh asked why a reduction of \$87 million in the Ministry of Training and Distance Learning. I can only say that when the portfolio was given to the Minister he needed certain funds. He came up and said he needed \$100-and-something million. Now, if another Minister gets the portfolio, funds have to be transferred to that Minister, if not, the other Minister would not be able to perform whatsoever because he will have no funds. The funds will end up being in one ministry and the other Minister will be responsible for it in another ministry.

So in some cases many areas were rationalized by the Prime Minister and he decided that he wanted to have certain parts of the ministry brought back or changed. Information went back to the Prime Minister's office, telecommunications went back to the Prime Minister's office and some part of it went to Education and so on. The only proper thing that I can do, as Minister of Finance, is to ensure that the funds are reallocated so that the Minister who is now given the responsibility can carry out properly the functions as now given to him by the Prime Minister and the President.

I think the Minister in the Ministry of Health dealt a bit with respect to the Ministry of Health. Sen. Alfred, again, you know, you asked, why no mention of the library. As I said, I do not think the PSIP was intended to be a document that will mention every single project that takes place in Trinidad and Tobago, and I have again no answer as to why the library in Scarborough is not part of it, but I will undertake to look at it for you to see whether it needs any more funds, and if it is in a position where it can go forward I will come back to Parliament and see if I can... I think basically I have addressed and answered all of the concerns and the details that have been raised. [*Desk thumping*]

One other matter raised was about the site for the National Institute of Higher Education (Research, Science and Technology). It is actually the site for the NIHERST office and not for the community college. NIHERST has been talking about getting a site. I think they are on Serpentine Road now and they have been talking about getting their own site but, when we did the review in April, they seemed to be nowhere nearer finding a site. Again it does not make sense leaving the funds to languish in a project that is not going to come off, so we have moved them.

2.30 p.m.

Question put and agreed to.

Bill accordingly read a second time.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the Bill be now read the third time and passed.

Bill accordingly read the third time and passed.

FINANCE (MISCELLANEOUS PROVISIONS) BILL

[Second Day]

Order read for resuming adjourned debate on question [May 16, 2000]:

Mr. Vice-President: On this score, the Minister of Finance, Planning and Development had completed his presentation and I believe the question was proposed. So Senators wishing to speak on this Bill may do so now.

Sen. Danny Montano: Mr. Vice-President, this is really going into the breach cold. The Minister presented this Bill about three or four weeks ago and I am sure that Senators memories are going to be very, very cold on what we are talking about. Anyway, it is not really a contentious issue as I indicated earlier to the Minister, but I do have some reservations about some of the sections. I would ask the Minister to listen to some of the comments that I am making because there are certain clauses in here that are not going to work, I think, as they are really intended to work—not that I have a problem with them.

Mr. Vice-President, the first one is clause 5. Just to refresh Senators' memories, in clause 5(a) it was going to amend section 5(A)(2)(d) of the Income Tax Act, which allows the interest on savings and investments of persons who are over 60 to be earned free of income tax, and the provision was to take into account those investments or securities that are in joint names of both a husband and wife and to allow the investment to be tax-free, provided that the taxpayers could prove that the source of the original capital came from the taxpayer who was over 60 years old. That is going to be an extremely difficult thing to prove or to disprove as the case might be. I cannot see how that is really going to work in a lot of instances.

Now, if you cast your mind back as to when the legislation was originally passed, it really intended to give a tax break to persons who are at or near retirement. That is the whole point. In most circumstances, the husband is over 60 and the spouse is under 60 then one has to find out where the funds came from. What I am suggesting is, it might be a lot easier that if in fact the spouse or the wife as the case might be is not herself working, but is also part of the retirement business then, in fact, it would be fair that regardless of where the source of the funds came from that it would be tax-free.

Mr. Vice-President, so in other words, if one spouse was over 60 and had the entitlement, but the other spouse was under 60 and not working, then they should jointly be entitled to it. If in fact the spouse or wife is still working then, perhaps,

it might be fairer that they pay tax on half of the interest. The point of the matter is that it goes back to the spirit of the fact that if they are both retired, then one should not have to go through the difficult process of trying to prove where the money came from in the first place. I mean, I can see all sorts of complicated tangles in there in terms of inheritances; buying a retirement home; and whose money was used for what. If they moved out of the matrimonial home and they bought a new house, well with whose money did they buy the new house? It begs the question: was that from their savings or was that from the proceeds of the sale of the old house? In a situation like that, I cannot see how you can track the source of the money and, therefore, I would suggest that if the spouse is not working then it be completely tax free. If the spouse is working then, perhaps, you can make some alternative.

Mr. Vice-President, we also had an interesting situation that I happen to know that is problematic in clause 5(d) where it is dealing with the question of the deduction for interest and for tertiary education and so on. One of the issues that the legislation does not actually deal with—I am sorry the Minister is leaving because I wanted to get a response on this—is in clause 5(d) where it says:

“Where a person and his spouse occupy as a residence land and improvements owned by both spouses jointly...”

Mr. Vice-President, now, I know of situations where the land is owned by the wife and the building is really owned by the husband because the husband paid for the building. But there is no title document that has the husband's name on it although he paid for that. Now, in the law of equity that husband has a legal interest in that property, but the tax law is not taking that into account. So there is an odd situation where there are vested interests in terms of the ownership, but you cannot establish to the satisfaction of the Inland Revenue Department that you have title to the property, even though you, in fact, owned half of it.

Mr. Vice-President, I know of situations where in fact there is exactly that situation where the land is owned by the wife; the building owned by the husband; and the mortgage is in both their names and they are both working and paying on the mortgage. The mortgage is in both of their names; the house is not in anybody's name per se; there is no title document that says that the house is in his or her name or anybody else's name. The fact of the matter is, the husband has a legal interest in the property, and he is the primary breadwinner. It is by virtue of his income that the house was built in the first place and mortgaged and yet, really, he gets no relief.

Sen. Kuei Tung: I think the test of this basically, in my view, comes from two areas: one is in whose name is the property? If the property is in both of them names and the mortgage is in both of them names it tends to meet all tests. It must be the easiest one. I think you are getting a little more complicated when you start asking the question where only one name turns up on any one of the two documents. I just mention that to see if I could fully understand where you are coming from.

Sen. D. Montano: That is exactly what is the situation. The reality is that they both have a legal interest in it, even though it is not a registered interest. What is happening is that the Inland Revenue is not dealing with those situations. It is saying, unless the property is registered in both names; unless you could bring a title deed, you do not get it. Regardless of the fact that both of them are on the mortgage, only one of them is going to get the relief. So that is the first issue that I would like to have dealt with.

Mr. Vice-President, now I know that the Minister made heavy weather of the provisions relating to tertiary education, and he went to extraordinary lengths to try to explain what was going on. I had to read his contribution several times before I really understood it. I am not going to take the Minister to task because I understand what is his policy as far as I understand it. Basically, what the Minister has done is separated out the tertiary education requirement of having to own the land or property and so on, and I understand it. That is not an issue.

2.40 p.m.

What happens now is that each spouse will be entitled to the \$18,000 limit and the \$18,000 is for both the interest and the tertiary education, but it cannot be more than a total of \$18,000. It is not \$18,000 plus \$18,000; it is a total of \$18,000. I understand all that.

If that is your policy, that is your policy and I really do not have that much of a problem with it. But, what I do have a problem with is that in clause 5(e), it goes on now to allow a company, in fact, anyone with a trade business or whatever it is, to grant scholarships to nationals who are not employees or associates of that person, for tertiary education.

Now, Mr. Vice-President, section 10 of the Income Tax Act already allows a business an employment allowance—I think that is the training allowance because there is also a training allowance which, I believe it was this Minister who brought in the training allowance just last year or the year before. So that you can train your employees and you will get a deduction of 150 per cent of the total cost of the training. So, you can train or educate your employees.

Under the proposed clause 5(e)(2), you can now grant scholarships to anybody who is not your employee or who is not an associate, that is to say, a cousin, a nephew, a child or whatever it might be and there is no limit on this. In other words, in another life, the Minister operating a multimillion dollar business might award me a scholarship to go to Harvard to study business, finance, economics or whatever it is, but he cannot deduct from his income more than \$18,000 to educate his own son.

Now, that does not seem to be quite right in the sense that a university education abroad tends to average out at roughly \$100,000 and what they are talking about are the actual expenses. In other words, that would tend to include your airfares, housing, food, books, as well as the tuition. That could run up to as much as \$100,000 a year.

Now, I am not in disagreement with the clause but it seems to me a tragedy that an individual is only allowed a tertiary education allowance once. In other words, if he has two or three children, he still is only allowed the \$18,000 tertiary education allowance only once for one child, but if he owns a business, he can educate anybody else's child for however much it costs. That does not seem to wash. It does not seem to make any sense.

I have no difficulty with the policy, but the policy must be consistently applied. That is the issue. Not that I am in disagreement with the policy, but there must be some level of consistency. I would ask the Minister to look at that.

Moving on to clause 13—the investment allowance to be granted to lessees. What the investment allowance is—I beg your pardon, not the investment allowance, the initial allowance. What the initial allowance is, is that in the first year of acquisition of plant and machinery, the owner, under the old law, is allowed a 50 per cent accelerated wear and tear allowance in the year of acquisition. I think the law that is used here is:

“...the period in which the expenditure is incurred...”

But I think the year of acquisition makes more sense to me.

What that does is that it reduces the cost base from which you can claim future capital cost allowances, or wear and tear allowances, as it is called. So, if in year one you claim the initial allowance of 50 per cent, it means that in year two, you can only claim 50 per cent less of the cost of the machinery to depreciate in the subsequent years.

Now, what is happening is this: The initial allowance has an impact and is taken into account in the calculation of the written down value of the capital equipment. In the old days, sometime ago, maybe 14 or 15 years ago, we had something called an investment allowance which worked something like the initial allowances except that it did not impact on the written down value of the plant and machinery. In other words, over the life of the asset, you could claim 120 per cent of the cost of the article because the investment allowance, I think, was as much as 20 per cent. But under the initial allowance, it really is only a tool that allows you to accelerate the rate of depreciation, or the wear and tear allowance.

Under this new section 16A(1), by allowing the lessee to claim the initial allowance when, in fact, the capital cost of the asset is on the books of the lessor, in fact, what you are granting to the lessee is an investment allowance. Because what the Minister said in his contribution, if Senators would remember, is that in these leases, the treatment for tax purposes tends to follow the form and not the substance. The accounting rules are slightly different. So that in a lease arrangement, the financing institution actually owns the machinery and claims the wear and tear allowance so that in the books of the lessee, he has no allowance for tax purposes, but you are granting him the initial allowance on an asset that he does not have.

What is happening is that the financier, over the life span of the asset, is going to write-off 100 per cent of the asset but that the lessee is also going to write-off in the year of acquisition, 50 per cent. He gets no more wear and tear allowance; he gets that. So that in fact, insofar as Inland Revenue is concerned, 150 per cent is going to be written-off over the life of the asset. It is working, not like an initial allowance, but more, in fact, like an investment allowance.

The problem with that is, under the old legislation where we had the investment allowance, anybody was entitled to an investment allowance. It was not restricted to the scheduled industries in the In Aid of Industry Ordinance. Anybody was entitled to the investment allowance. Under this mechanism here, it is only those industries that are scheduled in the Ordinance and that is a problem because that list has not been updated since I have been in Trinidad since 1976 since I came back from school. That is what needs to be changed. If that list could be updated to say that anybody involved in manufacturing, or whatever it is that you intend, but in truth and in fact, there are industries out there that are not entitled to these allowances and we have brand new industries that are coming

up—telephones, computers, software writers—all having to buy expensive pieces of equipment that do not qualify under the In Aid of Industry Ordinance, they do not qualify so that they would not be entitled to what you are dealing with here.

The point of the matter is, while I understand what you are trying to achieve, you are missing the mark. What you really need to do here is to say quite simply you are going to grant an investment allowance to anybody who buys a machine and they will get the investment allowance even if they lease it. But that is not really what you want because you do not want to give everybody an investment allowance. That is clearly what your intention is here so you have to decide where you are going, but the fact of the matter is, you have to realize that this is going to work like an investment allowance and not, as it was really intended, like an initial allowance. Because of the leasing mechanism, the lessee is really going to get two bites of the cherry here because he is going to be writing off the full cost of the asset under the lease as well as the initial allowance. So, he is actually going to be writing off 150 per cent himself. That is what is being done here.

What you are really doing is saying that everybody should lease their assets. You are making it so attractive. You are saying you should lease the assets. I have a bit of a problem with that because I do not think that is what was really intended, Mr. Vice-President.

The other thing is that the expression used in clause 16A(1):

"...the basis period in which the expenditure is incurred..."

This does not seem to make any sense. I do not know what that really means.

"...the basis period in which the expenditure is incurred..."

Why do we not say the date of the lease?

"...the basis period in which the expenditure is incurred..."

I do not know what that means. I know that when I get to Inland Revenue and we have to fight on that, I know we are going to fight on that. I just do not like the wording at all.

I think that really was the sum of what I was trying to get at. I really do not have a problem with any of the rest of the Bill, but I do see there are some inconsistencies in several areas. One, of course, is what I was just talking about, with these initial allowances and with the policy, vis-à-vis tertiary education and

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scholarships for nationals by companies and so forth. I would petition the Minister to think about what the effect of this is going to be and if he would like any assistance in the correcting of the drafting, I would be quite willing to do so.

I thank you very much.

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, I want to repeat what we have been saying, for years, until somebody listens. It has to do with that Part IV and the exemption privilege for people over 60. We have been saying this for the longest while. Why exemptions for persons over 60 and not for young people? There are young people who like to save. Why do you not encourage your young people to save and give to them that privilege that if there is interest on their savings there should be the exemption? Rather than somebody introduced many years ago that the tax should be 15 per cent and thank God, another administration reduced it to 10 per cent.

I really feel that young people should be encouraged to save and not only those who are 60 and thereafter. I would strongly urge that the Government consider removing completely that 10 per cent tax on savings. I really believe that it is necessary for everybody in this society.

Do you know, Mr. Vice-President, that within recent times, certain non-banking financial institutions, like the insurance companies, are taking sums of money from the public for fixed deposits and so forth and the interest on those deposits are not subject to a 10 per cent tax? This is a common thing: people are moving their moneys from the regular banking institutions, where their interest is subject to a 10 per cent tax and they are moving it to different insurance companies, for example, and other non-banking institutions. But this is a good signal. If they can survive, I wonder if the Government could survive by doing the same thing?

2.55 p.m.

Another little matter I want to raise with the hon. Minister—this morning we had some discussion on similar concerns about the behaviour of investors in the money market. For the longest while, Mr. Vice-President, I have noticed in some of the newspapers, certain financial institutions in this country are telling us—shall I use the word consumers?—the public that, through the way they advertise, one can get—and I hold one in front of me—76.99 per cent. I have always been bothered about that! I do not know how the Minister of Finance—one day I have to talk to him about this, further to what I am saying now. Is this really true? It could never be true! Here it is you have such promises from financial institutions.

Mr. Vice-President, taking as much as a page in the newspaper and telling people—they are misleading us! And it is very fine. I had to use my glasses maybe—these are ‘historical rates’ only. Is that fair to tell us “these are historical rates only and are not an indication of future rates?” I am troubled and disturbed with those kinds of strategies and misleading advertisements, not in the interest of the depositor. I think something definitely has to be done. I think these institutions—I know we need them around—have all been successful and I am very glad that they have been doing well and they are strong financial institutions, starting off with the banks. But I believe that there needs to be a little more honesty in business. I do not think that when depositors go to them, we do not carry this, but I know depositors have in mind, “Oh that is a good institution man, they are advertising 76.99 per cent. I want to put my money with them. This is good future for me.” When in truth and in fact, it may never ever be so. During the time of the Asian crisis one or two years ago—I do not know if that is the historical period or the period prior to that, these financial institutions have been boasting about but, personally I believe from my rudimentary knowledge of the way the money market works internationally, and our relationship with it—and you know recently this was discovered with Unit Trust—*[Interruption]* ADDA, yes. Unit Trust had a problem; they realized that their money was—I am simplifying it in layman’s language—invested in the wrong place. They have decided that the best thing to do—does this resemble the discussion this morning about what we did with our own bonds and our own—*[Interruption]* Thank you, very much.

Mr. Vice-President, I think there needs to be a little more honesty with these people who are leading the financial affairs of this country; primarily these are financial institutions, beginning with the banks and, of course, there are others. I do not like the strategies used by these investors. These advertisements are misleading to the simple depositors in this country.

I thank you very much, Sir.

Sen. Dr. St. Eric Cyr: Mr. Vice-President, I want to make a few comments on this Finance (Miscellaneous Provisions) Bill. The first one relates to the allowances for mortgage interest and for educational expenses of children.

I remember, Sir, in the 1980s we started to limit the mortgage interest payments which could be claimed for income tax purposes, and up to a couple years ago, we got it down to a total of \$18,000, it seems to me, per family. What I understand we are doing here now is that we are increasing it to \$18,000 per

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spouse, so that we are getting it back up to \$36,000 maximum. I also see that we are allowing up to \$18,000 per spouse for educational expenses so that, in total, we are getting it up to \$36,000 per annum for the children of two spouses.

My first comment is that, while I think that in the 1980s things had gotten somewhat out of hand, especially in relation to mortgage interest payments, I think we did rein it in far too much. I am happy to see that there is some ease being brought back into the system. It is, however, to be noted that we are introducing a measure of regressivity in the tax structure again—a matter we had sought to correct during the 1990s, when we spoke about tax reform and the simplification of the filing of income tax returns.

My second comment, Sir, relates to the modification to allow for corporations only—not for individuals—the expenses incurred in trading in tax-free bonds to be a deduction against other income. I personally think that it should not be restricted to corporations; there is a measure of inequity in doing it that way. I wonder whether, in his winding up, the hon. Minister would explain what his thinking is, in limiting it only to corporations. I know that, in his presentation, he did say that a case was made in the other place, to have it extended to individuals as well.

My understanding is that, usually, you deduct all expenses legitimately undertaken in earning income, and, perhaps the principle we want here is that you can pool all expenses and all income so that, in the wash, it would cancel out. We, probably, may not need this specific provision, if we allowed a pooling of all expenses and a pooling of all incomes from all sources. There we have it.

The matter of insurance premiums and payments on maturity being allowed in all currencies—I am wondering whether—now that we have a floating exchange rate and free convertibility—those two, by themselves in a fully liberalized financial market, are not enough to take care of the problem here. And whether we did, in fact, need to specify.

3.05 p.m.

I would hope, Mr. Vice-President, that there could be a general policy paper by the Ministry of Finance, Planning and Development setting out the policy of the Government related to the development of the financial sector as a whole, and how the sector is conceived as working and so forth.

Thank you.

Sen. Diana Mahabir-Wyatt: Mr. Vice-President, just in support of the principle which was just enunciated by Sen. Dr. St. Cyr, that normally, expenses that are incurred in earning income should be tax deductible. Can I, once again, make a plea to the hon. Minister of Finance, Planning and Development, in his future deliberations for budgeting purposes, that he consider allowing for individuals the deduction of the expense involved in paying household staff, where you have two people working and it is necessary to have either paramedical or other care to look after small children or dependants who are ill?

I mention this because the social policy in this country has moved from providing certain social services free to citizens, for example, medical services. In the old days when somebody was really ill, that person went to the hospital and stayed there for three months. Now the person goes to the hospital and the policy is that care should be returned to the community, so that person comes back after two days. Somebody has to be responsible for their care. If the people who are at home also have to generate income to pay for that care it seems that people in the society are having to pay for their social services in two ways: (a) something has been removed that was there before; and (b) they have to pay out expenses but are not allowed to claim these as legitimate expenses to allow them to go and be productive in terms of earning income.

It is consistent with the concepts which the Government has enunciated in the past, and I would once again ask the Minister to consider this for financial provisions in the future.

Thank you.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, again, I want to thank Senators very much. Let me preface my winding up by first saying that there was basically no major departure from our finance and tax policies, with what we are doing here today.

As I said in my presentation of this Bill, we really have not introduced new taxes or changed or varied any new taxes. There really was no immediate demand for me to have a Finance Bill. That is why I said earlier on that it was not pressing for me to have it done, as there was no particular time frame as what had been required if I had changed—increased or otherwise—taxes.

What we have done with the Finance Bill today, is to try to address a number of the little nagging inefficiencies in the system, and to see if I can get them out of the way so that the tax system would become a bit clearer. Because I am not a

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legal mind—I could understand some of the comments being made—I do not know if this is going to get it where I want it in the first place. I can tell you that our policy, in the first place, is to make our tax system much simpler, much easier to understand and much fairer in its application.

So I must thank you very much for the comments that have been raised on both sides of the Senate. I am particularly impressed by the amount of detail that Sen. Montano and Sen. St. Cyr seemed to have gone into. I am sure you were like me, becoming a little harried under the number of changes that have to be made by finance bills, trying to sort of get it right. Let me say, as I said earlier on, this is not a major change in policy. There is no change in policy whether major or otherwise; it is merely to try to correct some inefficiencies that have existed in the system, as well as to try to bring a clearer understanding between taxpayer and tax collector.

I say that because over the years we have had what I regard to be a pretty bad relationship, between tax collector and taxpayer. I have hoped over the last few years that I have been Minister of Finance, that I have been able to impress upon the Board of Inland Revenue that whilst I expect them to go about diligently collecting their taxes, their intent was not to aggravate the taxpayer. A number of measures that I, myself, have taken, have demonstrated this in clear terms.

I want to start by saying as well, that it is not my intent to start cluttering the tax system with a number of allowances; that is the furthest thing from my mind. But I do recognize that until I get to where I would want, in terms of a very simple system, I have to go through the trauma of making those changes. There are, basically, four allowances that are allowed—and I am talking particularly about PAYE or individual tax system. First you have a blanket amount that everyone is entitled to, and presently, that deduction is called “personal deduction”, it is \$20,000. What it really means is that anyone who earns up to \$20,000 a year chargeable income, pays no tax; that is the limit. That sort of equates everyone across the board with a particular parity in the sense that everybody is entitled to the same thing.

That, in essence, is my approach in addressing Sen. Mahabir-Wyatt’s particular problem; in the sense that I do not want to have a housekeeper allowance, a “tanty” allowance, an uncle allowance and a niece allowance, that would be trying to fit an allowance for everybody who has a particular set of circumstances. It is much easier for me to give everyone a personal allowance, and say, “Your first \$20,000, no tax.” As the circumstances of the country and

the economy improve, I am hoping that I may be able to increase that from \$20,000 to \$25,000 to \$30,000, as the case may be. That is the basic understanding. I have, for argument sake, right now where if you earn less than \$50,000 a year, you do not have to file your return. Again, I am trying to pull the aggravation out of the system between taxpayer and tax collector.

I have just given those examples of the measures I have taken, but there is also one allowance that I have tried to give. I say one in the first instance, because it was not meant for people to start cluttering the system again, but I had to recognize that we had policy positions with respect to one, savings. In terms of savings, I had to ensure that people could access a deduction for pension and annuities; savings again. Mortgage interest; I wanted to ensure that our policy with respect to encouraging people towards home ownership is preserved, so we have mortgage interest allowance.

Then, finally, we started to say. "If we are going into the new century, we need to have a properly educated population." So what did we do? We added a third, that is tertiary education. I did not want to have individual allowances for each one. I wanted to try again to meet the same demand that I have everyday, where every taxpayer in Trinidad and Tobago has a peculiar set of circumstances and he wants to know why it is we are not addressing his set of circumstances. I thought I was able to address the whole set of circumstances by saying let everybody get a flat personal allowance first. Now I know that I have addressed everyone; every taxpayer is entitled to \$20,000.

Now, let us see about a few of our own policy positions with respect to how we pursue this. Therefore, we encourage people with the mortgage interest allowance to ensure that they acquire a house. I know, as I said, that I would never get it right; there are any number of permutations between husband, wife, common-law husband, common-law wife, uncle, aunt and so forth. That is why I interrupted Sen. Montano to say that there are really two acid tests—if you want to call it that—with respect to whether you are entitled to something or not, with respect to the mortgage interest allowance.

One: who owns the property and, two: who is the mortgagor to the property. I say that because once you can satisfy those tests clearly, there should be no disputes. If we know that a husband and wife, Mr. and Mrs. John Smith, own a property and Mr. and Mrs. John Smith have the mortgage, then we know beyond any doubt that those are the two people entitled to an allowance, and it is an allowance up to \$18,000. I say that because based upon the income and/or the contribution being made by the respective partners, you can have it not necessarily the same; but the allowance is allowed up to \$18,000.

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Then we said that we want to do that for tertiary education. An old person—I take back old—a middle aged person who may have paid his mortgage but now wants to send his child to a tertiary education institution, we want to encourage that too. I cannot sit and try to make every single permutation that will take place. Some people have a bit of mortgage, a bit of pension, a bit of tertiary allowance. What you would find is that we would start cluttering the system again with the same things that we tried to avoid. That is why I said that our policy position may very well be not to focus so much on these allowances, as much as to raise the personal allowance so that everyone keeps getting what we would regard as a fair approach to taxation, in the sense that we keep raising the band for everyone across the board. So maybe one day it would become \$30,000, \$40,000 or \$50,000; as the case may be.

I make those general comments so people would not feel that I am beginning to tinker with the system; instead I have been moved by the tax authorities in trying to clean it up, to tighten it. Not tighten in the sense that we want to make it—but we want to make it clear. So what we have before us is somebody for clarity and not to make sure that the tax authorities extract their pound of flesh, as much as to make sure that there is no bone of contention and I can remove the aggravation between taxpayer and tax collector.

Having said that, therefore, let me thank Senators for what they have said. This is regarded as a money bill. However, in spite of that, I would be referring it to committee, because, again, there are a number of slight small amendments that I have to make. I am told that they are all typographical and/or just needing some clarity again. They do not change the sense of the Bill so I have to refer this to committee—in spite of this being a money bill—to ensure that I can take up those amendments, because without that the Bill would be incorrect.

When I am doing the amendments, I would be happy to listen to some of the suggestions that have been made by Sen. Montano and Dr. St. Cyr with respect to changing one or two words, if we think, at the committee stage, that we are going to get it a little more right than it is right now. Forgive me if I do not address some of the specific concerns that you raised. As I said, it will be going to committee stage and then we can probably look at them. I am not one for trying to clutter the whole system. I am merely trying to clarify it and make it less a bone of contention between tax collector and taxpayer.

Sen. Rev. Teelucksingh you threw a bit of a spin at me; that is a straight googly. I will explain to you what I mean by that. [*Laughter*] A pure googly is probably a better expression. You asked why it is we are only encouraging old

people to save and not young people by the fact that we are giving—but we want to encourage everyone to save. If you look at the history of why the elderly ended up with an allowance, it is because they claimed—and rightly so—that young people have an opportunity to increase and expand their income. Elderly people tend to find themselves living on a fixed income or income that is already predetermined, and it is harsh for them to pay tax on their few dollars savings. It is on that basis that the allowance for retirees—people over 60 years—would be to be able to claim no tax on their savings on interest.

3.20 p.m.

We are now doing an exercise in the Ministry to determine whether we want to perpetuate this tax on interest and savings. I want to make sure that people understand this. It is not the principal that is taxed. It is only the interest that is derived from the principal that is taxed. The tax at present is relatively low, but again, we want to look at it in the confines of our policy position, that we want to encourage savings. If we could afford to do away with a tax on savings interest, I am sure we will find a way to be able to have it removed.

The point comes up though, what happens to the income? Is it now that the income is not going to be taxable at all? Or is it that when we remove this tax on savings interest it now has to be lumped with one's other income? Many of us forget the purpose for which this particular measure came up. I think it was introduced in the NAR days when they did a review of the taxation system in 1990, somewhere around there.

What happened is that it was found that the Inland Revenue had no way of being able to find out how much interest taxpayers were earning because the banks were reluctant to provide the Board of Inland Revenue with information saying how much interest was being paid to each of its depositors. It was felt, therefore, that rather than have the income escape the tax net completely, what we should do is put one fixed rate of interest, and at that time when the measure was introduced, everyone paid 15 per cent tax, I believe, and that way, the Board of Inland Revenue no longer concerned itself with interest on savings.

Since that day, the debate now rages as to whether one could regard the interest on savings as being subject to tax, because the actual savings should have been after-tax money if it was taxed before. I say “should have been” because I can hear a number of people saying that in many cases, these people have been able to accumulate this without paying tax in the first place. As I said, the debate rages. It always seems to be anti-savings when one introduces a tax on interest in

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savings. So, in essence, if one does not want to appear to be anti-savings, one should not have a tax on savings. It is enough to say at this point we are looking at it, and if it is affordable, we are prepared to leave it out, as it were.

One policy one could see we have tried to introduce here—it is not a major policy but we felt it was important—was the question of leasing. I do not know if I am going to get it right, and if I have to give away 150 per cent of the final cost over the life of the assets, I do not mind, as long as I can get it correct. I have said in my presentation, that we cannot ignore the fact that developed countries have gone the way of leasing. People no longer buy motor vehicles in the United States. Everyone literally leases a car. Corporations are no longer purchasing assets like that. Therefore, we had to modernize our legislation to accommodate leasing. If not, we would be stifling leasing.

As it were right now, under our tax laws, if one goes to the bank and borrows money to purchase an asset, the interest one pays is allowable as a deduction, but if one leases and there is an interest component of the lease charge, one gets nothing. One has to find a way to be able to start accommodating people in some way with respect to how to ensure that leasing is not looked upon as something that we do not want, or something we want to discourage. That is why I said that is the one policy we tried to introduce. During the committee stage, again we are open to suggestions as to how we can make sure the wording is quite correct.

I am coming to Sen. Teelucksingh now. According to the law, Sen. Teelucksingh, insurance companies are supposed to pay tax on interest on deposits. If they do not, I would have to look at it. I looked at the law when I went across, and clearly, they are subject to that. It is not that we intend to make the playing field now level, but I will look at it and see what is causing that not to happen.

I think, basically, I have addressed all of the issues. The question of the base year is a question of law, Sen. Montano, but I will discuss that a little more during the committee stage. The base year is normally just to determine what is one's tax year—the year of income tax, the year of corporation tax, as the case may be.

With these words, therefore, Mr. Vice-President, let me thank Members for their contributions and for the earnestness in which they have been made. I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Mr. Chairman: What we have before us is a Bill with 17 clauses. Everyone should have in front of them a list of amendments circulated by the hon. Minister. Shall we proceed?

Clauses 1 to 4 ordered to stand part of the Bill.

Clause 5.

Question proposed, That clause 5 stand part of the Bill.

Mr. Chairman: There are four amendments circulated by the hon. Minister, all to clause 5 (d). Are there any comments?

Sen. Kuei Tung: Mr. Chairman, I propose the following amendments to clause 5(d):

- 5 (d)
- A. Renumber paragraph (i) as paragraph (ii) and paragraph (ii) as paragraph (iv).
 - B. Insert the following before paragraph (ii) as renumbered
 - “(i) by deleting in subsection (3) the words “subsections (5), (5A), (5B) and (9)” and substituting the words “subsections (4), (4A), (5), (5A) and (5B);”
 - C. Delete in re-numbered paragraph (ii)
 - (a) the words “either one of them at their option” and substitute the words “by each spouse”.
 - (b) the words “of each spouse” and substitute the words “ of that residence”.
 - D. Insert the following as paragraph (iii):
 - “(iii) by deleting in subsection (4A) the words “or for tertiary education”.

- 5 (d) (iv)
as renumbered
- A. In the new subsection (10) delete in line ten the words "either spouse at their option" and substitute the words "each spouse".
 - B. Delete the words “(3) (a)” wherever they appear and substitute the words "(4) or (4A)".

Sen. Montano: Mr. Chairman, clause 5(b) is the question where the spouse would attain the age of 60. I do not have a problem with the policy that the Minister has here. I do have a problem with how it is going to work. It is going to be a very difficult thing to really track whose resources are whose. While I am inclined to agree with the sentiment of the clause, I just do not see it working in a practical way. I think you need to set a simple test.

The test I was going to suggest was that if the spouse who had not attained the age of 60 was employed, then they would have to pay tax on half of the interest. If she was not employed, then the spirit of it being for retirement purposes comes into effect and it should not be taxable. That is a fairly simple test.

Sen. Kuei Tung: Senator, I think you are right. There are several tests that can be done. Some people judge some to be simpler than others. One of the areas in which I feel your test may break down is—and I should have said it when I was winding up. The major test that the Board of Inland Revenue uses is a simple one. If one had money last year and one has money this year, if they are two different base years for tax—if one had it one year, they would expect that one would have it the following year. So, it automatically goes through, because one would have already proven that one had it.

The problem arises with new money. That is where the source comes into question. I say that because when we change the law, everybody who is under the age of 60 will rush quickly to a 60-year-old person and say, “Can you put in this money for me now”, especially if it was not in before. The test is only for those with new money. It means, therefore, that if someone has a spouse who was not working but they were entitled to the money before, this year they are not entitled to money because they are not working. According to your definition, that is where your test will break down.

So, having proven that I had the money before, and that I was entitled to it before, because I am not working, I would now lose it, if I use your example. There are several simple tests. Which is the correct one? We try to find one that says that as long as one satisfies the Board of Inland Revenue about where the source of money is and the source of money is not somebody else's money, this is what we are really trying to do. We are trying to ensure that people are not using the law to beat it.

For argument's sake, as I said, a 20-year-old could ask his 60-year-old father to put his name and make the claim. The 60-year-old father now has the burden of proof to say from where he got this money. If he says that he got it from his 20-

year-old son, then Inland Revenue could say, "I am sorry. That is not the intent. The intent is for your money because you are a pensioner". I do not have a simpler test. I do not know which test is correct and which is not. The Board of Inland Revenue has suggested these words, and I hope you understand what they want to do.

Sen. Montano: We will try it and see.

Question put and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6 ordered to stand part of the Bill.

Clause 5 recommitted.

Sen. Montano: I beg your pardon, Mr. Chairman. I am not hearing what the Minister is saying. With your permission, I want to go back to clause 5(e).

Mr. Chairman: We will revert to that. Sen. Montano has some questions to ask.

3.35 p.m.

Sen. Montano: I do not have a problem with this in theory, but what I know is going to happen is that you are going to have businessmen who will say I am going to give a scholarship to your son, if you give a scholarship to my daughter, otherwise we are only going to get an \$18,000 exemption. That is clearly an abuse of what is intended, but there is nothing here that is going to stop that, and it is unfair in the context of the preceding paragraph which is limiting tertiary allowance to the \$18,000. In other words, you are singling out one group of citizens for preferential treatment under the tax law. That cannot be right.

Sen. Kuei Tung: What are you suggesting? I understand what you are saying and I know that is clearly possible.

Sen. Montano: At the same time, I appreciate what you are saying in that what is really intended in situations where you have something like the Fulbright Scholarship where children may be gifted in one sense, but lack the resources. Any real opportunity for further education is right and I think it is reasonable that businesses that can afford it can make a contribution to society and should be allowed the tax allowance, but it really does not fit in with the \$18,000 limit that individuals have, because a person who has worked for his money presumably is paying tax on his income and is making his contribution to society that way. Should he not also be allowed to educate his own under the same condition?

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So it is either that you limit the companies to an \$18,000 exemption, or you allow individuals the full deduction of tertiary education. It does not seem right to limit one and not the other.

Sen. Kuei Tung: It would be difficult to limit corporations. When I say difficult, you will be defeating the whole purpose and that is, you assume that corporations have more funds available to it and bigger budgets than individuals.

Sen. Montano: But there are individuals who have the resources available. Bear in mind that your objective here is not only to give benefits to people who do not have money because it may very well be that the person who gets the scholarship comes from a well-to-do family. So what you are really trying to do is build the national skill base without favour regardless from where you come, what you look like, or what your income status might or might not be. Theoretically, that is the same objective with the tertiary income allowance, but the question is: Why are you limiting the tertiary income allowance to \$18,000, but you are not limiting this. The objective is exactly the same and the individual is probably risking a greater percentage of his available income and capital in the investment in his children, so he is taking a greater risk for the benefit of the community as a whole because I would assume that his education will make a contribution. He is taking a greater risk and has a severe limit. It does not really seem to make any sense.

Sen. Kuei Tung: Let me go back to the drawing board on that question of removing the limit of \$18,000. I presume that is what you want. You are championing the removal of the \$18,000 limit on individuals? Am I right? You are saying it is limiting one and not the other.

Sen. Montano: Minister, if I were in your shoes, that is what I would do, but I am not the Minister of Finance and I do not want to set policy here. The point is, that it really should be the same policy.

Sen. Kuei Tung: All I can undertake to do is look at it again.

Sen. Montano: What are you going to do with this, are you going to pass it?

Sen. Kuei Tung: I am going to leave it as is because this legislation is dynamic, it is not static and I can come back and have it changed if I have the benefit of a study done. I may not be in a position now—I do not have the Board of Inland Revenue here for argument sake, and I do not have other people to whom I can listen to get a more knowledgeable judgment on the whole matter. That is my difficulty.

Sen. Montano: I will take you at your word.

Sen. Kuei Tung: I will discuss it even during the budget because I will look at it again in the context of the new budget.

Mr. Vice-President, one of the things that occurred to me here, the whole issue is that in terms of an individual, he normally will claim for a relative so there is a personal element to it. In a corporation tax, it may not be so personal because it may just be a gifted person as the Senator says who is poor and wants help. So one is more arm's length than the other, but I want to consider all the contents. In an individual's case generally, it will be a son, daughter, niece or nephew where the bias is introduced; in a corporation, we assume that there is less bias because it is more arms length, that is the only reason I said it. I want to think about it.

Sen. Montano: Do not forget that the contribution to society is the same, you are getting an educated citizen and that is the bottom line.

Sen. Kuei Tung: I am all for that.

Mr. Chairman: Is there anything else under clause 5, Sen. Montano?

Sen. Montano: No, Mr. Chairman, and I thank you for your indulgence.

Clause 5, as amended, again ordered to stand part of the Bill.

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

Clause 9.

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

Sen. Prof. Spence: Mr. Chairman, why is the Estate and Succession Duties Act being repealed?

Sen. Kuei Tung: Basically Senator, what this does is freeze the Board of Inland Revenue of having to insist upon a certificate, or rather, it freezes lawyers who are doing conveyances for properties that were caught under the Estate and Succession Duties Act having to get a certificate from the Board of Inland Revenue saying that it is not subject to estate duty. Even though estate duties have been eliminated for 18 years, we still have this practice because the previous conveyance may date back prior to when they had estate and succession duties. So this takes it out of the system completely.

Sen. Prof. Spence: Suppose you want to reintroduce it?

Sen. Kuei Tung: Well I guess you could.

Sen. Prof. Spence: Then you would have to make a new Act.

Sen. Kuei Tung: Yes.

Sen. Prof. Spence: Which seems to me a pity. Why not leave the Act, so you can then put it back subsequently if you want to.

We are talking about equal opportunities and I believe the one way you get around equal opportunities is to have heavy succession duties. That is the way you get equality.

Sen. Kuei Tung: Senator, all I can tell you about this is that I was impressed upon it by conveyancers who complain about having to go to the Board of Inland Revenue every time they need to get a conveyance that predates the abolishment of estate duties, and the Board of Inland Revenue takes a long time because they have to research it and so forth and I am told that 98 per cent of the certificates come back saying; “no estate duties payable.” It is a hassle.

Sen. Prof. Spence: I would have thought there is a way of addressing that in the law by making the ones before a certain date exempt without repealing the Act.

Sen. Kuei Tung: Sen. Daly, can you help me?

Sen. Daly: [*Inaudible*] Why worry, actually. I know he goes to Mount Hope, but still.

Sen. Prof. Spence: If I am going to die I still should not be in favour of that, seeing I have nothing to leave.

Mr. Chairman: Are there any other contributions to clause 9?

Question put and agreed to.

Clause 9 ordered to stand part of the Bill.

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

Mr. Chairman: Maybe I should mention that the two references to clause 11 in the circulated amendments were already captured in the Bill, so in fact they are superfluous.

Clause 13.

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

Sen. Kuei Tung: Mr. Chairman, in 16A (1), of clause 13, Sen. Montano had asked about a basis period and I have no objection to changing that to read as follows:

“there shall be made to that person for the year of income”.

Is that all right Senator?

Sen. Montano: I would be inclined to think that what we are really talking about here is the basis period of the lease.

Sen. Kuei Tung: The basis period is the year of income. The lease may span several years.

Sen. Montano: What expenditure are we talking about?

Sen. Kuei Tung: The actual expenditure incurred during the year.

Sen. Montano: Do you mean the capital cost of the equipment?

Sen. Kuei Tung: Yes, but the year in which the capital cost was incurred so that has to be confined to the year of income.

Sen. Montano: Yes, but I am not sure exactly what we are talking about here because according to this, you could buy the piece of machinery this year and sell it to FINCOR and lease it back next year, and according to 16A (3)(c) as long as the term is for more than seventy-five percent of the economic life, it still qualifies. So the point of the matter is when he buys it this year, he is going to get the initial allowance now. When he sells it and leases it the next year is he going to get it again? Because that is what we are saying here. The fact of the matter is, first of all, he should only get it once. If I may try again to explain what my difficulty is; the advantage of leasing from a tax perspective, is that over the life of the lease, the lessee is able to write off for tax purposes 100 per cent of the cost of the equipment.

Under the income tax rules, the wear and tear allowances are done on the reducing balance method so that it stretches out forever infinitely until it reaches \$1.00 and then it is 10 cents on the dollar and 10 cents on the 90 cents and it goes on to infinity, it never actually ends. Under the leasing arrangement, it tends to be a straight-line arrangement over the economic life or what is estimated to be the economic life which is much shorter than the actual useful life of the machinery. What you are doing is saying that the person can claim the full lease rentals and get the allowance. In other words, let us assume that the economic useful life is 10 years, over a period of 10 years he is actually going to write-off 150 per cent of

the cost of the machinery because he is getting this initial allowance on a capital cost that he never had, assuming that he leased it from day one—which is what I think this is really intending to. In other words, if the leasing arrangement is a financing tool used in the acquisition of the plant and machinery, the question is then, who should get the allowance? If in fact the financier was to get the initial allowance, it could have an impact on the cost of the leasing and, in truth and in fact, that would encourage what you were talking about, that is, the encouragement of leasing, then, if the financier gets it. However, the financier cannot get it because he is not entitled to an initial allowance under the Aid of Industry Ordinance, only the scheduled industries are entitled.

3.50 p.m.

So by bringing this under the Income Tax (In Aid of Industry) Ordinance you are immediately excluding a significant number of industries that rightfully should be entitled, that are doing basically the same thing, making the same level of contribution to exports and everything else, like the scheduled industries, yet, because over the years no one has paid any attention to it, they are not listed on the Schedule. So I think what you really need to do here is not do this at all but in fact give the financiers the initial allowance. That gives them the tax break. They could then pass that tax break on to the lessee by virtue of a lower imputed rate of interest in the lease premium.

The way it is stated here, it is not going to work and what you really want to do is to get it as it was originally intended, on the acquisition of equipment, not on a downstream use of it. For instance, if you had a piece of equipment, you used it for 10 years and then sold it to me, under the existing legislation I am not entitled to that. It is only done on new equipment, not used equipment, or new to—even if you bought it second-hand from abroad, it is new under the terms of the Ordinance. We are not doing that here. We are confusing what the situation is here, so that anybody could get it any number of times. So, theoretically, a group of companies could keep passing the piece of equipment backwards and forwards and keep claiming this initial allowance that is actually acting like an investment allowance.

Just to reiterate what I was saying earlier, when we had the provision for the investment allowance, all companies were entitled to it. It was not limited only to the scheduled industries. So I leave that with you. I think we have missed the objective here and it is going to cause some problems.

Sen. Kuei Tung: I am advised, Sen. Montano, the intent was never to allow the financier to get the tax break but to allow the person who is in the trade to get the tax break. Now, I have no answer. I do not think I thought about the comment that you made that in a group situation they can keep transferring the asset around till they get 300 per cent of the allowance.

Sen. Montano: Well, I anticipated that and can stop that if in this clause in lines three to four where it says:

“...incurs expenditure under a lease in respect of...”

we insert the word “new”.

Sen. Kuei Tung: But then that will contravene subclause (c) which talks about 75 per cent of its useful life because 75 per cent of its useful life, I assume, is used.

Sen. Montano: Well no, no, no. This merely assumes that the lease will start at the inception of its useful life but could end at any point along it. In other words, it does not have to be coterminous with the economic useful life. What you do not want is to have the lease starting at some point other than at the beginning of the life of the machinery.

Sen. Kuei Tung: Yes, that changes the whole policy position, because we had intended that you could finance used equipment; you could lease used equipment.

Sen. Montano: If you go that way you are going to have a problem. Under the existing legislation “new” is taken to mean “refurbished from abroad”, even though it is new to Trinidad, and that falls by way of being new, but somebody who is buying second-hand equipment from somebody else does not get the—*[Interruption]*

Sen. Kuei Tung: It is not that you want to refinance. You see, the whole intent was to help—I mean, you may want to refinance. You need cash flows and you own assets. You may want to sell and lease back your own assets so that you can improve your cash flows.

Sen. Montano: Well, what he has done then, is, if that is the case, he has already had the initial allowance and you are giving it to him again?

Sen. Kuei Tung: No, that is what I was thinking.

Sen. Montano: You see, that is where it does not really—it seems that it could only work on the acquisition, because that is what the initial allowance was for in the first place, on the initial acquisition of new machinery and equipment. If you go that route, well, you solve part of your problem.

Sen. Kuei Tung: Do you want to run it by me again? What line were you dealing with in respect to the “new”?

Sen. Montano: I have it on the fourth line.

“...on or after January 1, 2000, a person carrying on a trade incurs expenditure under a lease in respect of...” I would say, “new machinery and plant”. That would solve part of your problem.

Sen. Kuei Tung: Is there a definition of “new”? You said there was a definition of “new” which you included, “new to Trinidad”?

Sen. Montano: No. There is no such definition but the way it, in fact, is practised is that it is—*[Interruption]*

Sen. Kuei Tung: Oh, that is the practice.

Sen. Montano: The other issue with which I had a problem is that this is going to work to give people who lease not just an initial allowance but, in fact, an investment allowance and all the manufacturers outside there who are not scheduled—*[Interruption]*

Sen. Kuei Tung: I know. I want to look at that. Well, you have two points here. I am not sure if I like the introduction of the word “new”. To me it is giving another bone of contention to the Board of Inland Revenue to talk about “new”. I would much prefer to leave out the word “new”. What I also would like to do is to look at that Schedule for you and, if necessary, I will come back and amend the Schedule, because it was never my intent to leave out new industries or new technology, for argument’s sake. The intent was to make us more competitive. We cannot become competitive if we leave out those kinds of things. I have no answer for that one.

Sen. Montano: With respect, Minister, I have mentioned that issue at least twice in budget exchanges that we have had, that the Schedule is restrictive and it has not been updated.

Sen. Kuei Tung: What, the Income Tax (In Aid of Industry) Act? I will have to look at that because I may need to find some way to update that.

Sen. Montano: I fully appreciate that we cannot do very much about this but you are going to have a problem if you leave this unattended, and the problem is that everybody is going to rush to do this and then you are going to have things coming backwards and then you are going to do something that you cannot correct.

Sen. Kuei Tung: No, I know. Maybe I am going to risk opening the can of worms and see how it works. Let us leave it like this for the time being and see if we could—but I will undertake, as I said, to get back to you on the question of the Schedule because I would not want that to remain there for long at all.

Sen. Montano: As I understand it, we do not really have a choice. We cannot really change this or we cannot even defer it.

Sen. Kuei Tung: But if you want me to, I could defer it, but it means again I will have to do much more studies and stuff like that. This could take a little while.

Sen. Montano: Minister, it is your problem.

Sen. Kuei Tung: I know. I would prefer to come back here with a more informed—tinkering with it now, as I said, is going to create even further problems that we may not anticipate, so I much prefer to leave it as it is and come back rather than try to tinker with it. Now, as you say, the alternative is to defer it, but I really would not want to do that if we could achieve it this afternoon. I prefer to come back. So I would give you the undertaking that I would look at it to make sure that it is workable. If the Board of Inland Revenue feels that they have a problem with it, I will come back with it.

Sen. Dr. St. Cyr: Mr. Chairman, I was wondering whether you could have sort of brought the rest of us into the know as to exactly what is happening by probably giving a little summary of—*[Interruption]*

Sen. Kuei Tung: There are two issues, Prof. St. Cyr. One is, when it was first drafted, unfortunately the drafting addressed—well, the drafting did it using the Income Tax (In Aid of Industry) Act instead of making it wide.

Sen. Montano: The Corporation Tax Act.

Sen. Kuei Tung: The Corporation Tax Act, instead of leaving it wide, but that is the only basis on which we could have done it, the Corporation Tax Act. The issue is whether the Schedule in the Corporation Tax Act is too narrow because it has not been updated in recent times and that, to my mind, seems to be defeating what I am trying to do here. So I have two choices. I could go back and try to modify that Schedule so that it includes more recent technology and so on, so that it does not keep us behind.

The other issue is the question of, how many times could a trader or a person claim if he keeps refinancing his or even refinancing within his own group by having—I mean, he could literally have a piece of machinery change hands within

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his group and claim the investment allowance or the equivalent of what the investment allowance is, as Sen. Montano said. I will have to address those two issues, Senator. So I have given the undertaking that I would like to see the Bill as it is. I prefer not to defer it because there are people who are clamouring and waiting to have these things done and I really want to do it, and if there are mistakes and errors, I prefer to err on the side of people getting more allowance than getting no allowance. That is why I say I would come back and look at it if I see it is opening up too much of a can of worms.

Mr. Chairman: We were looking at the question of changing assessment in basis period to income.

Sen. Kuei Tung: Well, I thought Sen. Montano had a problem with it but he does not seem to have a problem.

Clause 13 ordered to stand part of the Bill.

Clauses 14 to 17 ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

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

4.05 p.m.

MINERALS BILL

(Withdrawal of)

Mr. Vice-President: Hon. Senators, earlier in the proceedings of the day we had deferred consideration of the Minerals Bill to a later stage of the proceedings. I plan to revert to that now and ask the Minister of Energy and Energy Industries to deal with it.

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. Vice-President, this morning, we started consideration of the Minerals Bill, 2000, and I regret to say that the wrong Bill was inadvertently sent to Parliament. I want to add that it was completely out of the control of the Ministry of Energy and Energy Industries. It is simply that the Chief Parliamentary Counsel sent the wrong copy of the Bill to Parliament.

Mr. Vice-President, I would like now to advise this honourable Senate that the copies of the correct Bill have been circulated to Senators and I seek leave to have the Bill that was introduced withdrawn and the correct Bill be now introduced.

Mr. Vice-President: Senators, you have heard the explanation. Evidently, there has been a mix-up by which the wrong Bill was circulated. I assume everyone has in front of them the correct version, which for identification I would like to say includes 51 clauses. Is it the wish of the Senate that the Bill that was introduced be withdrawn and the new copy be introduced? If that be the case, I will ask the clerk to read the short title.

MINERALS (NO. 2) BILL

Bill to regulate mining and to provide for matters connected therewith or incidental thereto [*The Minister of Energy and Energy Industries*]; read the first time.

Motion made, That the next stage be taken forthwith. [*Hon. F. Gangar*]

Question put.

Sen. Prof. Spence: Mr. Vice-President, may I enquire why it is intended to take it through all its stages now?

Mr. Vice-President: I did not get the feeling that was the question being put. It was the next stage of the Bill. I assume we will be given an opportunity to properly consider the Bill in its fullest context. Maybe I can ask for clarification from the Minister of Energy and Energy Industries.

Sen. Kuei Tung: I think the intent is just so that we would be able to present the Bill. Without the language saying “forthwith” we would not be able to do it. So it is just a question of language. But bear with us, all we are going to do is have the Minister present the Bill and then we will suspend the debate until another time. Is that all right with Senators?

Sen. Yuille-Williams: I think if the Minister continues his presentation, it would be very difficult, not having seen 51 clauses. In fact, sometimes for the courtesy of the other side, one may want to ask a question and Senators do give way at times so that we could get an explanation. It would be very difficult for us to proceed “forthwith” with the Bill.

Sen. Kuei Tung: I accept that, Ma’am, but I did confirm it with the two leaders and they did say they would have no objection to just the presentation—not to the full debate.

Sen. Montano: What I really did not want was to have the Minister say anything at all. Quite frankly, having not read it, when the Minister speaks we do not really know what he is talking about and, therefore, the gist of what he is saying is lost on us. If it is only 20 minutes, we can do that on the next occasion after we have read it. I mean, that way, it makes sense to us or else we will all have to get his *Hansard* and try to read it back and I guess that it will be a longer and harder exercise.

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Sen. Kuei Tung: Mr. Vice-President, then I would suggest that we modify the words to say “at the next sitting” instead of “forthwith”. [*Desk thumping*]

Motion made, That the next stage be taken at the next sitting of the Senate.

Question put and agreed to.

ADJOURNMENT

The Minister of Finance, Planning and Development (Sen. The Hon. Sen. Brian Kuei Tung): Well, Mr. Vice-President, in view of that new development, I beg to move that the Senate do adjourn to a date to be fixed. Let me just say that on today’s Order Paper has an order of Bills and I do not see any need for us to change that order at this time. So, when we are called back to the Senate, we will be going with Bills in the same order as they are presented on the Order Paper. It is a date to be fixed, because I understand the staff is needed to be employed next week at the Commission of Enquiry into the Judiciary, so that is why we are asking for a date to be fixed.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.13 p.m.