

Leave of Absence

Tuesday, December 17, 2002

SENATE

Tuesday, December 17, 2002

The Senate met at 1.31 p.m.

PRAVERS

[MADAM PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to Sen. Dr. David Quamina from the sitting of the Senate for today, that is December 17, 2002.

FINANCE (MISCELLANEOUS PROVISIONS) BILL

Bill to provide for the variation of certain taxes and to introduce other provisions of a fiscal nature and for related matters, brought from the House of Representatives [*The Minister in the Ministry of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings. [*Hon. C. Enill*]

Question put and agreed to.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Penal/Debe Regional Corporation for the year ended December 31, 1995. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Penal/Debe Regional Corporation for the year ended December 31, 1996. [*Sen. The Hon. C. Enill*]
3. Annual audited financial statements of Trinidad and Tobago Free Zones Company Limited for the financial year ended December 31, 2001. [*Sen. The Hon. C. Enill*]

ORAL ANSWERS TO QUESTIONS

Crime Prevention Measures

1. **Sen. Wade Mark** asked the Minister of National Security and Rehabilitation:
 - A. Could the hon. Minister indicate to this Senate precisely what measures are being implemented to alleviate the fear of crime currently gripping large sections of the population with particular reference to kidnapping, murder, robbery with violence, rape, carjacking and other serious crime?

- B. Could the hon. Minister further inform this Senate what kind of resources have been extended by the Government to the protective services with particular reference to the police in the detection and prevention of crime over the past ten months and continuing?

The Minister of National Security and Rehabilitation (Sen. The Hon. Howard Chin Lee): Madam President, when the Government assumed office in January of 2002, the Ministry of National Security and Rehabilitation immediately proceeded to implement a number of initiatives and programmes aimed at improving the safety and security of our citizens. Emphasis was placed on strengthening the operational capabilities of all divisions, as well as the development of the human resources of the ministry.

You would note, Madam President, that in the year 2002—2003, the budget clearly falls in line with the Government's commitment to addressing aggressively the problem of crime. You will note that the allocation for the Ministry of National Security and Rehabilitation for recurrent expenditure increased from \$1,577 million in 2002 to \$1,798 million in 2003. This represents an increase of \$221.7 million over the last fiscal year. The development programme for the ministry increased over the last fiscal year from \$30.91 million in 2002 to \$32.88 million. These figures represent a positive upward movement for the Ministry of National Security and Rehabilitation.

Madam President, the police service continues to be preoccupied with its mission to maintain law and order and the reduction of the incidence of crime. The commissioning of Operation Anaconda is one case in point. This law enforcement exercise covered all areas in Trinidad and Tobago and it was aimed at curbing criminal activities in the entire country. A review of the data on the success of this operation reveals that up to November 15, 2002, 900 persons have been arrested. This was realized as a result of a greater level of vehicular mobility within the police service. The ministry has acquired 114 police vehicles to complement its existing fleet. This has assisted in enabling the service to conduct joint army/police patrols in strategic high-risk areas, for example, in Chaguanas, San Fernando and Port of Spain, and eventually to be extended to incorporate San Juan and Arima.

The ministry also introduced scientific and innovative approaches, which included the use of the most advanced techniques. There has been acquisition of 15 digital cameras to enhance the mug shot identification system, which currently operates in the Trinidad and Tobago Police Service. In further strengthening the

national crime detection machinery, the Automatic Fingerprint Information System, which is known as the AFIS, has already been implemented. This system is used to identify criminals through the computerized database. It also reduces the waiting period for a police certificate of good character. In addition, Madam President, the ministry has acquired computer hardware, software and related equipment for the installation of a fleet facility management system, further deployment of the AFIS and the mug shot and criminal record database system as well as programmes for certificate of character and upgrade of the Internet connection. This system is fully functional.

The E999 communication network system will be further expanded to more adequately serve the needs of the Ministry of National Security and Rehabilitation and government agencies in the field of telecommunications. Through its high capacity microwave backbone and LMDS which is a multi point system, the division of the Ministry of National Security and Rehabilitation and other selected government ministries and departments will have the capability to communicate with each other without the intervention of TSTT by voice data, fax or video.

The implementation of the weed and seed programme will witness the weeding out of criminal activities within the communities and the planting of positive seeds which will enhance the law-abiding and productive potential of our young people in the community. The citizens' corps programme will also facilitate the passing on of knowledge and experience from our older citizens to the young. This will be seen as a mentor programme where the more senior of our citizens demonstrate by example the virtues of productive citizenship.

Madam President, the neighbourhood watch programme also presents the ideal opportunity for citizens to ensure that there are not any unwelcome criminal visitors within their neighbourhood. This programme is a major component of the community-policing concept in which citizens and police work side by side attempting to eradicate crime. The business sector is also playing its part in this crime reduction challenge. They have injected large sums of money in the re-launch of the Crime Stoppers Hotline. This anti-crime initiative is operated by the business sector in conjunction with the Trinidad and Tobago Police Service and is aimed at procuring and acting upon information in order to prevent a criminal act from being committed and to ensure the arrest and conviction of criminals.

On the topic of research and training, the ministry is also working on the issue of research and analysis on crime. Financing arrangements have been undertaken to facilitate the projects of the Centre for Criminology and Criminal Justice on

prison recidivism and youth deviance and the recommendation of the task force on prison reform and transformation of the issue of research and training. There will be an extended training programme in the Ministry of National Security and Rehabilitation to strengthen the human resource base. This will be activated by the implementation of specialized training in narcotics and money laundering, crime scene technology, telecommunication fraud, handling of blood stain evidence, advanced hostage negotiations, bomb disposal techniques, drug enforcement, forensic science, financial crime investigations and criminal investigations.

Madam President, we are also working on the upgrading of the physical facilities. To create an appropriate professional physical working environment, the Government is committed to the continuous upgrading of facilities and equipment for its police stations. At present the following is on stream:

- the design and construction of police stations at Gasparillo, in Tunapuna Phase II and Roxborough in Tobago;
- the reconstruction of the old police headquarters on St. Vincent Street in Port of Spain and the refurbishment of police stations at Chaguanas, the mounted branch, Couva and San Fernando Phase II.

Madam President, the act of kidnapping for ransom has been occupying the attention of this Government. In order to continue to deal with this problem, the Government proposes to introduce legislation aimed at eliminating this crime. A kidnapping prevention bill with stiff penalties will be piloted in Parliament in early 2003. This piece of legislation will increase the penalties for detaining someone against his or her will for the purpose of receiving a ransom, designate the crime of kidnapping as a non-bailable offence and mandate financial institutions to provide confidential financial information to the police in kidnapping.

The anti-kidnapping squad of the police service has been increased threefold and has access to the most sophisticated technology in the area of surveillance in this country. They are fully organized around specific major objectives which include safety and security of victims, the identification, location and prosecution of those involved. These objectives were instituted, recognizing that among the various types of kidnapping; kidnap for ransom is the one mainly executed here. Simply put, it is a criminal act in which a person is seized with the objective of obtaining a ransom for his or her release.

The anti-kidnapping squad is a professional unit of the police service which was re-established in September of 2002 as an independent unit. This unit is going through a combination of in-depth skills upliftment training, coupled with other areas of empowerment. These include manpower expansion, technological advancement, intelligence coordination and strategic positioning. Post September 2002 in the area of training, a comprehensive needs assessment was conducted which resulted in the arrival of a consultancy out of the United States. These experts comprise members of the FBI, the CIA, the national states agencies and the Department of Defence. They conducted a 10-day intensive course over the period August 30 to September 09, 2002 covering the following modules:

- (i) evidence gathering during investigations;
- (ii) case management;
- (iii) reduction of risk of being a kidnap victim;
- (iv) surveillance intelligence gathering and analysis;
- (v) counselling on the trauma of kidnapping;
- (vi) case preparation of indictment and extortion demands and other related areas.

The above measures have been instituted by the Ministry of National Security to deal with the crime situation. The ministry, Madam President, will continue to intensify and upgrade training programmes for the members of the police service and to secure the safety and well-being of the citizens of Trinidad and Tobago. I thank you.

Sen. R. Montano: Madam President, may I, through you, ask the Minister, how many arrests and prosecutions relating to kidnapping have taken place since the beginning of this year? Madam President, for your information, he mentioned the question of kidnapping, that is why I am asking the question.

Madam President: I think, Sen. Montano, if you wish you can bring that as a question and the Minister will bring the answer for you.

Sen. Mark: Madam President, can I seek clarification?

Madam President: Yes.

Sen. Mark: As I understand it, when a question is put and responses had, we do have the right on this side to ask supplementals.

Madam President: I think that is a separate question. That is asking for information that is entirely different to what this question was asking for. That is why I said he can bring it as another question and I am certain he will get the answer. However, do you have a question to ask, Sen. Mark?

Sen. Mark: Yes.

Madam President: Please go right ahead.

Sen. Mark: Madam President, through you, I would ask my hon. colleague, the Minister of National Security and Rehabilitation, having regard to the recent escalation in crime in our country and the measures that he has outlined, whether, for instance, the Minister of National Security and Rehabilitation is satisfied with those measures and the fear that is currently gripping this nation as it relates to the serious crime situation in Trinidad and Tobago?

Sen. The Hon. H. Chin Lee: Madam President, the Government recognizes the spate of crime and the increase. We are satisfied; however, we feel that more has to be done, but in order to deal with this issue of crime, it has to be done on many fronts. We have to tackle unemployment, family values and social issues in order to deal with this issue. Thank you.

Sen. R. Montano. Having regard to what he has said about terrorism in his answer, is the Minister aware that the Jamaat al Muslimeen currently has some 4,000 young men aged between 18 and 26 under arms?

Madam President: Mr. Minister, do you have an answer to that?

Sen. The Hon. H. Chin Lee: No.

Madam President: Then I would like to suggest, Sen. Montano, that maybe you can bring that as a—*[Interruption]*

[Sen. R. Montano rose]

Madam President: May I just—one moment please? May I also suggest to Sen. Montano and other Senators that you give me a chance to recognize you before you stand. I would like to ask Sen. Prof. Deosaran to please—

Sen. Prof. Deosaran: The first part of the question—and, of course, if the hon. Minister needs some more time to answer—but I think it is very pertinent to the thrust of the question, that is, whilst we have a figure of 900 arrested, I do not know if now or at a later time, Mr. Minister, through you, Madam President, he can give us the number of people, the proportion charged and convicted. It would give us a more reliable view as to the—*[Interruption]* Oh, I see.

Madam President: Most probably you will get that answer coming up. Yes, Sen. Montano.

Sen. R. Montano: Would the Minister not agree, Madam President, that much of what he has said to this honourable Senate this afternoon is so much verbiage [*Interruption*] and has not really told the country anything; and would he not agree that what—[*Interruption*] Madam President, I keep on hearing certain sounds and I am not supposed to say what the sounds sound like.

Madam President: No, you are not.

Sen. R. Montano: At the same time, Madam President, while I am not supposed to say what the sounds sound like, and we all know what the sounds sound like and we would not identify, I do think that one wrong does not make a right—[*Interruption*]

Madam President: Okay, Senator, would you please—[*Interruption*]

Sen. R. Montano:—and I do think that I should be allowed to ask my questions without the constant braying that I hear from opposite.

Madam President: Sen. Montano, will you please ask your question without further—without calling people names or putting names to whatever sound you are hearing?

Sen. R. Montano: Thank you, Ma'am. Now, as I was saying, Madam President, before I was so rudely interrupted—[*Interruption*]—not by the President, but by the other side. [*Interruption*] Madam President, it is starting again. Are we going to have this kind of behaviour or not? If that is the kind of behaviour, then I am going to continue. One wrong does not make a right, and—[*Interruption*]

Madam President: Sen. Montano, are you asking a question or are you debating this topic?

Sen. Montano: I am trying to ask a question, Madam President.

Madam President: All right. Ladies and gentlemen, would you please allow the Senator to ask his question?

Sen. R. Montano: Thank you, Madam President. I do appreciate it. Now, as I was saying, does the Minister not agree that what he has told this honourable Senate this afternoon amounts to a lot of verbiage, that what—[*Interruption*] I am asking a question. Would he not agree that he has not answered the question and

that he has not allayed the fears of the country and that he has not told—
[*Interruption*]

Madam President: Sen. Montano, it is either you ask a direct question—what is your question? I do not want a debate and I do not want a speech.

Sen. R. Montano: Madam President—[*Interruption*]

Madam President: I want your question.

Sen. R. Montano: This is my question. Would he not agree?

Madam President: All right, okay.

Sen. R. Montano: I am defining what he would not agree with.

Madam President: No, you do not need to do that. Thank you very much. You do not need to define.

Sen. R. Montano: Well then I put the question, Madam President. However, Madam President, could I—[*Interruption*]

Madam President: Please sit.

Sen. R. Montano: Sorry, Madam President. I did not see you standing.

Madam President: Mr. Minister, will you please, if you can answer the question?

Sen. The Hon. H. Chin Lee: Madam President, I do not agree.

Sen. R. Montano: Madam President, as a matter of fact—[*Interruption*]

Madam President: I already recognized Sen. Prof. Deosaran.

Sen. Prof. Deosaran: Madam President, I am sorry to persist but I think there seems to be a misunderstanding. I am not dealing with kidnapping and the issues raised by the hon. Sen. Montano. I am relating, Madam President, to section A of the question which states that you have to tell us, if you will, number arrested but also the amount of people charged and convicted. So I am asking the Minister if he needs more time to give us that information in section A, it will help us get a better understanding of the response to crime.

Madam President: Which question are you looking at, Sen. Prof. Deosaran? Question 1A? Okay, ladies and gentlemen, you want to know whether he needs more time to give you—

Sen. Prof. Deosaran: Well, I see question No. 17. I believe I have the right—

Madam President: Seventeen? We have not reached there. We are on question No. 1.

Sen. Prof. Deosaran: [*Interruption*] I beg your pardon, Madam President.

The following questions stood on the Order Paper in the name of Sen. Wade Mark:

New Persons Employed

(WASA)

3. A. Could the hon. Minister of Public Utilities and the Environment tell this Senate about the number of new persons employed by the Water and Sewerage Authority (WASA), giving their names, qualifications, work experience, and the respective positions occupied during the period January 2002 to the present time?
- B. Could the Minister further state whether these jobs were publicly advertised?
- C. Could he also provide the relevant information and documentation to support the transparency of the recruitment process?

The Minister of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas): Madam President, at an earlier sitting of this session I did ask this honourable Senate for a two-week delay for this question to be deferred. With reference to the details requested of this question and the request for the provision of documentation and in the interest of completeness and accurate response, I would ask this Senate for a further deferral of two weeks.

Madam President: Hon. Senators, the question is that question No. 3 be deferred for a further two weeks for the reasons given by the Minister.

Sen. Mark: Madam President, before you put the question, may I just—these questions were filed about—in fact, 21 days are required for qualification and at least somebody could have called me and indicated before we arrived here that, “Listen, we would like to have this matter deferred.” I protest over this matter.

Question put.

The Senate divided: Ayes 20 Noes 9

AYES

Saith, Hon. Dr. L.

Yuille-Williams, Hon. J.

Morean-Phillip, Hon. G.

Joseph, Hon. M.

Montano, Hon. D.

Enill, Hon. C.

Gift, Hon. K.

Manning, Hon. H.

Chin Lee, Hon. H.

Dumas, Hon. R.

Titus, R.

Abdul-Hamid, M.

Kangaloo, Hon. C.

Ramroop, S.

Persad, Pundit M.

Deosaran, Prof. R.

King, Mrs. M.

Thomas, Amb. C.

Amnolsingh-Mahabir, Mrs. P.

Khan, Brother N.

NOES

Mark, W.

Baksh, S.

Kernahan, Dr. J.

Montano, R.

Seepersad-Bachan, Mrs. C.

Smith, A.

Mc Kenzie, Dr. E.

Ramchand, Prof. K.

Seetahal, Ms. D.

Question agreed to.

Question, by leave, deferred.

WASA-Owned Houses

(Details of)

7. A. Could the hon. Minister of Public Utilities and the Environment inform this Senate whether:
- (i) houses owned by WASA have been sold, to whom were they sold, their location, and at what prices during the period January 2002 to the present time;
 - (ii) the houses which were sold were properly valued?
- B. Could the Minister state what method was used by the Authority to dispose of these houses?
- C. Could the Minister further state which government agency, if any, was responsible for the supervision and sale of these WASA houses?

The Minister of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas): Madam President, the question requires the provision of information, documentation and to be made authentic by reference to documentation that is elsewhere. I am forced to beg this Senate to defer the answer to this question for two weeks.

Question put.

The Senate divided: Ayes 19 Noes 10

AYES

Saith, Hon. Dr. L.

Yuille-Williams, Hon. J.

Morean-Phillip, Hon. G.

Joseph, Hon. M.
Montano, Hon. D.
Enill, Hon. C.
Gift, Hon. K.
Manning, Hon. H.
Chin Lee, Hon. H.
Dumas, Hon. R.
Titus, R.
Abdul-Hamid, M.
Kangaloo, Hon. C.
Ramroop, S.
Persad, Pundit M.
Deosaran, Prof. R.
King, Mrs. M.
Thomas, Amb. C.
Khan, Brother N.
NOES
Mark, W.
Baksh, S.
Kernahan, Dr. J.
Montano, R.
Seepersad-Bachan, Mrs. C.
Smith, A.
Mc Kenzie, Dr. E.
Ramchand, Prof. K.
Seetahal, Ms. D.

Anmolsingh-Mahabir, Mrs. P.

Question agreed to.

Question, by leave, deferred.

Anaconda Exercises

(Details of)

17. Sen. Robin Montano asked the Minister of National Security and Rehabilitation:

- A. Would the hon. Minister please state how many persons have been arrested, charged and convicted as a direct result of the anaconda exercises from their commencement to November 15, 2002?
- B. Could the hon. Minister also give details of the number of different offences for which these persons were charged and/or convicted?

The Minister of National Security and Rehabilitation (Sen. The Hon. Howard Chin Lee): Madam President, hon. Senators are advised that Operation Anaconda is a law enforcement exercise involving police and army personnel. This exercise is aimed at curbing criminal activities throughout the nation. Operation Anaconda commenced on February 20 of the year 2002 and, according to statistical information provided by the Commissioner of Police as of November 15, 2002 a total of 52 exercises were conducted which resulted in the arrest of 900 persons. Hon. Senators are also advised that 1,256 charges were laid.

Madam President, with respect to the number of persons convicted as a result of Operation Anaconda, this information is not available at this time since most of the cases are pending before the courts. A list is provided which sets out the different offences for which the arrested persons were charged. The charges are as follows: for robberies, larceny, wounding, dangerous drugs, obscene language, resisting arrest, obstruction, house breaking, driving without a driver's permit, malicious wounding, possession of a weapon, stolen vehicles, possession of stolen articles, unlawful possession, store breaking and larceny, assembly to gamble, disorderly behaviour, assault with intent to rob, traffic offences, possession of protected animals, possession of firearms and ammunition, receiving, shooting with intent, murder, possession of an army kit, sexual offences, loitering, kidnapping and robbery, homicide, common assault, counterfeit currency, suspicion of murder, prohibited immigrants, attempted murder, aiding and abetting and possession of illicit spirits. Thank you.

Sen. R. Montano: Is the Minister able to give from that list, for example, robberies, larceny, wounding, kidnapping and so on, the number of charges for each offence, for example, 10 robberies, 20 kidnappings and so on?

Sen. The Hon. H. Chin Lee: Madam President, I will need more time to get that information.

Sen. R. Montano: Would the Minister, therefore, undertake to come back and give us that information?

Madam President: Mr. Minister, would you undertake to come back with that information?

Sen. The Hon. H. Chin Lee: Yes.

Madam President: All right, so you have the undertaking that he will try to bring that information to you, okay?

FINANCE (MISCELLANEOUS PROVISIONS) BILL

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, I beg to move,

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

Madam President, I have the honour to report that the Finance (Miscellaneous Provisions) Bill, 2002 was unanimously passed with amendments in the other place last Friday. Most of the fiscal measures announced in the budget presentation for fiscal year 2003 are contained in this Bill. These measures are as follows:

- amendments to the Children Act and the Liquor Licence Act which seek to prohibit the selling of tobacco products and liquor to children and requiring conspicuous signs prohibiting such sale to be displayed on the premises; amendments to the Motor Vehicles and Road Traffic Act which provide for the reduction of the special registration fee for completely knocked down vehicles and discontinuation of the CKD regime with effect from May 01, 2003;
- a new tax regime for roll-on roll-off foreign-used vehicles with a single rate of 75 per cent of the normal motor vehicle taxes;

- amendments to the Income Tax Act which would provide for, amongst others, 100 per cent deduction for converting homes into guest houses;
- a \$10,000 allowance for first-time home owners for each of the first five years from acquisition;
- an annual credit union deduction of up to \$10,000 per annum;
- the deduction of pension contributions for parliamentarians with effect from January 01, 1996;
- the reduction of the rates of personal income taxes;
- reclassifying bakers' plants under a different class with a higher rate of wear and tear allowances;
- strengthening the administrative capacity of the Board of Inland Revenue.

The Bill will also amend the Corporation Tax Act by:

- (a) allowing a company to claim 150 per cent of the expenditure up to a maximum allowance of \$450,000 in respect of sporting activities and local productions. For production houses, these companies could, in addition to their 150 per cent claim in respect of expenditure for their own operations, make a similar claim for donations made to sporting activities and artistes; and
- (b) reducing the rate of corporation tax to 30 per cent for companies other than certain companies carrying on petrochemical activities.

Additionally, the amendments to the Stamp Duty Act would, in the first instance, remove stamp duty on life insurance and deferred annuity policies and empower the Board of Inland Revenue to waive or refund stamp duties. Amendments to the Miscellaneous Taxes Act would regularize the exemption of our senior citizens from insurance premium tax, authorize the Board of Inland Revenue to audit insurance companies to ensure that the correct insurance premium taxes have been deducted, authorize the Board of Inland Revenue to waive the payment of interest on outstanding insurance premium taxes and penalties on these taxes.

There will also be amendments to the Income Tax (In Aid of Industry) Act which would widen the definition of manufacturing trade to include all trades and increase the additional allowance available to manufacturing trades from 50 per cent to 60 per cent. Amendments to the health surcharge provisions would be to

Finance Bill

[SEN. THE HON. C. ENILL]

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strengthen the powers of the Board of Inland Revenue regarding its ability to waive interest on outstanding health surcharge payments and increase the penalty from 50 per cent to 100 per cent on outstanding amounts. Finally, there will be amendments to the Value Added Tax Act which would permit the Board of Inland Revenue to raise VAT assessments within six years from the end of the tax period to which the assessment relates or within three years from the date of filing the VAT return, whichever is later.

Madam President, there are other measures announced in the budget which are not included in the Finance (Miscellaneous Provisions) Bill. These measures are to be contained in separate bills or other subsidiary legislation as it was thought prudent to deal with these measures individually. These include the proposals to place the office of the Supervisor of Insurance under the jurisdiction of the Central Bank, to remove from the negative list fully assembled right-hand vehicles imported by registered foreign-used car dealers and to provide for the opening hours of the stamp duty section during normal working hours. These measures will be implemented by an amendment to the Stamp Duty regulations and will take effect from January 01, 2003.

In addition, Madam President, the proposal to bring certain exported services within the VAT net has been reconsidered. You would recall that we had proposed to close a loophole in the legislation to deal with this particular activity. However, based on submissions and, out of an abundance of caution, this proposal has now been withdrawn to ensure that it does not do what we did not intend. Further, it was agreed to cushion the impact of the withdrawal of the export allowance by providing additional incentives to manufacturers. Madam President, I will now go through the Bill clause by clause.

Clause 1 of the Bill, which cites the short title of the Bill, is self-explanatory. This clause also tells us when this Bill will come into operation. Except for certain provisions, the majority of the measures will take effect from January 01, 2003.

Clause 2 of the Bill deals with teenage substance abuse. Madam President, we will examine clauses 2 and 8 of the Bill together because they both seek to address the issue of teenage substance abuse. Clause 2 seeks to amend the Children Act while clause 8 will amend the Liquor Licences Act. We need to protect our youth as much as possible from the effects of alcohol and tobacco abuse. Supplies of alcohol and tobacco are too easily accessible to our young people, many of whom look much older than their actual years.

The sale of tobacco products and intoxicating liquor to individuals who are under the age of 18 years will now be prohibited, and all vendors of these products will be required to display, at all times, in a prominent place, a sign which informs the vending public that such sales are prohibited. Failure to comply with requirements for the display of signs should, upon conviction, be met with a fine of \$1,000 as provided in the new sections 26A(2) of the Children Act and 60(4) of the Liquor Licences Act.

Madam President, the language of sections 26A(2) and 60(4) was tightened in the other place to make it clear that the requirement to display a sign would be restricted to the display of a sign at all times in a prominent place in only that part of the premises where the liquor or tobacco products are offered for sale. Notice of the effective date of this measure was given in the budget presentation on October 21, 2002 and I would remind vendors of liquor and tobacco products that the requirement to put up the sign takes effect from January 01, 2003. In addition, Madam President, a person who sells intoxicating liquor or tobacco products to minors will be faced with stiff penalties ranging from \$2,000 for the first offence, graduating to \$5,000 for the second offence and \$7,500 for a third or subsequent offence.

We need to employ aggressive strategies to reduce the availability of alcohol and tobacco to the youth, especially in the areas frequented by minors, and we have enlarged the scope of the offence by embracing all tobacco products as against the more restricted reference to cigarettes or cigarette paper. Tobacco and alcohol are now less affordable to the public at large and we need to change community attitudes about the use of these substances by young people as well as to increase the social, economic and legal penalties for youth who use alcohol and tobacco.

Madam President, we need to change the perception that violations of alcohol and tobacco sales laws are not serious offences and the judicial arm of the State should apply the full force of the law, particularly where children are involved. The problem of teenage substance abuse, I am sure we all know, requires a collaborative approach amongst the major players. Environmental strategies involving the community, parents, schools, law enforcement agencies and the Government will continue to be used to change the legal and social environment in which people buy and use alcoholic and tobacco products. These measures take effect from January 01, 2003.

Clause 3 of the Bill deals with completely knocked down vehicles. It seeks to amend the Motor Vehicles and Road Traffic Act in the following ways. One is by

extending the grace period for the registration of completely knocked down or CKD vehicles until April 30, 2003. In the budget presentation, we signalled that these vehicles will be phased out by December 31, 2002, however, many of the dealers of these vehicles were placed at a severe disadvantage in 1998 when the special registration fees were increased phenomenally whilst the CKDs were literally en route to Trinidad and Tobago. The sudden movement from \$20,000 and \$30,000, to fees ranging from \$20,000 to \$90,000 made these vehicles unattractive and, as a result, hundreds of these vehicles have remained unsold.

The existing special registration fees rates are as follows:

motor vehicles with engine size not exceeding 1599 cc—\$20,000;

motor vehicles with engine size exceeding 1599 cc but not exceeding 1999—\$30,000;

motor vehicles with engine size exceeding 1999 cc but not exceeding 2499 cc—\$50,000;

motor vehicles with engine size exceeding 2499 cc but not exceeding 2999 cc—\$70,000; and

motor vehicles exceeding 2999 cc—\$90,000.

In order to facilitate easier disposal of these CKD vehicles by April 30, 2003 it is proposed to revert to the pre-1998 special registration fee rates of \$20,000 for vehicles with engine sizes not exceeding 1799 cc and \$30,000 for vehicles with engine size exceeding 1799 cc. The reduction in the special registration fees is reflected in the amendment to item 25 of the First Schedule to the Act and will take effect upon the assent of the Finance (Miscellaneous Provisions) Bill and will continue in effect until April 30, 2003. Madam President, there will be no further extensions of the grace period so that, as from May 01, 2003 the registration of CKDs will not be allowed. The provisions outlined at clause 3 of the Bill seek to give effect to the measures governing CKDs and will involve an amendment to section 17A of the Motor Vehicles and Road Traffic Act.

Roll-on roll-off vehicles, Madam President—with respect to roll-on roll-off vehicles, the new motor vehicle tax regime has been simplified. With effect from January 01, 2003 there will be only one rate applicable to what is technically referred to as completely built up foreign-used motor vehicles imported by persons other than returning nationals. The new rate will be 75 per cent of the normal motor vehicle rates. The normal motor vehicle rates are classified according to the type of vehicle. For private motor vehicles and taxis, no motor

vehicle tax is payable on a vehicle whose engine size is less than 1599 cc. Vehicles with these size engines will continue to pay no motor vehicle taxes.

The normal motor vehicle tax rates for private cars and taxis vary with the rates being lower for taxis. For private cars, the rates range from \$4 per cc for engine sizes exceeding 1599 cc but not exceeding 1799 to \$45 per cc for engine size exceeding 3499. A new private vehicle, for example, with an 1800 cc engine will be subject to motor vehicle taxes of \$14,400 or \$8 per cc as compared with a foreign-used vehicle with the same sized engine which will be subject to a registration tax of \$10,800 or 75 per cent or \$14,400. For taxis, not maxi-taxis, the rates range from \$3 per cc for engine sizes exceeding 1599 cc but not exceeding 1799 cc to \$33.75 per cc for engine sizes exceeding 3499. A new taxi, therefore, with an 1800 cc engine will be subject to motor vehicle taxes of \$10,800 or \$6 per cc as compared with a foreign-used taxi with the same sized engine, which would be subject to a registration tax of \$8,100 or 75 per cent of \$10,800.

Madam President, I should remind this Senate that the vehicles which will be affected by this measure would be vehicles which are over three years. The motor vehicle taxes currently payable on these vehicles are 50 per cent of the normal motor vehicle rates for a vehicle over three years but not more than four years; 25 per cent of the normal motor vehicle tax rates for a vehicle over four years but not more than five years and 15 per cent for specialized vehicles over five years and imported under a licence for use in the petroleum manufacturing and service sectors.

Vehicles which will either benefit or not be affected by this measure are vehicles which are over two years but not more than three years. Owners currently pay 75 per cent of the normal motor vehicle taxes. Vehicles which are less than one year, are currently attracting a charge of 100 per cent of the normal motor vehicle tax rates; and vehicles which are over one but not more than two years, currently are charged 90 per cent of the normal motor vehicle tax rates. Foreign-used 1800 cc private vehicles, which are not more than two years, currently attract a charge of between \$12,960 and \$14,400 depending on the age of the car. From January 01, 2003 these same sized engine vehicles will now be subject to a charge of \$10,800.

Foreign-used 1800 cc taxis, and this is not maxi-taxis, which are not more than two years, currently attract a fee of between \$9,720 and \$10,800 depending on the age of the vehicle. From January 01, 2003 these same sized engine vehicles will now attract a flat tax of \$8,100. Madam President, these measures are outlined at clause 3(c) of the Bill.

Madam President, while I am on the issue of motor vehicles, I would report to this Senate that a team of senior officers within the Ministries of Finance and Trade and Industry is currently examining the matter concerning the granting of an amnesty in respect of vehicles which are currently rotting away on the docks. The matter, we are told, is not as simple as it sounds and constitutional and other legal issues have to be carefully examined so as to determine the most efficient way of resolving this problem. New legislation may need to be brought to deal with this matter which will be considered by this Senate in the new year.

I will now deal with clause 4 of the Bill. This clause amends various provisions of the Income Tax Act and covers a number of areas. The first area that I would like to look at would be guest houses. Madam President, I would like to refer you to clause 4(a) of the Bill. A new section 13B is to be inserted into the Income Tax Act by which approved capital expenditure will now be allowed as a deduction in ascertaining the chargeable income of an individual who converts his home into an approved guest house.

The Government recognizes that, when compared with our Caribbean neighbours, Trinidad and Tobago has a potentially unique tourism product to offer in terms of its rich cultural diversity, ecotourism as well as development niches such as sports, festival, cruises and conference tourism. Arising out of the crisis that has confronted the tourism industry, especially in Tobago, this administration proposes to pursue an aggressive marketing programme to pursue greater awareness of our twin-island destination. To further invigorate our domestic tourism industry, it is proposed that certain incentives be granted to encourage the development of small family oriented tourism projects through the conversion of existing homes into guest houses.

The target group for this measure will be homeowners who decide to convert their homes into guest houses. However, in order to benefit from the tax incentive, the owner must satisfy the Board of Inland Revenue that approval for the conversion was granted by the Minister of Tourism. In addition, the deductions for the approved expenditure cannot be made unless the homeowner is issued with a certificate of completion. In fact, Madam President, the approved capital expenditure can only be claimed in the year in which the completion certificate was issued. Where the amount of the approved capital expenditure cannot be wholly set off against the income arising from the operation of the guest house in the year in which the completion certificate was issued, the amount of such expenditure which cannot be set off shall be carried forward to a succeeding year of income. Moreover, any loss incurred in connection with any guest house

cannot be set off against the income or profits arising from any other source of income. Madam President, as with any other amendment to the taxing laws, we will monitor the implementation of this provision to determine whether and to what extent further changes will need to be made.

I now turn to the issue of special allowances for new homeowners. Madam President, a new section 18A will be inserted into the Income Tax Act. This new provision will provide for a special allowance of \$10,000 which will be granted to resident individuals who purchase or construct their homes for the first time on or after January 01, 2003. This Government recognizes that adequate housing is a basic need for every citizen and is an essential feature of human development. In fact, homeownership provides a strong foundation for the economic and social advancement of people and also has significant employment creation effects in the short-term.

In order to encourage homeownership, it is proposed that in addition to the normal mortgage claims that can be made by individuals, the \$10,000 allowance is intended to provide additional incentives and some measure of relief to first-time homeowners. The \$10,000 allowance would be granted for a period of five years from the year in which the house is purchased or constructed. The \$10,000 allowance will be available per household, so that where two or more individuals own the home, these persons will, among themselves, determine what portion of the \$10,000 may be claimed by each individual. As with the mortgage relief claim, the new homeowner will also need to provide evidence of legal ownership of the residence and must satisfy the Board of Inland Revenue that the land and building taxes or other house rates have been paid. Madam President, the measure for the new homeowner is provided for at clause 4(b) of the Bill.

Credit union deduction—Madam President, the basic pillars of economic growth are investment and savings. Higher domestic savings provide capital for investment. In order to encourage a culture of frugality and thus an increase in domestic savings, it is proposed to grant to individuals a deduction of up to \$10,000 per annum in respect of shares bought in a registered credit union. The deduction will only be allowed where the result of the share purchase is a net increase during the year of income in the total nominal value of shares held by an individual in the registered credit union.

2.30 p.m.

To ensure that the deduction is granted for genuine claims, where an individual claims this deduction, he must furnish the Board of Inland Revenue

with certificates from every registered credit union in which he held shares during the year of income in which the claim is made. This proposal would be effected by the insertion of a new section 18B of the Income Tax Act, and this is reflected at clause 4(b) of the Bill.

With respect to retiring allowances for Members of Parliament, Madam President, with effect from January 01, 1996, it is proposed that Members of Parliament be allowed a deduction of the contributions made by legislators under the Retiring Allowances (Legislative Service) Act. This is in keeping with the general thrust of the existing legislation which allows deductions of contributions made under the Widows and Orphans Pension Act, approved pension fund plans and deferred annuities, as well as national insurance contributions.

Legislators other than the Prime Minister are currently required to make contributions at the rate of 6 per cent of their basic salaries. These legislators will include Members of Parliament, or if not elected Members, hold certain specific offices such as that of Speaker, President of the Senate and Parliamentary Secretary. The contributions paid by legislators are paid into the Consolidated Fund and are used to provide retiring allowances for the legislators and widows and children of such legislators.

The fact, Madam President, this simply seeks to correct something that we found in discussions with the Board of Inland Revenue, and that is to say that although the allowances were effectively granted in some instances, there was no legislation to deal with it.

The relevant clause in the Bill before you which deals with the contributions made by parliamentarians is clause 4(c) which amends section 27 of the Income Tax Act.

I now move to refunds of contributions under approved pension fund plans and deferred annuities. Madam President, clause 4(d)(i) of the Bill seeks to amend section 28(10) of the Income Tax Act by placing a time within which pension plan trustees will now be required to pay over to the Board of Inland Revenue the taxes which should have been deducted in circumstances where a refund of contribution is made to an employee or annuitant.

Although the existing law requires the trustee to pay over the taxes to the board forthwith, what is forthwith is relative, and in some instances may well extend for a number of months. To encourage prompt remittances to the board, therefore, there will now be a requirement to remit the taxes deducted by the 15th of the month following the month in which the taxes were deducted. This is the norm in other tax deductions.

Failure to remit the taxes on time will be met with a penalty of 100 per cent of the taxes as well as interest at the rate of 20 per cent from the day following the 15th of the month in which the taxes should have been remitted to the Board of Inland Revenue.

In the other place, an amendment was made to propose a new section 28(10) of the Income Tax Act to make it clear that the interest will be computed using the amount of tax which remains unpaid and not the full value of the tax to be paid over to the Board of Inland Revenue.

Madam President, at section 28(11), a similar proposal is being made with respect to amended pension fund plans or deferred annuities which do not comply with the requirements of the Income Tax Act. In such a case, any benefits paid under the unapproved amended plan will normally be subject to a tax rate of 25 per cent.

Like section 28(10) which we just discussed, the remittance of the 25 per cent tax to the Board of Inland Revenue in respect of unapproved amended plans does not have at this time a specific time limit and is only required to be remitted to the board forthwith. The proposal for the tax to be paid over by the 15th of the following month will apply with equal force and effect with respect to penalties and interest payable on outstanding taxes. Madam President, this amendment can be found at clause 4(d)(ii) of the Bill which seeks to amend section 28(11)(c) of the Income Tax Act.

I now move to filing of returns. As part of the initiatives toward increasing the administrative efficiency and simplification of the taxation system, it is proposed at clause 4(e) of the Bill to amend section 76(6) of the Income Tax Act so as to empower the Board of Inland Revenue to waive or reduce the penalty payable in circumstances where failure to file a return was not due to the fault of the taxpayer. A corresponding amendment will be made to section 19(a) of the Corporation Tax Act so as to empower the board to waive or reduce the penalty for late filing by companies where it is just inequitable to do so. This amendment can be found at clause 5(d) of the Bill.

Madam President, although resident individuals who are employees are relieved from the obligation of filing annual returns of income, there still exists section 77 of the Income Tax Act which confers on the Board of Inland Revenue the power to require such individuals to file returns. Where the board suspects an individual of tax evasion or for public pension record purposes, the board may wish a person to file a return.

To avoid any doubt as to whether the board still retains the right to require a person to file a return, clause 4(f) of the Bill would amend section 77(1) of the Income Tax Act by making it clearer that the board, in fact, retains the power to require such filing.

With respect to Pay As You Earn (PAYE), Madam President, under our existing taxation laws, an employer is required to deduct PAYE from his employees' emoluments and remit the tax deducted to the Board of Inland Revenue. Where the employer fails to deduct the correct amount of taxes, the employee would, prior to 2001, normally file annual returns in which any additional liability to tax would be discovered.

Since the employee is no longer required to file annual returns, the onus has now been placed on the employer to deduct the correct taxes. The penalty for failure of the employer to deduct the appropriate amount of PAYE, or failing to pay the tax over to the board, was increased in 2001 from 50 per cent to 100 per cent. The rate of interest on outstanding PAYE and penalty was also increased from 15 per cent to 20 per cent.

Although the BIR currently has the power to waive or to reduce the penalty, there is no corresponding power to waive or reduce the interest payable on outstanding PAYE. The amendment to section 99(4) of the Income Tax Act seeks to give the board that power through the introduction of the words, "unless the board otherwise directs" into the provision. Madam President, this amendment is reflected at clause 4(g) of the Bill.

I now turn to interest on tax paid by instalments. Madam President, the cleaning up exercise is continued at clause 4(h) of the Bill in relation to section 103(1) and (2) of the Income Tax Act. Persons such as self-employed individuals are required to pay taxes on a quarterly basis. Failure to remit the required taxes promptly would result in an automatic imposition of interest at the rate of 20 per cent. The board currently has no discretion to waive or reduce the interest in deserving cases, and the amendment at clause 4(h) of the Bill seeks to give the board such a power.

Madam President, in keeping with Government's policy of progressively reducing the rates of personal income and corporation taxes, clauses 4(i) and 5(e) to (i) would amend the Income Tax and Corporation Tax Acts and would reduce the taxes as follows: For individuals, the new rates with effect from January 01, 2003 will be 25 cents for every dollar of the first \$50,000 of chargeable income, and 23 cents for every dollar otherwise. For companies, the new rates from January 01, 2003 will be 30 cents for every dollar of chargeable profit.

Madam President, certain companies in the petrochemical sector will not qualify for the reduction in the rate of corporation tax. The following companies will not benefit from this reduction:

- Companies engaged in the liquification of natural gas;
- Companies engaged in the manufacture of petrochemicals;
- Companies engaged in the physical separation of liquids from a natural gas stream and natural gas processing from a natural gas stream;
- Companies engaged in the transmission and distribution of natural gas;
- Companies engaged in the wholesale marketing and distribution of petroleum products; and
- Companies engaged in any other activity prescribed by order of the Minister of Finance.

Madam President, for the avoidance of doubt, certain companies such as LPG filling plants, service stations and companies involved in the sale and distribution of leaded and unleaded gasoline which are engaged in the retail of petroleum products will benefit from the reduction in the rate of corporation tax to 30 per cent. The rationale for their inclusion in the reduced rate is that these operations have always been under the corporation tax regime and operated under very slim profit margins since fuel is price controlled.

With respect to the wear and tear on bakers' plants, Madam President, the measure at clause 4(j) of the Bill is one of the measures which the Government will introduce to cushion the effect of the withdrawal of the export allowance. It is proposed that bakers' plants used in the manufacture of bread be reclassified under class B, thus attracting a wear and tear rate of 25 per cent instead of the existing wear and tear rate of 10 per cent under its current classification under class A.

Items under the wear and tear schedule under class A include boats, brick making plants, medical practitioners' instruments, cigarette manufacturing machinery and newspaper equipment. The rationale for this reclassification is that similar plant and machinery used in biscuit making currently enjoy a higher wear and tear rate of 25 per cent under class B. Other items under class B include boilers, beverage coolers, air condition equipment and clothing and millinery manufacturing plant.

*Finance Bill**Tuesday, December 17, 2002*

[SEN. THE HON. C. ENILL]

Madam President, the wear and tear schedule appears to be a slapdash of furniture and equipment thrown together under four separate classes without a proper rationalization being done to justify their inclusion under a particular class.

I wish to give notice that during the current fiscal year, a proper reclassification exercise will be done of the wear and tear schedule. Suffice it to say, however, that biscuit making plant and baker's plant should, in the meantime, be placed under the same category. The revenue foregone from this measure is estimated at approximately \$1 million.

Madam President, I will now examine clause 5 of the Bill which seeks to amend the Corporation Tax Act as follows: Export allowance, by clause 5(a) and (f) of the Bill, the provisions relating to export allowances will be repealed. On this matter, successive governments have signaled their intention to eliminate the export allowance. In 1997, the then Government announced its intention to remove the allowance in the year 2000. Again, in 2001, the then administration signaled January 2003 as the cutoff date for the export allowance.

This administration gave notice in its budget presentation for 2003 that this subsidy would be withdrawn by January 2003. This will be done come January 01, 2003.

This administration, however, is not unmindful of the concerns expressed by the manufactures, and we are in the process of crafting a framework which will not rule out our competitiveness within a liberalized FTAA environment. In the meantime, the Government has agreed to provide our manufacturers with a few additional allowances through amendments to the Income Tax (In Aid of Industry) Act. These amendments will be discussed in greater detail a little later on.

Madam President, I now turn to the measures at clause 5(c) of the Bill which provide incentives to companies wishing to sponsor local sporting activities, as well as audio, visual or video productions made for educational purposes or promoting or reflecting local culture or local entertainment.

Sports, it is said, also promotes self-esteem and a sense of well-being, particularly in children who, if they perform well at sports, generally have a more positive outlook on their lives. Children are taught about the importance of teamwork and respect for rules. They are also taught about winning or losing with good grace. Ultimately, these activities can have a tremendous impact in reducing crime and promoting social inclusion across all barriers, whether age, class, gender, race or occupation.

The insertion of a new section 10L of the Corporation Tax Act provides for the deduction of sums expended by corporate sponsors of sporting activities and sportsmen who are nationals of Trinidad and Tobago. The maximum deduction for tax purposes that can be claimed by companies under this section is \$450,000 per annum on an actual expenditure of \$300,000.

In the area of cultural and local production, the Government has chosen to promote arts and culture by forming alliances with its social partners and facilitate their participation through the granting of certain incentives. One such incentive is a measure by which a company which contributes financially towards the promotion of sporting events, as well as local educational or entertainment productions, can claim an allowance equal to 150 per cent of the actual expenditure up to a maximum of \$450,000. These provisions are really intended to target the smaller companies which would not ordinarily have contributed to the events.

Madam President, with respect to cultural and local productions, which I just spoke about, the new section 10J of the Corporation Tax Act would grant companies which promote audio or visual productions a deduction of up to \$450,000 per annum. With respect to production houses, it is intended that these companies should, apart from their normal expenses that they are entitled to claim for their own production, be allowed the \$450,000 allowance deduction where contributions are made to sporting and artistic activities. That is to say, Madam President, that in this specific case, a company involved in production will, in fact, be able to claim the normal expenses as well as an additional up to \$300,000. So that if the aggregate of the expenses happens to be \$600,000, they can, in fact, claim \$900,000 which I believe is significant in this particular industry.

I will now deal with clause 6 of the Bill, Madam President. Clause 6 seeks to amend the Stamp Duty Act as follows: Clause 6(1)(a) of the Bill will repeal section 60 of the Stamp Duty Act. For the information of hon. Senators, section 60 of the Stamp Duty Act requires life insurance policies and deferred annuities to be stamped before execution. Failure to stamp these instruments before their execution or delivery would have resulted in a person being liable to a fine of \$1,000. Clause 6(b)(i) and (iii) of the Bill will also delete those parts of the first schedule to the Stamp Duty Act which specify the stamp duties payable on these transactions.

The effect of the repeal of section 60 of the Stamp Duty Act means that life insurance policies and deferred policies are exempt from the payment of stamp

duty. The then administration sought to implement this measure through the Provisional Collection of Taxes Order, 2001. However, since the measure was not revenue raising, it should have been included in a separate Act of Parliament. The measure was nevertheless included in the Provisional Collection of Taxes Order, 2001 as a matter of convenience because it was intended that the measure should come into effect on budget day on September 14, 2001.

Madam President, the inclusion of this measure in this Bill is really to regularize transactions which were done from September 14, 2001, hence the provision at clause 6(2) of the Bill by which the repeal would be deemed to have come into operation on September 14, 2001. This is simply to regularize what is currently taking place.

Madam President, with respect to off-the-floor share transactions, this measure at clause 6(b)(ii) of the Bill was inadvertently included in the Bill by the draftsman. The Stamp Duty Act was amended in 2001 so as to increase the stamp duty payable on the sale of shares to 5 per cent of the market value of the transaction. The increased duty of 5 per cent applies only to shares which are listed by a self-regulatory organization such as the Trinidad and Tobago Stock Exchange, but which are not sold or transferred in accordance with the rules of that organization.

Regulators in the developed market are of the view that the Stock Exchange is the most appropriate place where one can get the fairest price for one's security. In regional jurisdictions such as Barbados and Jamaica, investors are discouraged from trading off-the-floor in listed securities by the imposition of disincentives such as a property transfer tax for trades executed off-the-floor. Similar disincentives have been employed in other developing countries such as Mauritius, Kenya, Zambia and Ghana to encourage trading on established markets rather than off-the-floor.

Trading in the securities of public companies other than on the floor of the Stock Exchange will not be prohibited by the law. All the measure seeks to do is to discourage off-the-floor trading and to encourage the sale of securities at market value on the floor of the exchange. However, Madam President, since this measure was a revenue raising measure and came into effect upon the publication and confirmation of the Provisional Collection of Taxes Order in 2001, no further legislative action is required to give effect to this measure. Clause 6(b)(ii) of the Bill is therefore simply there and adds nothing to the Stamp Duty Act. It is already there.

I turn now to remission or refund of stamp duties. Madam President, the Stamp Duty Act currently makes no provision for a remission or refund of stamp duty. It is proposed that this Act be amended to confer on the President the power to refund or remit stamp duties payable where it appears to him just and equitable to so do. This measure will take effect from January 01, 2003 and is to be found at clause 6(c) of the Bill.

Madam President, I will now examine clause 7 of the Bill; insurance premium tax. The former administration agreed to the removal of the 6 per cent insurance premium tax payable on insurance contracts where the beneficiary under the contract is a resident individual who has attained the age of 60 years. Although this measure was included in the Provisional Collection of Taxes Order, 2001, the full implementation of this measure requires an amendment to the Miscellaneous Taxes Act with effect from September 14, 2001, this being the date on which the tax was removed.

The rationale for the inclusion of this measure in this Bill is to regularize the exemption of our senior citizens from the insurance premium tax. Not being a revenue raising measure, the relevant amendments to the Miscellaneous Taxes Act should have been included in an Act of Parliament. This measure can be found at clause 7(a) of the Bill. It will be noted that the relevant amendment is to section 54(1)(h) of the Miscellaneous Taxes Act which has been further amended so as to deem subsection (1)(h) to have come into operation from September 14, 2001.

Tax authority to audit for insurance premium taxes. Clause 7(b) of the Bill will insert a new section, 59A of the Miscellaneous Taxes Act so as to give the tax authority, or in this case, the Board of Inland Revenue, all the powers in the collection and recovery of the insurance tax premium. By clause 7(c) of the Bill, a new section 60A of the Miscellaneous Taxes Act will be introduced whereby the tax authority, Board of Inland Revenue, will also be authorized to waive the payment of interest on outstanding insurance premium taxes and penalties payable on those outstanding taxes.

Madam President, I have already dealt with clause 8 earlier when I discussed the penalties under the Children Act. The changes made to the Children Act will be repeated in the Liquor Licence Act as they relate to the provision for the putting up of a sign in that part of the premises where liquor is offered for sale.

I will now refer to clause 9 of the Bill which seeks to amend the Income Tax (In Aid of Industry) Act. As I pointed out earlier, the removal of the export

allowance may present challenges for the non-oil business community and the manufacturing sector, in particular, in the light of the eminent regional and international developments, in particular, the free trade area of the Americas and the Caricom single market and the economy. These developments will also make it imperative that the manufacturing sector becomes more competitive. Additionally, Madam President, it is proposed that additional incentives be provided to manufacturers to cushion the effects of developmental changes and to facilitate the retooling, expansion and new investment in this sector.

The existing accelerated capital allowance regime under the Income Tax (In Aid of Industry) Act provides for allowances only to selected trades as identified in the first schedule of that Act. Some of these trades include biscuit manufacturing, paper manufacturing, machine shops and the manufacture of furniture, shirts and matches.

Madam President, the first schedule in the said Act was last amended in 1992 and is outdated. The Government proposes that the list of manufacturing industries which may benefit from allowances under that Act be expanded to all manufacturing sector industries. The definition will not include the printing and publication of newspapers, magazine reviews and other periodicals by the proprietors for their own use. To this end, the definition of manufacturing trade has been introduced as clause 9(c) of the Bill.

Madam President, it is also proposed that the initial allowance available under the Income Tax (In Aid of Industry) Act in respect of capital expenditure on plant and machinery be increased from 50 per cent to 60 per cent. This increase will not apply to persons enjoying concessions under the Fiscal Incentive Act and engaged in the production of sugar, petroleum or petrochemicals.

The impact of this amendment will be that all manufacturing companies will now be able to deduct greater expenditure write-off in the early stages of their operations. These companies are entitled to the one-off deductions as follows:

An initial allowance of 10 per cent on expenditure incurred in the construction of the building housing the particular trade. This is in addition to the annual allowance of 2 per cent in respect of capital expenditure incurred on building and a 60 per cent one-off initial allowance on plant and machinery. This is in addition to the normal annual wear and tear allowances granted, usually between 20 to 25 per cent.

In the first year of the operations of a manufacturing company, therefore, that company can claim now, 12 per cent on capital expenditure and up to 85 per cent

in wear and tear allowance. In subsequent years, the annual claims would be for 2 per cent for the capital expenditure which continues and 20 to 25 per cent wear and tear allowance. Where losses are incurred, these can be carried forward to set off against future profits.

Clauses 10 and 11 of the Bill are further measures which are aimed at increasing the administrative efficiency of the taxation system and include the following:

Health surcharge. Although the Board of Inland Revenue currently has the power to waive the penalty payable on outstanding amounts of health surcharge, there is no similar provision which would allow the board to waive or reduce the interest accruing on such outstanding amounts in an appropriate situation. This proposal is to be found at clause 10(b) of the Bill. In addition, with effect from January 01, 2003, the penalty for late remittances of health surcharge will be increased from 50 per cent to 100 per cent. It is also proposed that with effect from January 01, 2003, the rate of interest payable on outstanding health surcharge be increased from 15 per cent to 20 per cent. This proposal is to be found at clause 10(a) of the Bill.

VAT assessments. Madam President, with effect from January 01, 2003, the board will be authorized to raise VAT assessments within six years after the end of a tax period to which the assessment relates, or three years of the filing of the return—whichever is the later period. This amendment will counteract any strategies which are designed to avoid being accessed by the VAT administration.

A situation may and has in the past arisen where a VAT registrant files his return at the end of the six-year period. In such a case, he can easily escape being assessed altogether. The proposed amendment is reflected at clause 11 of the Bill and mirrors a similar provision contained in the Income Tax Act which also permits the board to assess a taxpayer within three years from the date on which a return of income was filed.

Madam President: Hon. Minister, just to let you know that you have five minutes left.

Sen. The Hon. C. Enill: Thank you, Madam President. The economic and financial programme of this administration is being keenly monitored by the Ministry of Finance with the performance criteria and benchmarks relating to economic deliverables indicators serving as a tool for managing the economic and financial development of this country.

*Finance Bill**Tuesday, December 17, 2002*

[SEN. THE HON. C. ENILL]

A great deal of work has already begun in collaboration with the Central Bank, Ministry of Planning and Development, towards our Vision 2020 programme. To this end, a number of initiatives have been planned for the new year, a major area being the review of the entire taxation system including income and corporation tax regimes, property taxes, business levy, and so forth.

The effects of taxation are important as they create for us benefits throughout the economy through changes in prices, outputs and income. In this way, every individual, whether they pay taxes or not, is affected by our system. We want to get to the point where our system acts as a powerful stimulant to the industry and our economy and encourages the production of more wealth in our society.

This Finance (Miscellaneous Provisions) Bill is only the beginning and will bring into law the fiscal and other measures which will continue the fiscal discipline which has brought us thus far. With this, Madam President, I beg to move.

Question proposed.

Sen. Wade Mark: Madam President, we are very happy to contribute to this debate on the Finance (Miscellaneous Provisions) Bill of 2002, and before dealing with some of the clauses of this particular measure or Bill before us, I would like to indicate to this honourable Senate the approach that I would like to take in addressing some of these issues.

I am going to be viewing this particular Finance Bill within the context of the Government's stated intention to take our country to first world status, or what is called developed nation status by 2020. I will try to demonstrate that some of these measures, whilst they may appear to be laudable, upon deeper analysis would reveal that they hinder and harm more than they progressively advance, and promote real sustainable human development in our republic.

It is our view that whilst the hon. Minister was extremely detailed in his presentation, we were unable to discern the efficacies of these measures in the context of the Government's 2020 vision. Many of these measures, Madam President, as we would show, appear to be very retrograde, and it seems to us that the Board of Inland Revenue, which experienced a paradigm shift during the administration of the UNC, apparently is going back to the bad old days, and we will demonstrate what we mean as we proceed.

We also believe, Madam President, that these measures that are being foisted on this nation will contribute to a further retardation of the development process,

and the whole question of the innovative approach to dynamic development has not been demonstrated in this particular package that we have before us.

I would also like to point out very early, Madam President, that we are debating the Finance Bill, 2002 and, as you are well aware, the Government of Trinidad and Tobago expended some 16.5 or even more of taxpayers' dollars in 2002, and we are yet to have before this honourable Senate a Variation of the Appropriation Bill that would tell us how those moneys were spent. So the whole question of accountability is an issue that we are very concerned with at the moment.

Madam President, if we were to look immediately at clause 2 of the present Bill that is before us, and as the hon. Minister said, he took both clauses 2 and 8 together, I myself want to take that said approach. We are the ones who the hon. Minister indicated in his presentation are responsible for producing these measures to protect innocent children from the predators, the criminals and some of the insensitive persons who retail liquor and provide cigarettes and tobacco products to our children.

I feel very proud today that it was the United National Congress that was responsible for the introduction and passage, successful passage, of about five pieces of legislation that were designed to protect and promote the rights of children in this nation. We brought those Bills, we piloted those Bills and they were successfully implemented and they are now law in this country. This was in keeping with the United Nations drive, as was manifested in the Rights of the Child Covenant some years ago.

And we, because of our commitment to protecting and safeguarding, and advancing the interest of the children of this nation, we took steps and measures to implement that resolution of the United Nations and translated that resolution into legislation. We established what is called the Children's Authority, and I am very happy to say that the former Senator, Diana Mahabir-Wyatt, was appointed in September of 2001 as its first Chairperson.

Since 2001, to the present time, the Children's Authority has gone to sleep, and I hope that the Minister in the Office of the Prime Minister responsible for social services delivery would be awakened and take steps and measures along with the hon. Sen. Mustapha Abdul-Hamid and bring the Children's Authority Act back into being and allow, for instance, former Senator Diana Mahabir-Wyatt to function.

We hear concerns about the children, but see no action, no evidence, no concrete proof of those steps that are being taken by this administration to save our children. The children of this nation, Madam President, are under assault. They are under attack. It is this administration, when we were there between 1995 and 2001, before we were illegally removed from power, we increased the age of a child consistent with the UN resolution from 14 years and 16 years respectively to 18 years. It is the United National Congress that did that.

So, today a child is viewed, is looked upon at age 18 or under in this country. That is a proud record of this party that has been attacked and maligned by desperate forces seeking to hoodwink the population and perform a master conmanship job on this population, but the chickens are coming home to roost, as we are seeing on a daily basis.

Madam President, we have no difficulty with clause 2. We think that it is an excellent provision. It only came now because we were thrown out in December of 2001, so it is only now coming and, of course, we support the question about the tobacco, the liquor, rather.

Too many of our children at the age of 18 and under, and not to mention the infants—we read horror stories where children are being tossed over banisters, children are being—because of all kinds of difficulties and problems—they are being maligned and neglected. They are being abused and mistreated by adults.

We have children, Madam President, in accordance with the new laws of our country, 18 years and under, who are being lured and encouraged to become prostitutes, and they are being exploited by businessmen—not all, some—in different trades in this country. And this is why when Sen. The Hon. Conrad Enill made his presentation he talked about protection of children.

We on this side are concerned about the enforcement of the law. We are concerned about the policing of the laws, because the only way that we are going to protect our children is to ensure that the enforcement of these laws takes place. Because of all these dancehalls and entertainment centres in Trinidad and Tobago, the evidence revealed, there are young children of school age, 13, 14 and 15 on the stage strip dancing, engaged in all kinds of lewd acts. Who is there to enforce the laws to protect those children?

I think I am going to call on the Minister of National Security and Rehabilitation who himself was a former businessman, and whose place of

business at Chaguaramas is well reputed in that particular area where children 18 years and under are being exploited and are being abused and misused. I want to use him as an example because there are many other areas, many other clubs in this country that have that kind of development taking place in our country. I impute no improper motives. [*Interruption*] I impute no improper motives. I simply said, and I would not repeat it, because I do not think I should go back there.

What I want to indicate is that we have to protect our children. We have to protect our children from all exploitation from whichever source it may come, and that is why we would like to call on this Government to stop the “pappy showing” and the “ol’ talk” and the “gambage” and get down to the serious business of protecting our citizens, particularly our children.

So that is an area, Madam President, that we believe is a positive measure in protecting our children, but we ask, is it possible that \$1,500, \$2,000, \$5,000, \$7,000—do you think those sums are adequate to serve as a deterrent? We feel that the fines ought to be increased. We feel that the Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill, should look at heavier sums—\$10,000, \$15,000, \$20,000—because we want to protect our children. And they are in danger.

Madam President, you only have to look at the crime situation in our country today and the young people that are perishing to understand the point I am emphasizing here this afternoon. We need to increase those penalties so that we can provide some protection for our young people of this beautiful nation of Trinidad and Tobago.

If we look at clause 3 of this particular Bill, we would note that the Government has taken steps to effect the measure announced in the 2003 budget. They have taken steps to wipe out, virtually, the used-car market. Apart from people perishing on the roads of this country, which has to do with law enforcement, we were not successful and I hope that this administration would be able to introduce the Breathalyzer. I think we need to enforce the law. Too many young men and women are dying needlessly on the roads of our country, Madam President. So that issue is something to which I feel the Government ought to pay attention.

Coming to this question of the used-car industry, I do not know whether a proper assessment has been done by the hon. Minister in the Ministry of Finance to look at the employment impact of this measure. An industry has almost developed around this used-car arrangement that was introduced under the UNC where ordinary citizens of this land were able, for the first time, to access

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transport at a very minimal rate. They could get a vehicle for \$10,000, \$15,000, \$20,000, or \$25,000. People were able to get involved in small business. They have a vehicle, they could now go and sell some doubles. They could sell some roti, bake and shark at the corner, because transport is important to drive economic development.

Madam President, without the blinking of an eyelid, the Government simply wipes out an entire industry. It seems like this industry has been targeted by the PNM for destruction and this legislation before us is its consummation. It is an epitaph we are writing here today. The death of the used-car industry and the resurrection of the big financiers who pumped tens of millions of dollars into the campaign of the PNM and payback time has now arrived. [*Desk thumping*]

So they wipe out the used-car industry, they say that is UNC, they supported UNC; and the big shots, big businessmen who supported the PNM, they are now being rewarded. I would have liked my hon. colleague and friend, Sen. The Hon. Conrad Enill, to tell us what impact this measure—how has the Government analyzed this measure in the context of its impact on the small man, the poor man?

We live in a period of liberalization and globalization, deregulation where we are seeing, Madam President, that inequality, both within and without, is the hallmark of this new fashion and religion. What we were trying to do between 1995 and 2001 is to bring about social equality, to bring people into the system, social inclusion. That is why every small man had a chance to access a vehicle, whether it was a Mack truck, whether it was a small 1500 cc, whether it was more than 1500 cc. They were able to access that.

Today, small businessmen are gone, they have not told us what impact this measure will have on the small man; what impact it will have on inequality. I dare say that very shortly we should see a rise in the price of new cars in Trinidad and Tobago once again and the big shots are going to have a field day on the poor people, because who is now going to buy a completely built up foreign-used motor vehicle imported at 75 per cent? That is a killer. So, when you weigh the options, somebody who has cash, they prefer to take a chance and buy a new car now. So the small man that this hypocritical PNM used to say in the campaign that they support and they care for, we are now seeing measures being introduced by this regime to wipe out the very small man and the poor man.

Madam President, we have a difficulty with this measure. We also believe that when we go to clause 4 of this Bill before us, we see again retrograde measures

being introduced by the Government. I want to say that we have no problem with providing households or first-time homeowners with some allowance in the form of the \$10,000 that is being proposed. What I saw in the budget speech—and I want to quote, because I do not want to be misquoted. What I saw in the budget speech, Madam President, and I refer to page 30 of that document:

“We will also introduce a tax deduction of \$10,000 per year, per house, for five years against the purchase price of a first home.”

So when I saw purchase, I took it literally to mean that if a first-time homeowner were to purchase a house that the Government were to construct, or they were able to purchase from the private sector, they would benefit from that particular allowance.

3.30 p.m.

However, in the Bill before us, and I saw some amendments that came subsequently, we see first of all—Madam President, I just want to indicate that under the Income Tax Act I am dealing with all the various allowances. My first stop is the first-time homeowner and I would go to the other aspects later.

Madam President, we could not understand why the Government was insisting on this measure under clause 4 which reads:

“...commencing 1st January, 2003, an individual who is a resident and to whom section 17 applies, purchases or constructs...”

We were told in the budget debate and in a budget speech that it would be on the basis of purchase. We now see slipping into this Finance Bill also the word “construct”. Why were we not told that when it was debated? Is that deception? Is that some kind of slip you are trying to get into? We ask the question who is to benefit from this? We see where the Government says a resident. I think I have a little understanding of the Constitution and it says a citizen is somebody who is born here, a resident is somebody who is claiming citizenship in Trinidad and Tobago, one way or the other.

The Minister of National Security will be aware that the Immigration Act says exactly who a resident is. So the citizens of this country are being called upon and we do not know—the hon. Minister in the Ministry of Finance might tell us—what is the projected estimation of the cost of this measure to the taxpayers of this country. I ask, what is the estimated cost? Is it going to be \$25 million? Is it going to be \$100 million? We do not know, and we understand this is over a five-year period. How much is it going to cost the taxpayers of this country?

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Madam President, you know what is even worse? We the citizens who are under severe stress are not safe. Even the Member for Laventille West, a Parliamentary Secretary in the Ministry of Community Development and Gender Affairs, that cool and very unassuming lady who is representing the people of Laventille, she too was subjected to banditry.

I saw in the newspaper today—if I am wrong tell me—some \$50,000 of Christmas goodies that the lady must have spent all the years saving for, just disappeared. The message I am advancing here, Madam President, is that you are not even safe as the President of the Senate. None of us here as Members of Parliament be you Minister or an ordinary Senator, you are not safe and, we are not safe. We could be shot at any time in this country. You are driving down Henry Street, wild play and you get a bullet in your head. That is the Wild West situation that we have come to in this beautiful country. It pains me so see what our country has really sunk and degenerated to. I have never seen the wave of madness as it relates to crime. It is unprecedented and unparalleled in this country.

Madam President, I raise this point to let you know that we are being called upon as citizens of this country, when the Minister of National Security cannot protect us, to let it be known. I make no bones about it, he is my friend, but I separate friendship from politics. I say the Minister of National Security cannot protect the citizens of this country. I am saying he is liable, culpable, and ultimately responsible. [*Desk thumping*] That is the point I am making. He is a good soldier, but for another war, not this one. He cannot fight this war. He is good, he is a nice guy but for Pier 1 business, not here. Let him run Pier 1, he cannot run the Ministry of National Security.

I raise this point to show you that we are being called upon as citizens of this Republic to underwrite and support residents. So somebody can come from Grenada or Mars—let us not get into names—arrives here, settles with someone and in less than a year the person, through his or her contact is able to apply to the Ministry of National Security under sections 5(1) and 6(1) of the Immigration Act and the Minister can, in his discretion, grant approval to that person. So you could invade our country with aliens to pad votes in the general election due in 2007. They are already giving free birth certificates to all their friends who want, and they are now saying you can come here, take \$10,000 of taxpayers' money and help construct or purchase a house.

Madam President, I ask the question: Where is the justice, where is the equality? And people in Tobago are being told to buy a ticket seven days in

advance if they want to get it at \$200 to fly between Trinidad and Tobago and back, but if they want to buy a ticket tomorrow they pay \$300. They must book seven days in advance. Now, I have never seen such discrimination as this measure.

Madam President, we need some clarification on this matter. We would like the Minister to indicate why he has imported the word “construct”, and we also want to know why is he saying that a “resident” and not a “citizen” of this country ought to be entitled to that particular allowance? Maybe he can tell us how many people are resident in this republic right now.

Madam President, we go on to show where these measures are retrograde in nature. We believe that they provide many loopholes. God help the Inland Revenue Department, they will be going through an administrative nightmare. They got a lot of advice from the Inland Revenue Services of the United States when we were in office. They sent advisors, we were advised by the International Monetary Fund on the simplification of the taxation system and here it is today we are going to ask the same Inland Revenue Department—that ought to be dealing with tax compliance, putting all its resources in the collection of taxes and going after the tax evaders—they now have to verify if John Brown is really a resident and whether he was able to show proof of ownership of the house. He has to satisfy the board that the house, which is to be used as his residence, is a first-time acquisition; he has to satisfy the board that the taxes payable by him in that year of income under the Land and Building Taxes Act and Municipal Corporations Act have been paid.

We are wasting the time of the Inland Revenue Department. Hundreds of thousands of people are seeing an opportunity to manipulate the system and they are going to do it. So the Inland Revenue Department would have to divert human and material resources to deal with who is a first-time homeowner and how he or she became one. You know, it would have been better if personal income tax were reduced from 30 per cent to maybe 25 per cent and establish a level playing field, because what is going to happen here, is that only those persons who have real contact, who are supporters, friends, well-wishers and sympathizers of the ruling PNM who would benefit largely from this very backward measure that has been introduced. It is a burden that has now been imposed on the Inland Revenue Department.

Madam President, my friend also indicated to us another measure under that same clause. Shares up to \$10,000 purchased in any one year will now be tax

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deductible. One would be granted a tax credit and, therefore, one would have to show Inland Revenue at the appropriate time that you had been a member of this particular society. I see in the amendment where a certificate is being called for.

We want to go towards a developed nation status and later on I want to deal with the question of what constitutes the elements of a good investment climate in any country. We are looking to attract business and we are hamstringing the Inland Revenue Department.

Madam President, the Government of Trinidad and Tobago had an easy way of dealing with this matter of increasing savings in its effort to grow and expand this economy by giving tax on interest on savings at all commercial banks and other financial corporations. I understand that in terms of revenue, taxpayers lose amounts of over \$150 million every year. Maybe the hon. Minister can correct me if I am wrong. We, the taxpayers of this country who are trying to save at a commercial bank are taxed on our savings, and one would have thought that if the Government were interested in generating savings, one of the first steps it would have taken is to remove that punitive tax on interest on savings, but it has not done that. That tax remains and we have not gotten from the hon. Minister exactly how this measure is going to increase savings on GDP.

The last figure we got from the Government of savings from GDP was about 23 per cent. So 23 cents of each dollar is supposed to be saved in Trinidad and Tobago. I think that was the last figure maybe in 2000—2001. The Minister has now introduced a measure that says every individual who is able to successfully manipulate the system to beat the taxman would be granted \$10,000 tax allowance.

Madam President, the history of that measure dates back to 1991—1992 in the bad, old days of the ruling PNM. We would have thought that their dinosaurian approach to development would have been altered somewhat, but we realize that old habits die hard and they have come back with a bang and introduced—it was about \$625 I think, when it first came in 1991/1992—it to \$10,000. Do you know what goes on with this?

On December 28, 2003—I am proposing that we are now in that year and that time—many persons who simply want to cheat the taxman will take out units, or borrow from the bank and deposit it in a credit union and that is \$10,000 tax deductible. So at the end of the day how are you going to be guaranteed in any serious way that people are saving because they could get a tax allowance? In other words, we give here and we take back here, because people are going to

manipulate the system and I am simply saying it is going to clutter the system of the Inland Revenue Department once again. That is why we felt that the Government of Trinidad and Tobago ought to have looked at it more carefully, but they have introduced it. We have strong reservations about it and we feel that the Government should have gone about this measure in a much more scientific way. It should have told us for instance, what kind of analysis it had conducted in arriving at this particular position.

Madam President, we are saying that these measures are going to bring about an administrative nightmare. We see also in the particular Bill before us, where the Inland Revenue Department is being given wide discretionary authority to determine what is equitable and what is just. So the department is now going to assume a quasi-judicial role. I do not know if we want to put the Inland Revenue Department in that position. What is just and what is equitable? Who will determine that? Would you leave that up to the Inland Revenue Department to determine? Then you are going to have court cases because people who feel they were unjustly dealt with will take the Inland Revenue Department and the Government to court. I do not know if that is the intention, if that is what the Government wants, but that will certainly be the end result.

The question about guest houses arises; persons who own homes and want to convert them into guest houses. This capital allowance for expenditure undertaken in expanding one's home into a guest house seems to be an open-ended arrangement. Whatever we can do to promote tourism, we have decided to support, but what we have difficulty with is the manipulation. This thing is going to breathe corruption; it is going to take from the taxpayers' purse. What we are seeing by these measures is a reemergence of tax consultants in droves and they will now have poor people going to tax consultants to fill out their income tax forms for a certificate of \$10,000 on shares and \$10,000 on housing allowance. So tax consultants are back with a bang. We have difficulties with some of the measures that the hon. Minister outlined. We are not too sure if the hon. Minister of Tourism has been given ultimate authority to approve things in consultation with Tidco.

Again the manipulation, again the party favours for the boys, the girls, friends, wives and relatives. This is a measure that would facilitate corruption. It is not something the PNM might want, but that is what would result and we are asking why? Where are the safeguards? Where are the checks and balances? Do you think the Inland Revenue department is going to spend their time determining all these things to be approved at the end of the day?

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Madam President, we have no difficulty with clause 5 that deals with the promotion of culture and sports. We feel that it is a laudable effort to promote sports in our country. Again, I am proud to have been associated with a government—whilst it was there between 1995 to 2001—which has built in this country—

Madam President: Hon. Senators, the hon. Senator's speaking time has expired.

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

Question put and agreed to.

Sen. W. Mark: Madam President, as I said, we have no problem with the laudable effort in promoting sport and culture, and educational material. We feel however that clubs—and the hon. Minister could clarify that—why are clubs and organizations included in this arrangement? Or are they excluded? We would like to know, because we feel that clubs and organizations that promote sports should be the ones that should benefit from that measure. I am talking about sponsoring sportsmanship and promoting sports in the country, whether for instance a club or sporting organization would be able to benefit from this measure.

In other words, if a club goes from “X” company to “Y” company to seek support can that company get a write-off because it passes on the stamps to “X” club or “X” organization? I would like to get some clarification on that from the hon. Minister. I am talking about sporting clubs and sporting organizations.

Madam President, it is very good that the Government has taken steps to ease the impact on the manufacturing sector. With the removal of the export allowance, the manufacturing sector was hurting and my information is that Trinidad and Tobago is the only country in the whole region that has not been successful in seeking a deferment on the export allowance. That is the information I have. All other Caricom countries have been able to receive, obtain or secure a deferment on the implementation of the export allowance, only Trinidad and Tobago has not sought that deferment.

Corporation tax is fine. They want to reduce corporation tax from 35 per cent to 30 per cent. Okay, but I have a little difficulty with the petroleum sector that the Government has excluded. We want to get from the hon. Minister in the Ministry of Finance why ExxonMobil has gotten away with \$250 million scot-free. We are talking about a developed nation statehood. I want to tell you

that when we are talking about a good investment climate to encourage business and companies to invest and create jobs and productivity, it is not only about policy and institutional and behavioural environment. It is about macro economic and trade policies, it is about governments and institutions, and it is about infrastructure. When we talk about governance encompassing, that concept is law and order, there must be equity and justice.

The Government has found itself and has placed itself in a nightmarish position today where the second largest oil corporation in the world has told this Government it is not paying for failure to continue drilling and it wants something in return. What does it want in return? Three seismic development surveys with Petrotrin and to help Trinmar drill at the Soldado Field.

I want to tell this Government that it does not own Trinidad and Tobago, and it does not own Petrotrin. It is not PNM's property, it is the people's property and when you enter into a contract with any agency, it is between the State and that company and the Government represents the State and the State is the citizens of this republic. How could the Prime Minister of this country unilaterally allow his Cabinet to take a decision to abrogate a legally binding contract? And they talk about transparency, they talk about openness and they say they are not corrupt. That is corruption. That is political corruption, and we have not gotten a proper explanation. As the alternative government today, we call for a Commission of Enquiry into that scandal involving the transaction between ExxonMobil and the Government of the Republic of Trinidad and Tobago.

Madam President, it is our view that these measures are not going to promote a strong business class because we do not believe that the Government—this Government seems to be the biggest enemy of the State. It has done everything in its power so far to frustrate the people of this nation and it has only been there for a couple months, in fact, a year now.

Whilst we are moving barriers, liberalizing and doing all sorts of things so access to market can be facilitated, the Americans and the British are erecting barriers. The forces of protectionism are on the rise in those countries. Do you know in June of this year that the Americans passed a Farm Bill and that bill subsidizes their farmers by close to \$100 billion? The European Union has just extended their common agricultural policy to the year 2013, and the Government wants to close down Caroni (1975) Limited. The Government does not understand the reality of global capitalism and politics. The rich countries want us to remain forever hewers of wood and drawers of water, and Government needs to see these things and take steps to protect our national interest.

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Madam President, the World Bank is predicting sluggish growth over the next 18 months. We seem to be getting into some difficulty here as well and I suspect that the Government would have to take into account these predictions that are being advanced, but we believe the measures that have been articulated this afternoon would not contribute to the kind of positive economic growth that we would have liked. We do not believe it would promote a strong business class, that it would give the kind of trigger to the development of small and medium sized entrepreneurship; we do not believe it would reduce unemployment and create meaningful, sustainable, and productive employment; we do not believe it would provide the people of this country with the kind of empowerment that is so necessary if they are to take charge of their lives as they shape their future.

The Government of Trinidad and Tobago, as usual, has hoodwinked the population and we believe that these measures, although the Minister in the Ministry of Finance believes that they are going to bring about some achievements in the context of vision 2020, we do not see it that way. We see stagnation, and harm more than help.

Madam President, change is central to development, and any real development strategy must be based on innovation and inclusion. We have seen in this particular Bill this afternoon measures that will bring about regression and retention of the status quo, but we do not expect anything more from an intellectually stultified regime. We believe it is good ideas supported by appropriate financial flows that will ultimately drive rapid development in any society. We should at all times avoid limiting ourselves to activities that we know will succeed, or those that succeeded in the past and hence, in presenting measures, we need to do a rigorous evaluation of those measures that were introduced in the past.

It has been said that resources should be used to help finance the cost of change and not to finance the cost of not changing, and what we see here is the Government seeking to introduce measures that will end up costing this country more than they themselves anticipated. Therefore, we do not have much confidence in the measures before us today. We believe they are very weak, incoherent and disconnected; they are not going to promote growth and other vital development indices.

Madam President, in the event that this turns out to be our last session, I would like on behalf of all my colleagues to extend felicitations. Even though we may have our differences because the system promotes that, we have to extend to

our colleagues and friends felicitations—to those on the Independent Benches as well as the Government—to their respective families and to wish our country the best. Let us hope that we have a more peaceful, productive, progressive, harmonious and unified 2003 for all our children and the people of this country.

Thank you.

Sen. Prof. Kenneth Ramchand: Madam President, I understand that the Bill has been passed unanimously in the House of Representatives and I know that the Senate has no power to reject or amend it. So I do not intend to renew a debate, but I do have one or two suggestions that I would like to put to the Government and hope that in some way it can be found to accommodate them.

I have a question concerning the new section 18A in clause 4. This new section grants to first-time homeowners or purchasers an allowance of \$10,000 per year for a period of five years in respect of such purchase or construction. I think that in addition to the mortgage interest deduction of \$18,000, this would be of great benefit to new homeowners. I hope that I am correct in assuming that this is in addition to the mortgage interest deduction.

Madam President, with the mortgage interest deduction, there is what I think is a loophole and I want to know if it exists with the \$10,000 too. In the \$18,000 mortgage deduction, if a husband and wife are registered as owners of the property, each of them may claim the \$18,000 so I would like the Minister to let the Senate know whether the \$10,000 is to be claimed by husband and wife separately. I would like some clarification.

Sen. Enill: Madam President, it is \$10,000 per house, not per individual.

Sen. Prof. K. Ramchand: Thank you. Madam President, in Sen. Mark's argument about the use of the word "resident" rather than the word "citizen", I have to say that my instinct is to agree with him that the legislation should specify the word "citizen" and not "resident".

If a resident is a person who has been granted resident status, then surely it is possible to let the legislation say "citizen" but make arrangements for somebody who has been granted resident status to apply for the allowance. So I support Sen. Mark that it would be better to insert the word "citizen" in the legislation and make provision that somebody who has been granted resident status may apply.

I also have a suggestion on easing the burden on couples who are unable to raise the deposit to purchase a house and who, while trying to save to make up the

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deposit also have to pay rent. I wonder if some arrangement could be made whereby relief would be granted to such persons, but becoming refundable if the beneficiaries do not in fact proceed to buy or build their own home within a specified time. I do not now how we can do it, I am merely indicating a very serious problem for young couples who do not have the money to pay the deposit and also have to pay rent while they are trying to save money to make a deposit.

On the question of houses, I also want to comment on the provision of converting a house to a guest house, and add that there are theories about availability of rooms and times when rooms are not available, and I think it would be a boon to householders if we could also provide that in addition to converting a house to a guest house.

Take it that somebody, a man, who owns a house has suddenly decided he is going to live with his children, or he is living in one of his other places and is now converting his house into a guest house so that makes it a commercial property. There are many citizens who might be willing to put up the money to build an annex, or create a self-contained apartment in their own house which they can make available for tourist rentals for an agreed set of months, and when it is not available for rental in that way, it becomes an additional part of the house for them to use for their friends and visitors and so on. I wonder if that could be added in, or if we could provide for annexes or self-contained apartments as part of a dwelling house.

Madam President, my most pressing matter relates to 10J and 10K in clause 5. I will begin with 10J. At the moment, this is restricted to corporate sponsors. Would it be possible to make a provision for some rich individual patron to receive some allowance for the same kind of patronage? If I can persuade a rich man to make the donation and tell him he will get the same thing or something similar to what corporations get, I think this would be a great help to those of us who wish to promote art and culture. There is a serious question that I want to raise about creating or extending the body of miscellaneous sponsors. As it stands, the decision to sponsor or not to sponsor is left entirely to the sponsor, and I have had my experiences with such sponsors.

Once I went to a company and asked for money to assist to set up a short story competition in memory of Samuel Selvon, one of the fathers of the West Indian short story and a pioneer of West Indian writing, and I got so desperate at some stage that I pointed out to the person. I said: "You know Selvon used to drink a lot and I am sure your product helped his imagination and even his language." But

they just insisted that there would be no benefit to the company in supporting a short story competition.

Another sponsor said to me: “Uncle, I would like to help you, but how would that competition help our product?” He was not being disrespectful; I am really his uncle. The point is, these corporate bodies that agree to sponsorship make decisions based upon their preference for a certain kind of content. They make their decisions without knowing what other corporate sponsors are doing so they might all end up supporting the same thing and certain areas do not get support at all, and sometimes they offer their sponsorship without being aware of any agreed cultural policy. So they are just doing their own thing with no regard for what the priorities are that the Government’s cultural policy might have indicated.

Fourthly, they do their own thing and we have no guarantee of what standards are being applied when they make their decision. So you could come with something that is of low quality and the sponsoring body decides to give it to you, whereas somebody who has something of high quality does not even get a look-in.

I feel that when you create a body of sponsors, you encourage a body of sponsors like that. If they were spending their own money that is fine, but if they are spending the taxpayers’ money then I would like to see something similar to an arts council set up with accredited experts in the different areas in which the sponsorship is being allowed. Or the individual could apply to the council itself and the council would have a list of corporate sponsors who are willing to assist. It could say we have vetted this application and we think it is a worthy one, would you like to do it?

I believe we need a body of accredited experts and specialists in the different fields who would monitor the spending of taxpayers’ moneys on these kinds of budgets.

Finally, Madam President, still on this particular issue on 10J and 10K, I think it is good to cover sport, audio and visual productions and I spoke to the Minister about this at the time when the budget debate was going on. Those who are involved in theatrical productions, plays by local authors and so on, have a lot of problems getting funding and many of these plays need to be seen and experienced by our population. I would like to see theatrical productions being included.

Secondly, one of the projects that haunts me—and I work on it all the time—

is something I call the lost literature of the West Indies. Looking at books written about the West Indies or by West Indians in the 18th, 19th and 20th Centuries, books that people know very little about, but which are really part of our cultural heritage, and the need to rescue items found in old newspapers that are of cultural and social interests. For instance, in the 1940s there was a very important literary magazine called the *Minerva Magazine* which ran for six volumes, which if put together, could make a neat little book. We are looking for money to republish that, but I think that the legislation should include, in addition to theatrical productions, the publication of books or magazines and, if it is not too late for an amendment to be made in this Senate, I would propose the following:

In 10J after the phrase “video productions” insert the phrase “theatrical productions and the publication of books or magazines.”

In 10K after the word “television” insert the words “or theatrical productions and the publication of books and magazines,”

If these insertions could be made, I will be very happy and I am now appealing to the Government to see whether it will be willing to make that adjustment and, if technically, the adjustments cannot be made, maybe as a temporary measure, we can have an assurance that the regulation would be so interpreted to include these.

Sen. Dana Seetahal: Madam President, I propose to deal with just two matters and these are clauses 2 and 8 of the Bill before us. These clauses seek, by their various amendments, to control the sale to juveniles—that would be persons under the age of 18—the control of liquor and cigarettes. So you are trying to control smoking, it seems, and the use of alcoholic beverages.

In the budget presentation, it was stated that in order to make the liquor licences more effective, it was proposed to remove an existing loophole in the legislation which makes prosecution for the offence of selling liquor to a minor difficult. It was stated by this proposal that it would now be an offence to sell alcohol to a person who is in fact under the legal age of 18 years, instead of the offence being in respect of the sale to a person who is apparently under the age.

The Appendix to the budget presentation says that it is intended to ensure that liquor is not sold to persons who are under 18 years. In that regard, the proposal is now that section 16, the offending section, be amended to make it an offence for a person who knowingly sells or allows another person to sell intoxicating liquor to a child, but that person is committing an offence and he is liable to the various penalties.

The problem is that the use of the word “knowingly” still will require some proof by the prosecution that the vendor of the alcohol knew that the person was under 18 years. In other words, the stated intention of now substituting the provision in section 60(1) would not be achieved. There is no onus then on the vendor to show that he did not know. It is for the prosecution to prove that he knew at the time he sold that liquor that the person was under 18 years.

In other words, this is not a strict liability offence, it would be better it seems to me, if that provision in section 60 was amended to read:

“A person who sells or allows another person to sell liquor...commits an offence.”

It would be then up to him to prove that he did not have the intention to do so knowingly. In other words, the onus would also be on the vendor to show that he took measures to ensure that the person was 18 years.

Let me put it another way. If the prosecution has to prove that the vendor knew that the child was under 18, he could escape liability if they cannot prove that. If the law were such that there is no “knowingly” included, it would now be for the vendor—as in the United States of America—to require ID when one comes to purchase the liquor. Under the provision that is proposed, there is no onus on the vendor to do so.

The second matter is the amendment to the Children Act. The Children Act, section 24 which was amended in 2000 by the Children (Amdt.) Act says:

“If any person sells to a person apparently under the age of eighteen years any cigarettes or cigarette papers, he would be liable...”

You see there is no amendment like in the Liquor Licences Act to say that the person should be 18 years of age. In other words, you can escape liability by saying this person looks like 18 years to me. Any person who looks 18 years can go—even if we amend this—in January and purchase cigarettes and all the person has to say at a bar or wherever, is that she looked 18 because she is apparently over 18 years. There is no amendment to this. So it would therefore defeat the purpose of the law.

We are having all of these increased penalties. This is what this law is about. The law is to increase the penalties by four, we are quadrupling the penalties so that from \$5,000 it will now be \$15,000, I think it was \$2,000 before if one sold liquor or cigarettes to someone who was under 18 years. That is the fine. If it is a second

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offence, it will now be \$4,000, if it is a third offence it will now be \$7,500. You have all of these things but the enforcement will not be possible as far as cigarettes go and as for liquor I have just mentioned the problem I see.

The second issue is that in the course of amending these provisions, it would seem to be useful to provide for an alternative to the fine. It is usual to provide for an alternative period of imprisonment so you say a person who commits an offence of selling liquor et cetera, is liable to a penalty of \$2,000 or imprisonment for six months. There is no indication of this in the legislation and since we are cleaning it up, it would seem to me that we should do so. One may argue that you should look to the Summary Courts Act, and you may find a provision, which says maybe there can be an alternative, but why look to that? Any creative lawyer could argue that the omission of an alternative to imprisonment means that it was intended. That is something, I think we should consider, especially given what was said in the budget presentation about attempting to control the sale of liquor and if we are really to enforce those provisions.

It should be noted that cigarette paper under the proposed amendment is stated as paper used for rolling tobacco to be used for cigarettes. Most people who have been around criminal practice will know that cigarette paper is also used for rolling marijuana, and it would seem to me that if we are about to control the use of tobacco products and that we are saying we are not letting juveniles buy cigarette paper, and the definition in the Act is the paper used for rolling tobacco for cigarettes, then all the person can say is well, I am not using that for cigarettes. You must go and prove further that it was to be used for cigarettes if you want to bring that person under the provision. So that provision is ambiguous and it should be clarified. That is the bottom line.

Finally, the amendments that we have today are all well and good. We are about to provide for greater enforcement and make it difficult for juveniles—persons who are under 18 years—to be smoking and drinking and so on. What we are really attacking here is the people who are selling to the juveniles and that is well and good. We are not attacking the use, and it will be difficult to do so. The use of alcohol and tobacco hopefully, would be achieved by proper education, but I still think that we can, in some way, prevent the destruction of our youths. I use the word “destruction”—which is a strong word—by making provision for something that Sen. Mark referred to and that is the breathalyzer.

Too many accidents occur as a result of drunken driving, and at present that is one of the most difficult offences to prosecute. If a police officer goes to the box

and says: “Well, he was smelling strongly of liquor, and was wobbling as he walked,” he would hope that the magistrate would take that to mean that the person was drunk, but it is very difficult to bring home an offence of that kind and we should make it easier to prove. Easier in order to protect the interest of citizens of the country. I am sure that can be done at some future stage. I do not know if it can be included in this particular piece of legislation, but for the last 20 years, I have heard talk of the breathalyzer and everyone says yes we should have it soon and it never came. I think it is time to look at it if we are serious about controlling the abuse of illegal substances, and some legal ones too, by the youths and others.

Thank you, Madam President.

Madam President: Hon. Senators, the Senate will now be suspended for half an hour. We shall resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Prof. Ramesh Deosaran: Madam President, I have a few comments to make, especially on the provisions relating to the purchasing of alcoholic beverages, as well as cigarettes and other clauses that would be related to the objective of the Bill in terms of creating a more civil and progressive society. I, of course, want to apologize to you formally for my misinterpreting of the order of questions and causing a slight muddle at the beginning of the session. I wish to apologize, especially since it is so much out of my own character.

The second thing I wish to do is a bit belated, but I think, quite necessary, given the fact that I have known you for so many years and it is with extreme pleasure that I noted your election to the office of the President of this Senate. As I said, having known you for so long, I think there were signs that you displayed in those early years—I would not say how many years I have known you; I would merely allow our good looks to deceive. But for those of us who knew you in the San Juan/Barataria area, your active participation in the literary and cultural life of those districts remains in the memory of many of your peers.

In this honourable Senate we cannot rise until you notice us, until you cast your eyes, as it were, and this brings me to a very memorable poem by Alexander Pope when he said that—and this rightly pertains to you in my personal congratulations—“wherever you tread, the blushing flowers shall rise and all things flourish wherever you cast your eyes.”

With respect to the provisions dealing with the sale of alcohol and cigarettes, I think in the present circumstances it sounds as a mere tickle in the tail of the elephant, as I had mentioned previously, in that the problem of drug abuse which is really what those provisions are aiming at, have grown so enormous that you wonder if this legislation, mild as it is, would really help us achieve better control and, in fact, the eradication of the drug menace.

In fact, before I proceed, I want to refer to comments made by previous speakers as part of the debate, and when Sen. Mark mentioned about why are 14-year-olds and 15-year-olds getting on the stage and perpetuating different forms of lascivious behaviour and even prostitution, I think the question we should ask ourselves is: Why are they on stage at all? Even if businessmen are exploiting these young people, the question we would have to ask is: Where are the parents of these children? And as well, why do they not have a proper attachment to their secondary schools?

So once again I raise the question, and perhaps growing hoarse about it: Where are the mechanisms of social control in this society when time and time again we see the cumulative and adverse effects of the lack of these social controls? To put it more bluntly, and to the Government: How many pieces of legislation will we have to bring to cure these social problems? That is the question we should be asking as well in discussing the Bill.

With respect to Sen. Mark's lucid comments on the used car business, I would tell you from my knowledge, there is a lot of racketeering going on in the used car industry, from the sale of parts in different areas of the country. Some areas have a reputation. As soon as you call that district, your hair stands on end because of the reputation of corruption. What that does is to help destabilize the economy, lessen public confidence in the commercial sector, especially with regard to the motorcar industry.

I agree with Sen. Mark, again, on the question of conversion of guest houses. There will, indeed, be a number of "smart-men" operating to exploit the privilege intended by the Government. I also believe that the Inland Revenue department would have a difficult time, if I might alert the Minister, quite respectfully, to this problem.

I need say no more except to ring a bell of caution and allude to the wider picture of tourism in this regard. I think we are continuing to overrate tourism as an element of economic development. I think we have to be more specific and targeted. If we want Tobago to be the hub of our tourist industry, we can do so,

and allow Trinidad to be more of a commercial tourism sector. But we are not saying these things. We are giving blanket treatment as if there is no specific targeting, even though the experiences would suggest otherwise.

I would tell you, for example, by observation, Trinidad is not a good market for tourism except for a narrow business sector. If you go to Maracas beach, you would see dogs on the beaches; everybody playing cricket and football; the toilets are not in the best condition. There was a bridge leading to the Maracas beach which took about a year to be repaired. I do not want to belabour the point, but we are not yet ready in Trinidad, particularly, for tourism. I saw in today's newspaper where Tidco is refurbishing itself and promising that with its 120 employees, its "main purpose is to market and promote Trinidad and Tobago as a premier destination for tourism, investments and a source of good quality goods and services."

Madam President: Which newspaper is that, please?

Sen. Prof. R. Deosaran: This is the *Daily Express*, Tuesday, December 17, on page 4. I am elaborating on Sen. Mark's comment and using the opportunity to sound a note of caution, because the time has come with this tourist business, the number of subsidies over the years being given to the tourist industry, that is, in itself, becoming like the used car industry. It is sucking up many of the subsidies without having a commensurate feedback into either the tax coffers of the Government or for the taxpayers' benefit in terms of highly visible forms of employment.

In fact, the time has come for us to look at the net revenue from tourism. That is, in addition to the investments and the subsidies injected by the Government, how much return has come back over time, if not in direct finance, in terms of employment and so on. So when somebody gets up one morning and decides to close down his hotel, the question should be asked: What happened to the subsidies he got initially as a concession which he used for his business?

So the time has come, whilst we want certain things done—we are happy for tourism—we have to begin to ask hard questions, and if we escape from asking these questions today, the problems would return to face us again and again, over time.

My colleague, Sen. Seetahal, raised a point about the problem of identifying somebody who is 18 years old. I think that is a good point, especially since you have the word "knowingly" which is one of the most intricate words in legal

discourse, because it introduces the concept of *mens rea*, that is: Did you intentionally commit the act? I would submit to the Government and the Minister in particular, to make it a strict liability condition. This matter about due process is really overdone sometimes if you want to cure a particular problem.

I would suggest you provide conditions, that is, you would allow the shopkeeper, for example, to ask for a form of identification and if there is no proper identification produced, no sale should be taking place. So the purchaser's civil rights could be protected by his own sense of responsibility. It is no sense going on in this way, leaving the road like a big open highway where the intended effect of the law would be diminished by—to use the language of my colleague—some creative lawyer, and there are millions of them, metaphorically speaking, in this country. They will take a “shall” and argue whether it shall be “may” or “may” shall be “shall” for weeks and months. So we know what we expect, and this is no disrespect to a profession I admire or to my colleagues whom I even admire much more. We are getting in the realm of practicality, the ground level.

With those few remarks, I now wish to turn to my own comments on the Bill, and again with particular regard to this question of teenagers, smoking and alcoholism. When I look at the Bill I see you are required to put up a sign that says. “No intoxicating liquor”. At the ground level I do not know if some children of 13 and 14 years old could even understand what that means, given the literacy problem we have in the schools, or even the shopkeeper could write his own sign properly. What does it mean “to be properly displayed so it could be seen from all angles”? I would suggest, again, with respect, to the Government and getting into the practicality of the arrangements, that these business places be supplied with signs, or they be allowed to purchase the signs at a minimal cost. So there would be a standardized design, perhaps with a logo, that fits the appropriate intention. I do not think I want to spend the time to tell you about a logo, how it can fit the intention about how not to use alcohol or not to smoke, but that could be easily done, so we could be assured that there is a standard across the country in terms of what the message is supposed to be.

I remember visiting a school in the country about three weeks ago and on the way there I saw a sign outside a small business place, “fowl for sale”. But it was “f-o-u-l for sale”. So I slowed the car down and told my research colleagues who were with me—I said, “look at that”. So we reversed and called the fellow and said: “You know, you have your sign spelt wrong”. He said: “All right.” On returning now, he had “f-o-w-l for s-a-i-l”. I will never forget the experience.

So when you get at the ground level for this matter which carries the necessity for a sign, that should be clearly understood as well as clearly conveyed. In addition to the legislation, I think we need to attend to those details and under the particular Ministry which such things fall. The Minister in the Ministry of Finance is quite correct. These provisions are aimed to save our children from the harmful effects of alcoholism and cigarettes, but I want to know what is the difference in the harmful effects on a 16-year-old as compared to a 21-year-old. I am not getting the magic of the intention of "18-year-old". I understand the intention. There is a moral imperative involved, because using cigarettes and alcohol, part of the research suggests that such teenagers move on to harder drugs, and the smoking and drinking become an integral part of gang formation which then leads to gang robberies and gang behaviour, which we know is now a plague across the country.

So I think that is where the harmful effects reside, not necessarily in physical harm. That, too, is important, but I think what we are trying to do is to diminish the thrust towards delinquency. I support the legislation heartily. What I am concerned about, especially at Christmas time, you are telling people about prohibiting the use of alcohol and so on, even though it is only for 18-year-olds, but I will tell you again, at the ground level there are many parents and adults who would pass a drink to their children as a means of celebrating Christmas. That is not uncommon, and I do not want to interfere into people's living rooms as to how they should behave, but it looks inconsistent, in a sense, to have cigarettes and alcohol being so heavily advertised in the full glare of children. We have not reached the point where we will specify when these things should be advertised. I am not speaking about censorship, necessarily. So it is being shared *vaille-que-vaille*, as you would say, in the living rooms of homes, and yet you are coming with a stricture as this one, well intentioned as it is.

We all appreciate the difficulty and we do not want to prohibit people as if we are becoming some Taliban society, a bunch of sudden purists. What I am trying to suggest is that the intentions of the Bill must have widespread support by families, by the advertisers and the media industry. The intention of the Bill in terms of smoking and alcoholism is, in my view, like a smoke signal. It is intended to send a message across the country, but that message would be of little or no effect if it is not properly policed, because we have had the prohibition at a lower age before and these people were still buying alcohol.

I can tell you stories in secondary schools—I do not want to go too much into that; that might be part of a different debate—where the children had been

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engaging in alcohol consumption and cigarette smoking in abundance, across the country. I must tell you it is not that we, in this country alone are being sinned. All over the world there is a nightmare of teenagers using drugs of different kinds, including cigarettes and alcohol. So we are now part of a wider picture and given our small size and the resources we have, it is always my belief that we can control this problem much better than other countries have been controlling theirs.

When I speak about policing the legislation, I see that we should set up some structures to prevent these teenagers from going to the shops. In other words, the impulse should not be there. Even though the legislation would prohibit and punish, I think the more important approach in this matter, given the people whom we have as subjects—teenagers—should be a preventive approach. I think that point was made by a previous speaker.

That is the point I wish to take a few minutes to elaborate upon for the benefit of the respective government agencies under which the policing of the legislation might fall. For example, with socially pertinent provisions, I would suggest to the Minister of National Security, who is also a good friend of mine—I kind of felt sorry for him today; I think it was a bit overdone, given his affability and his willingness to learn. He is not here, but I wish the message could be conveyed to him.

Whenever we have such legislation which requires a police presence, and especially since the police are into this community policing thrust, there should be a police officer here, listening to the debate. Not that we would tell them what to do, but it is good for the police officers to listen to the spirit of the debate and the kind of expectations which legislators have of the police in serving the legislation, it having been passed by the legislature.

There are many similar pieces of legislation passed here where the presence of a police officer, and sometimes principals—we should have had many principals here, some representatives of the Secondary School Principals Association, because this age group belongs to the secondary school population. Why are they going to buy alcohol and why are they smoking? That is not on the curriculum, surely.

So, to me, the work now starts, as it is. The legislation is just the beginning and whilst we could look to dot the i's and cross the t's, believe me, this is just the beginning of a journey. When I say it is a symbol, I mean the communities now, in conjunction with the government agencies, should have a coordinating network to police the expectations of this Bill. What do I mean by that? I know some of us

are tired of saying the same thing; tired of trying to curb the same problem time and time again. The same problems come up, but I must tell you in our country—whether it is Opposition or Government it is our country, and there comes a point where it should be seen as our country, our children, our future. So whilst our feet might be tired, we must keep our souls inspired.

It is in that spirit that I wish to suggest to the Government that they use these provisions to show how it could be done, meaning smoking would be cut down, alcohol consumption by teenagers would also be cut down, by setting up a surveillance and coordinating unit in every school district. Even if the Government has, as I think it has, some interest in coordinating its various agencies, they now have an opportunity to select a particular area, through these two clauses, to put under that sort of coordinating approach.

I certainly do not want to bore my distinguished colleagues too much this evening, because there are many other details we can put in the frame work I will propose, but I merely want to give the Government and this Senate an opportunity to consider an approach on this particular problem that will bring results and not have the legislation stuck in the books, as it is with so many other pieces of well-intended legislation, lacking policing enforcement over the years.

The season is in to focus microscopically on districts. We have too many drug programmes, alcoholism abuse programmes, that are national in scope, without taking into account the variations within the country, or the target group spread across the country. I am suggesting, since the Government is now experimenting with its school management board, that under its terms of reference there is sufficient room to accommodate a matter like this, but you operationalize the legislation to achieve what is intended to achieve, that is diminished use of alcohol and cigarettes by the teenagers.

So you let the school board join with the community police, the business community, and part of the intervention would include a systematic range of information about the legislation to each school. To put it more bluntly, I am tempted to bet that the legislation will be passed here, Christmas time, and very few schools will know about it; very few principals will know about it, and worse yet, I submit, with respect, from my knowledge—and this is no insult to the police force—many police officers will not know that this thing has changed in this regard.

So rather than complaining about the problem, I would suggest that we use the tool of information; spread the word to all schools in the country; let there be a

pamphlet; let there be a kit, so these bodies which I just mentioned, the schools, the police and the business community in their various school districts, could look at what the legislation intends, police it and see how you can achieve the results that you expect to achieve.

It could be done. You put your benchmarks now, for example, as to what is the extent of use; by which schools; which areas more than which areas, then you make your intervention and you measure it again and see how the collaboration works. It should work. There is little or no other way to get to crime prevention than this kind of collaboration, because the police would always fall short of the target, mainly because they do not have the resource of information feedback and community support.

In fact, I would go further to give it some presence, this programme of coordination in the districts, I think the time has come, given the number of teenagers who are now involved in violent crime, drinking early, premature drinking—14, 15-year-olds—and they come from secondary schools, or at least they come from primary schools. About 90 per cent are expected to be in primary schools. So you use the schools. I know the school curriculum is overloaded, but you have to make some prioritization, and I think the time has come, rather than complaining, to introduce a well-developed crime and justice programme in our secondary schools where such things could be a natural feature. You could rotate the subjects, but you already have a module to use, so when things like these come up through the Parliament or some Government policy, you insert it there to deal with crime reduction and crime prevention. So you would not be reinventing the wheel every time, because there will be a programme in each secondary school, particularly.

I am suggesting a name: Anti-Crime and Justice Programme, in each school. There will be drawbacks as with everything else. The support will vary. But we have to show leadership. It is time we show some robust leadership, apart from putting legislation in place. Because, you know, there was a former Attorney General whose boast was that he passed the most laws that there ever was in this Parliament, and at the same time you had the most crimes that you ever had in the country. So it seems as if there might be a direct relationship between the number of laws you pass and the number of crimes committed.

So let us keep our perspectives clear. The law is necessary, but certainly not sufficient. What I am talking about is to create a greater sufficiency by community coordination and a programme. You programme the intention of the legislation to

suit the objectives you have in mind, and I have briefly outlined one way. In fact, if any of the ministries are so inclined, I certainly would not mind helping for free, to sit with the school board and the different agents and try to map up a module to lead to an Anti-Crime and Justice Programme for each school.

It is nothing academic. People do not like to hear these things. They feel you are academic and they are more inclined to have the police shoot down people and charge them. That, too, but as I have said before, you have to look at the supply side of these incidents. There may be many drawbacks in such an approach, assuming the Government is concerned enough to consider it. One drawback is that there are so many rum shops near to schools. On that same trip I made to the country—I would not call the district or the school, for obvious reasons—the number of rum shops you see along the way near to those schools, I am amazed. It is always as if we are trying to close the stable after the horse has left. I certainly do not want to bring in partisan politics, but these problems—when I say, these problems, I mean generally—had been here for a long time without any careful attention.

It is worse than that. I think there is some laziness in the police service in terms of supervising the kind of problems that we identified here. So the police service, to put it briefly, must also check upon itself and throw its full weight behind what the legislation is intended to achieve. To give you an example of Government expenditure and investment and no returns, when my colleague, Sen. Seetahal was talking about—she made a good point; I think it is a point worth considering—you are punishing the seller but the person who commits the act on the other end, the buyer, the purchaser, there is no intervention at all. I understand why. You do not want to jail or fine a 15-year-old or a 17-year-old \$2,000 or \$3,000. But I think the Government has established about 12 mediation centres across the country, and if you would allow me to say so, you have played a pioneering role in this establishment. I hope I am not embarrassing you too much, Madam President. You send the teenager to the mediation centre—there is one in Scarborough; there is one in Barataria; there is one in Cunupia—as a start.

Let these agencies which have earned heavy Government expenditure, and recurrent expenditure, play their rightful community role. I do not think these mediation centres are functioning at the level of what is expected. Or to put it more gently, it is time the Government undertakes a serious review in light of the new problems, the new responsibilities, the new functions expected of these mediation centres.

As I said, if the legislation is left as it is on the books, it will merely remain as a mere tickle in the tail of the elephant, meaning the problem is bigger than this. But sometimes a tickle can cause wonders. I am hoping that with some strategic intervention, such as the one I have briefly mentioned, it could produce some results.

The problem is enormous. If you will allow me, the question of gang warfare is quite rife but it is connected to the problems identified by the Minister in the Ministry of Finance. So it is not simply a matter of stopping cigarette smoking and alcoholism. Smoking and drinking is part of a wider culture of deviance and that is supported by a lot of research, so I am treating this piece of legislation very seriously in terms of its wider repercussions.

In fact, I myself have received some visitors from Laventille. They wanted some help with a programme. You know Laventille has the good, the bad and the ugly, but I was willing to help. Like yourself from San Juan/Barataria, we always have that element of civic mindedness for free, most of the times, and the horror stories you heard about 13-and 14-year-olds walking around with guns, it is very terrifying, to put it very mildly. That is why the shootings we read about in the newspapers, I think we are in for a rough season if preemptive, proactive action is not taken, not only sincerely, but intensively.

When you hear that this Unemployment Relief Programme problem—and now from what you keep on reading and hearing, part of the violence and corruption syndrome seems to have spread to service in the energy properties. I make no criticism of the Minister, I must tell you that, because these things have been so embedded on the ground in these different districts that sometimes I wonder why would anybody want to be a minister in this country. It is not easy work. I could imagine the office hours, the correspondence, the problems; when you think you solve one, three more appear before you.

I am not casting any aspersions unduly. I am trying to provide a description of horror that seems to be facing this country and trying to suggest some bold measures, one in terms of the URP. I really think you have to get rid of this URP sooner rather than later. In fact, the intention of the URP, whether it was called crash programme, DEWD, LIDP, Special Works, it was really intended to be temporary until training and schooling and the absorption of the youths from these institutions into the economy would be fertilized and sustainable. How long are we going to go on with the URP? I think within the next three years the Government should set a deadline. It is good to see the social programmes

enunciated in the last budget speech seem to me a step in the right direction as substitutes, as alternatives to URP, the Unemployment Relief Programme, as it is functioning, as it is being managed, especially this management issue and the kind of violence that appears to be emanating from it cannot continue.

I would therefore implore the Government, through you, Madam President, in all sincerity and perhaps with the spirit of brotherly love at Christmas time, that you can give no better gift to this country in terms of having it more peaceful, having the communities at greater rest, rather than so many of its citizens resting in peace, than to proclaim a day for the termination of the URP as it now exists.

I know what the intentions are. We all know it is temporary employment for people not properly educated, but you cannot go on with having so many thousands of your young citizens, able-bodied, between 20 and 30, depending on the URP as if it is a permanent lifestyle. It is not employment, it is a lifestyle. So when you read what Sean Francis wrote in the *Express* today at page 7, about how many people got killed; how they “out to kill” him because they are fighting for turf, to cut a long story short—I do not want to elevate the article to undue prominence—it is a glimpse and it is something that should be investigated. Why does the police not go and visit this gentleman and try to validate, or continue an investigation? Because these are serious charges.

You might say, well, it is a newspaper article and you cannot always believe what the newspapers say. But there is another side to the media. Whatever is published, the population reads it. I am not speaking only about the electorate, people voting for you or they may not vote for you. Once the population reads this, I think there are psychological consequences.

“Francis said that in the run up to the October 7 general election there were over 1,200 ‘ghosts’ in the Nelson Street area.”

This is not good news. It is *Express* news, but it is not good news. You have other stories: “Victim wants justice” on page 5, “Man shot in ‘revenge killing’”, and then you have “Ex-national footballer shot dead in apartment” at page 3.

So when you get up in the morning, as an ordinary citizen, so to speak, and you read this, the fear of crime must escalate. Even though the numbers might be stable, the reporting of the incidents trigger a fear that I would tell you from the research we have at the university, that is unparalleled in the country. The Government has, indeed, a difficult task, and the irony of this challenge is better headway. A more effective solution could be made if the Opposition and the

[SEN.PROF. DEOSARAN]

Government join forces. That is the irony we have. But, of course, the Opposition has its legitimate role to play, as you can see what Sen. Mark did today, splendid opposition. But if only prayers could help both sides to join in the effort against crime, the different levels and the mutual satisfaction of both sides, we can perhaps make a dent in this problem.

Apart from reading this, it is beginning to look as if we have two police force in the country, one at Mucurapo and one stationed at Sackville Street, because of the pronouncements and the claims of authority that he is going around solving gang problems, and signing treaties. So the public would want to know which is the real police force, especially since one of them wants to become Minister of National Security.

So this is the stuff of which electoral politics is made. Cumulatively, every day you read this and you begin to ask questions and people begin to be fearful. This is it. The fear does not drop like manna from heaven one Monday morning; fear of crime is a cumulative consequence of reading newspapers, listening to stories, even being robbed, witnessing robberies and so on, and this is what is happening now, cumulated aggravated fear of crime.

I am suggesting that these are some structural issues that must be taken into account. Terminate the URP within a fixed time. The social programmes appear to be a good beginning. Shift, divert, train, retrain, but you cannot have the kind of corruption and violence that seem to be emanating, especially since you are having two police service and the kind of problems we are facing. In fact, I think the URP and its predecessors—

Madam President: Hon. Senator, your speaking time has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. E. Mc Kenzie*]

Question put and agreed to.

Sen. Prof. R. Deosaran: Madam President, believe me, I really did not intend to stay so long, but I hope the Senators here appreciate the seriousness of the crime and violence problem in the country and if I should be attempting to make some suggestions and it takes me an over-extended time, or time that I did not intend to spend, I hope the situation would be understood.

Laventille has become a symbol in more than one respect, and if I might venture out of my crease again, I remember in the run-up to the last election, almost every political leader marched down to the Beetham Estate, with TV

cameras and reporters bundling fast behind. One leader promised to fight constitutional motions to clean up the pollution. Well, the pollution is still there and the constitutional motions are now being threatened elsewhere. So it is a caravan that is moving. They promise many things to the people of the Beetham Estate and Laventille every election season, but broken promises lead to broken hearts, broken souls and broken communities, and when this happens time and time again, there is no wonder that the people of the Beetham Estate and Laventille appear to be so marginalized and disconnected from the system, because of so many promises being made by all and sundry. When I say, all and sundry, I am speaking about people who are really not legitimate authorities, as it were. Everybody feels Laventille and the Beetham Estate are political “bobolees” to explore it and promise all kinds of things which are not fulfilled.

So it is, as I have said, a wider problem all across the world, but some countries are struggling in a very deliberate fashion, regardless of the political consequences. When I speak, as I have spoken some time ago, about parenting and the responsibility of parents, that seems to be a hot political potato because some parents feel that all their problems should be shunted to the police or to the Government under some programme or the other. A civil society cannot work so. A civil society cannot be a subsidy society. The word “civil” carries with it from its Latin genesis, an obligation. It carries with it a sense of responsibility, and whilst we can preach about governance on one hand, which has as its imperative, transparency, accountability, fairness and so on, civility must also come into the factor. It is the abdication of civic responsibility, including parental responsibility, teacher responsibility, the private sector responsibility, that have helped to contribute to the problem we are facing today. It is very unfortunate sometimes, not all the time. Whether it is the UNC or the PNM in power, all the blame has to be shunted on to the Government and the Government now, defenceless as it would appear, has to attempt to come up with all the solutions time and time again. It just cannot work so.

Why do I make this reference? In London, for example, there are students who are missing classes regularly and the Minister of Education, Mr. Clark, has announced a number of new policies to deal with it. He is imposing a fine on parents who allow their children to miss classes so often. It is, of course, a longer story, with the conditions, the amount of the fines, but I am just giving you one example to say that things have to be done and must be done in this country.

You want a friendly Government, but you do not want a permissive Government. You want, as I have said, leadership, even if it might carry political

consequences. That is the leadership you want, not to pamper and pander to every interest group that howls. This is not the time for it. The problems are too serious and affecting all of us.

Now I come to the Texas example, of students missing homework. This is where their parents are fined as well. Parental responsibility must come into the picture. Somebody will tell me, well, what about teenaged parents, or where there are no parents, or the parents are poor. You have family planning programmes to either preempt or to treat with such issues. But certainly, the problems of missing classes, misbehaving in school, not doing homework, all those problems should not now be at the level at which they are, and the Government itself, if you link it to the objectives of the Bill about curbing delinquency, these wider examples of delinquency should also be tackled in the picture. Because when they miss school, it is cigarettes they are smoking and it is rum and beer they are drinking. So it is connected.

Let me give you an example, finally, Madam President. In New York it is said that crime has gone down. It did not go down by guess. Today, however, crimes in other states are rising. Murder is rising, 2 per cent. But New York still has a lever on it. The reason is structural and administrative intervention. For 27 months they had a new police chief, William Bratton, hired by Mayor Giuliani, who gave him an increased budget on certain conditions. As soon as Bratton entered he had the authority. He hired those who were lazy—sorry, he fired those who were lazy. I think I was talking about Trinidad and Tobago. [*Laughter*] Seriously now, he fired those who were lazy and demonstrated incompetence; he promoted and demoted on criteria. So he cleaned up the stables.

So all this thing that we are fighting here with police bill reform, taking years to do, you do not have those problems there, because of a different kind of jurisdiction, but with the results that we are hoping for. You cannot get those results if you do not have the proper administrative and legislative apparatus in place.

Secondly, he used something called COMSTAT (Computer Statistics) which is a sophisticated data collection/data retrieval system, to tell the police officers exactly what is happening where and what kind of crime. In fact, I suggested that to our police service years ago, but that is another story. Bratton was a man who attended university for some time, so he picked up from the university research something called "the broken windows theory" and zero tolerance. Zero tolerance in New York meant zero tolerance. It did not mean if you have the vendors today and the Mayor said to move them, tomorrow somebody else will come and say, put them back and ease them up. You cannot run a country by such inconsistencies, may I submit, with due respect.

People talk about the sociology of the problem. But if you worry too much about the sociology of the problem, you will never have the full type of lawfulness that you require. What Bratton also did, he called upon each of his district commanders to be accountable and to show him over what time, how much crime has been reduced. He also instituted a system where the police must be visible almost at all times of the day and night.

As I said, I did not intend to speak so long, but this is a problem that is causing us nightmares, restless nights, uneasy days and I hope the Government takes the time to consider, if not all, some of the suggestions I gave. As I said, I would be willing to assist if at all it is required, voluntarily.

Thank you, Madam President. [*Desk thumping*]

Sen. Carolyn Seepersad-Bachan: Madam President, this evening I intend to deal with some of the clauses in this Bill, namely clauses 4, 5, 6 and 9 and the general thrust of this Bill.

Members of this honourable Senate would recall that in my contribution to the 2002/2003 budget debate I compared the policy framework as developed by the current PNM administration and the prior UNC administration, with a view to understanding the significance of this year's fiscal plan and our policy agenda, and in so doing, the impact on realizing the vision of attaining a developed nation status.

It is clear that the vision set by the former UNC government and the current administration, is to achieve a knowledge-based society, an economy that is globally competitive, technology driven and diversified for full employment, growing prosperity, a secure life and higher standards of living for all our citizens. The only distinction being the timing in that the PNM administration has set a time frame for 20 years and the UNC administration had set a time frame for 10 years. Due to the equivalence of vision statements there is a corresponding equivalence of the policy frameworks and agendas as defined by the UNC administration and the PNM administration. However, it was, and it is still my humble view, as presented at that debate, that there appears to be inherent conflicts between this policy agenda and the fiscal plan for 2002/2003.

This is further substantiated by their proposed amendments in this Bill. It also explains why in this Bill there is the inclusion of measures emanating out of the fiscal plan, 2001/2002 which should have been instituted on January 01, 2002. In my contribution I provided some economic background in order to put into

context the developmental path that we are charting. In terms of the economic performance stability factors, it was clear that the country had completed first-generation reform inclusive of addressing external deficit, domestic deficit and inefficient state enterprises.

This was substantiated by an analysis of the data presented over the past five to six years in terms of real GDP growth, gross international reserves, external debt as a percentage of GDP, debt servicing, which I spent some time on in the Senate during that debate. I also quoted from the Central Bank Governor who was of the view that the external debt of 18 per cent of GDP was low; external debt service of 4 to 5 per cent of export of goods and services was manageable; inflation was under 4 to 5 per cent in line with our major trading partners; a stable credit exchange rate regime; a strong level of international reserves; the economic imbalances, particularly in the public finances and external accounts have been significantly reduced; an unemployment rate of 7 per cent; a non-oil export sector which can be characterized as vibrant, competitive and adaptable.

Against this backdrop, I raised the question then, which I raise again once more, whether the current administration has capitalized on the strong macro-economic variables in place and demonstrated its readiness to launch second-generation reform vital to our attaining first world nation status.

6.00 p.m.

The hon. Minister Enill, in his winding up on the budget debate, indicated they were ready to launch second-generation reform. When I speak about second-generation reform, I mean the institutional strengthening and establishment of the necessary regulatory frameworks resulting in strong financial systems, inclusive of the banking and non-banking sectors, the widening and deepening of the capital markets, institutional changes required to change the mode of delivery to facilitate the private provision of public goods, that is, increased private sector participation and the public sector as a facilitator.

Based on the data presented and on an analysis of the revenue streams, it was my humble view, and still is, that several of the revenue streams are under threat, with little or no room for curtailing expenditure in the event of not realizing the projected revenue streams. The probability of a higher budget deficit is very high given that the realization of \$15 billion in revenues is under threat. In light of this low capital expenditure, in the event of realizing the revenue stream projected, there is little room for cutting that capital expenditure.

I say this because the artificial TT \$68 million has been thrown around by the Government Benches as an accomplishment on their part over the last fiscal year. I say “artificial” because, in September 2002, there was a second offering of the National Enterprises Limited shares of 53.7 million shares, which was sold at a price of \$4.75 per share, generating approximately \$250 million in revenue. This should not have been considered as part of the revenue stream as it was a one-off transaction and should not have been considered as financing the budget in accordance with international standards.

Without capital receipts of \$290 million, there is actually a deficit of \$210 million. The demand for money by the Government to fund this budget deficit will push interest rates to higher levels and, therefore, we must consider the impact on investments in the manufacturing sector and small and micro enterprises. This is where I want to take off, after having set the backdrop to my contribution.

The high cost of financing may negatively impact our ability to remain competitive on the international market with specific reference to non-energy exports, given the contraction in the manufacturing sector. Increases in oil and gas in itself will do little to solve the unemployment problem, contrary to what has been stated. What is critical is how our energy sector links with the rest of the economy. We need, therefore, to expand the frontiers of an increased local participation in our energy sector. Our local private sector needs to find ways to participate. I say this because just up to last night the Minister of Energy and Energy Industries called upon the local private sector to play a more meaningful part, that is, to invest in ammonia and methanol plants, instead of just being part of the service industry.

In light of this imminent boom in this round challenge of our private sector to become equal partners in the development of our energy resources, the private sector should not be limited to small investors and individuals participating in the service industry only. It is important that our domestic capital market grow to the point where it supports deepening of our private sector participation in large enterprises. Our manufacturing sector has outgrown Caricom and needs to compete and hold its own in the broader FTAA; all of this in the context of new service industries made possible by the technological revolution and the concentrated educational thrust.

There has been a slowing of domestic activity. Although the energy sector expanded by 2.6 per cent, the non-energy sector has contracted by 0.6 per cent. A significant contributor to this contraction is the manufacturing sector.

Manufacturing production dropped by 14.1 per cent. Adverse international and regional economic developments are major factors contributing to the decline in activity in the non-energy sectors.

All of this I presented in my budget debate. The manufacturing sector, which has been targeted to play a key role in the thrust towards a diversified and resilient economic base, must get some incentives. The removal of the export allowance increases the effective tax rate and serves only to compound the weaker performance of this sector. What are the alternatives? Similar incentives to compensate for the loss of the export allowance. We live in a dynamic environment and we must respond appropriately. Therefore, in line with what the last speaker said, it is not enough to say that the last administration proposed the removal or did not extend the deadline, but in responding to the global events, we must now take the necessary action and get on with the people's business.

If we look at the amendments for the accelerated capital allowance in clause 9 of the Bill, it extends to all manufacturing activities instead of the selection of trade, as identified by the First Schedule of the Income Tax (In Aid of Industry) Act. In addition, the increase in the initial allowance to machinery and plant from 50 to 60 per cent was one of the measures identified under the last fiscal plan 2001/2002, which should have been instituted at the beginning of this year. Other fiscal measures proposed by the 2001 and 2002 activity are worth considering at this point in time, for example, the research and development incentive. Given that innovation and creativity are critical in maintaining a competitive edge, it was recognized that research and development must be given added emphasis. The Act provides for current research and development to be deducted against taxable profits where expenses are incurred on research related to that trade. The taxpayer is also allowed accelerated deductions on capital expenditure on research over a period of five years under certain conditions. However, these incentives have not been adequately utilized, partly due to the complexity of the Income Tax (In Aid of Industry) Act.

It was recognized by the then administration, the UNC administration, that there was an urgent need to review and streamline the provisions of this Act to promote research and development in consultation with the business community. It was proposed that these amendments be tabled in this Parliament as soon as possible in its drive to promote innovation and creativity in the manufacturing sector. This would also have contributed to the narrowing of the technology gap as I indicated in my budget contribution.

The other proposal, which has been implemented in this Bill, is the wear and tear allowance, which the Minister spoke about. The reclassification of bakers' plant from its current listing, Class A, to Class B, in which the applicable wear and tear allowance—

Sen. D. Montano: On a point of order, Madam President. I have been enjoying the contribution of the hon. Senator. She is reading it very, very well, but I have given her a lot of latitude. We get strung out here on other issues. I think it is time to ask her to speak and stop reading.

Madam President: Hon. Senator, if you were reading, please desist from reading and speak from your notes.

Sen. C. Seepersad-Bachan: Thank you, Madam President.

The reclassification of the bakers' plant, which was moved from 10 per cent to 20 per cent, was a measure that should have been instituted from January 2001 to 2002. I made these points, as enunciated by the former Minister of Finance, apart from the fiscal incentives that should have been granted in this fiscal year. It was clearly the former government's plan to consult with manufacturers to develop a range of support measures for industries in Trinidad and Tobago.

The extension of accelerated capital allowance and research and development allowance, the reclassification of the wear and tear allowance, Government's commitment to further review of existing incentives based on consultation with the relevant stakeholders will provide manufacturers the added impetus necessary for increasing investment in this sector.

These two amendments are very inadequate to promote investment, especially in light of the recent slowing domestic activity. I therefore urge the Government to move quickly forward with some of these recommendations, in order to curtail any further negative developments.

When I spoke in the budget debate, I spoke about closing the technology gap. I went into many of the issues pertaining to the thrust of the technology policy, which includes countries such as ours because of our high level of education in terms of continuing our access to foreign technology and the institution of a facilitative environment to technology adaptation. This is why I felt that it was shortsighted on the part of the Government to cancel the Science and Technology Park. I also felt that it was important that the very same measures be instituted for the services sector, given that this very same administration thought it fit to cancel any incentives that were there for the service sector and here it is we want to

[SEN. SEEPERSAD-BACHAN]

establish Trinidad and Tobago as the financial hub, as a service sector technology hub capable of exporting human intellectual capital. Instead, we notice a zero-rating on all those services that were physically performed outside of Trinidad and Tobago and supplied to a recipient who is not a resident of Trinidad and Tobago. That made us 15 per cent less competitive than our competitors in the global world.

In terms of second-generation reform—

Sen. Enill: On a point of clarification, Madam President, that measure the Senator spoke of has been deleted. There is no VAT on export services.

Sen. C. Seepersad-Bachan: That was something we debated. I did not realize—

Moving on to second-generation reform, I refer to institutional strengthening and regulatory frameworks, specifically with respect to tax reform. The UNC had embarked on a total reform of the operations of the Board of Inland Revenue with the objective of creating more efficient and customer-friendly government agencies as part of its overall reform plan. As Sen. Mark alluded, a team was appointed, including representatives from the Board of Inland Revenue—the inland revenue service—and the objective of this reform process was to eliminate corruption in the public sector and strengthen compliance by putting in place systems to maximize revenue collection by targeting individuals and entities that do not pay taxes. If we go to the institutional strengthening and the regulatory frameworks, it was proposed to establish a tax fraud unit that would investigate taxpayers whose returns show little relationship with their lifestyles. An inspection unit for the preservation of the integrity of the staff of the Inland Revenue department was also proposed.

As Sen. Mark alluded, the UNC government aggressively pursued the simplification and modernization of the tax system. If we look at our major achievement, companies are now capable of filing summary TD4s on behalf of their employees, the objective being to allow the BIR resources to focus on more urgent issues aligned to the modernization and provision of an efficient service. It is important therefore for us to understand the impact of the measures proposed in the form of amendments to the Income Tax Act.

In clause 4 of the Bill, the deduction for the purchase of shares in a society registered by the Cooperative Societies Act cannot be pre-approved through a TD1 requiring the employee to file a return at the end of the year. In addition, it is

important to understand how allowances for the purchase of the first homeowner will be pre-approved by the submission of a TD1. It begs the question as to what systems and procedures will be in place for the verification of first ownership to facilitate approval through the TD1.

I turn quickly to the energy sector basically because we have heard touted this imminent boom. I remind this honourable Senate that we keep talking about a boom, which is a supply boom, and not necessarily one that can be monetized that easily. Without the proper policies in place, there is no way to maximize the potential for this boom. It is in this context that I wanted to deal with some of the clauses in the Bill.

We would recall, some time mid-last year, the UNC administration commissioned the Natural Gas Master Plan study based on a gas reserve audit that was conducted. I know that that report has been submitted and that the findings are before the Government, but we need, in terms of second-generation reform where we want to encourage participation and consultation by all the stakeholders, to have these findings based on the gas pricing and utilization policy.

The Natural Gas Master Plan is important to mapping the strategy for development of our gas reserves, achieving that optimal mix of downstream industries to deepen the diversification process and provide increased resilience to the vagaries of commodity pricing, that is through the gas utilization policy and a proper gas pricing policy in order to maximize the revenue earning potential of this sector. Yet we hear over and over from the Government Benches that money is no problem and that the penalty for ExxonMobil could be easily waived because money is not a problem. It is important to note that when we talk about the policies for the energy sector, we must be talking about transparency, openness, fairness and equity.

I turn now specifically to the issue of the wholesale marketing licence. In accordance with clause 5 of the Bill, which seeks to amend the First Schedule of the Corporation Tax Act to exclude companies engaged in the wholesale marketing and distribution of petroleum products—

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate continues to sit until the completion of this Bill.

Question put and agreed to.

FINANCE (MISCELLANEOUS PROVISIONS) BILL

Sen. C. Seepersad-Bachan: Thank you, Madam President. I started by saying in terms of the wholesale marketing licence, clause 5 of the Bill seeks to amend the First Schedule of the Corporation Tax Act. There is the insertion of that new paragraph to exclude companies engaged in wholesale marketing and distribution of petroleum products. I would just like to bring to the attention of this honourable Senate the 1997 Act.

During that year, many would remember the decision taken by the then government to open the sector for the demonopolization of the petroleum retail-marketing sector. The 1997 Act removed such companies from the petroleum and gas-based industries, that is companies like the National Petroleum Marketing Company Limited and other companies that would acquire a wholesale marketing licence. The reason for this was that there was an unfair executive advantage given to other companies, such as Shell, that were operating a lubricant plant and were being subjected to the corporation tax, while companies like NP were being subjected to the supplementary petroleum tax and the petroleum profits tax, which is about 5 per cent tax.

In the plant liberalized environment, the wholesale marketers should not be subjected to PPT and SPT, the basis being that a wholesale marketing company does not enjoy the capital allowances or any of the major allowances given to exploration companies under the Petroleum Taxes Act and Income Tax (In Aid of Industry) Act.

It was considered unfair for any company involved in the wholesale marketing of petroleum products to be treated under the PPT and the SPT and they should have reverted to corporation tax in a fair fashion similar to any other corporate entity. I have noted today that we have taken a step backward in that direction and we have started reverting companies like National Petroleum and the new entrant UNIPET, which acquired a new wholesale marketing licence in 2000 and started its operation since then. [*Interruption*]

It was stated in the other place by your Minister of Energy and Energy Industries that the distributors referred to are really the Ramcos and so on because there is a distinction in the wholesaling and one has the right to purchase the product directly from the refinery. In the case of the distributors, it is more of a transportation function. That is where the confusion always comes in, in terms of the wholesale marketing of petroleum productions.

In light of this, I urge that the current administration review that aspect of the Act. In the absence of transfer pricing legislation, there is no way for the Board of Inland Revenue to utilize a suitable ring-fencing mechanism. As a result, companies such as NP, UNIPET and other prospective wholesale marketers and participants can only achieve ring fencing through subsidiaries and this has proven to be a rather costly exercise. Their cease to operations now will be subjected to the former tax, whereas all other retailing entities, which is what we consider these companies, will be subject to a lower tax and this brings in a bit of inequity in the marketing of petroleum products, not to mention that other companies that are dealing with lubricants will be allowed the reduced corporation tax proposed.

Leaving the retail marketing sector, I bring to the attention of the honourable Senate and to the Minister of Finance the need for a review of the fiscal regime for crude production. There has been some mention in this Senate about the whole review and given the contraction of the local service sector and the existing fields, with the older fields becoming marginal, and given the advanced state of maturity, this requires the application of technology and reinvestment in order to increase the scope of production. Without fiscal reform, oil production on land and in the Gulf of Paria will continue to decline clearly without any changes in the fiscal terms to encourage drilling on marginal fields, development drilling on land is unlikely.

Similarly, we need to revise our fiscal system. It should be simplified and designed to stimulate investment and measures such as royalties, holidays, new investment tax credits and so forth, provide incentives for increased private sector participation. Continued divestment programmes provide incentives to increase the size of marginal operatorships. We could look at a two-tiered fiscal regime, especially for the existing production defined as base production, which remains subject to the existing fiscal regime—an incremental or for new oil from the field subject to a simplified fiscal regime with greatly reduced royalties, especially the PPT, SPT and OPR. That, Madam President, is my view of the changes to the clauses in the Bill.

I turn to the financial sector reform issues. The former government, during the period 1995 to 2000 initiated the project to consolidate the supervision of financial institutions in Trinidad and Tobago and the services of international consulting firm, Lawrie Savage. I mentioned this in my contribution to the budget debate. The urgency of this move was in light of this forthcoming boom. For the private sector participation in terms of ownership, due to the high risk, the deepening and widening of the capital market are required to facilitate the local equity

participation and equity participation locally. We must address this sector in the context of its competitive framework in view of making Trinidad and Tobago the most competitive in the region and in terms of making Trinidad and Tobago the financial hub of the region.

Given that investor confidence, transparency and equity are also critical to the smooth functioning of a strong capital market and recognizing that anything that distorts these elements compromises the integrity of the entire system, it is well established that off-the-floor stock exchange transactions negatively affect the fundamentals of a strong stock exchange, namely transparency, investor confidence, etc.

In light of this, it was proposed in the 2001/2002 fiscal plan to amend the Stamp Duty Act to provide for the payment of a 5 per cent stamp duty on the underlying market value of share transfer executed off the floor of the Trinidad and Tobago Stock Exchange. This measure should have taken effect on January 01, 2002. I note, however, that it has been included in this Bill as clause 6, but what is required is more legislation that would attract more companies to participate through share ownership.

The local Securities Exchange Commission must have the capability to identify and prove insider trading and stock market manipulation. The use of sophisticated tools to monitor trading activity and identify participants—and we have just seen that issue as it appeared on the newspapers recently with the Trinidad Cement Limited trading—increase disclosure requirements, possibly under the Companies Act and the strengthening of the reporting regime of the SEC. In this regard, the UNC government had commenced the review of international standards for reporting and information disclosure, inclusive of listing standards that will facilitate the adoption of good corporate governance. So, this amendment is just the start in the direction of deepening and widening of the capital markets. There is the need for new legislation, which I hope the Government will aggressively pursue and bring to this Senate in accordance with its objectives as stated in its Fiscal Plan 2002/2003.

I now turn to the issue of governance, accountability, probity and transparency. The role of good governance, probity, accountability and transparency must be underscored in economic development as it emerges centre stage in our continued thrust towards a country favourable to foreign and domestic investment. Globally, good governance is emerging more and more as the main challenge to economic development. Leadership is an important and crucial

variable instrumental to enhance a management capacity and organizational performance. Leadership is critical to good public governance and the public sector performance requires strategies that will support public sector reform in the context of a comprehensive development framework.

We need a well-functioning legal system and an accountable core public sector, mechanisms to provide citizens with voiced participation; decentralizations with a view to local residents having a greater voice in decisions that affect their daily lives and an integrated approach to combating corruption. In this view, I want to go back once more to the Income Tax and Corporation Tax Acts and the role of the Board of Inland Revenue. Throughout this Bill, it is evident that amendments provide the Board of Inland Revenue with discretionary powers. I must reinforce the regulatory framework mainly for providing consistency, equity and fair play. That is identified as part of second-generation reform. Discretionary powers for the Board of Inland Revenue may be so, but it is not adequate to make amendments to provide discretionary powers to the board without a proper regulatory framework that will guide the decision-making of the board in such matters to ensure equity, fairness and transparency. This I deem important because we will end up with allegations of corruption once more, favouritism, and inequity in the actions of our state agencies.

I now turn to the ExxonMobil issue that has been talked about for the past couple days. In accordance with the best practices, politicians do not enter into negotiations with respect to contracts between the State and entities, moroso foreign multinationals. Variation to the terms and conditions of a contract should be left to the court for interpretation and this is because there are clearly defined contracts such as the PSC, the Production-Sharing Contract. What has happened, however, is that we now have a dangerous precedent, as all our PSC contracts must be varied consistently across the board to ensure consistency and transparency. What happens to all those under the same type of contract, who have had to complete the work programme or pay penalty? What will be the effect at the end of the day? What will be the state of affairs of all other multinational companies in similar positions as ExxonMobil, that is, are they all lining up for the same concessions? Would they be granted the same concessions? If companies are allowed to cancel work programmes, what is the effect on the Ministry's programme in terms of providing the country's reserves? I therefore can appreciate the position adopted by the technocrats in this particular issue.

I would like to make reference to an issue that was before us with the Soldado Field just one year or 18 months ago, in which a lot of controversy arose out of a

bidding process in which there were differences of opinion between the board of directors, the technocrats and the Government in the selection of the preferred bidder. We recall the conflict among those various stakeholders, yet we have no problem with Petrotrin/Trinmar entering into negotiations with ExxonMobil without opening up the process to other interested parties. For example, are there other such companies in a similar position that are desirous of canceling their work programmes and investing in exploration and research into the Soldado Field, like ExxonMobil? Our attention to the Petroleum Taxes Act, in which the signature bonuses and capital expenditure in exploration can be applied and allowed as allowances is, in accordance with the Production Sharing Contract, applied against the Government share of production. I say this in light of the detailed explanations given by the Minister of Energy and Energy Industries on Friday in the other place of the cost accrued by ExxonMobil in its work programme and to say that this does not by itself justify the process used to enter negotiations with ExxonMobil.

I am not accusing anyone of being corrupt and of corrupt practices without evidence. I feel that enough of that took place under the UNC in terms of false allegations, much to the detriment of the characters of many innocent professionals. I am not about to do that, but I want to say, in terms of this Bill, that how we treat with our legislation—the Production Sharing Contracts are very clear; the exploration licences are very clear. If the need arises, we should amend the petroleum legislation to deal with such situations, instead of the Government and politicians taking it upon themselves first-hand to enter into negotiations with foreign multinationals.

Senators would also recall that during my contribution on the budget debate, I proffered to this Senate the possibility of a Ministry of Public Administration and Compliance. Had there been such a ministry, which would proactively deal with the initiation of legal policy and the framework for creating transparency and good governance, defining policy and strengthening the framework for ensuring compliance with policies and ideals of transparency, accountability, fairness, probity in the management and disbursement of public funds, the establishment and enforcement of compliance with the code of ethics for all ministries and state enterprises, the overseeing and coordinating of the work of internal audit units of the various ministries to ensure timely submission of their reports; the strengthening of the internal organizational systems for accountability in ministries and state enterprises; policing and enforcing; strengthening the role of the Central Tenders Board and overall establishing an institutional framework for

civil society to oversee policy on transparency, accountability and so forth—Had we had such a ministry, I would say that the Government would have found it easier to deal with the current issue of ExxonMobil, instead of politicians getting involved in conflicts with technocrats and at the end of the day negotiating directly with entities especially investors such as foreign multinationals. This has set a very dangerous precedent.

With this, I end my contribution this evening. I want to end it on one note given the conflict I see within the current thrust of the policy and of the implementation plan, I just want to say that a vision without action is dreaming and an action without vision is merely passing time. Thank you ladies and gentlemen.

Sen. Sadiq Baksh: Madam President, this Bill to provide for the variation of certain taxes and to introduce other provisions of a fiscal nature and for related matters is what I consider an umbrella bill. It is possibly the first occasion when the Variation of Taxes Act has included about 14 to 16 pieces of legislation. It would be a record. It is said that the more things change, the more they remain the same. The Government has brought to this Senate an umbrella bill. Under the umbrella of one bill, it has sought to include everything, except possibly the Public Gallery, and it is quite possible that it is there but I just did not see it.

History and experience have shown that they would try to take many difference pieces of legislation and cram it into one bill—under one umbrella. When we do something like that, it is inevitable that some of the issues will not be covered in the manner they should be. There are holes and gaps that will provide problems. We saw it in the past and we see it here again. They continue to repeat the mistakes of the past.

I regret that we have to hustle this debate on the last day before the Christmas season. All these pieces of legislation demand greater scrutiny. We need to look at it. It is not that the Minister did not do a good job in presenting all the different clauses, but it needed people to look at them to be able to articulate their views. I am convinced that each piece of legislation should have been brought separately instead of being lumped together. I know the task would be tedious, but I believe that the scrutiny is absolutely necessary.

In many ways this is typical PNM style, as business people know very well, especially the people who deal in foreign-used vehicles or pioneers in export. The PNM gives you an umbrella and as soon as the rain threatens, they take it away. This is history. We cannot hide from that. This is what they have done with the

export concession and I am very pleased to see that the Minister looked at that after setting up the manufacturing sector to become exporters. It is one of the sectors in which we have had a continuous reduction in terms of its growth process that the Income Tax (In Aid of Industry) Act will not include the manufacturing sector thus providing some relief.

Madam President, we must understand that the PNM will promise many things before they come to office. When they become fully entrenched in office, they will take them away. They expect people to say thanks. They expect that they will be able to amputate people's limbs and then give them crutches and expect them to say please and thanks and to be grateful to them for doing that. I am sure that people are growing accustomed to that type of history.

I am sure that many of the business people who supported the PNM during the last election will no longer do so because they feel used. The foreign-used car dealers feel used by this administration in terms of reducing the ability of poor people to own a fair means of transportation, something that was virtually non-existent prior to the UNC coming into office. Madam President, you will recall the days when people had to wait for five and six years under that administration to get a vehicle.

The period 1996 to 2001 was the era in which people in Trinidad and Tobago—poor people—got an opportunity to own a decent mode of transportation. The one thing that is also true—but we must plan for the future—is that we must be able to expand our road network to provide mobility for our people. The other thing that the PNM does—and are past masters at—is to create legislation without considering the enforcement of the legislation. That is a matter we need to look at.

Keeping young people from buying cigarettes and alcohol is a good move and one that we support, but it is not an end in itself. It is more like putting a piece of Elastoplast over a wound that requires hospitalization and stitches. It just cannot work. The problem that young people face, particularly those in urban areas like Laventille and Beetham and Morvant, is that many of them live in urban ghettos of poverty created and maintained by the PNM. That is their record.

Like the angry women demanding work instead of promises, the PNM chickens have come home to roost. Their ghosts have become vampires. Creating legislation to stop them from buying cigarettes and rum is not dealing with the central social issues or the dependency syndrome or the culture of entitlement that the PNM fostered. It just does not happen that way. The PNM's babies are now

grown adults and they are expecting the world at their doorsteps. They have been placed in a position where they expect that the dependence continues; that the entitlement will come their way and that they will wait and things will happen. When the world does not arrive at their doorstep the gun is the other option.

Why is there an escalation in crime? Every time there is a dub concert in Port of Spain, there is an escalation in crime. Why are the downtown merchants in virtual despair? The education system that the PNM boasts about is causing a pile up of children who sat the O'levels and for whom there are no jobs and even where there are jobs the children lack the training and ability to get those jobs. The PNM inflicted a system of academic education along the lines that their founder went through. He fashioned the education system along academic lines, not allowing people in need of technical and vocational training to access those opportunities. That is why the John S. Donaldson Technical Institute is falling apart. That is why the San Fernando Technical Institute continues to fall apart. That is why the present administration does not have the answers. They cannot improve or repair the technical schools to allow the children to be trained to access jobs in the new economy of Trinidad and Tobago. Just a handful of people go to these technical schools compared with those who go into the secondary school system, come out with O'levels and not be in a position to access jobs in the new economy.

This brings me to the second failure of the legislation. How does the PNM plan to ensure that the legislation is enforced? Would Sen. Chin Lee prowl the back streets and go into the parlours and shops in the back of Port of Spain? Is that the way they plan to enforce that legislation? Madam President, like all the other things that the PNM does, this looks good but I would be very surprised if any good comes from it. It is a good idea, but they are not in a position to enforce it.

The PNM has to make a conscious decision to stop the exploitation of people; to stop treating their core supporters and give them room to expand their own horizon. We need to help them to grow, become educated and find permanent jobs—not 10-day jobs, not make-work jobs and schemes and a little 10-days here and there. That will not promote the kind of permanency that is necessary to help them promote themselves and their families and, by extension, their communities. They need to give them an opportunity to become homeowners in communities that are drug free. They need to help them get into self-employment and self-development

The PNM needs to develop a comprehensive policy to deal with the social

problems. The damage that the PNM inflicted on the young people of this nation, particularly the urban youth for 46 years cannot be reversed overnight. It just cannot happen. It cannot happen by unenforceable legislation.

We have seen this piece of legislation putting penalties against persons who sell cigarettes and alcohol. I understand that and, as I said before, that is a good piece of legislation. But how does one enforce it? All due respect to the Minister of National Security; he has presided over an escalation in crime in this country. He has presided over an escalation in murders, most of them in areas right around Port of Spain where the present administration concentrated on their housing policy by building ghettos of poverty; high-rise buildings without elevators, that were not maintained. Madam President, can you imagine an elderly person living on the ninth floor and trying to get up there? That is the record.

The police are already overworked and they are dealing with major issues like murder and kidnapping. Do you think that they would be able to deal with enforcing these matters of cigarettes and alcohol for young people? Can you imagine that Madam President? What will we do with the adults who initiated these youngsters into crime; who use them as couriers, runners and pushers? These adults will buy the cigarettes and alcohol for them, but who will deal with the adults? That is the important issue. We need to stop the kidnappers and catch the murderers. We need to move ahead from investigation and prosecution to anticipation and prevention. We need to anticipate the next move to prevent. We must move to prevention.

The lack of enforcement has become even more difficult since police are blaming the PNM's ally in the election, the Muslimeen. Madam President, you will realize that all my distinguished colleagues on the opposite Benches, when the distinguished professor spoke, you would have seen them finding something to do at their desk. They felt ashamed to know that their ally continues to be the Muslimeen and Yasin Abu Bakr. That is the record.

Madam President, Abu Bakr is calling the shots for the PNM as he did when members of his group stormed this Chamber, killed some people, wounded others and held others hostage. That is the record of the PNM. On what basis can he broker a truce and on whose behalf has he acted. Those are the questions they need to answer.

Abu Bakr is calling the shots for the PNM and he will continue to do so. On what basis, I ask again, can he broker a truce and on whose part did he act? What is his locus standi? Is he the person the PNM will rely on to enforce this Act

against children? I suggest not. Would he and his minions be given the job to ensure that young people do not buy cigarettes and alcohol? Those are the questions we ask. He seems to be in charge of the Ministry of National Security, so it is highly possible given the number of other assignments that he carried out for the Government.

On election day, he was in charge of the election machinery of the PNM in Barataria/San Juan, St. Joseph, Tunapuna, Ortoire/Mayaro, San Fernando—throughout the country. That is the record of the PNM. Perhaps he can intimidate the school children into not smoking and drinking. Maybe that is the way they will enforce it. That will clearly solve the major problem of the PNM—using Abu Bakr. It is like the case of housewives from Laventille. They got work before the election. After the election they got paid. After the election there was no work. I have predicted and can see it coming to pass that the most important problem the PNM will face is how they will deal with Abu Bakr in the weeks and months ahead.

Sen. Joseph: On a point of order, I have let the Senator go too long. Madam President, Standing Order 35(1).

Madam President: Hon. Senator, I agree that you are straying from the topic under discussion and I would ask you to please come back to the debate on the Bill.

Sen. S. Baksh: It is simply a case that the administration cannot depend on anybody else to enforce this piece of legislation in terms of children using alcohol and cigarettes, other than by using the Jamaat Al Muslimeen.

Madam President, it is clearly a case that we cannot just pass legislation and not think about the practicality of ensuring that we enforce it. There are people selling cigarettes on the side of the road. They are coming with a piece of legislation—which I support—that will avoid young people purchasing alcohol and cigarettes, but we must come with a mechanism by which we will be able to enforce it. They must come with a plan, which is the main issue.

We are facing a situation in the manufacturing sector that we need to stimulate. I am not certain that the measures in the Income Tax (In Aid of Industry) Act will assist us as much as the export concession. It is appreciated in terms of allowing the manufacturing sector to be able to develop.

As we continue to provide support for this, I say that in the spirit of the season we wish everyone a very merry Christmas. Thank you very much.

7.00 p.m.

Sen. Dr. Jennifer Kernahan: Thank you, Madam President. Madam President, I am very happy to take part in this debate in the context—
[*Interruption*]

Sen. R Montano: Madam President, could I just interrupt my friend for one moment and also to enquire of you in that ruling that you made just now? I understand it, and I am enquiring, Madam President, because, as I understand it, on a money bill one is allowed to stray, but, if that is not so in this Senate for this session, then tell me. As I understand the rules, certainly from when I was last in the Senate, under a money bill we were allowed to talk about anything under the sun. I have checked with my friend Sen. Prof. Deosaran and he agrees with me. [*Laughter*] I checked with Sen. King, she agrees with me; so I do ask for clarification on your ruling.

Madam President: Sen. Montano, you will be given a certain amount of privileges, which I did with Sen. Baksh, but you will not be allowed to speak about anything under the sun. Please continue, Sen. Dr. Kernahan.

Sen. Dr. J. Kernahan: Thank you, Madam President. I, like my colleague, Sen. Mark, am pleased to welcome especially clauses 2 and 8 of this Bill which seek to amend the Children Act and to protect the children of our nation because I am convinced that our young people are entitled to protection by the government of the day. I believe that if we as a government and policy-makers are able to set a system in motion whereby children are nurtured and protected until they are about 18 years, then we will be sure to have productive young people, people who are fully conscious of their civic duty and who can be part of the productive process of our society and we will eliminate a lot of the ills that exist right now. So protection of children is absolutely vital in any policy-making decisions of the government of the day.

Madam President, I also want to call to the attention of this honourable Senate the fact that our children face many, many dangers out there at this time, not the least of which is the gun culture which has overtaken our society over the last few years. As a politician, I am appalled at the insensitivity and the laissez-faire attitude of the political directorate of the day with respect to this question. Madam President, I was looking at the television recently and the Prime Minister of this country was telling the population that the killings that are going on in Laventille, for example, are gang related and therefore do not target the ordinary citizen of this country, of Laventille to be specific.

As a mother and as a woman, my heart is filled with sadness because I empathize with the mothers of the children of Laventille because these are very young people who are engaged in what can be considered no less than a self-inflicted genocide in this country. They have been let loose with guns and they need to be protected from themselves, Madam President, and we have a Prime Minister who has washed his hands, like Pontius Pilate, and he says that, you know, it is gang related so it does not target the ordinary citizen.

What we are witnessing in this society is a certain degree of complacency, which I believe is the more dangerous aspect of what is happening to our young people. The complacency with which a lot of us are looking at this problem is one of a total waste of human resources. We are looking at young, strong, black people, who, in the natural order of things, would have grown up to be productive members of this society—

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

—and who would have grown up to take their place to help to produce the wealth that this society needs to move it forward to a developed country status, Mr. Vice-President. We are looking at the total waste of people who would, in the natural order of things, be there to care for the elderly, the sick and their family and who would carve a way, Mr. Vice-President, for the younger generation to come behind them. This is the natural order of things.

Instead, what we see is carnage—a killing out of a whole generation of young black people in this country and it is very disturbing that we have that sort of laid-back, laissez-faire attitude to what is happening. Mr. Vice-President, I do not know if the Prime Minister of this country understands what it is like to live in an area which is practically a war zone. Young children, our children whom we purport to protect in this Bill—clauses 2 and 8—are living in war zones and it must have some serious psychological effect on even the children who are not part of the gun culture and who are not part of the killings and the gang-related violence and so on. So I am appalled at this statement. What was interesting about this statement is that it came exactly as another statement was being made.

Just around that time I was travelling in my car, I think it was after the last Senate sitting we had here, Mr. Vice-President, and I heard what was purported to be an interview with Imam Abu Bakr saying that as long as there are young people who are hungry, as long as they have guns they will go out and use them and the law of the jungle has to reign in Trinidad, because if resources do not trickle down to certain sections of the population, and so on, the law of the jungle

has to reign and so on. So what we have here—I would like to echo my colleague who questioned where policy and direction are coming from in this country because on the one hand you have the Prime Minister of the country washing his hands of the situation—it is gang related so it is okay, they can kill each other—and with no thought for the pain and suffering of the mothers of Laventille who watch their young children being decimated daily, with no thought for the other young children who are psychologically traumatized by what is happening to them. God knows how they see themselves growing up in that society and that area, how they see their future.

Mr. Vice-President, I firmly believe that, when there is danger to the society, people lose hope, and if the young people of this society do not feel and understand, by the policy decisions that governments make, they are being protected really, and that they are the focus of policy decisions which are designed to enhance their lives and protect them, then they lose hope and all hell breaks loose because I believe that the human spirit thrives on hope. So we are destroying hope, we are destroying the future of these young people, we are traumatizing them psychologically and it is okay because it is gang related.

Mr. Vice-President, we are appalled. We are traumatized ourselves. I make the point that on the one hand you have that washing of hands and on the other hand you have a very definite focus on the situation, people who are prepared to step into the little vacuum of leadership. Right now there is no leadership in this country with respect to what is happening socially. We have a policy document here that has all kinds of fancy speeches on social delivery and policy. “We want to provide a well-targeted, integrated programme of social protection services to vulnerable groups such as the poor, the elderly, persons with disability and the youth population.” We have a Prime Minister washing his hands. “We want to improve the quality of and the equity of access to education and training, health care, shelter, water, sanitation and other basic amenities.” You want to enhance public safety and security by reducing the levels of crime, juvenile delinquency and drug related activity.

This is the Government’s social policy—a lot of lovely words and platitudes, Mr. Vice-President, but the children do not feel protected. They are not protected. They are being killed, they are being decimated in the society—they are being given guns. Mr. Vice-President, I would like to bring to the attention of this honourable Senate the fact that the people of Laventille do not have containers. They do not possess containers. Guns and drugs come into this country in

containers. So clearly the children of Laventille are the victims of the people who perpetrate crime in this country, enjoying the protection of the political directorate and this is what is happening in this country.

We all know the political history of Laventille. Laventille is one of the most faithful supporters of the present regime and we know that and we accept that. Maybe what we need to focus on is what is the social and cultural history of Laventille. Why are the children of Laventille at this time not protected? Why are they traumatized by this gun culture and this gun violence that has overtaken Laventille? It is not just Laventille, it is the whole of the East-West Corridor, all these communities that have become depressed communities in the last 20 years.

Mr. Vice-President, when I was growing up in Belmont, Laventille was a sister community to me. Belmont was a fairly middle class area. It was a striving community. Belmont had a lot of shops and businesses that were supported by the people of Belmont but now Belmont is practically a wasteland. St. Francois Valley Road and all those areas in Belmont have the same problems that the people of Laventille face. I was relating to my colleagues how traumatizing it is and we make jokes about it. It has come to the stage where you make little jokes because you need to survive, you need to keep a sense of humour.

I went to my former home in Belmont the other night and I was driving out of there at about 7.30 p.m. and I was telling my daughter “Leh we get out a here fas’ before the shooting starts.” Mr. Vice-President, the next day I learned that, right around the spot that I said that, there was a shooting about an hour after. So, you know, it has become that close. These incidents involve young people in their teens who have lost all hope in any future deliverance in the society. I was talking about the social and cultural history of Laventille because I believe that there is all this talk about Laventille and Laventille as if the situation in Laventille, the gun culture, our children being traumatized and the lack of protection for children in Laventille started yesterday or within the last few years. What we are reaping is the whirlwind because this PNM regime has sown the wind. What is happening now was ground in over 30 years ago.

Mr. Vice-President, I would postulate here this evening—[*Interruption*]

Sen. Dr. Saith: Mr. Vice-President, on a point of order. I have no doubt that the contribution of the hon. Senator, at an appropriate time, would be very useful to us, but I really, after 15 minutes, fail to see the relevance to the Bill we are debating at this time.

Sen. Dr. Kernahan: Mr. Vice-President—[*Interruption*]

Mr. Vice-President: Please Senator, I would really prefer if we confine our discussion to the subject at hand. Thank you.

Sen. Dr. J. Kernahan: Mr. Vice-President, thank you very much. My contribution in this evening's Senate is based on clauses 2 and 8 of this Finance Bill, which I am basing on the protection of children and my whole focus is that we must not only protect our children from alcohol, drugs and tobacco, we have to protect them also from the genocide which is taking place. I am trying to give a basis for that genocide which is taking place and the lack of protection, the hopelessness which our children feel in this society right now, which is why they are turning in on themselves and killing themselves. Mr. Vice-President, this is the relevance of my contribution.

I would say, Mr. Vice-President, also, that Laventille has been the home of great cultural movement. Laventille has been the home of Spree Simon, Bertie Marshall, Rudolph Charles and the steelband movement. Great innovators and entrepreneurs have come out of Laventille. Mr. Vice-President, you will remember the sort of culture, the very roots of our urban culture, carnival, came out of Laventille. The Desperadoes steelband is an internationally famous organization which—[*Interruption*]

Sen. Dr. Saith: Mr. Vice-President, again, 35(1), protecting children against smoking and rum or alcohol and we have now reached Desperadoes and the steelband movement. Surely—I know the Senator's contribution is useful and worthwhile. I just do not believe that this is the opportunity for this kind of debate.

Mr. Vice-President: Senator, what I have said was that we should confine what we are saying to the Bill we are discussing. I would really like you to zero-in on it, please.

Sen. Dr. Kernahan: Thank you Mr. Vice-President. Mr. Vice-President, the point I was trying to make—[*Pause*]

[MADAM PRESIDENT *in the Chair*]

Madam President: Senator, please continue.

Sen. Dr. J. Kernahan: The point I am making, Madam President, is that we have had a history of repressing what is good, decent and beautiful coming out of these communities and we are reaping the product of those policies. Our young people who are unprotected and traumatized in these communities are victims of

the policy of social neglect and manipulation by this regime for political survival. So today, what is happening with our children, other Senators have made the point, is that we have to link the whole protection of our children with respect to drugs and alcohol to the wider issue of the will of our communities, the will of the mothers, the will of the fathers and the social and cultural milieu in which those children grew up in order to effect that protection. It will not happen in a vacuum.

Madam President, I say here this evening that the police are not going to be able to enforce this legislation. It is not the work of the police to enforce the legislation. I totally agree with my fellow Senators who have said that it is the work of the families in this community, in this society, to raise their children to establish an environment in which the children can feel protected, loved and cared for and that the policy initiatives of this Government will focus on the protection of children. So I say that the potential that we have for development, the potential that we have in these depressed communities along the East-West Corridor, has to come from our people and it has to come with direct policy initiatives geared towards alleviating the suffering of the people who are most affected.

It is no point saying that you are going to have policy decisions focusing on the poor, the disaffected, the youth and so on and, when you have critical social situations taking place before your eyes, you do nothing and you wash your hands and say it is not your problem, that is a problem that will solve itself. That is the point I make, Madam President; the hypocrisy of this political regime, the inability to link what is happening in this society with all the fancy words in their policy document. They do not see the relevance of the so-called policies they have here to target you, to target the children and to target mothers. They do not see the link between the fact that mothers are left unprotected in this society and the children who are killing themselves with guns.

This is the problem, Madam President, the hypocrisy, the double standards, the double-dealing; always the very strong intent of muzzling the population and preventing that free expression. I would postulate here that the muzzling of free expression in these depressed communities over the years is what has precisely led to these problems that we are experiencing now because vast economic potential could have come out of the development of pan, culture, art and so on in Laventille based on the steelband movement, based on the culture that people in depressed communities were able to themselves innovate but there is no support for it.

Selwyn Ryan enunciated that very clearly in the book *Trinidad and Tobago: The Independence Experience 1962—1987*. There is a clear denunciation of the

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PNM policy with respect to culture in this country and there is a strong link being made here between that lack of support of culture and what is happening in our society today. So you do not think in a vacuum. You see no relevance, and that is why they are so upset that I am putting it in this perspective, because they think in a box. Madam President, I would like to see this Government come out of the box, put things in a wider perspective and see the link between the past, the present and the future.

Makandal Daaga, in very prophetic words in 1990 in a symposium—this book is called *Behind the Bridge: Poverty, Politics and Patronage in Laventille, Trinidad* by Selwyn Ryan, Roy McCree and Godfrey St. Bernard—was able to foretell to the day, because it was somewhere in 1992. He said eight or 10 years down the road we are going to see a twentyfold increase in crime in these areas if the government of the day does not take stock of what is happening in these situations, and we have seen it. It is almost prophetic. I say that we have to focus on our children. We have to protect our children and one of the problems is drug and alcohol abuse. However, I say that the greatest social problem we have in this country right now is the gun culture that is being imposed in this country, to which the political directorate of the day is turning a blind eye.

The vacuum created by the lack of leadership in this country is being filled by Imam Abu Bakr who has a very clear vision and a very clear policy for the young people of our country today because now every young boy under 18 years of age is a Muslim in the East-West Corridor and the girls are wearing the hijabs for protection. This is the reality of what is happening in this country because they feel part of a wider group and they feel protected. The protection that the Government of this country does not afford to the young people of this country, they feel that they are going to get that protection from the Imam Abu Bakr and his group and that is why they are flocking in droves to that group. So I say there is a vacuum, there is a void which he is filling, and that is going to destroy this country because he openly glamorizes the gun culture and he has no sense of compassion or caring for the young men who are dying in droves every day on the street when they give them guns to go out and kill people and be killed themselves.

So, Madam President, I would say that the issue of protection of our children is not an issue that can be viewed in isolation and we will not protect our children if we just pass this legislation and we approve this legislation with respect to drugs and alcohol. I totally agree with my senatorial colleagues that the issue of

protection of our children has to be linked to the wider community and what is happening to the culture of the people in these communities, to the mothers and fathers and to policy initiatives which put those mothers and fathers on a better footing to protect their children and to enable them to develop mentally and spiritually to protect themselves against the onslaught of drugs, alcohol and guns in this society.

Madam President, I would say also that the future of our depressed society, the future of communities like Laventille and those in the East-West Corridor must not be decided in back rooms, in secret conferences and so on, by the political directorate and the people who are perpetuating the violence and who are distributing the guns in this country. The future of our communities and the protection of our children must be debated in the full glare of public spotlight by the community groups which are embedded in these communities such as the NGOs, that have track records of working in these communities, like Servol and CREDO and all these organizations. We have an umbrella group of organizations in the East-West Corridor in the Port of Spain area, the Port of Spain East Consolidated Community Group. These are the organizations which should be called at this point in time, Madam President, by the political directorate and brought together.

The spiritual leaders, the Baptist mothers, all the people interested in the welfare and development of the people and the protection of our children should be called by the political directorate to formulate and to direct policies for short-term, medium-term and long-term solutions to the problems that we face in this country and this is not happening. When we have is, you know—we hear of all these back-room meetings taking place and deals being brokered in back rooms to do with our children and they deserve better because they are our future. They are the future of this country. They are the heart and soul of this country.

Our mothers are bleeding, our mothers are crying, our mothers are traumatized by this phenomenon, Madam President, and the political directorate has washed its hands. The Prime Minister has said it is gang related, it has nothing to do with anything, and he has washed his hands. This is appalling for a Government that has just earned the trust of this country and which has just been elected to office by the very people of Laventille very solidly behind them. Madam President, I would say that the issues of crime prevention and crime detection as a protective mechanism have to be subsidiary to the culture of spirituality, of responsibility and of people taking responsibility for themselves.

Sen. Morean-Phillip: On a point of order, Madam President. My colleague here has taken the point several times and I too will take the point. While we appreciate what the goodly Senator is saying, she is straying far from what we are dealing with this evening and would ask, Madam President, that you direct the Senator to stick to the subject. [*Interruption*]

Sen. Mark: “Buh you cyar direct the President.”

Sen. Morean-Phillip: No, I asked.

Sen. Mark: You say you direct the President. [*Interruption*]

Madam President: Hon. Senators—[*Interruption*]

Sen. Mark: She “cyar” direct you!

Madam President: She did not direct me.

Sen. Mark: “She say she want to direct you.” No! [*Interruption*] [*Crosstalk*]

Madam President: Hon. Senators, I too have listened and I really think, Sen. Dr. Kernahan, that you need to stick to the matter before us. I made it clear before that, although we will allow some area where you can stray to a certain extent, I will not allow anything under the sun, as it was put earlier on. I think you have gone way, way, way beyond what is under debate, so please come back to the matter—[*Interruption*]

Sen. Dr. J. Kernahan: Thank you, Madam President. I am about to wind-up and I continue to make the point that my contribution is based on the protection of our children from drugs and alcohol. Other Senators have made the point also that the protection of our children from drugs and alcohol is part of the problem of the protection of our children and there are other areas, more pressing areas, from which our children need to be protected, such as the gun culture and the killing and the genocide which is happening in our country.

So, Madam President, I have made the point that we as a community and as policy-makers need to focus on our children at this point. We need to protect them not in superficial ways but in a very real way from the serious menace that faces them, their very lives. You know, there is no point in protecting them from alcohol and drugs if they are going to take a gun and get themselves killed the next day. That is the point. Thank you, Madam President. [*Desk thumping*]

Sen. Brother Noble S.A. Khan: Thank you, Madam President, and may the peace and blessings of God be with us this day and forever more. Indeed, I would

think that the matter before us is bringing home together or putting into perspective what, as has been said by the Minister in the Ministry of Finance, is a structure for delivering on the budget with which we had the honour of dealing some few weeks ago. I too would like to share some thoughts and I may be touching on some of the clauses, particularly 2 and 8, on which so many of us have already spoken, but I think that I too can add my bit.

Clause 2 deals specifically with the idea of children and changes in the law that relate to children. As you know, children are and have always been high in any priority or in any consideration when we deal with it or, for that matter, even at the international or the global level. Much has been said of children and their protection and what have you at the United Nations and in other fora in the world. Perhaps, though, if we were to pause sometimes in the midst of our experience to relate with the source of our being, we must be cotangential with our children. Obviously too, when parents represent their children, no matter what it be, emotions run deep. There is a joy in the contemplation of any young person growing up.

To some extent, therefore, where we can see ourselves as being the father and the mother of every child in our country and, by extension, in the Caribbean and in the world, one could understand the responsibility that rests on us. Perhaps very often we do not actually meet the challenge of that responsibility but, as a faith-based people, we know there will be elements of accountability, be it here at the moment, as we know, so many of the challenges that overflow and with which our society is faced at the moment, and more so in some of the areas around, I think the message is well carried.

So very often too, perhaps through negligence or reliance, I would say, to some extent, we should be charitable by bringing God onto the scene as an apparent solution to what may appear to be insoluble problems. I am not speaking here of religion per se. If there is one word I would like to use, possibly coin it, it is religionless, being a person, the person that God created us to be. To this end, therefore, when we think in terms of that change that we seek, it would seem to be somewhat of a palliative to problems and very often we may think in terms that there are some things we are trying to sweep beneath the carpet upon which we stand, but, even if that be so, you could rest assured that what is taking place, with one pull of that carpet, we know where our face will end. So it is a matter of paying particular attention to it, for, no matter what lip service we may pay, no system of injustice and of exploitation can subsist unless we have created—and I would not put it in parentheses—unless we give that moral and ethical platform

for that. These may be negative, but unless we create the situation for it, we will not have what we are confronted with at the moment.

So, it might be tempting to dismiss, you know, faith-based systems as a mechanism which we could use and for which we could find some element of hope, some element of possibly hiding ourselves as an ostrich with our heads beneath the sand, and it might also be tempting to oppose the very existence of faith-based systems in our sweeping of such problems underneath the carpet. However, very often, even if we were to just keep these faith-based systems around to give some justification for organized religion as such, it would at least help to keep alive some of our men and women who have contributed, whose goodness has transcended all kinds of religious organizations.

Even if we were to go far back into our history books, into our holy literature I am sure we will meet personages in that; but possibly in modern today we could think in terms of people who have served at the international level, global figures I am speaking of here. We could think in terms of Mahatma Gandhi, Dr. Martin Luther King and Mother Theresa. These are some of the areas we could think in terms of where we can relate.

We are at the beginning of a new millennium, just two. We will be entering into the third just now, and we have all kinds of resources at our command. God has blessed us with a healthy people, relatively so, good resources, and we could definitely mobilize those means to eradicate some of the worst problems with which we are confronted. The need for soul-searching is definitely most important. Definitely, then, and we know that the world is moving towards that end. Can we give our country that spiritual and social orientation that is truly uplifting, that is humanistic and universal? These are most important points. Can we give a rightful place to our women who bear our children, to our children born and unborn?

Of course, we can go quoting from our holy books, but the question of translating those holy books into action is what is facing us even as, to my humble mind here, we have plotted and we have started with a very beautiful budget, the question of implementation which we are in the process of doing, at least on paper, still remains a major challenge in my mind. It is most important that, in seeking endowment of what we are about, that we implement or put into our lives divine grace so that that divine mercy will share with us.

Now, some would say a wind is blowing, some would say a spectre is upon us, and I particularly will make mention of something which I had, while I was here,

an appeal for review of the legal status of abortion towards responsible parenthood. This is a document which I think we all have here, *Advocate For Safe Parenthood, Improving Reproductive Equity*. The basis of this—what it seeks to do, from my little glimpse of it within the short time, is to bring to bear what has been referred to, even as it is said here, an appeal for the review of the legal status of abortion. This has been on the world table for quite some time and we at the IRO have discussed it and we have discussed it too with other faith-based organizations in our country as a threat that, to my mind, I do not think in our country so far—it may have been that we have been able to bring so many groups with a like impression and like mind so far with respect as we have on this subject and all are totally against it.

This is the major point I would make with respect to this that is before us. I take it that point will be coming up and will be shared at the national level in many different ways and obviously I serve that we from that end, who comprise of many of the faith-based organizations in our country, are totally against it and I echo it here in these holy Chambers. Part of it I have raised here and I have taken the opportunity—I know you are a lady who has already done it and you have expressed it to give certain elements of, how should I put it, freedom, so to speak, on the subject, but I seek the shelter—it is children, children unborn, but even if this law that is before us is not dealt with properly, we will—you may have a law but we will not have children because that is the import of what is before us. For what reason or whatever I do not think we are in a position now to go into that. That will be part of the national agenda that will be taking place, I expect. So towards that end I think that I have made a point here as far as what I am supposed to represent, good.

We know that we operate basically on what has been referred to in a secular environment, but so much for that. If one were to think that the secular environment is it, I would dare say that it is something that is artificial because each of us, every human being, has part of our soul within us and you do not move with one way all the time. It is a totality of ourselves and should we continue to move that way. We will find possibly, as other people have found themselves, in an area where it might be hard to extricate. We will definitely reach into positions of human rights, moral and spiritual rights. This is a public issue. It is not only one that is private. So these are some of the things that I share on this.

We have been touching on a question here of children reaching the age of 18 and thereafter they are given certain liberties, so to speak, but one could think—within 10 minutes, I could say, from where I am here now, I am sure that I could

go up the road or a person can go up the road and get things that are definitely illegal—while we are thinking in terms here—legal not only for below 18 but for over 18. You have heard it mentioned here about the cigarette paper which they use to roll the marijuana but they will tell you in Jamaica they use a good gleaner and when they blow behind it, they disappear behind the smoke. So though they are talking about paper which they could use, there are other mechanisms which they use.

If you go up by the “Dry River” now you will see the “lil’ fires” here and there where they are blowing, right, and these are some of the things that I mean to say—“doh” look at me as if it is strange, you know. You could go up in five minutes’ time—if you could “run good”, in four—and you will see that taking place there now. So these are some of the things though, while we are on paper here to make something structured, the question of implementation still occupies my mind. These are the legit—we are talking about “up so”, we are talking about the legitimate things. So I would not like to think in terms that we are going through an exercise here of mockery, good, because if I feel that way I would not stay here much longer. We are serious about it and I feel that way too, all of us inside here.

The question of commitment, therefore, is most important. According to the tradition which I have, if we were to instil in ourselves—but I would not try to think that that should be spread towards the rest of the society. Certain things that are negative in our society take time to eliminate and, in the histories of the traditions from which I took things like drinking and use of drugs, et cetera, it took a little time before that went out of the way and became instituted within that society. So obviously, if we are to go where there is a question of patience that we would have to exercise, that patience must not be negative so to speak.

We have heard it expressed here before the question of leadership, “What is right is right” and “Stick by what is right”. It is not to be enforced; of course not. Your mechanism—we are not a people like that but are definitely upon that right path. If we were to be strong in what we are about, I think we might be able to meet the challenge and we have to meet it, otherwise, what will be the end? An upturned cup? A tombstone white with some thing drear written on it of a nation, of a civilization, ourselves? So I do not want to sound too dreary or too—how should I say—too gloomy.

Sen. R. Montano: Pessimistic?

Sen. Bro. N. S.A. Khan: Maybe. But where there is a voice, how can we ensure that voice is heard? Listen to it within the heart. Every one of us has that and “doh matter” how cold you might be or what evil deed someone may have done, that heart still remains and it is a calling and listening to that that will help us. It is very easy to say that, you know, and do as we do and play a game as we play as we go, but I would say, let us hope that the loving hands that bore us, that dealt with us even as those children, in whose hearts so much is expected from those loving hearts for their children, let that glow, the parenthood, the spirit of justice, of truth, let it allow that light to glow and to grow and let it nurse and mature whatever we may have of ourselves. Let those trees grow strong and let them be sturdy trees more or less.

These are some of the things that I share with you and I hope, by the grace of God, that we will definitely create within ourselves that environment so that they will be achieved. In passing, I am sure that what we are seeking here to embellish, as far as the economy is concerned, I would think in terms too of some elements of creativity where the arts are involved, where the performing arts are involved and we know there are some things that we have evolved in our country and I think particularly about the pan and the calypso and the mas’. Some of us maybe know that I have a likeness and attachment for that, that I am also involved in that. So I am making a special plea too that within the structure where some benefit was being derived through the change in the structure of the financial law, that some space be found for these elements.

Many of our people, particularly at the lower level of what we may term the economic structure, are involved in the elements of creativity and if you could foster and build that, possibly we would see some of the things that go on outside there to make us shudder or to make us withdraw within ourselves, fall by the wayside. I have seen it, I know it, you feel it, good, to see when you are able to stimulate someone in the area of creativity, be it a pan. “You know the fella dying from AIDS” but you see the whole thing where his life emerged when you discussed with him the different notes and how he went and you build him into it, right, “even self you know that the time is short”, but the time is short for all of us, but I am speaking of a specific case where you see it and to be part of that is indeed a great experience.

So these are some of the things again I say that I share and I hope that these elements find some respect within the financial structure that we have. So thank you, My Lady, for allowing me these few moments. May God be with us. [*Desk thumping*]

Sen. Parvatee Anmolsingh-Mahabir: Thank you, Madam President. I wish to focus on just one or two clauses of the Bill before us. While I would commend the Government on its initiative in the field of sport, I feel I must express my concern about the ad hoc approach to the development of sports as an industry in Trinidad and Tobago. Our country deserves a much more holistic approach if it is to be the sports capital of the Caribbean. Trinidad and Tobago needs to establish a task force to develop sports in a functionally coordinated manner that can propel us into the developed country club of 2020. We need to determine a hierarchy of sporting discipline based on wide consultation from a national interest perspective.

Madam President, bearing in mind that sponsorship produces the effect of enhancing the designated sporting disciplines are we, through this Bill, telegraphing the message that model airplane flying and baseball have the same national appeal as cricket and football that we must legislate to accord the same 150 per cent tax to these widely different sports? Clearly there should be a taxonomy of priorities. Madam President, let us examine clause 10I(3) carefully. It states:

“In this section, ‘sporting activities or events’ means athletics, badminton, basketball, amateur boxing, martial arts, wrestling, cricket, cycling, model aeroplane flying, football, rugby, golf, hockey, netball, baseball, polo, swimming, tennis, weightlifting, yachting and such other activities or events as may be prescribed, under subsection (4), by the Minister with responsibility for sports.”

Madam President, where in all this is a specific reference to volleyball? Let me sound the alarm bell for the most glaring exclusion of the national sporting discipline of volleyball from this list of designated sports. Volleyball is a popular team sport played in our rural heartlands, especially in the Barataria/San Juan area, central and south, in many of our schools. Why the specific inclusion of baseball and the exclusion of volleyball? [*Interruption*] No, but I want a specific mention of volleyball. I make a special plea to the Government to correct this punitive oversight of a rural sport and, by extension, our rural communities. Can I please have it? We want a specific reference. [*Desk thumping*] We cannot afford the neglect of our rural community sports.

Sen. Yuille-Williams: You are 100 per cent correct.

Sen. P. Anmolsingh-Mahabir: Thank you. Thank you very much. If I may go further, I want to enquire, why is it that the tax allowance deduction is

accessible to companies and not to individuals? Perhaps you can clarify this for me. Why must not the cricketer or the footballer be allowed to claim a tax allowance for buying a bat or a football but a company, you know, can claim a tax deduction for X number of dollars?

In the same manner, and by extension, Madam President, I refer to clause 10J. Why is it that a company can claim a tax allowance by sponsoring audio, visual or video productions but an individual artiste who may wish to make an educational video or sing a chutney song or whatever cannot enjoy the same benefit and tax allowance that is accorded to a company? Madam President, what is the logic? What indeed are the philosophical underpinnings of the Bill to justify such injustice and inconsistency? We would like the individuals to benefit also or, as my colleague mentioned, a wealthy sponsor should be able to claim that tax deduction as well and not just a company alone.

While it is commendable to encourage companies to sponsor sports and sports facilities, it has been noted that when these companies claim the tax deductions that accrue from such sponsorship, afterwards they neglect the facility. A case in point is the Walker Park Caroni facility. At a cost of—at an enormous cost to the taxpayers, this facility was refurbished, right, and, according to the *T & T Mirror* of the 8th and the 15th, I believe, this facility has now come into total disrepair. I am making a plea again for the Government to please look at this particular facility. It can be of enormous value in the 2007 World Cup. Do not let our facilities fall into disrepair, please. The companies, they gain their benefits and then they just neglect these facilities.

I go on to congratulate the Ministry of Sport and Youth Affairs in particular for being one of the recipients of an award from the Pan American Health Organization on the No Tobacco Day 2002 Play Clean celebrated on May 31, 2002 and mentioned in *Health Quest* Volume 9, page 9. It is heartening to know that the ministry is actively involved in working towards reduction of tobacco use and that the ministry is aware of the incongruity of tobacco's association with sport and the need to eliminate the promotion of sports through tobacco sponsorship of sport figures, events and facilities. I quote from page 9 of this magazine. *Health Quest*. I also would point out—[*Interruption*]

Madam President: Senator, what is the name of the magazine?

Sen. P. Anmolsingh-Mahabir: *Health Quest*. The quarterly newsletter of the Ministry of Health, Trinidad and Tobago, Volume 9 2002. I would also point out a comment made by Mr. Imran Khan, the famous cricketer and cricket icon of

[SEN. ANMOLSINGH-MAHABIR]

Pakistan. In a call to the international sports world to become tobacco free he mentioned, and I quote:

“...I want to urge all the sportspersons including sports organizers and their respective governments to make sports across the globe free from tobacco by not accepting sponsorships from tobacco companies.”

What he is saying here is that we need to look carefully at the companies which sponsor sports so that we know that sport, in particular, symbolizes health and vitality while tobacco causes disease and death. So we need to take a second look at the sponsorship of companies and sport. I thank you, Madam President. [*Desk thumping*]

Sen. Robin Montano: [*Desk thumping*] Thank you, Madam President. Madam President, I do not believe that there is anybody in this Senate who does not support the provisions of this Bill, which is hardly surprising, considering that I believe, and I stand subject to correction, that the only new measure inside this Bill that was not intended to be brought by the former UNC government was the provision relating to cooperative societies. Otherwise, all the ideas in here are those of the UNC and, in particular—[*Interruption*]

Madam President, I hear a voice saying they have some sense and yes, they do have some sense in following our policies. In particular, we had proposed amending the Children Act and we had proposed the amendments that were related to tobacco and alcohol because we care and because we care about the people and—[*Interruption*] No, I am not mixing up anything. I know exactly what I am saying, because we care. You see, Madam President, because we care, we care about our people and we care about our children in the way, for example, that if we were in power today we would have, at the very least, issued a travel advisory to citizens going to Venezuela and what we would have done is closed our embassy temporarily in Venezuela because, as we speak tonight, our good friend and neighbour is in chaos.

There is a revolution going on there now. You can call it what you like, you can pretend what you like, but there is a revolution and the reason that I say we would have done that, Madam President, is the same reason that we were bringing this law in, because we care because, Madam President, you cannot leave your citizenry out in the cold like that. You cannot leave your citizenry when a country is in chaos. You would do your best to protect them and protecting them means bringing them home. That is what we would have done. We would not have

issued a very mild diplomatic statement couched in diplomatese, if I can make up a word, saying, “Oh well, you know, we recognize the rule of law.”

Sen. Yuille-Williams: Madam President, on a point of order—35(1).

Madam President: Senator, I really would like you to start and to continue and stick to the Bill. There is nothing in this Bill about whatever is happening in Venezuela. Please, could you come back to the Bill? Thank you.

8.00 p.m.

Sen. R. Montano: Well, Madam President, what I was trying to say was that the reason that we were bringing in this business about the tobacco, the reason we were bringing in the business about liquor was because we care, and this is why I was saying by extension that it is because we care we would have done certain things, and that is how Venezuela became relevant. It is relevant to a fact which is relevant to the debate.

Madam President: Senator, I made a ruling and I think you have made your point. Please continue with the debate at hand.

Sen. R. Montano: Well, Madam President, of course I must bow to your ruling. Well, again, because we care, we would also be paying attention to the fact that children are being killed in Laventille. We would be paying attention to the unprecedented crime wave that is going on in the country. We would not have formed an alliance, an unholy alliance with Abu Bakr, to try to win the election and, indeed, we did not.

Sen. Yuille-Williams: Again, I do not think we could continue.

Madam President: Sen. Montano, are you aware? I am sure you know what the Bill is about. I am appealing to you, please do not let us have to get up on this point of order again. You have not even started to address the issue of the Bill. Could you please do so? Thank you.

Sen. R. Montano: Madam President, I thought you said, and I look to you for the interpretation of your ruling, because I do want to be able to understand it. I thought you said that a money Bill, we would, at the very least—you see my original understanding of a money Bill was that on a money Bill one could talk about anything. Today I have heard for the first time that no, whatever you say on a money Bill must somehow be tied back in, but there would be a wide order of latitude. Well, I am tying it—

Madam President: Excuse me Senator. A certain amount of latitude.

Sen. R. Montano: Well, Madam President, I find myself somewhat flummoxed here, because in the past we have debated money Bills. Indeed, I have in this session of this Parliament debated a money Bill known as the 2002/2003 Budget and an extremely wide latitude was allowed.

Madam President: Sen. Montano, we are not talking about what happened in the past. I made a ruling and would you kindly respect that ruling? Thank you.

Sen. R. Montano: Of course I respect it, Madam President. I do not agree with it, but I respect it. Madam President, I do understand that you have made a ruling, but what I want to understand from your ruling is, is this now a ruling that will apply in all future money Bills; regardless of who happens to be speaking? You see, there cannot be one ruling today and another ruling tomorrow.

Sen. Yuille-Williams: You must not disrespect the Chair.

Sen. R. Montano: I do not disrespect the Chair at all. I am trying to find out the confines of the ruling so that I will be able to stay within the ruling. Now, Madam President, as I was saying, the Children Act is amended in section—*[Laughter]* We will be pedantic about it, by deleting the words “cigarette or cigarette papers” and substituting the words “tobacco products”. By deleting the words “\$500, \$1,000 and \$1,500” and substituting the words “\$2,000, \$5,000 and \$7,500” respectively.

Why is this being done? Madam President, the selling of cigarettes and the selling of alcohol to children is wrong. The encouragement of children to smoke cigarettes and the encouragement of children to drink alcohol is wrong. It is wrong. It cannot be right. That is why I said we care. This is why we had brought this in. We did not want it to happen.

Now, when you have this happening like this, you find that what you have to pay attention to is what is always in the best interest of your children, wherever they might happen to be. And, one wants to make sure, as a Government, that the Government does its best for its citizenry wherever its citizenry might happen to be, and the Government must pay attention to everything concerning its citizens, everything, whether the citizens are in the country or outside of the country. That is why, Madam President, I raise the issue of Venezuela and what is happening in that country. *[Interruption]*

I know that the President ruled. You have a point of order?

Sen. Dr. Saith: Yes. It is relevant, Madam President. More than that, I am no member of the diplomatic corps, but believe it is not right for us in this Senate to be talking about another country, a friendly country, and talking about chaos and revolution. I do not think it is right. It is not right.

Madam President: Besides that, Sen. Montano, you are also repeating yourself and repeating the same thing that you have said over, and over, and therefore, I ask you again to come back to the Bill.

Sen. R. Montano: Very well, Madam President. Let me turn to something that Sen. Seetahal said which I support. When the Minister said under clause 8 that the Liquor Licences Act is amended by repealing section 60 and substituting the following section 60(1):

“A person who knowingly sells or allows another person to sell intoxicating liquor...”

I agree with what Senator Seetahal said about the word “knowingly”. You see, it becomes an offence that the prosecution will have to prove when it should be the other way around in circumstances such as this. So, for example, my good friend, Sen. Chin Lee, if he sold liquor in his Pier 1 establishment to a minor under the age of 18, he could get off by saying that he did not do so knowingly, but he would be guilty. He would have to show—

Sen. Dumas: Madam President, on a point of order, there is a question of whether the Senator is imputing improper intentions or whether he is attempting to make an inappropriate connection between the Minister who has no relationship to any business at Pier 1, being a member of the Government of Trinidad and Tobago.

Sen. R. Montano: Really? Well I did not know that, Madam President.

Madam President: Sen. Montano, I did not make a ruling yet but, again, please be very careful of how you say what you are saying and do not impute improper motives to any Member of the Senate.

Sen. R. Montano: Clearly, Madam President, nothing that I said could or should be interpreted as imputing proper motives to anybody. It is just that it is well known that Sen. Chin Lee came from Pier 1 to the Government, and it is well known that he is connected and his family are in there. If he, all of a sudden, has no more connection with them, that is fine, but I could still make the

hypothetical connection, and I was not imputing improper motives to him. I was simply saying that if he was the manager of Pier 1, which he is not, because my friend, Sen. Dumas, has said that he is not, and if he knowingly sells to a minor, alcohol or tobacco, then he could be fined. But if we took off the word “knowingly”, as my friend, Sen. Seetahal, has suggested, then it would be less difficult to prove his culpability, or indeed, the culpability of any other bar owner, for that matter. This is the point that I believe Sen. Seetahal was trying to make which I also make.

Sen. Dr. Saith: That she made better.

Sen. R. Montano: Of course, but I am reinforcing it. I am driving it home.

Sen. Dumas: Knowingly.

Sen. R. Montano: Knowingly driving it home. You see, there are other issues. Money is always important, and one of the things that I raised in the budget debate, for example, was the issue of the Caroni lands. And do you know, Madam President, that the Government is at this very moment working night and day to transfer the non-sugar producing lands owned by Caroni via vesting orders. These vesting orders are being prepared now for lands in Debe, Dow Village, Charlieville, the back of Lange Park—

Sen. Yuille-Williams: Madam President, on a point of order. How long are we going to continue with this? We have done it all the time, and I am saying—

Sen. Mark: What is the point of order?

Sen. Yuille-Williams: Irrelevance!

Madam President: Sen. Montano, unless you can tie that in with the Bill, then you will have to cease from reference.

Sen. R. Montano: I will tie it in to the Bill. You see, what I am trying to say is this. The children are impacted by their inheritance being destroyed, and that is the point. That is why I was saying that vesting orders are now being prepared for lands in Debe, Dow Village, Charlieville, the back of Lange Park, and other places in order to avoid coming to Parliament, and it is the children that we are talking about which, of course, is an attempt to avoid Parliament altogether.

You go and you vest the lands in the State just like that and you do not have any debate here. No embarrassment, with serious, serious monetary and financial effects to the country as a whole and, in particular, to our children. All of our children.

Sen. Mark: The PNM is doing that?

Sen. R. Montano: That is what they are doing. The vesting orders are being prepared now.

Sen. Mark: We will have to ask Conrad Enill. Let him clear that part up.

Sen. R. Montano: That is what they are doing now. You know, Madam President, it is a pity that I am being met by this, because I am reading from the little booklet that we all got, page 7, clause 4:

“The privilege of freedom of speech is by far both the least questioned and the most fundamental right of the Member of Parliament in the House and in the Committee.” [*Desk thumping*]

What is taking place here is an attempt, by the other side, to muzzle me.

Sen. Mark: Because you are talking the truth! [*Laughter*]

Sen. R. Montano: That is the point. And they laugh! Because the truth hurts. Left, right and centre. We sit down here, Madam President, and we talk about all kinds of things and nobody pays attention to what is really happening. Nobody wants, for example, to talk about, as my friend, Sen. Seepersad-Bachan, talked about, the \$250 million gift to Exxon. Nobody wants to talk about that and, yet, here you have \$250 million going out the door like this, whoosh! And it is all right because it is they who are doing it. No problem at all, because it is they who are doing it. If it was anybody else—one law for Peter and another law for Paul.

Sen. Mark: One law for the UNC and another law for the PNM! [*Laughter*]

Sen. R. Montano: It cannot be right. There is an *Express* editorial of Monday December 16th which criticizes this, and which says it sets a dangerous precedent.

Sen. Morean-Phillip: Madam President, I am forced to join my colleague in objecting to my friend's irrelevance in his contribution. Standing Order 35(1), he was dealing with Sen. Seetahal's point with respect to the sale of liquor licences and he has reached Exxon, he has reached a door and money going out a door, which is totally irrelevant to the section being discussed.

Madam President: Hon. Members, this has reached to the stage of being ridiculous now. Sen. Montano, I am trying to be understanding of what you are trying to say, but you are not sticking to the Bill. Please try to debate what we have here: Cigarette and alcohol sale to children and the other clauses of the Bill. If you persist in being irrelevant or being repetitious, I am going to have to take other action and I would not want to do that.

Sen. R. Montano: I would not want you to do it either, Madam President. [Laughter] The point of the matter is, it refers, I was referring to the petroleum sector which is referred to in the Bill. You know, Madam President, I must say that I am astonished by this, because while I agree that we are not bound by the rules in the other place—the debate in the other place involved all these things and more.

If I could just quote the *Express* editorial for a moment:

“The problem with all this...”

As the *Express* says—

“...is that it sets a dangerous precedent for future exploration contracts in the industry and means that it will be increasingly difficult to enforce penalties in similar situations.”

The Corporation Tax Act, Madam. [Laughter] That is what I am talking about. Let me read to you what the Corporation Tax Act in this Bill says.

“The Corporation Tax Act is amended—

- (a) by repealing sections 8 and 9;
- (b) in section 10G(1)—
 - (i) by deleting the words ‘subject to this section’ and substituting the words ‘subject to section 10L; and
 - (ii) by deleting the words ‘three hundred thousand dollars’ in the last line and substituting the words ‘four hundred and fifty thousand dollars’;”

Now, what we are doing with all of this is that we are dealing with taxpayers’ money. Here we are going in section 5 and we are dealing with giving companies tax credits of 150 per cent of the actual expenditure because we want to encourage them to do certain things. We are dealing with taxpayers’ money.

When you take \$250 million of taxpayers’ money and you give it to a foreign corporation—we are also dealing with taxpayers’ money and that is the point I am trying to make. [Desk thumping] Why, Madam President, is it that we do not want to debate that in this Senate? Do we want the world to say, “Hey, you know what? The PNM controlled Senate will not allow debate on money Bills”? Is that what we want? No. We want something, we want to maintain our democracy and we want to maintain the democratic processes. We do not want it to be said, as it

will be said around the world, that the PNM is using its muscle and its majority to stifle honest, proper and democratic debate on money Bills. That you do not want. That you definitely do not want.

Madam President: Senator, just remember it was not a ruling of the PNM. It was I who made that ruling. [*Desk thumping by the Independents*]

Sen. R. Montano: Well then, Madam President, let me change it to say the one thing—you do not want that either. Now, if I might continue, Madam President, the question of crime, especially crime in Laventille, crime in Chaguanas and, Madam President, I heard others talking about this and they were not interrupted and were not ruled irrelevant, so I presume I can talk about it too.

The thing is, Madam President, the country feels that it is under siege. We listened today to certain statements made by the Minister of National Security and Rehabilitation which quite frankly gave no right thinking person any real comfort. When you try to examine what he says, it does not amount to anything. How does it protect our children? How did it protect, for example, Peter Bernard who was shot last week because he dared stand up against a certain group? He dared to do it. How does it protect him? The nice words that we heard this afternoon.

How does it protect the people in Chaguanas who have been coming to me and saying help? I keep on telling them I can do nothing except raise it in the Senate. They come and they say, “Mr. Montano, have you noticed that since Ramadan has finished there has been an increase in crime? Have you noticed the fantastic increase all around? Have you noted that our children are under attack again; children being kidnapped, again?” Chaguanas people are coming, yes, believe it or not.

We go like this, Madam President, and we say, no. More than the fine words that we heard this afternoon are needed. We heard Sen. Prof. Deosaran talking about how they fix things in New York, and I agree with what Sen. Prof. Deosaran said because I have been looking at what they did in New York too. What they did is that they made people accountable and they made everybody accountable so that if one could not fix it, one got fired.

If the Minister of National Security and Rehabilitation, who has been in office now seven days short, more or less, of one year, because the PNM got sworn in, or at least the Prime Minister got sworn in on December 24 last year, he has been in office for a few days short of a year. If he in that entire year has been unable to fix it, surely he could come to us, Madam President, and give us a timetable in which

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he says, “Look, I can fix it sooner or later, and this is my timetable. This is what is going to happen. This is when it is going to happen, and the country will see a downturn in crime by such and such a date. They will see it.”

Unfortunately, I do not believe that we are going to see it, and we are not going to see it because the PNM and the Jamaat are linked, and the PNM is incapable of bringing the Jamaat to heel. That is the problem. Therein is the nub of the problem.

Madam President, it is our children. You see, it is a tragedy that we are incapable of facing up to the problems that we face, and we prefer, instead, to make jokes; we prefer instead to kibitz, barrack from the sidelines, and make all kinds of statements that do not deal with the real problem. There is a total and complete lack of accountability, Madam President, and therein lies our problem.

I wish that I could say that the country would have a Merry Christmas. It would not. I wish that I could say that our citizenry will go to bed on Christmas Eve feeling that all is right with our little corner of the world. Unfortunately, they cannot. They will remain, especially the citizens in Chaguanas and in the East-West Corridor, behind locked doors; barricaded in self-imposed jails with self-imposed curfews, yet, here this evening, the other side laughs. They laugh. The truth is they do not care. Well, Madam President, the longest night always has an end, and even if it is four years and 10 months or four years and nine months away, or whatever time, the night will come to an end.

Sen. Mark: The sun shall rise!

Sen. R. Montano: The sun will rise again. [*Desk thumping*] [*Interruption*] Ramesh? That is their partner. That is the problem. He was the guy who put them in power, and they are eternally grateful to him—that we know.

Madam President, as I said, the sun will rise. As I was saying before I was so rudely interrupted, may I wish you and your family a Merry Christmas and a bright and prosperous New Year, and the same to all my colleagues, both on the other side and, of course, behind me. May I say to the country as a whole, Madam President, through you, that we on this side understand what you are going through. We understand your feeling of frustration, we understand your feelings of betrayal, but we will be here for you today, tomorrow, and always. God bless each and every one of you. Good night. [*Desk thumping*]

The Attorney General (Sen. The Hon. Glenda Morean-Phillip): Madam President, I just wanted to clarify. I did not intend to speak on this Bill, so I will

be less than five minutes to clarify a few points that were raised. First of all, let me deal with the last point with respect to a sport policy raised by Sen. Anmolsingh-Mahabir. I, too, hold sport near and dear to my heart, so if I am in any government that does not have a sporting policy, I would do certain things. *[Interruption]* You do not put words in my mouth. Now, we do have a sporting commission that is being set up and that is coming to Parliament soon, so just to reassure the goodly Senator that sport is top on our agenda.

With respect to the question raised by Sen. Seetahal, in relation to the fines in respect of the sale of tobacco products and also, alcohol, she has raised the point that there is a fine, and nothing further. Now, there are some offences for which one may not want to impose a custodial sentence as a first resort, and if we look back at the debate in particular to Act 68 of 2000, one will see that this is something that had been gone through. Do not mind it was done by the other side, but what is good we are not going to throw it out of the door. We are not going to throw the baby out with the bath water, because we love the baby.

So, the fact here is that although there is no further sanction, the law provides a sanction in the form of section 78 of the Summary Courts Act, enforcement of orders to pay money. So that if there is a fine imposed by the magistrate, section 78 has set out in compendious form the procedure whereby this can ultimately lead to the person being incarcerated, so that there is a follow up on that.

One does not want to start by using a crane to take up a nail. It may be that the fines may be enough. If it turns out—because legislation is ongoing—that after monitoring the legislation one finds that the fines that have been imposed are not really acting as a deterrent, the legislation could be modified, but one does not start off with a Draconian measure when there is, in fact, legislation to take you to that further level. So, I think that that should put to rest the fears of the goodly Senator with respect to no fallback position or no further position with respect to the fines imposed.

In section 24 of the Children Act, the word “apparently” is used: “apparently under the age”. Now, this word is used in several sections, and the objective here was not to overhaul the provision totally, but to provide stiff penalties for nonobservance of the particular provision. In addition to that, again, if you go back to the debates of Act 68 of 2000, you would see that this position, the position of whether there should be strict liability imposed on the person, the vendor, whether that should have been imposed was considered, and it was felt that while we want to protect the children, we do not want to penalize unfairly the person who is selling. So that word remains there, “advisedly”.

In addition, in the case of the liquor licence, where the word “knowingly” is used, again, if we remove that word, there would be strict liability. So that, whether the person selling knew or did not know that the person was under 18 years of age, he would still be liable. For instance, you may have a case where the person under 18 provided evidence that was not correct which purported to say that the person was 18 and over and it turned out to be otherwise, it may well be that the person selling could be held liable because of the strict nature of the liability. So that that would have been taken into account in retaining the word “knowingly”.

With respect to the \$450,000 allowance, it is a fact that any law you introduce could be subject to abuse, and we are within the realms of possibility, so that in a case like this where this provision is made, unless we see that there is, in fact, a situation which would necessarily bring about abuse, I think the legislation can be monitored and if it is found to be the subject of abuse, it can be modified subsequently. So, I would not and we cannot say positively that there will be abuse. There may be abuse, and if there is, it can be monitored. This is just what I will say about that.

I think those are the few points with respect to the legal position that I would like to have clarified, which I have done, I think. Thank you, Madam President.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, first, let me thank all those who have contributed towards the debate in this honourable Senate. I wish to remind this Senate that the budget is set within the vision of making Trinidad and Tobago a developed country in the shortest possible time and, certainly, by the year 2020, and while some contributors may disagree with some of the measures and the timing of some of the initiatives, certainly, I think we all agree that this is something that we must do.

During the course of the debate, there have been a number of statements made which I need to deal with quickly. We have indicated, for example, that phase one of our programme would begin this year, fiscal 2002/2003, and in this regard, what we sought to do, and I think we have all agreed, was to deal with certain specifics. Our youth, for example, we focus in the first instance on dealing with our children, and I think that we have all agreed that compliance is something that we need to continue to work at in order to ensure that the intent of our measures are achieved and, certainly, in the context of institutions that need to monitor or deal with that particular matter, we would treat with.

In terms of the used car industry, the measures that are proposed are intended to rationalize some of the operations of the industry. When the roll-on, roll-off regime was introduced, it was signalled by the last administration that CKD would discontinue by March of 2002. The present Government met with most of the dealers and they had, in fact, converted to their roll-on, roll-off businesses. The challenge that they had, as was told to us, was the issue of the tax that was increased from some \$30,000 to \$90,000 in one year. This, Madam President, if anything, was a measure that was intended to destroy that industry. We have, in fact, corrected that situation by reverting to the \$30,000 pre-1999 tax and we have also given those businesses the opportunity to sell the inventory that they have and salvage, in some instances, their businesses.

Madam President, the impression is being given that the Government intends to make vehicles more expensive for the small man. This is absolutely not true. Vehicles whose engine size is less than 1599ccs will continue to pay no motor vehicle tax. There is no change to that. In the examples we have quoted, we have said, foreign-used vehicles 1800ccs, which are not more than two years, currently pay between \$12,960 and \$14,400 depending on the age of the car. From January 01, 2003 for that same sized engine vehicle one will now pay \$10,800; a reduction.

Foreign-used 1800cc taxis—not maxi-taxis—which are not more than two years currently pay between \$9,720 and \$10,800 depending on the age of the vehicle. From January 01, 2003 for these same sized engine vehicles one will now pay a flat tax of \$8,100; a reduction, Madam President. In fact, the industry is currently being strengthened. Dealers need to satisfy the Ministry of Trade and Industry that certain standards for the industry exist in terms of adequate parts, roadworthiness, limited warranties. This is the intent; this is what these measures are intended to do. It is really intended to strengthen the industry and really to look after our customers.

Madam President, there has been much discussion on the income tax amendments. Whilst, on the one hand, we talk about moving the country forward, there are certain interventions that a government must make. This Government has made two such interventions in the instances of credit union deductions and housing allowances.

On analysis we have found that the cost of funds for many of our middle income earners who may wish to get involved in entrepreneurial activity is simply too high. Our desire to create new entrepreneurs has caused us to establish a

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number of mechanisms to support this activity. We have established, for example, an institution that deals with small and micro enterprises, and another one that deals with large enterprises.

There are some 300 thousand persons in the credit union system, and these individuals and these organizations will now have the ability to access a larger pool of resources for business activity. The housing gap in this country is some 20,000-odd and counting. The measure that we have put in place really seeks to make it attractive for citizens to own their own homes. Somebody asked the question about the cost. Well, if it is \$10,000 per year and we have targeted 10,000 units, I think that is about one hundred million. If you talk about 25 cents as the tax foregone on that, I believe the cost is about \$25 million, just about.

With respect to institutional strengthening of our organizations, yes, Madam President, we are very much aware that our institutions need to be strengthened, because as we move towards vision 2020, one of our objectives must be that the institutions that need to deliver services must be, in fact, strengthened, both in terms of human resource infrastructure and all the bits and pieces.

There are two matters currently under review by the Government. The Revenue Authority, which is really looking at Inland Revenue and Customs with a new organizational structure intended to create a more effective institution, an institution that is geared to do some of the things that other Senators talked about, and all the issues that are involved in the reform processes. There are two reforms currently taking place; one at the level of Inland Revenue and another at the level of customs. They have both been going on for too long—one for eight or nine years, and the other one just as long. The effect of these, really, we have not seen it in the manner which we had hoped to see it.

In terms of legislation, we mentioned earlier on that the Supervisor of Insurance and the Central Bank issues would be addressed early in the New Year. Mutual fund legislation and all the legislation designed to increase our capital markets, we intend to bring those forward.

In terms of the broad issue of enforcing the legislative agenda, we know that we need to strengthen our institutions and those are things, Madam President, that we are in fact working on.

The question of the Supplemental (Variation of Appropriation) Act, that will be brought in January and we need to do that before January 31, 2003 and it is clearly our intention to do so. We are currently working out the mechanism by which that could occur.

By and large, I believe that most of the questions that were asked, we have answered. The question of resident versus citizen, the Inland Revenue considers that the term that is used for tax purposes in order to claim the allowance is resident as opposed to citizens. That is the term used in Inland Revenue, and the taxpayer has to provide the Board of Inland Revenue with the relevant information before the deduction is allowed, I think. One got the impression that there was the notion that the Board of Inland Revenue would have to go out and get the information. In fact, you would be the one to have to provide this information to the Board of Inland Revenue if you actually want the allowance. So it would be on you to do what is required in order to achieve the allowance.

Insofar as the amendment proposed by Sen. Prof. Ramchand, 10J, Madam President, in this regard, the Ministry of Finance will, in the interim, interpret this clause in the widest possible manner until we can introduce this by legislation.

The vision, Madam President, of the People's National Movement, is rooted in upholding and advancing the human dignity of every individual, irrespective of race, color, religion, ethnicity, gender and social origin. We envision that by 2020 Trinidad and Tobago will be a prosperous and a progressive society catering to the needs of our citizens, a preferred place to live, raise children, do business, work, and go to school. Economic growth, we expect, will be inclusive of and socially responsive to the needs of all segments of our society. It will be based on the full participation of the population and promote wealth creation among all income groups.

Madam President, with the Bill that we have just discussed to provide for the variation of certain taxes and to introduce other provisions of a fiscal nature, for related matters, we have begun the process to move our agenda forward.

Madam President, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. C. Enill: Madam 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 a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

Season's Greetings

The Minister of Public Administration (Sen. The Hon. Dr. Lenny Saith): Madam President, before I move the adjournment of the Senate, let me take this opportunity, as this is our final meeting for this year, to wish you and your family the best of the season. To convey to our Clerk and her hardworking team and, in fact, all members of the staff of the Parliament who serve us and make our jobs here easy and sometimes very enjoyable, please convey our greetings to them.

On behalf of the Senators on this side, we convey season's greetings to the Members of the Opposition and to the Independent Benches. I also take the opportunity to extend those greetings to our colleagues in the other place, whether they are in Trinidad or not, and to also thank the staff of our ministries that come here and help us to make sure that we do our work properly. It has been a pleasure working this year, Madam President, and we look forward to continuing our work next year.

I wish now, therefore, Madam President, to move that the Senate do now adjourn to a date to be fixed.

Sen. Wade Mark: Madam President, I would like to join my colleague, Sen. the Hon. Dr. Lenny Saith in extending on behalf of the Opposition, the United National Congress, the warmest season's greetings to everyone in this Chamber and, particularly, your good self, Madam President, and your family, your children, your grandchildren, a happy season and a wonderful New Year.

I also extend to all my colleagues on the Opposite Benches, the PNM, even though—you know, I keep saying Madam President, because of the adversarial system that we have, when I speak, I speak in a professional capacity. [*Laughter*] There is no personality difference. I speak to all my friends as soon as we leave here, but we have to do what we have to do.

I extend to my colleagues on the Independent Benches also and their respective families a very wonderful season, and take this opportunity to really thank and to extend season's greetings to the Clerk and Miss Sandy, as well as the Marshal of the Parliament and all the CAT Reporters, the staff of Hansard, as well as our couriers and members of the staff of Parliament generally.

I also extend our heartfelt appreciation to the protective services, the police officers of all ranks here in the Parliament. I am not talking over the job of

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national security, I am just dealing with the police officers in the precincts of the Parliament and their respective families. Madam President, a very warm and happy season, and to also members of the media and the people of our beautiful republic, a warm, happy and wonderful Christmas.

We would also like, Madam President, to wish everyone in this Chamber and outside a very positive, peaceful, productive and rewarding 2003, and may Almighty God continue to shower richest blessings on our nation of Trinidad and Tobago and the citizens of this republic.

Thank you very much.

Sen. Prof. Kenneth Ramchand: Madam President, on behalf of the Independent Senators, I bring Christmas greetings and good wishes for a blessed, productive and stress-free New Year to you and your family and to all Members of the Senate and their families. We look forward to working with you and all Members of this Senate in the New Year.

We extend greetings and gratitude to the staff of the Parliament who have served us with such care and efficiency; to the protective services for watching over us and, of course, to their families; to the media who stick with us from beginning to near the end; and to regulars in the public gallery. We also extend Christmas and New Year good wishes to the whole nation.

Madam President, may God bless us all, may God bless our nation, and keep us safe in these troubled times and let us enjoy in even greater measure in this season, the love and warmth of our families and friends.

Thank you.

Madam President: Hon. Senators, let me, first of all, thank Senators on both sides of the Senate, the Government, the Opposition, and the Independents for your good wishes to myself and my family, and let me join with you in extending season's greetings to everyone within the Parliament. To the Clerk and the staff, the Marshal, to the media, the protective services, all the other staff who, as Sen. Prof. Ramchand had just said, and the rest of you have said, they keep us going through the year and we are really grateful for them and for their knowledge which they extend to us as Members of this Senate.

I hope that your Christmas season will be a very peaceful and happy one. We have been talking here today about families, and I hope that you will spend it in the bosom of your families. We have been talking about alcohol, so I hope that

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you will drink moderately and eat moderately and be very careful on the roads and that you will return to this Chamber revitalized and ready for our new session. I wish you also a very happy New Year.

The Clerk has asked me to also announce that there is a post election seminar which is starting on January 13, 2003 until January 15, 2003. All Members of Parliament will be expected to attend and official communication will be coming to you, but you could start putting that into your diaries.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 9.00 p.m.