

*Leave of Absence**Tuesday, April 08, 2003***SENATE***Tuesday, April 08, 2003*

The Senate met at 1.30 p.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Madam President: Hon. Senators, I have granted leave of absence to the following Senators from the sitting of the Senate: Sen. The Hon. Hazel Ann Marie Manning for the period April 08, 2003 to April 13, 2003 and Sen. Arnim Smith for this sitting.

SENATORS' APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from the President of the Republic of Trinidad and Tobago.

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency GEORGE MAXWELL RICHARDS,
President and Commander-in-Chief of the Republic of
Trinidad and Tobago.

/s/ G. Richards
President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Hazel Manning is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOAN HACKSHAW-MARSLIN, to be temporarily a member of the Senate with effect from 8th April, 2003 and continuing during the absence from Trinidad and Tobago of the said Senator Hazel Manning.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 7th day of April, 2003.”

Senators' Appointment
[MADAM PRESIDENT]

Tuesday, April 08, 2003

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency GEORGE MAXWELL RICHARDS,
President and Commander-in-Chief of the Republic of
Trinidad and Tobago.

/s/ G. Richards
President.

TO: MR. GARVIN NICHOLAS

WHEREAS Senator Arnim Smith is incapable of performing his duties as a Senator by reason of illness:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, GARVIN NICHOLAS, to be temporarily a member of the Senate with immediate effect and continuing during the period of illness of the said Senator Arnim Smith.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 8th day of April, 2003.”

OATH OF ALLEGIANCE

Senators Joan Hackshaw-Marslin and Garvin Nicholas took and subscribed the Oath of Allegiance as required by law.

**SENATORS' BEHAVIOUR
(RULINGS)**

Madam President: Hon. Members, I have a ruling for this House. Within recent times, I have noticed a slow decline in the high standard of behaviour in this august House. I have seen Members of this honourable House shout across at each other, call each other names, ignore the rulings of the Chair, threaten the Chair, engage in loud crosstalk, waste the Parliament's time by participating in irrelevancy and repetition and show disregard for the Standing Orders of the Senate. I am of the opinion that much more can be accomplished if Members were to utilize their time and energies more productively and prudently by sticking to the issues before them and relating their arguments to the particular matter as they relate to the bills or motions before this honourable House.

The procedures of this House are based on the long-standing traditions of respect and integrity of all Members. It is my duty to maintain these noble traditions and also to upkeep law and order in debate. I will do so fairly and courageously and without fear of and/or intimidation by anyone. The dignity of this august House must be maintained. I will be failing in my duty if I do not take the steps necessary to reverse this trend of behaviour in a House which is slowly becoming unruly and disrespectful.

Hon. Members, relevance is necessary in order that the Senate might exercise its right to reach a decision, and also to exclude from its debate any discussion which does not contribute to the process. Relevance is used to keep Members from straying from the question before the House or in committee. Members should bear in mind that it is not easy to rule a Member irrelevant until he or she has made some progress or has completed his or her remarks on the issue. Therefore, anticipating what a Member intends to say cannot be ruled out of order on the grounds of irrelevancy.

Accordingly, I now rule that contributions to debates, whether in committees or in the House, must be relevant to the question before the House. That is, the debate must relate to particular bills or motions before the Senate at the point in time. On the issue of repetition, I shall terminate the speech of anyone who persists, despite my warnings, in repeating arguments which, though relevant, were already addressed by the same speaker in the same speech or by other Members of the Senate in the same debate. The use of unparliamentary language including offensive, provocative or threatening language is strictly prohibited and will be ruled out of order. Issues before the courts will also be deemed irrelevant and not permitted.

In keeping with the practice of the Senate, content of speeches made in the current session of the Senate may be summarized during the debate but it is out of order to quote from such speeches as this will not be permitted and will be ruled irrelevant. Also, Members are restrained from commenting upon the proceedings of the other House during the current session on the ground that reference to debate in the other House in the current session will amount to fruitless arguments between the Houses by Members who will be unable to respond to each other and this will be ruled out of order.

As far as Members' behaviour is concerned, during debate, Members must refer to Members who are Ministers by the title of their appointments and other Senators by name. Members would be out of order to use offensive and insulting language about other Members. Whilst another Member is speaking, Members who are not speaking shall maintain silence and shall not interrupt except in accordance with the rules of this House. Standing Orders 35(4) and (6) and 39(b) are applicable. There shall be no loud crosstalking in this Senate.

Senator's Behaviour
[MADAM PRESIDENT]

Tuesday, April 08, 2003

May I take this opportunity to remind hon. Members that I take my duty seriously and conscientiously. The Chair of this House will, at all times, try to maintain the dignity of this office, having regard to the letter and spirit of the Standing Orders and the rules and practice established by this Senate and by my distinguished predecessors, both here and abroad. It is in an effort to maintain the dignity of the office I therefore appeal to all hon. Senators to recognize that it is my duty to uphold the dignity of this august Chamber and to recognize that rulings, once given by the Chair, are final and are not open for question or debate and they can neither be challenged nor dismissed unless upon a substantive motion moved for that specific purpose.

Hon. Members, discipline and decorum must flow from within this honourable House. All of us have been charged with the responsibility and duty to uphold the principles, traditions and discipline of the House. I therefore charge you with these responsibilities as we strive to keep the dignity and the decorum of this honourable House.

PAPER LAID

Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Penal-Debe Regional Corporation for the nine-month period January 01, 1998 to September 30, 1998. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]

ORAL ANSWERS TO QUESTIONS

CEPEP (Public Works Details)

25. **Sen. Wade Mark** asked the hon. Minister of Public Utilities and the Environment:
- A. Could the Minister give details about the names and number of companies established and performing public works under the Community-Based Environmental Protection and Enhancement Programme (CEPEP)?
 - B. Could the Minister state whether all those companies identified are legally incorporated under the New Companies Act? If not, why not?
 - C. Could the Minister further state whether any advertisements were placed in the daily newspapers for notice of public tendering for these public works? If not, why not?

The Minister of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas): Madam President, there are 110 companies performing works under CEPEP. Because of its voluminous nature, and in the interest of time, the names of the companies are lodged with the Clerk of the Senate for examination by Members of the Senate.

Sen. Mark: I want a copy of that.

Madam President: Stand and address the Chair.

Sen. Mark: Could I interrupt him?

Madam President: Let him finish his answer and then you will be allowed a question.

Sen. The Hon. R. Dumas: SWMCOL's programme manager for CEPEP has advised that all 110 companies are legally incorporated under the new Companies Act.

No advertisements were placed in the daily newspapers for notice of public tendering for the public works under CEPEP since the programme is community-based and utilizes established groups and organizations.

Sen. Mark: Madam President, could the hon. Minister make available to me a copy of the 110 companies, then he could lodge it with the Senate for others? I would like to have my copy now. Secondly, Madam President, could the hon. Minister indicate to this Senate how companies or groups or contractors are selected? How are they selected, seeing that there is no public tendering? He talks about community groups. How is that conducted? How is that executed? Could he explain to this honourable Senate, Madam President?

Sen. The Hon. R. Dumas: Madam President, the question that the Senator is asking was already asked and answered in this Senate in this session and it was asked by the same Senator. Secondly, the listing of companies, the same Senator also asked for that listing and it was provided to the same Senator and to every Member of the Senate previous to this question. So I have no problem giving him another copy at the end of the session or sometime between now and the closure of the question period.

Sen. Mark: Madam President, I asked a specific question and he did not respond to my—I asked a question.

Madam President: I think he said he answered that question prior to this. Do you have the answer again, Mr. Minister?

Sen. The Hon. R. Dumas: What am I asked to answer? I am not sure.

Sen. Mark: Could I repeat?

Madam President: Repeat the question, Senator.

Sen. Mark: I am just asking, for instance, you said that it is not out for public tendering, it is done on the basis of community grouping. So I would like to know, how is this executed? How is it conducted? Just give us an explanation. Reiterate for me, please?

Sen. The Hon. R. Dumas: Madam President, there is a distinction. There is a distinction between selection of a contractor and public works by the contractors, and we have responded to both.

Sen. Mark: Yes, but Madam President, I am trying to ask my hon. friend, how do you select these contractors? That is all. Just give us some explanation, please.

Sen. The Hon. R. Dumas: The selectors were—the contractors?

Sen. Mark: How do you select them?

Sen. The Hon. R. Dumas: No, the contractors were selected by a process of public advertisement, response to those advertisements and interviews of those contractors and that procedure was already outlined in a previous answer.

Sen. Mark: Not to me, maybe somebody else; not to me.

Sen. The Hon. R. Dumas: You yourself asked the question.

Madam President: Sen. Mark, we will move on, please, to question No. 26.

Sen. R. Montano: Madam President, before Sen. Mark moves on, I am now confused. I thought the Minister said that there were no advertisements and now I have just heard the Minister say that they were selected through advertisements? Would the Minister kindly state what is the correct answer? Were there advertisements or were there no advertisements?

Madam President: Yes, go ahead, please.

Sen. The Hon. R. Dumas: Madam President, there are two issues being raised. There is an issue of how a contractor is selected and there is an issue of public works. There are two different issues. One is, a contractor is assigned works and works are the product of the contract between SWMCO and the contractor—two different issues, Sir.

Sen. R. Montano: Madam President, with the greatest of respect, I still do not know the answer and I do not think that anybody else on this side does either. A simple question: Were there advertisements, yes or no?

Madam President: Mr. Minister, in your question today you mentioned something about “was not advertised”. What was it you said was not advertised? Let us just clarify that point.

Sen. The Hon. R. Dumas: The works perpetrated by the contractors in the CEPEP programme were identified in the advertisement as constituting a certain class of works. I do not know that we are here to teach English, Madam President. With respect, I am suggesting there is a distinction between a programme that includes certain categories of works as against specific items of works. The specific items of works were not advertised but the programme of work was advertised and the contracts were advertised.

Madam President: Senators, I think we should move on.

Vide end of sitting for written part of answer.

CEPEP

(Employment Criteria Details)

26. Sen. Wade Mark asked the Hon. Minister of Public Utilities and the Environment:

Could the Minister inform the Senate about:

- A. (i) The total number of persons employed by each company under the Community-Based Environmental Protection and Enhancement Programme (CEPEP)?
- (ii) The criteria used by these companies in the employment of these persons?
- B. Could the Minister state whether the jobs offered under (CEPEP) were publicly advertised?
- C. Could the Minister provide the appropriate information and documentation to show that these jobs were advertised?

The Minister of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas): Contracts with CEPEP operate under an authorized limit set by SWMCOL in terms of the minimum number of employees to employ. The minimum limit is either 40 or 60 employees, based on the communities in which they operate and the nature of the projects to be performed. These limits were set to allow adequate staffing for the fulfilment of all the elements of the contract but

individual contractors are free to hire additional employees once they determine such increases are viable.

Because of its voluminous nature and in the interest of time, details related to the authorized minimum limit of employees per contractor are also lodged with the Clerk of the Senate for examination by Members of the Senate.

Since the project is community based, contractors have been required to recruit persons from within the community in which the particular project is being executed. Further, contractors have been advised that there should be no discrimination in the recruitment of staff. Other criteria set for employment include the individual circumstance of the person such as whether the person is particularly challenged in obtaining other forms of employment or is a single parent. The rest is left to the discretion of the contractor who operates as a separate legal entity.

SWMCOL has advised further that jobs offered by SWMCOL in the CEPEP were publicly advertised. SWMCOL has advised that the position of project officers technical field services, was advertised in the *Express* newspaper on June 26 and 27, 2002 whereas the position of field officer was advertised in the *Express* and the *Newsday* newspapers on November 08, 09 and 10, 2002. Copies of these advertisements are here, Madam President.

Sen. Mark: Madam President, through you, again could I ask that the answer as it relates to the total number of persons employed be made available directly to the person who has asked the question? That is the first area. Secondly, could the hon. Minister indicate whether he is aware of widespread discrimination in the employment practices of those contractors who employ citizens in different parts of our Republic? Is he aware of discriminatory practices? If he is, what is the Government doing about it?

Sen. The Hon. R. Dumas: Madam President, I do not know that the question asked for the names of the employees, so maybe the Senator will want to ask another question if he wants the names.

On the question of discrimination, Madam President, I am not aware of any discrimination in the programme, but I would like to draw to the attention of the Senator that if he checks the dates, June 26 and 27, and November 08, 09 and 10, the country will remember that this was the period during which civil disobedience was being advocated by the Senator and the people who he thinks are now discriminated against may not have been as forthcoming in their application and participation in the programme. Given these dates, then, maybe

some people did not apply either to be participant or to be members in the programme because the advocacy of that Senator was in making sure that programmes of the Government failed.

Sen. Mark: Madam President, I am glad that he has raised that. In light of what he has just admitted, could he indicate what steps the Government is taking to end this practice of discrimination in the employment practices of the CEPEP programme?

Sen. The Hon. R. Dumas: Madam President, I repeat, there is no discrimination in the programme.

Sen. Mark: Madam President, could I ask another question? Is it left completely up to these contractors to determine whom they employ in these communities? What kind of criteria do you establish or set in order to ensure that there is fairness in the distribution of these jobs in the respective communities?

Sen. The Hon. R. Dumas: Madam President, I would think that if there is a question the Senator would like to ask—that is a new question.

Madam President: Shall we move on to question No. 27, please?

Vide end of sitting for written part of answer.

**CEPEP
(Remuneration Details)**

27. Sen. Wade Mark asked the hon. Minister of Public Utilities and the Environment:

Could the Minister provide details on:

- (i) The amount of money paid to each company under the Community-Based Environmental Protection and Enhancement Programme (CEPEP);
- (ii) How are the companies paid;
- (iii) When are they paid; and
- (iv) How much is each person employed by these companies being paid?

The Minister of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas): Madam President, because of the voluminous nature of the information and in the interest of time, details on the amount of money paid to each company under the Community-Based Environmental Protection and Enhancement Programme, CEPEP, are lodged with the Clerk of the Senate for examination by Members of the Senate. For convenience, information relevant to

the names of contractors, number of employees per contractor and payments made to each contractor are all lodged in that same document and available for examination by Members of the Senate.

To effect payments to a company under CEPEP, a bank transfer is made to the contractor's account based on an approved invoice sum. Companies operating in the CEPEP are paid approximately eight days after the submission of their invoices and based on field verification of the works undertaken. The minimum daily wages paid to labour working on the project are as follows:

Unskilled labour	\$75 per day
Semi-skilled labour	\$110 per day
Foremen	\$125 per day

Those are minimum rates.

Sen. Mark: Madam President, through you, could the hon. Minister indicate to this Senate who is responsible for monitoring work output on the part of these various contractors under the CEPEP programme? Do we have a special committee that does that?

Sen. The Hon. R. Dumas: Madam President, the executing agency for the CEPEP is the SWMCOL. They have a responsibility for execution of the programme and therefore they would be the ones responsible for monitoring output.

Sen. Mark: Madam President, is the hon. Minister satisfied with reports coming from this particular company, Solid Waste Management Company Limited, as they relate to the monitoring of output by these CEPEP gangs on a daily basis? *[Interruption]* Companies—gangs or companies. *[Interruption]* Companies.

Sen. The Hon. R. Dumas: I am not sure what is being asked. The question sounds very convoluted. I do not know if the Senator could make it any clearer.

Sen. Mark: Could I make it any clearer for you, to clear your own head? I am just asking my hon. friend—*[Interruption]*

Madam President: Through me; through me.

Sen. Mark: I am asking through you, Madam President, my good friend, what kind of system exists and whether he, as the Minister, is satisfied with the system that is now in existence in monitoring the daily output of these CEPEP companies or contractors?

Sen. The Hon. R. Dumas: Madam President, pardon me. I feel that there is quite a distance between systems management, as being asked by the Senator, and

the original question on payments, that is the body of the question. I do not know if he would want to ask another question, Madam President.

Sen. Mark: Madam President, may I ask a final question? Is the Minister aware of a company called Market Space Limited? If he is aware of such a company, could he tell this Senate whether that company performed payroll functions or services to the CEPEP contractors?

Sen. The Hon. R. Dumas: Madam President, the payroll management function of SWMCOL is a matter for the functioning of SWMCOL. If there is information specifically that the Senator wants, I would be quite happy to find out for him if he will ask the question.

Madam President: Sen. Mark, I think we need to move on, so would you please file a question and let the Minister bring the answer? We still have other questions and we are running out of time, so I would like to move on to Sen. Montano, please?

Vide end of sitting for written part of answer.

Revenue Stabilisation Fund (Financial Details)

42. Sen. Robin Montano asked the hon. Minister of Finance:

- A. Could the Minister state:
 - (i) What was the balance of monies standing to the credit of the Revenue Stabilisation Fund as at December 24, 2001?
 - (ii) What is the present balance of the said Fund as at the date this question is answered?
- B. Could the Minister give full details of:
 - (i) Any credits to and/or debits from the Fund occurring during the period December 24, 2001 to date?
 - (ii) The purposes for which monies debited from the Fund were utilized?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, the balance of moneys standing to the credit of the Interim Revenue Stabilisation Fund as at December 24, 2001 amounted to \$1,035,367,980.33 of which the sum of \$1,015,272,000 represented transfers to the fund and the sum of \$20,095,980.33 accrued interest.

The balance of the fund as of March 31, 2003 was \$1,060,749,780.33 of which transfers remained unchanged at \$1,015,272,000 and accrued interest amounted to \$45,477,780.33.

Madam President, there have been no withdrawals from or transfers to the Interim Revenue Stabilisation Fund from the period commencing December 24, 2001 to date. As a consequence, part (ii) of the question is not applicable.

Government's Revenue Raising Activities

43. Sen. Robin Montano asked the hon. Minister of Finance:

- i. Could the Minister state how much money the Government has raised or sought to raise in any form (whether by direct borrowing, divestment of state organizations, sale of assets, issuing of bonds etc.) outside of the budgeted revenue and expenditure of the 2002/2003 budget which was presented in October 2002?
- ii. Could the Minister give details on how it raised or sought to raise monies outside of the budgeted revenue and expenditure of the 2002/2003 budget?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Madam President, the budgeted revenue for central government for fiscal 2003 is \$15,725 million, of which \$350 million is in respect of divestment proceeds and sale of assets. Borrowings have been programmed at \$4,167 million, of which the sum of \$2.989 billion is to be raised on the domestic market and the balance of \$1,178 million on the foreign market. Borrowings of \$1.989 billion on the domestic market are to finance high-cost debt.

To date, borrowings of \$1.454 billion are under active consideration. These borrowings are to be utilized to refinance high-cost debt in the sum of one billion and for project financing in the sum of \$454 million.

Madam President, these borrowings are very much within the sum of \$4,167 million programmed in the 2003 budget. That is, at this point in time, it is \$2.713 billion less than the budget. Government therefore has not raised any money outside the sum programmed in the 2003 budget.

Port of Spain Magistrates' Court (Renovation/Reconstruction Costs)

44. Sen. Dana Seetahal asked the Attorney General:

Could the hon. Attorney General state the total amount of money paid for the renovation/reconstruction of the Port of Spain Magistrates' Court building and grounds?

The Attorney General (Sen. The Hon. Glenda Morean): Madam President, the total amount of money paid for the renovation/reconstruction of the Port of Spain Magistrates' Court building and grounds is \$24,940,321.

Sen. Seetahal: Could the hon. Attorney General please indicate how much of that was spent in 2003, if any?

Sen. The Hon. G. Morean: None of that sum was spent in 2003.

Sen. Seetahal: Could the hon. Attorney General please indicate—the Government, in its Budget Speech on October 29, 2002 indicated that you would be spending an additional \$5 million to correct deficiencies in the Port of Spain Magistrates' Court? Could you indicate, if you were not then on board, the intention or the decision of Cabinet to relocate Parliament to the block in which the Magistrates' Court was situated?

Sen. The Hon. G. Morean: Madam President, that is a new question.

Red House Restoration (Amount Spent)

45. Sen. Dana Seetahal asked the hon. Minister of Trade and Industry:

Could the Minister state the amount of money spent on the restoration of the Red House to date?

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, the question was to the hon. Minister of Trade and Industry as Leader of the House and he has asked me, as Leader of the Senate, to respond.

Madam President, the Red House restoration and adaptive reuse project comprises two phases of work. Phase one is the restoration of the roof, and phase two the restoration of the building. Phase one of the works has commenced and is continuing. Phase two has not yet started. It is scheduled to begin in August 2003.

The details of the cost to date, Madam President—the total cost to date for phase one is \$8,847,277. It is made up of the following:

Relocation of users	\$1,560,000
Purchase of new tiles for the roof	\$1,265,375
The fabrication and installation of the temporary roof and for protecting the existing roof	\$2,309,480

Oral Answers to Questions
[SEN. THE HON. L. SAITH]

Tuesday, April 08, 2003

Actual cost of installation of the new roof	\$1,699,212
Surveys and design costs and project management fee	\$1,840,000
Historic preservation consultancy fees	\$42,920
Reimbursables	\$75,290
Contingency fees	\$55,000

Magisterial Appeals
(Details of)

46. Sen. Dana Seetahal asked the hon. Attorney General:

Could the Attorney General provide this Senate with the following information?

- (i) The number of magisterial appeals that were dismissed by the Court of Appeal as a result of the late filing of appeals by appellants in custody from January 2001 to date?
- (ii) The number of such appeals that were actually signed by the appellants within the statutory time period?

The Attorney General (Sen. The Hon. Glenda Morean): Madam President, according to the Judiciary's records, 27 magisterial appeals were dismissed by the Court of Appeal as a result of the late filing of appeals by appellants in custody from January 2001 to date. The same number of such appeals, that is 27, Madam President, were actually signed by the appellants within the statutory time period.

Sen. Seetahal: Could the hon. Attorney General please indicate whether the State intends or proposes to compensate all those persons who have been denied these due process rights as a result of the negligence of the agents of the State?

Sen. The Hon. G. Morean: Well, first of all, Madam President, if an application is made, the application will have to be considered in the usual way.

Sen. Seetahal: Is the hon. Attorney General indicating, then, that outside of the court process, which many of these people would not be able to afford, there are no plans to compensate persons who have lost their due process rights?

Sen. The Hon. G. Morean: I do not know if this is a supplemental question but what I would say is, compensation is not automatic. You would have to look

at the facts of the case to determine whether it is an appropriate case for compensation.

INCOME TAX (AMDT.) BILL

Order for second reading read.

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

That a Bill to amend the Income Tax Act, Chap. 75:01, be now read a second time.

Madam President, this Bill was approved in the other place on March 07, 2003. The Bill before this honourable Senate seeks to amend section 3(2) of the Income Tax Act, Chap. 75:01 to provide for an increase in the number of commissioners of the Board of Inland Revenue from four Commissioners to five. In the budget statement, which was delivered in October 2002, the Government outlined the medium-term strategy that underscored the importance of fiscal discipline to achieving our growth targets. At that time, we took the opportunity to initiate several amendments to the Income Tax Act aimed at improving the operational efficiency of the Board of Inland Revenue. These included amendments to sections 76 and 77(1) and provided the board with the discretion to waive or reduce penalties and interest owing to the board.

Of decisively greater significance, however, is the fact that this Government is moving aggressively to effect fundamental reforms in the area of revenue administration. We view these reforms as critical to securing the long-term integrity of our fiscal revenues. The modernization of revenue administration and of tax collection involves a comprehensive reform agenda. Key initiatives on this agenda include the establishment of a petroleum and large taxpayers business unit in the Inland Revenue Department, the creation of a third-party database, the integration of VAT and income tax operations, integration of the collection functions and computerization of the PAYE system.

Madam President, these are significant reforms of which timely and effective implementation necessitate incremental organizational capacity. The existing legislation provides for four commissioners of the Board of Inland Revenue with each commissioner being charged with a specific area of responsibility. The Commissioner of VAT is responsible for the administration of value added tax. The Commissioner of Audit is responsible for the audit system that applies to all taxpayers, including the petroleum and energy-based companies. The processing

of income and corporation tax returns, the accounting for collections and the operations of the district revenue services are the responsibility of the Commissioner of Collections. Electronic data processing, objections, legal proceedings, training and general administration are the responsibility of the Commissioner of Administration.

As far back as September 2001, the then government recognized that accountability and oversight for the reform effort at the Inland Revenue Division simply could not be effectively accommodated within this framework. This, Madam President, is a position which my Government wholeheartedly shares. Indeed, the annual changes in the budget that require immediate attention and implementation, together with the ongoing need for direction, supervision and service to all inland revenue customers do not permit the existing staff of the Inland Revenue Division to dedicate quality time to the reform of project items. What this means is that there is a fundamental need for a dedicated reform project team to manage and oversee the implementation of the reform agenda for the Board of Inland Revenue.

In recognition of this fact, Madam President, the former administration in September 2001 approved the establishment of an inland revenue project team to spearhead the changes required for the reform. In doing so, a total of 17 temporary posts were created, the most significant of which was that of commissioner in charge of the reform team. The progress that this project team has made is excellent. In two short years there has been a significant restructuring and reengineering of the organization and its processes to improve efficiency and effectiveness.

Some of the key achievements of this team have been the formation of the petroleum and large taxpayers business unit in June 2002. This unit has responsibility for delivering total quality service to 150—160 of the largest companies in Trinidad and Tobago. The unit will provide all the tax services required by these companies and closely monitor the filing of returns and payments to ensure that they are on time and accurate. Through this service, voluntary compliance will increase and the Board of Inland Revenue will develop a better understanding of the issues relating to taxpayers or large taxpayers to better serve them.

The project team has also been instrumental in the progress of work aimed at establishing a criminal tax investigation unit. This unit will be charged with the responsibility of pursuing delinquent taxpayers as the board seeks to apply fullest sanctions of the law against tax fraud and other non-compliance with all tax laws.

It is expected that this unit would be fully functional before the end of the six-month tour of duty by the United States Internal Revenue Service consultant.

Work is also continuing apace on the merging of the VAT and tax field collections unit with a view of providing a one stop service to taxpayers. A new computerized payment system has already recently been implemented. This new system will allow for the updating of taxpayers' records and accounts within five days of payments, as opposed to the three to six months that previously obtained. The system was first introduced in the south regional office in June of this year and then in Arima and Tobago, and finally in Port of Spain last month. In order to build taxpayers' confidence in the Inland Revenue Division, an inspection unit is being developed to promote integrity in the Inland Revenue Division's officers.

The project team has also been instrumental in the development of audit management databases aimed at improving management of the audit function. This involves the establishment of an electronic tracking system of returns under audit using an open-cased database. This database facilitates analysis of cases in progress to identify undue delays and also to analyze the efficiencies of the auditors. This is to ensure, Madam President, that no individual finds himself/herself in any situation in which they are not being serviced based on the specific time frames established for this activity. Operations are also being re-engineered with the goal of processing a perfect return within six weeks of filing, either issuing a refund or an assessment notice for payment.

Earlier this year Cabinet agreed to adopt the recommendations of a Cabinet-appointed committee relating to the establishment of a revenue authority to harness the synergies between the Inland Revenue Division and the Customs and Excise Division. An implementation team charged with responsibility for establishing the authority is currently being established and it is envisioned that the inland revenue reform team will be instrumental to the implementation team in effecting a seamless transition.

Madam President, it is clear that, despite the progress that has been made, the reform agenda of the Inland Revenue Division is still very extensive. This, together with the increasing complexity of commercial business activity and the resultant growing workload of the inland revenue staff, makes it apparent that there is and will be in the immediate future a continuing need for the additional post of commissioner. This Bill, therefore, seeks the approval of this honourable Senate in creating an additional post of Commissioner Board of Inland Revenue.

In addition, Madam President, it is the recommendation of the Government that the effective date for the increase in the number of posts of commissioner

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should be September 24, 2001 to coincide with the initial establishment of the position. The amendment to section 3(2) should therefore be retroactive to September 24, 2001.

Madam President, this is a very simple request to regularize a situation that currently exists, which really is to create an additional commissioner to do the work of the reform of the Board of Inland Revenue and we on this side are looking forward to the support of all Senators.

Madam President, I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Madam President, the Bill before this honourable Senate is entitled “An Act to amend the Income Tax Act, Chap. 75:01”. Of course, the purpose of the amendment, as outlined in the Explanatory Note, is to increase, as the hon. Minister has indicated to this Senate, the number of commissioners from four to five. Madam President, he has also indicated that this was as a result of an initiative among many other progressive initiatives that were undertaken by the UNC administration between 1995 and 2001. It is all designed, as he has indicated, to improve the tax administration system and to promote comprehensive tax reform in the Republic of Trinidad and Tobago.

If I may direct your attention to the budget statement of 1998 delivered by the then Minister of Finance under the UNC administration, on page 18 of that budget statement, under the heading “Tax Administration Reform”, I quote:

“...the last...restructuring of the tax administration was done almost thirty years ago.”

He went on to say:

“...circumstances have changed considerably since then.”

The then government proposed:

“...to establish...the Internal Revenue Service which will have primary responsibility for the administration and collection of all Government revenues.”

This service:

“...will be supported by updated and new legislation relating to revenue generation and collection.”

He went on to indicate that the government would be establishing a division in order to assure the public of the integrity of the operations of the revenue collecting agencies.

So, Madam President, the reforms to which the Minister alluded were aimed both at the Customs and Excise Division as well as the Board of Inland Revenue. We understand, as he has indicated, that in order to give that exercise the focus and the concentration required, you had to take steps to increase the number of commissioners from four to five and therefore the post of new commissioner that is being proposed, it is hoped that—it has already started, as he said, from September 2001 to the present time—that commissioner would be responsible for the entire inland revenue reform process.

2.30 p.m.

Madam President, it is necessary to have this new unit in order to concentrate and advance this particular process. The Minister did indicate in his presentation that fundamental reform in the revenue process is critical for the long-term integrity of the system; therefore, a number of processes are taking place. You have the establishment of a petroleum and business unit; the integration of a VAT and income tax unit and then, of course, there is the whole question of the computerization of this exercise.

Tax administration reform is very, very important. We have to look at it in the context of recent events that have negatively affected many Caribbean countries as a result of September 11 and the ongoing Iraqi war. A lot of the economies in the region are under severe stress and, therefore, it is incumbent upon us to deal with, not only the integrity of the system, but to ensure that there is greater compliance and also a radical reform of the tax process in Trinidad and Tobago.

As I am on this particular matter, I ask the hon. Minister to give us an appreciation of what has happened when he is responding. I want to look at the whole issue of the energy sector in this context. Maybe the hon. Minister could give us some understanding of what is happening with the fiscal regime in the energy sector. He has indicated that there is going to be, or there has been established already, a petroleum and business unit within the reformed Inland Revenue Department. If I may, Madam President, I want to go to the 2001/2002 Budget Speech of the Minister of Finance. I am looking at page 17 of his statement.

I want to quote here, because I would like the hon. Minister to provide us with some explanation later on in the proceedings.

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“...it is anticipated that given the current levels of growth in the gas-based industries, Government revenues generated from these industries will exceed revenues from the petroleum sector within the next five years.”

In other words, as we seek to reform the tax regime, we recognize and the present Minister of Finance in his 2003 Budget Statement also recognizes the importance of reforming the energy regime in Trinidad and Tobago. The present fiscal regime governing the energy sector is not structured to allow Government to fully maximize the revenue accruing to Trinidad and Tobago from gas development. An example of this is the Supplemental Petroleum Tax which was designed to tax profits from oil revenue only.

I am quoting again, Madam President:

“The International Monetary Fund, in conjunction with the Inland Revenue Division, has examined this issue at length and has submitted recommendations to simplify and rationalize the present fiscal regime to facilitate the generation of additional revenue from the gas sector. The present regime was last adjusted in 1992 and a review is now overdue.”

We are talking about tax reform and reforming the Board of Inland Revenue. One of the areas that the Minister of Finance, Sen. The Hon. Conrad Enill, must address this afternoon, is to let this honourable Senate know where we are, as a country, as it relates to the establishment of a special regime for gas. Because natural gas has now exceeded oil production, we are now in what can be described as a gas-driven economy, a gas-based economy. But, Madam President, you know what? The system of taxation and pricing is still about 10 years old. The citizens of this Republic are being denied revenue streams that are critical for us to deal with health, education, youth development, community programmes and so forth; not CEPEP, please. I would like the hon. Senator to indicate to this Senate what is the Government's position on the question of natural gas pricing in Trinidad and Tobago.

We cannot have multinational corporations coming here and, because of a loophole in the tax regime, they are able to milk and cream off hundreds of millions of dollars and deny revenue to the citizens of this country. The police, for example, Sen. Chin Lee, can deal with extra resources, equipment and technology. I think it is something that is extremely serious, and we hope that the hon. Minister would pay some attention to that matter.

We just heard from the hon. Minister on the whole question of the Interim Revenue Stabilization Fund. He indicated that it is about \$1.6 billion. When the

UNC was removed from office on December 24, 2001, we left that same amount of money in the Interim Revenue Stabilization Fund. We budgeted \$22 for a barrel of oil in our budget statement of 2001/2002. I think it was the same figure that we budgeted for, that we have for 2003; the Minister can tell me if I am wrong.

Madam President, do you know what has been the average price of a barrel of oil during the last year that the PNM was in power? An average of about US \$32. *[Interruption]* What was the average? I can take my seat and the hon. Minister can tell us, so that I do not mislead this Senate. What was the average price that we received for a barrel of oil over the last 15 months? I estimated it at around US \$30. If it is less, the Minister will tell us when he is winding up.

We are dealing with revenue and tax reform. We cannot deal with tax reform without looking at the integrity of our revenue streams. We would like the hon. Minister to tell us what has happened to the excess. What has the Government done with the hundreds of millions of dollars that it has gained in the last 15 months? Is that what is going into the Community-Based Environmental Protection and Enhancement Programme (CEPEP), the Unemployment Relief Programme (URP) or the National Housing Authority refurbishment programme, as examples?

Madam President: Hon. Senator, move on.

Sen. W. Mark: We are dealing with the Inland Revenue Department. Anything related to revenue is critical for our debate here this afternoon. It is revenue that we are dealing with, and we have to deal with the flow. We have to ask the Government.

Sen. Enill: Madam President, an intervention, please, before the Senator continues. In the budget statement that we did earlier this year, we, basically, said a couple of things. We said that the original estimate of the then government, in terms of revenue, was \$15.802 billion. The current revenue that was collected at the end of the year was one \$14.196 billion. So in the first instance, based on the \$22 price of oil that they had projected, the actual number was \$1 billion less, and we, therefore, moved to spend \$1 billion less, so that we achieved a surplus. So the question of “all the spending” and “all the this” is really not a statement of fact, and I would like him to correct that perception.

The budget that we inherited from the last administration was predicated at \$15.8 billion. At the end of the period, based on actual collections, it was \$14 billion. There was a \$1 billion deficit, we spent \$1 billion less and we ended up

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with a surplus. That is what the facts are, so this notion about spending and spending is really something that I think should be discontinued. [*Desk thumping*]

Sen. W. Mark: Madam President, there is no denying the fact or gainsaying the fact, that this country was able to realize a sizable increase in oil revenues. There is need for the Government to account to the taxpayers of this country.

We want to focus on this question of the Revenue Stabilization Fund, but I want to go further to indicate to you that we have always had a very deep interest on this question of tax reform. It was in our 1998 Budget Statement, and from 1998 to the time when we left office, we reiterated the importance of tax reform.

The Minister alluded to the fact that the United States Inland Revenue Service is in Trinidad. We were very instrumental in bringing that particular agency, and working with the International Monetary Fund to deal with this question. The reform process, as the Minister indicated, will not only help to eliminate corruption in the public sector, but will strengthen compliance by putting in place systems to maximize revenue collections by targeting individuals and entities that do not pay their taxes. As you know, when people do not pay taxes they deprive ordinary citizens of basic goods and services.

My understanding is that about 10 per cent of the companies in this country are responsible for generating close to 85 per cent of Government revenue. As we seek to expand, extend and broaden the tax net, we would like to know, again, from the Minister, what steps are being taken to ensure that there is compliance. The tax avoiders and the tax evaders, Madam President. I have nothing against professionals, but I am a Senator, and my tax comes from source. What is the Government doing to ensure that everyone who can make a contribution to the tax revenue base of this land, does so?

Can the Minister tell this Senate what system is now in place to ensure that people who are self-employed are contributing, whether it is lawyers or like you, Sen. Dr. Saith, an engineer? You are an engineer, so you have to contribute. Doctors and lawyers, people who earn, must contribute. I do not know what system is in place to ensure that. Every time a citizen evades paying taxes or contributing, he denies other citizens of basic goods and services; that is why the Minister should be telling us what kinds of measures are in place.

There is a major reform taking place in the Inland Revenue Department; very good. What has happened since that reform started in September 2001 to the present time? Have you been able to broaden your tax net or your tax take? Who have you been able to bring into the net? Who is still outside the net? What steps

are being taken to bring them into the net? These are issues I would like to get some clarification on.

We introduced a measure in 2001 to save people from paying taxes on interest from their savings. Madam President, do you know if you save your “cacada”, your small savings in the bank, when you get interest on that saving, the Government takes 5 per cent. Now that is a harsh and oppressive measure. We introduced a measure in the 2001/2002 budget to abolish it. Why did the Government not take up this positive and progressive measure? Why is it that tens of thousands of citizens are being punished simply because they save in banks in Trinidad and Tobago? What is the Government doing about it? That is why I made the link between the fiscal regime, in terms of gas pricing in this country and broadening the tax net, to this question of abolishing the 5 per cent tax on our savings. All that is part of the process of reform. If you are talking about tax administration reform, these are issues that the Government must take on board.

The UNC took steps to exempt some basic commodities, to zero-rate them from VAT payment. We went even further and said that the time had come for us to look at the whole question of reducing the rate of VAT in this country. Madam President, VAT is a regressive tax; whether you are rich or poor, you pay VAT. It is a regressive, oppressive and backward tax. We are talking about tax reform; VAT is part of tax. [*Crosstalk*]

Madam President: Hon. Senator, I have listened and I have tried to be very lenient. I have allowed you a lot of liberty. I think now you should come back to the Bill. [*Laughter*] [*Crosstalk*]

Sen. W. Mark: What is the fifth commissioner about? The Minister indicated to us, and this is why I made the link. What is the fifth commissioner to do? I want to outline for the President in the event that she did not take notes. I took copious notes.

Madam President: I have it all right here. [*Laughter*]

Sen. W. Mark: Madam President, see if you have what I have. [*Laughter*] The hon. Minister spoke about the question of the integration of VAT and income tax. He said that he has established a unit within this new framework to ensure that there is integration of VAT. You see my link? I am connecting the dots. I am telling my dear honourable friend, as it relates to the question of VAT and income tax within the integration process and as we deal with tax reform, that one of the areas he has to look at is when and how fast we can proceed to reduce the rate of VAT for poor people in the Republic of Trinidad and Tobago, because VAT is a

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regressive, oppressive and backward tax. I am, therefore, urging the hon. Minister, through you, Madam President, to tell this honourable Senate what steps his Government intends to take in order to reduce VAT in this country.

As we deal with tax reform, I would like the hon. Minister to look at the issue of customs. Madam President, do you know that customs reform is part of that whole process? So maybe you would give me an opportunity the next time to talk about the Customs Department. Do you know what is happening there right now? Everything has closed down. The whole division is manually driven now. We heard that the database crashed. We want to know: what is happening?

Madam President, I would not burden you for too long, but, certainly, the hon. Minister can tell this Senate today: What is the State doing? Businessmen have approached me—and you know I am a labour man. They are concerned about what is taking place with this collapse at the Customs Department. That is an area that we believe the hon. Minister should say something about this afternoon.

There is another area that we are very concerned about. We would like to know if the Government has any intention of addressing this issue that has to do with its building programme. We are talking about the Inland Revenue Department. It was outlined in our various budget statements that because of the importance of the Inland Revenue Department and the integration that the then government wanted and the Government now would like to take place, we would have an income tax authority, so there could be a revenue-generating authority that would take into account all the various streams, whether it is VAT, customs, income tax or corporation tax.

We understand that the Government wants to move the Inland Revenue Department and put a Magistrates' Court. This is what we learned from the Prime Minister. We would like to know, from the hon. Minister, whether the Prime Minister has since changed his mind or whether there is intention on the part of the Government to establish a modernized structure to accommodate the Inland Revenue Department. It is too important an agency. *[Interruption]* We are talking about the fifth commissioner. Where is he going to sit if you do not have accommodation for him? You need to have accommodation for the fifth commissioner, Madam President. *[Laughter]* Everything I say here can connect to this particular Bill that we are dealing with today.

Another area that I would ask my colleague to give us some information on has to do, again, with tax reform. Madam President, I do not know if you read the 2001/2002 budget, but we had proposed, as part of the tax reform process,

removing the tax on maintenance allowance, separation allowance and alimony payments. Do you know why? We had and we still have a concern for women. You see single parents; you see heads of households? The fathers do not take their responsibilities as seriously as they ought. That is why we had proposed the removal of tax on maintenance allowance, separation allowance and alimony payments. We would like to know if the hon. Minister of Finance is going in that direction; this was a measure.

Remember, Madam President, they allowed us, they encouraged us and they pushed us into collapsing, and this measure collapsed with it. [*Laughter*] That is why when we argue on this side that whatever we do here has to be linked, they say that the Opposition is obstructionist; we are not cooperating; we are not giving support to the Government. These are some issues that we would like the hon. Minister to address.

In terms of the Petroleum and Business Unit that the hon. Minister spoke about, we would like to know how the computerization process is proceeding. It is almost two years now that it has started, and we would like to know where that process is at the moment. Hon. Minister, you have taken off where I left, because service to humanity is service to God. Our responsibility, as citizens of this Republic and more so as parliamentarians and Ministers, in this instance, is to ensure that our citizens are provided with efficient and effective service. This computerization that my colleague referred to is all part and parcel of speeding up the service delivery process.

We would like the hon. Minister to indicate to us when is this system of ensuring that when I file my tax return, I do not take two years to receive it, whatever limited refund I have to receive, going to come on stream. He had indicated to this Parliament, if you followed him very carefully, as I did, that the perfect system would be to have your tax return delivered within six weeks. I would say within two weeks. If he is saying six weeks, what is the time frame for such a system to develop?

I know of people who dutifully and faithfully filed since last year by April 30, in accordance with the law, and today, as we speak, April 30 is approaching and they are yet to receive whatever refund they are entitled to. Why is that? That is brutality. Who is giving me, giving them or giving you, Madam President, interest for Government's inefficiency? We are talking about tax reform. We are talking about employing a fifth commissioner to deal with the reform of the Inland Revenue Department. What is the Minister in the Ministry of Finance doing about that? Why is it that thousands of taxpayers are yet to receive their refunds that

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they so faithfully complied with, in terms of the deadline? Why is it they have not yet received their returns? I have spoken to my colleague on many occasions. I know that he has tried. I know of businessmen who pay VAT, and they cannot get their money. I know that he tries; he told me. So these are the concerns that we have.

It would be very important for us to move quickly to develop the Criminal Tax Investigation Unit. There are so many criminals in different forms and they take different shapes and sizes, who are denying taxes to the people of this country, and we are talking about white-collar crime. I would like the hon. Minister to tell us what he is doing with the tax evaders. Has this Criminal Tax Investigation Unit been established or is it to be established, as the Minister outlined?

As you may recall, Madam President, we saw in the amendment to the Income Tax Act that the Government gave to the Inland Revenue Department more discretionary powers; in the last Finance Act that was brought to this Parliament. Therefore, we must plug the loopholes. Hon. Minister, through you, Madam President, we would like to know if the Criminal Tax Investigation Unit is on stream. It is a fact that there is a lot of tax fraud in this country. The taxpayers' dollars are not being spent prudently and wisely as they ought to be spent. We work hard. You work very hard; I work very hard. We as parliamentarians do our duty and we are taxed at source. So when I see my taxpayers' money going toward citizens who could be more productively employed in this country—painting white stones all over the country— Now, Madam President. I am talking about my income tax dollar and tax reform. We need to spend our money more prudently and wisely; not to spend \$400 million of my money in CEPEP. [Crosstalk]

Madam President: Hon. Senator, please come back to the fifth commissioner.

Sen. W. Mark: Madam President, I am interrupted, so I want you to tell this chap to not interrupt me, so I can look at you. [Interruption]

Sen. Dr. Saith: This chap?

Sen. W. Mark: No, this hon. Minister of Science, Technology and Tertiary Education; do not interrupt me; I want to focus on the President. Madam President, I am focusing on you. [Laughter]

Madam President: Senator, you cannot admonish someone. Please continue and please stick to the Bill.

Sen. W. Mark: Sorry, Madam President. I am talking about the fifth commissioner who has a responsibility to manage in a wise and prudent way the resources of the State, and I am sure that the hon. Minister would agree with me. We must not put our resources in the hands of criminals, terrorists and bandits; that is what we must not do. [*Desk thumping*]

Do you know that the average expenditure of education towards the gross domestic product (GDP) is close to 3.5 per cent? Do you know what is the average in middle-income countries like ours? Close to about 5.5 per cent. Do you know what it is for the rich United States and those other rich developed countries? Over 7 per cent. We do not invest enough in education. Do you know what it is for health, Madam President? You are a doctor, you were the former Minister of Social Development and Consumer Affairs. Do you know what we contribute toward health in this country? Do you know what is the expenditure percentage going towards health? It is 2.5 per cent of GDP, in a budget of \$20 billion.

If you go to the hospitals today, your heart would bleed; you would run out of that place; and that is supposed to take care of us and the poor. I say, use our money prudently and wisely. Do not put it into the hands of criminals. Do not put it into the hands of the people to paint stones; that is not going to give them a skill at the end of the day.

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

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

Question put and agreed to.

Sen. W. Mark: I assure you I would not take my entire 15 minutes. I would be, at least, more prudent in my time management.

I was making the point that we work hard in this nation and people are crying out for better services. The Minister of Public Administration and Information would agree with me that all of us are committed. The Opposition and the Government are committed to providing quality service and first-class care for the citizens of this Republic. We differ on a number of fundamentals, but on those fundamentals we are one. We want to ensure that no child must go to the hospital and not receive first-class medical attention. [*Crosstalk*] But we always give you support whenever we think it is necessary.

Madam President, I am talking about taxpayers' dollars here. I am talking about reforming the process. If we take the moneys from where we ought to, we would be able to channel those revenues toward more productive ends. I would like to see the day when Trinidad and Tobago could allocate as a percentage of GDP, not 2.5 per cent towards health, but, at least, about 6 per cent. In the case of education, we should go to about 7 or 8 per cent.

There is no substitution, if you are talking about a knowledge economy. If you are talking about a knowledge economy, we are in an information age. We are in an information society era. One of the fundamental pillars of a knowledge economy is to ensure that your people are educated and trained, that they have the skills and the appropriate knowledge, experience and attitudes, so that they can be productive citizens of this country. When a man or woman works for two years on CEPEP, all he or she can learn, at the end of the process, is how to cut grass and paint stones. That is not going to help us; it is going to cause you and me to dig deeper into our pockets in an effort to pay more taxes. Let us be more prudent. Let us manage our resources much more meaningfully, so that all our citizens can live decent, productive and healthy lives.

We have put forward a number of areas. We are seeking some answers to many of our questions. It is a matter that the UNC initiated, and we hope that the hon. Minister can provide us with the relevant responses to the queries we have raised. We believe that the Government has a duty to deal with the elements in our society that are not honouring their commitments to this nation, in terms of their tax obligation. We believe that the Criminal Tax Investigating Unit should get down to work and deal with those persons who are engaged in tax evasion and tax avoidance. We believe that in the area of VAT there still exist many loopholes in the system.

Madam President, you would know that if you go somewhere and you purchase some goods or services, they would ask you if you want a bill, and sometimes citizens, themselves, contribute toward defrauding the State. But the reason for this is that the rate of tax is too high for ordinary citizens; whether it is VAT or incomes tax, in terms of personal taxes. We have to deal with that issue.

I would like to give the hon. Minister an opportunity to respond to some of our concerns on this side. This might appear to be a very simple measure, as he has indicated, but for the UNC everything is tough with the PNM. There is nothing simple. Everything is complex. It is not a controversial matter, but it will be. We call on the hon. Minister to provide this honourable Senate with some meaningful positions. This is my final submission and contribution to this matter.

If you would permit me, Madam President, I would like the hon. Minister to tell us what has happened between October to the end of March, and before, as it relates to excess oil revenues. He indicated some figures to us, but what we would like him to tell us in this Parliament is how much money the Government of Trinidad and Tobago derived from excess oil revenue, since it came into office, from December 24, 2001 to the present time. We want to know how much money you gained; how much money you derived. What did you do with the money that you gained? I think it is only fair for the taxpayers of this country to know. So we await his response and we hope that he would be able to persuade us in his response.

For us in the UNC, when we are dealing with the PNM, everything is complex; nothing is simple. We will do what we have to do, at all times, to ensure that the PNM does what it must do. It must bring meaningful constitutional reform to this Parliament and to this country, before they can get any support from the UNC and the alternative government in waiting.

I thank you. [*Desk thumping*]

Sen. Brother Noble S.A. Khan: Madam President, on the question of the amendment which is before us, I must preface my statement by saying that I will be giving my support to it, but there are a few comments I would make that, obviously, would impact, I think, on what is before us.

The hon. Minister in the Ministry of Finance did make a comment that the question of implementation and updating of the laws, as far as the Income Tax Department is concerned, is one of the aims and objectives of this Bill which is before us. I would also like to remind us of reform in the public service, per se. I had raised this question in the budget debate, and I think this Bill emanates from the budget which was presented some months ago.

In updating the public service, one could think in very many different ways. I know that there are many different sections of the systems that are in place which are being reviewed now. There is the strategic plan by the Ministry of Planning and Development, water and resource, education and what have you. But I think in terms of reform in a very comprehensive way in order to bring things together. We know we have been having pieces coming through and feeding into the system and this will continue, I guess, but there is no overall comprehensive view or any exercise being undertaken, in terms of looking at our total public service.

Though finance and income issues are of high profile, insofar as the other parts of the service are concerned, one would think that there may be a strong co-

relation to the high incidence of priorities being placed on the financial areas and raising of revenue, because so much depends on what comes in.

To this end, I had raised, previously, the question of posts that were already created in the system. Today, we are creating a new post, so to speak, though at a different level, but it is a civil service post. Even as early as this morning, I was distracted. Around half past three when there was a quietness of the day, I came outside. I live at the foothills of Laventille, and the normal sight was blurred by smoke. For a second, I thought it was coming out of the dump, but I was not too sure. The haze there was not normal and, of course, it affected the tranquility of the moment. It also gave an indication, possibly, of the care that should be taken of our environment, for I strongly suspect that much of the smoke I saw came from the burning of our hills in the surrounding areas. We just have to look out there and see what I am speaking about.

To link that with what I am about here, I did mention, sometime ago, the question of filling of posts that exist in the service, that are on the books already and for which moneys have been provided. But there are mechanisms in the service that in order to fill posts you must have permission from the Ministry of Finance. I guess this is part of the control mechanism of finances, and we are dealing with finance here. I strongly suspect that if some of these posts were filled, particularly those in our Forestry or Agriculture Division and, possibly, in the security and fire service departments, we could possibly deal with some of the challenges and immediate problems with which we are faced. I hope and, again, I appeal to the people who are involved with the various ministries, particularly the Ministry of Finance, if they could do something about that.

While I have mentioned forestry and the environmental areas, there is the question of the revision of some of their practices. Maybe CEPEP is a reality, but sometimes you see much of the material being taken up; I am speaking about the concept of biodegradable matter. The basis of that is the change of something that could be beneficial somewhere else. All the bushes gathered could form part of solid waste. Maybe in the dump they could form part of a compost, instead of burning or burying them. This is just a suggestion, by the way. Some derivatives could come from them too.

There is need for a proper educational plan so that the money you are spending could find expression in betterment for our country. Also, in the area of education, we note too that there are some posts that are on the books, as mentioned before, but the question of filling them remain very elusive. I guess

there is the question of funding, and we are speaking about funding here. I especially make a plea for those areas that come to my mind. I know that there are others. I am not seeking to push anybody ahead. This is the function of the Government. There are priorities and what have you, and, I guess, they would bear the responsibility of any shortfall or deficiency in the responsibility with which it is charged and which it should carry out.

In supporting this Bill, Madam President, in passing, I would like to mention the apparent peacefulness that we are having in the Senate today. The President's ruling has just been passed, so I think there may be a strong co-relation with that. I would like to share with this Senate, that all of us may have our own little thoughts, but if there were more women on the peace scene, maybe the "pax American" or the "pax Britannia" would have taken a different shape, if we had more women in those positions that take major decisions in the world. It is difficult for me to see our womenfolk taking a decision that would send the fruits of their womb to certain death, be it from one end or the other. Again, Madam President, I strongly suggest that the question of filling of these posts be given some priority and let us see it taking place.

God bless us all.

Sen. Carolyn Seepersad-Bachan: Madam President, my contribution will be very short. Believe me, I will not be giving you the sort of trouble that Sen. Mark probably put you through earlier. All in stride, I just wanted to add a couple of points to what Sen. Mark noted in his contribution concerning this tax reform project.

The tax reform project was part of a bigger project involving public sector reform, which was part of institutional strengthening and strengthening the regulatory frameworks in order to ensure that we have an improved delivery of service to the public, that is, becoming a more customer-friendly service from the Government side.

If you go through all the past budget speeches you will note that the UNC started this project some time ago. The reason for the reform was to ensure that, by having compliance, we were going to improve revenue collection and, by so doing, reduce tax rates, whether income tax or corporate tax or even the VAT that Sen. Mark spoke about, because that was all part of the reform project. One of the main issues in the reform was the simplification and modernization of the whole taxation system. The Minister mentioned, to some extent, the whole computerization process.

During the UNC's governance, one of the things that were introduced to aid in that simplification was the use of the TD4, having employers file on behalf of the

employees, so that we would be able to re-deploy some of the existing resources for the same reform unit to which the Minister referred. I think if I remember correctly, when I was talking on the Finance Bill, I mentioned that a lot of the measures that this Government has re-introduced in terms of cooperative shares, credit unions and so on, even the first home allowances, require more TD4s to be filed. I am asking whether or not that would interfere with its thrust for the reform project, because the Government's aim is that when it appoints this fifth commissioner, there will be a successful reform, the end objectives being, an improved customer-delivery service and, secondly, that we would see a gradual reduction in taxation rates.

On that note, Minister, through you, Madam President, I wondered why all the recent publicity about the Customs Department. Based on what I saw in the press, apparently what arose out of that is a reversion to the manual systems as opposed to using computerized systems; I mean the removal of the data entry clerks and so on. I would have thought that that was very important in the whole reform process, because the Minister also mentioned the whole issue of getting that seamless transition as we reform the Customs Department. We are all taking this under one umbrella now. We are trying to merge; we want to integrate VAT, because we want to have this one-stop shop, again, in terms of improving customer service and improving efficiency for the sake of the public.

3.30 p.m.

I want to mention—and I am not sure how many of us are aware of this—but I just looked at some prior debates about the history of the appointment of these commissioners and I went back as far as 1989, I think it was when we introduced the VAT legislation. This same clause was amended to allow four commissioners instead of three to be responsible for VAT. Subsequent to that, there was another debate, I think it was when the Tax Information Exchange Act was established; Act No. 30 of 1989 which allowed for contracting states to assist each other in assuring that they have accurate assessments and collection of taxes to prevent fiscal fraud and develop information services for tax matters. At that point in time we were very much aware of the invitation of foreign investors and we wanted to have this sort of agreement between Trinidad and Tobago and other countries, specifically the United States of America.

Subsequent to that, it was realized that in Act No. 37 of 1989 the commissioners themselves, based on section 117 of this very Income Tax Act, were allowed to request information, but when it came to banking information,

they were not allowed to assess or request that information unless they had an assessment ongoing and an objection was filed.

The debate at the time coming from the Opposition, the PNM in 1989 felt it was an abrogation of the constitutional right to privacy because this was the requirement in that Tax Information Exchange agreement. So Act No. 37 of 1989 was amended and conferred those powers to the commissioners. The point I am trying to make is that the Board of Inland Revenue commissioners, including this additional one, had a lot of powers to go into banking information and this is why I say we must be prudent in appointing commissioners. Not that I am not supporting the appointment of a commissioner for reform, but what it brings me to is sometimes I wonder if we try to use the legislation to do administrative-type role and the Executive now takes over the legislative role. We are seeing this reversal of roles.

For example, I am not sure, and probably the Minister may want to consider in the future whether or not there is a need to amend the Income Tax Act to allow for a maximum of commissioners and they can now have the flexibility. As an executive, to be timely in your business, you would want as you go along to be able to assign and reassign duties to commissioners whether it is VAT for this one, tax reform, et cetera, all in line with the modernization and in expediting these processes. It is just a suggestion and I would be interested in hearing the Minister's response to that sort of thing. The legislation would not give an unlimited number, but we can set a maximum and leave it to the Executive to determine how it is going to assign.

Madam President, I can say that we need six commissioners to look after the Community Environmental Protection and Enhancement Programme (CEPEP), to ask for the taxes from CEPEP, et cetera and whether they are paying taxes and so on. I think we need to understand what is the role of the legislation, and on that note I join with Sen. Mark in terms of getting an update as to where the reform process has reached. For example, we know that the Internal Revenue Service (IRS)—and my understanding is that the Government spent a lot of resources on that—were paid hefty financial fees in order to get their consulting services when we engaged them to work with the Board of Inland Revenue in the reform process.

The mere idea that you are coming to Parliament and asking for the fifth commissioner means you are ready for implementation. So, therefore, is it the intention of the Minister of Finance to continue to engage the services of the IRS to support this fifth commissioner in terms of the reform process? I think that is

the important aspect of this debate; how soon are we going to get this reform process going? You may find me irrelevant, but I would always say these are the things that are going to make Trinidad and Tobago improve its image in how it offers its services, and how the international investors view us and that is what we want. We want to attract international investors and we want efficiency in our public service. Madam President, that is one of the things that I was looking forward to hear from the Minister.

I also join with Sen. Mark in asking for an update—and I think the country has been asking—on the gas and crude oil taxation regime. We know it is an outdated system. The last time it was updated was 1992. It really was not designed for gas, and hence probably a new thinking is needed. As a result of that, the United National Congress also hired the services of the International Monetary Fund (IMF) to work closely with the Board of Inland Revenue to derive recommendations.

Subsequent to that, a Cabinet-appointed committee reviewed it and it should mean that we are close to implementation. At a time when we are trying to maximize revenues for the country I think it is appropriate now to get that project going and shed some light on what is happening with that particular project.

Sen. Mark spoke a lot about the gas, but one of the areas I always have a soft spot for is the issue of crude production, because we really have not addressed a particular tax regime. We have not looked at the reforms possible to revitalize that particular sector and that is because of the maturity of the oil fields. There is need for more capital input in terms of application of technology and we must review the SPT, PPT sort of thing as it applies to land production, and it probably does not apply anymore. So we need to look at modernization, we must look at some reform for oil production on land because it is very important that we get our land production up. We need to increase that. It would disappear from us one of these days and I think at some time I had recommended a two-tier fiscal regime. Probably the Minister may want to comment on the issue of land production at this point or at some future point.

Madam President, I would also like to make a plea coming from the retail-marketing sector. We are talking about simplification and reform, with the objective being to simplify, and I mentioned it the last time in the debate on the Finance Bill and I subsequently spoke to the Minister. I think there was an error in how they had classified the retail marketing operations. I know the intention was not to include UNIPET because if we want to see modernization of the retail-marketing sector, this sort of taxation cannot be applied. I do not know if they

have proceeded with it, but you cannot apply SPT and PPT. That was reversed some years ago in recognition that a retail-marketing company does not have the same kind of facilities that a producing company has especially in terms of the capital allowances. That was one of the issues that the Minister brought up during the budget debate with respect to the decline in revenues from production from oil and gas because of the capital allowances that were allowed, hence they did not collect as much taxes.

Madam President, I am saying that is why that facility is there because of the capital-intensive nature of exploration work and it does not really apply to retail-marketing companies and if we want to see more entrepreneurs come into the business especially like UNIPET, we must revise and rethink that particular decision, all in the effort of reform. Because if we are talking about reform, at the end of the day whether we appoint the fifth commissioner or not, he is not going to be effective unless we could achieve those objectives.

On that note I end my contribution and thank you.

The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Danny Montano): Madam President, I would be brief, because it would not take me too long to deal with some of the comments that were made on the other side.

I would like to start off with the comment which Sen. Mark made about the measure that we are debating being a UNC initiative and he was patting himself on the back and saying how good the UNC is, was, will be, never was, never will be, whatever, and speaking as if the UNC was the best thing that ever happened to this country, but the reality is that the issue of tax reform has been a problem for every government since 1956 and everybody knows it.

They tried to do something about it in 1998 and it is as if somehow they invented sugar, but I want you to understand, Madam President, that this Government and this party, would always do what it thinks is in the best interest of all the people of Trinidad and Tobago. [*Desk thumping*] We do not do things merely because of perception for political gain; we do things when we genuinely believe that better would come out of it. Our record is very clear. Over the six years the UNC has been in office, we supported many pieces of legislation as we would have supported this one, without a whole lot of brouhaha either. If something is good, it is good, if it is in the best interest of the people we will support it unlike what they are presently doing about the crime situation.

Madam President, we have to be responsible here. I want to draw your attention to what Sen. Mark said. He said: "Service to humanity is service to

God.” I would ask him: What is a disservice to humanity? To whom is it service, the devil? I heard the leader of his party say that he would sleep with the devil to gain political power. Politics is not about power, it is about governance. When you understand that, then you will act responsibly.

He went on to talk about natural gas pricing and I was shocked and amazed and would like to remind this honourable Senate of what had happened in 1996. One would remember that the PNM administration from 1991—1995 had made an arrangement with Farmland to have its plant constructed in the La Brea estate. Because of the difficulty of the site, a special pricing arrangement was made with the company as an incentive to construct on a very difficult piece of land, but it was technically feasible and everything was signed and sealed to go.

When the UNC came into office at the end of 1995/1996, they hounded everybody down, crying fraud and corruption and they undid that deal. It was no longer required to locate the plant in La Brea and they allowed them to move the plant into Point Lisas without any adjustment to the gas prices; they were left with the discount that was given them. What immediately happened was that all the other companies in the area said they had to be treated the same way and in fact, it was in their contract. The cost of that move to this country is probably running into billions of dollars at this point and one has to ask the question why. Why was it done? When you consider the savings to not only Farmland, but all the other companies in the Point Lisas region and what it has cost the people of Trinidad and Tobago, one has to ask the question why was that done? We have read everywhere about the legacy of corruption of that administration and it begs the question.

Madam President, he went on to talk about the Revenue Stabilization Fund but I will not speak for the Minister of Finance; I am speaking as the Minister in charge of tertiary education and I am advised by the Ministry of Finance that the original intention of the dollar for dollar plan would cost something in the order of \$240—\$250 million each year and that 80 per cent of those funds was to come from the Oil Revenue Stabilization Fund.

Madam President, had we not rescued that situation we would have almost nothing left in the fund at this point. That is the reality, but the situation is, in spite of the fact that there have been oil prices in excess of the budgeted amount, the reality is that oil revenues are barely what we had budgeted and that is because of the accounting rules and allowances in the income tax legislation. I do not want to try to confuse anybody here, but that is how it is. So notwithstanding the fact that we have had significant bonuses in terms of the price of oil, we have really had no benefit in terms of the revenues that we had gained from it on an overall basis.

Madam President, the reality is that the oil companies are allowed to deduct expenses they make for drilling oil and exploring for oil, and what they are doing is investing in the future as the PNM did on the last occasion. It would take a few years before we see the benefits of that, and that explains it very simply.

He spoke about how the UNC had removed the tax on Trinidad and Tobago dollars saving accounts. I want to remind him of how and why that came about. That came about five years after I had asked for it when I was sitting on the opposite side of the House. One would recall that when the dollar was floated, the then administration in 1994, in order to avoid having a run on the system and a rush of dollars leaving the country, said foreign currency accounts can be kept in Trinidad and Tobago and that the interest would be tax free. So there was now a bias in the taxation system for foreign currency, and that was in order to protect the exchange rate at that point. Within a year or so after the administration changed, there was no longer a need for that level of bias anymore and I began to call immediately for the removal of the bias and it took them five years to figure it out.

Sen. Mark made another point about the Government making late payments for income tax refund and VAT. During that six-year period, I practised my business as a public accountant and we did a lot of taxation advice and I have to tell you, having been here and working since 1976 in the same business, I can tell you that the delay on refunds was never so bad as it was between 1995 and 2001. So I do not know what he is talking about. We in fact have speeded things up and that is the reality, it was never so bad as it was under the UNC. I do not know what point he was trying to make there.

He talked about tax evasion and asked what we are doing about it. My colleague, the Minister of Finance articulated the formulation of the criminal investigation unit, and in fact, there are several Members of the UNC who may rue the day that organization or unit is set up. You know, there are former Ministers with bank accounts with millions of dollars flowing through them and as Sen. Seepersad-Bachan pointed out, Inland Revenue can now look into those bank accounts and ask where they got that money. I know of one former minister who was reported to have been in the Red Parrot, which I understand is a bar somewhere in Valsayn and he is supposed to have said that he and his family would be rich for four generations, he would never have to work again. He talked about wasting taxpayers' money.

Madam President, what would be a bigger waste of money than the airport, which cost \$1.6 billion. The interest alone—

Sen. Seepersad-Bachan: Madam President, Standing Order 35, relevance and imputing improper motives.

Madam President: Continue Senator.

Sen. The Hon. D. Montano: Thank you very much, I am merely responding to what was said. The interest alone—[*Crosstalk*] CEPEP and the University of the West Indies and that is \$300 million. It can run WASA as well and Caroni (1975) Limited.

Madam President, this is what they did with the desalination plant. WASA was paying an average of something like \$2.35 a cubic metre for water and they said that the water would cost, I think it was \$4.65, and they would sell it at \$7.50 to the factories in Point Lisas, but WASA was already selling the water at \$7.50 so all they did was reduce—

Madam President: Hon. Minister, I think you should come back to answering the questions that were asked.

Sen. The Hon. D. Montano: Madam President, the last matter I wanted to talk about which both Sen. Mark and Sen. Seepersad-Bachan alluded to, the reduction of taxes. I would remind this honourable Senate that when the UNC was leaving office in 2001 it had proposed that taxes be reduced by one per cent after six years of raping the Treasury. We came into office and we brought a budget of 5 per cent reduction. [*Desk thumping*]

That is truth, that is integrity, that is governance. Thank you very much.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, let me say that the contributions made by those on the other side are in fact worthy of consideration, and we on this side certainly have heard what is being said.

With respect to some of the comments with which my colleagues have not dealt, let me try to put some of them into perspective. Contrary to what has been said by Sen. Mark—

[*Cell phone rings*]

Madam President: One moment, Minister. I am hearing a cell phone. Would you please turn off those cell phones?

Continue.

Sen. The Hon. C. Enill: Contrary to what is being said by Sen. Mark, we on

this side believe very seriously that we have the ability in the shortest possible time—and certainly by the year 2020—to create for the society the conditions in which one can consider that the status of developed country is applicable to us and Sen. Bro. Khan spoke about it.

There is a comprehensive plan being developed by the Ministry of Planning and Development in which all the stakeholders in this country are being invited to participate in this process, which simply is the gathering of information, the sharing of information and the consideration of the future of this country. That is driven in part by looking globally to determine which countries in the world are at the best position in what they do. Already we know that in this programme education, health and social services must be some of the priorities that are to be established.

I have heard many negative comments in some instances about a programme that we have put in place called CEPEP. For the record, let me clarify the intention of the programme, because I think if it is understood what it is intended to do, one would have a different view about its value to this country.

When we got into office, we found a group of individuals who had no hope of feeding their families and currently have no skill, and are unable to participate in the economy, to be involved in a programme. We decided to engage them and we looked at the environment and saw a situation in which at level one, they can be involved. With all its weaknesses, CEPEP is really a programme intended to assist a certain sector of the society, who at this point in time had no hope of earning a living. If that is wrong, hon. Senators, then we are wrong. [*Desk thumping*]

The intention was never to waste resources. In fact, it was to invest in human beings at stage one, to move them through the process to stage two where we would take them to a different level, then move them to stage three and eventually wean them off the system. So there is a group of unemployed persons who have absolutely no opportunity, moving through a system in a country in which resources are being used to transfer persons from one stage of our society to another stage so that they could have a better standard of living. That is the intent of the programme and we would deal with and fix everything that is said about the weaknesses of the programme. But the need for a programme of that nature, to transfer people from being dependent on the State to one in which they can integrate into the new society, is something that we are very much committed to and would continue to look at efforts to achieve those specific objectives.

Insofar as progressive initiatives are concerned, all governments are faced with the same issues; the same IMF and World Bank and each government seeks

progress in such a way that it carries through on the policy initiatives. We are no different and are moving in the same direction.

The matter of fiscal regime as it relates to oil and gas is a very complex issue and it speaks to a couple of issues: the competitiveness of the sector; a guaranteed supply of oil and gas for the next 10—15 years based on original investments, and it speaks to the kinds of measures that were put in place before so that the benefits to the country can be realised. On the basis of what we have done to date, the gas production of this country for the next 15—20 years is predictable. And, therefore, in those circumstances, a stream of revenue will accrue to us that would make some of the programmes we have realistic and available.

We are currently at this stage where we have reviewed all that was done before and are in the process of tendering for an international consultant to do two things: to give us a perspective based on today's circumstances on how we should now reconfigure taxation in oil to take care of oil, gas and of course, LNG as the consequence of the things we are doing. Once that is completed—and we propose to have it completed before the end of this current financial year—the other issue as it relates to the interim stabilization fund and how it would be developed in the future would be dealt with as well. That issue is currently under active consideration and would be completed before the end of this period.

Sen. Seepersad-Bachan: Madam President, based on what the Minister has just said, what has happened to the project? That is the exact exercise we just spoke about—engaging consultants to review the whole regime in order to make Trinidad and Tobago more competitive. I understand it was already done when the IMF was engaged. Were the recommendations not suitable?

Sen. The Hon. C. Enill: The IMF Report spoke to the need for us to engage in the exercise of reviewing the fiscal regime. It identified some issues with which we needed to deal, but it did not do the review we are contemplating. That review has to do with future oil and gas issues and other issues within the energy sector based on the new systems that are in place.

For example, the current Atlantic trains that are being negotiated have a totally different structure, where, at every stage of the value train there are a certain amount of opportunities for leakages. Once these things come into the equations, we wanted to ensure that at every stage of that train we could intervene at the level of taxation and also at the well head. Because of the complex nature of it, there were a number of questions that were not answered in the IMF Report. That is what the consultant is intended to do; to deal with it holistically and come

up with a structure that allows us to maintain our competitive position, but the quantity we are dealing with and the product, are also emerging within the global market to compete with us and that is the reason for it.

Sen. Mark: Could the hon. Minister indicate to this Senate what time frame is he anticipating for the legal framework of the Revenue Stabilization Fund?

Sen. The Hon. C. Enill: The process is as follows: Once we have done the review of the fiscal regime as it relates to energy, the next step is to see how that is going to impact on the revenue flows and in the context of that, we would be looking at the interim stabilization fund, which would take place some time before the end of this year.

As to the building programme, we are in the process of constructing infrastructure of the type that is required to take this country where we expect it to be and in fact, we are looking at the construction of a customs building that is due to be started next month, or some time soon which will be immediately followed by an inland revenue building. The intention is that within those buildings, we would be looking at the revenue authority to ensure that when citizens of this country interact with government agencies as it relates to customs or revenue and all the things that happen there, they could in fact be dealing with one entity, the intent being to improve the collection.

I have great difficulty in a situation where the citizens want to pay money and have to spend two hours in a line because the infrastructure, systems and everything in place do not respond to him so he can get on with his business, and that has been a very important part of the agenda in attempting to deal with our citizens in a particular way.

The systems that are in place for self-employed, I would deal with that when I talk about the initiatives.

Tax rate reductions—the Government is going to deal with its tax agenda over a five-year period; year one, we chose to reduce taxes in certain areas and also on the VAT and decided to provide benefits for the elderly by the reduction of value added taxes on medication and those things. When one is talking about tax reduction on very specific issues, one needs to recognize that everything cannot be done in year one and there is a programme to move it over time to the stage in which two things will occur: first, as a result of the reduction in taxes, there is going to be more compliance and secondly, the efficiency of the system would allow us to take less processing time to transact all our businesses and that is where we are moving with the tax process.

Income Tax (Amdt.) Bill
[SEN. THE HON. C. ENILL]

Tuesday, April 08, 2003

For the information of Senators, there was a situation when we got into Government where there was a significant amount of outstanding VAT returns. We have consistently over time put in place mechanisms and financing to reduce that because we are concerned about the additional cost to manufacturers and businesses that have to compete on the one hand and, therefore, if we do not support them, they will pay additional charges and that is a programme we are effectively looking at. I take a personal interest in understanding how that programme is working and my information is that we are just about one month behind insofar as that is concerned. When we got into office it was something like six months.

The recent initiatives to strengthen the Board of Inland Revenue administration which we talked about—we wanted a report on what were some of the things that were happening. In June 2002, we established the Large Petroleum Taxpayers Business Unit and as you know, what this seeks to do is put the best people we have in an area in which we can concentrate on those taxpayers who provide us with the greatest amount of income so that the revenue stream will not be impaired.

The Criminal Tax Investigation Unit is one that we have in fact put in place and Cabinet agreed that the unit would, at this point in time comprise a Manager for Criminal Tax Investigators I, Criminal Tax Investigators II and a Legal Consultant versed in criminal investigation procedures. Applications for these posts have been received and are presently being screened with interviews scheduled to be conducted during the course of this month. It is expected that this unit would be fully functional before the end of six months and the local staff would be well trained and positioned to operate thereafter.

In terms of PAYE, the process that is now in place is a strengthening of the monitoring element of the tax collection process. Fifty PAYE monitors and 50 tax collectors have been employed on a contract basis to assist in this process to ensure that those individuals whom we suspect have not filed their cumulative quarterly returns—They would go out in the field and make sure it occurs.

In terms of field collections, the VAT and tax field collections are being merged to offer a better service, and registration is also being merged so that a taxpayer can go to one location and register for corporation tax, VAT and PAYE rather than having to go to three different buildings as presently obtains. All these are measures that are currently being worked on and would be in place very shortly.

The new remittance system is being implemented on a phased basis allowing the updating of taxpayers' records within five days as opposed to three to six months as previously experienced. The system was first introduced in the South Regional Office, Arima, Tobago and finally, on March 07, 2003 in Port of Spain. Alternative methods of making payments are also being pursued, so this is another initiative.

We are currently looking at the development of an integrated tax system. Six companies met the criteria in response to a request for proposal and it is expected that this would come on stream around 2005 and it is an ongoing exercise.

Processing operations are being reengineered with the goal of processing a perfect return within six weeks of filing. The electronic data processing unit currently has the ability to deal with 2,000 returns per day and we are working to improve the efficiency of operations.

Headquarters—we are looking at reorganizing portfolios and redistributing them to the five commissioners to allow for better management of the functions. The comment made by Sen. Seepersad-Bachan about the flexibility to put people where they need to be is certainly something we should consider seriously because as we have to respond to a dynamic environment, the need for us to provide service really should be immediate and not have to wait on a process that hinders rather than advances the activity.

Many questions asked about the creation of a third-party database enquired about non-filers. This is a project that is undertaken by the reform team and the unit seeks to gather as much third-party information as possible on taxpayers research, update files continuously and cross reference them to taxpayers' returns. This information identifies non-filers, so that process is in place and we are working through that.

The internal audit inspection unit to build taxpayers' confidence—an inspection unit is being developed to promote integrity in Inland Revenue Division's officers. We are working towards this and expect that it would be operating by December 2003.

We are implementing a general audit management database within the functions of VAT, PAYE and corporation tax. Currently there is one set of auditors doing corporation tax, one set doing VAT and one set PAYE and it is our belief that one individual can have a visit by three different agencies to deal with a similar matter. Therefore, the intention is to develop a system in which when they come at you it is VAT, PAYE, corporation tax, et al and that is coming in place; our implementation date for this particular project is December, 2003.

Income Tax (Amdt.) Bill
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Of course, Cabinet has approved the establishment of a revenue authority and we are at the stage where there is a Cabinet decision on it and we are moving towards the formation of the implementation team and the advisory team. The advisory team is a multisectoral group with all stakeholders who will give strategic guidance to the implementation team which is a body of technocrats whose responsibility would be to bring this project on board.

The IRS would be supporting this venture both in the context of Inland Revenue where we are, and insofar as the customs division is concerned, the issue is as follows: At about 2.10 p.m. on April 01, 2003, the server that was currently being used for statistical information came up with an issue and the server could not be rebooted.

The current position is that efforts are being made to replace it in the shortest possible time. In the interim, the plan is to use other applications to continue to provide the service. The data input operators' terms of contract came to an end and there was no permission to extend the contract terms. That matter is being looked at and would be resolved between the CPO, the union, customs and administration based on a meeting tomorrow. In the interim, the individuals are on leave.

We have also put in place a situation in which what would happen in the interim is that there would be selective intervention based on risk management procedures by the customs administration. This is something that is done every time the system goes down. It is not the first time it has happened, and this was the method that was used and it worked quite well. Additionally, we have redeployed other officers in non-sensitive functions to assist in the process. My information is that the system is working as well as it can be at this point in time, recognizing that customer service and business facilitation issues are of paramount importance to us in the process.

Sen. Seepersad-Bachan talked about the issue with the retail traders and while I heard and listened to her, the group she has talked about and whom I talk with on an ongoing basis has not raised this as an issue. I probably have to raise it with them to understand if I am missing something because they have access to make those issues available.

Madam President, I think we have attempted to deal with most of the issues raised, we have all benefited from this particular exercise and, therefore, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

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Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 3 ordered to stand part of the Bill.

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

Senate resumed.

Bill reported, without amendment, read the third time and passed.

Madam President: Hon. Senators, I think this would be a good point at which to take the tea break and return at about seven minutes to five. [Interruption] All right, 4.55 p.m.

4.23 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate do now adjourn to Tuesday, April 15, 2003 at 1.30 p.m. at which time we would start the debate on the Kidnapping Bill.

Madam President: Hon. Senators, there are two matters to be raised on the Motion for the Adjournment of the Senate.

Caroni (1975) Limited

(Government's Land Utilization and Distribution Policy)

Sen. Carolyn Seepersad-Bachan: Madam President, the matter to be raised on the Motion for the Adjournment is the failure of the Government of Trinidad and Tobago to clearly articulate to the national community its policies on land use and state land distribution if any, as they relate to the planned distribution and utilization of state lands currently vested in Caroni (1975) Limited.

As you know, we on this side have no problem, as indicated by previous speakers who have raised similar matters on Caroni (1975) Limited when we speak about the of restructuring of Caroni (1975) Limited. However, what we are against is the form and manner in which this is currently being approached.

What I am raising this evening is the whole issue of Government's policies on land utilization and land distribution. Caroni (1975) Limited owns the largest land mass devoted to agriculture and given the heightened concern to address food

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security and self-sufficiency, this must be an important issue at this point in time before we continue with this accelerated programme of the PNM Government.

There are several documents from which I would like to quote. As you all know, several documents had been written about Caroni (1975) Limited. The first one was a position paper in 1992 on the whole issue of the land utilization policy of the Government. That document addressed specifically the whole issue of irreversibility of agricultural lands. We would all agree that over the years—and probably because of the lack of policies from 1960 onwards—that a lot of our very good fertile land, arable land, was used for residential purposes.

One may argue that there are sections of Caroni (1975) Limited—the land mass, that is—that may not be the most suited. However, at this point in time it is the only land mass available for agriculture, and if we are to address agriculture in this country and to promote agriculture in terms of the Government's or the country's policies for food security and self-sufficiency, this is an issue that must be addressed before we proceed with the whole restructuring of Caroni (1975) Limited.

In that document as well, it also addressed the issue of fragmentation of agricultural land. Since I am constrained for time I really do not want to go into the figures that have been provided, but what has been happening, there has been a trend over the last 20 years in which we find that the very large land masses used for agriculture, have been reducing in number, meaning, that where we had the majority of larger land masses devoted to agriculture, today they are smaller because of the increased fragmentation of agricultural lands.

The issue of fragmentation is that it reduces the economic viability for agriculture which, in this case, we want to promote. We want to encourage farmers; we want to encourage agriculture; we want to encourage downstream opportunities, hence the reason the government of the day, the UNC administration, promoted the whole diversification of Caroni (1975) Limited, because it was the only avenue through which we could see agriculture being able to take a heightened interest at this point in time. Therefore, when the UNC government developed its conceptual plan, this is why it looked at diversification, moving away from sugar but developing the other areas, whether it is citrus, animal livestock, peas and all the other vegetables required.

This is why I say that we are not against restructuring. This is a process that is almost equivalent to, what we call, structural adjustment. All the reports that you read on Caroni (1975) Limited would show that a structural adjustment

programme would take four to five years to achieve that objective, not six months, not even a year. This is where we are again asking for that detailed plan. Where is the detailed plan that tells us how they are going to diversify?

Let me make this point upfront. We keep hearing of a plan from the Government side, but that plan is really a conceptual one; it is not a fleshed-out plan. It is a conceptual plan that says, "Maybe you will get 10 per cent. You would be given first priority." But it does not come down to the specifics. We need specifics. How many of these workers are you going to re-deploy? How many of these people would be allowed housing? How many would be allowed to go into farming? You need this information if you really want an option.

If you want to have voluntary separation, then it must be approached in that light. It cannot be a mandatory programme. That is what we are seeing. If they are so confident—and this is what I am throwing out as a challenge to the Government—about their plan, then we would see all these policies clearly articulated; every worker in Caroni (1975) Limited would understand where their future stands. It is not an airy-fairy thing, and not a threat, telling them that if they do not accept the voluntary separation they will have nothing, so take it or leave it. That is not voluntary separation.

This is why I am making this contribution in light of the state land distribution and utilization policies. Without that policy being properly developed and articulated, I think the whole thrust of the Government is going to lead to a total failure. Do you know why? We would be developing what we call a poverty-stricken area, and people in this country need to understand. The social consequences of that, the economic consequences, will end at the doorsteps of people in Westmoorings, on the East-West Corridor and as far as Gulf City. We must understand that this is going to become our problem.

The reason for that is, when we take this kind of approach, every man that we send home has a family and for every one of these persons there is a multiplier effect of 10. When you shut down the whole of Caroni, Chaguanas, Couva and businesses—and the hon. Minister would understand that; cloth businesses in Chaguanas would suffer—there would be nobody to purchase.

Let me just mention two other documents. The Minister would remember that there was a conference here recently by the Inter-American Institute of Cooperation on Agriculture (IICA), I think it is, which he had the opportunity to address. If you look at that document you would notice that the feature address speaker—and I think there was an address done by a second speaker from the

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University of the West Indies, and both of them highlighted the importance of a land utilization policy, land management, the allocation of land and the promotion of agriculture, meaning the Government becoming a facilitator, providing the marketing, the facilities for the downstream operations. This is why it was addressed at that seminar. We must understand that, in the current context of what is happening globally. Food security is becoming a more and more urgent concern.

Furthermore, the Food and Agriculture Organization (FAO) funded a project for regional, economic integration, and when they talk about the aims of the economic integration, it speaks to the issue again of reserving all agricultural lands and not utilizing them for industrial and housing purposes, because at the end of the day they recognize the irreversibility of this kind of act.

I just wanted to give another perspective to this whole issue. If you look at the annual subvention of \$500 million to Caroni (1975) Limited, this is how we have the accumulated debt of \$2 billion. That is because no budgetary allocations were ever made over those years. It is not like the Port; it is not like WASA. This is why it shows up as this huge debt, because the allocations were not made. So Caroni (1975) Limited is really no different.

I also want to point out that if you compare this \$400 million that you are investing in CEPEP, and if you look at \$100 million more—\$500 million versus \$400 million annually—what is \$100 million to devote towards the development, the continued thrust into agriculture and the continuation of the economic activity in that area? That is what I want the Government to answer. What are the implications when you want to spend \$100 million—just for an extra \$100 million they want to traumatize half the population of this country, create ghost towns in Chaguanas and Couva; create another poverty-stricken area, with large-scale consequences, economic and social.

The other thing that we must understand about agriculture is that when we stopped Caroni (1975) Limited, a particular social pattern had developed. That was one where, during the rainy season the same workers of Caroni (1975) Limited, because they work within the hours of two to nine in the morning cutting cane, they actually use those extra hours to put towards the development of agriculture. When you remove these people, where are you going to continue to get the thrust for agriculture?

You see, without proper policies on land utilization and distribution as they relate to Caroni (1975) Limited, that is why we would continue to hear the

rumours about close relatives and friends of PNM Ministers sitting in Boca Raton in Florida, having meetings on how to distribute Caroni (1975) Limited lands. Once you start doing that, what you would end up with is speculation. When you speculate over Caroni (1975) Limited lands, the price of land would go up. When you increase the price of land in that area, you are going to reduce further the viability of the agricultural thrust in that area.

These are the issues that I hope the Government would be willing to address. Once more, I want to make a plea to the Government that it not take the action that it is taking, and if it is so confident about its VSEP plan, it would be willing to step back and give the country the information it is looking for. I do not mean this vague and ambiguous type of information. I heard the Minister the other night on the 90.5 radio station and he clearly stated that Caroni (1975) Limited lands would be used for garment factories and shoe shops, or something like that, and that would be the end of our agricultural thrust. I look forward to the response.

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

The Minister of Agriculture, Land and Marine Resources (Hon. John Rahael): Madam President, it seems that this Senate enjoys having me here, so if every Tuesday you wish to have me here, I will be here.

I listened to the hon. Senator and I wondered if for the past couple of months she was not listening to what we have been articulating with respect to Caroni (1975) Limited and its entire restructuring. Nevertheless, let me address the question with respect to Government's policy on land use and distribution.

The Government of Trinidad and Tobago is pursuing an accelerated programme of land titling in which persons who have been irregularly tenured on state land designated for agriculture, would be provided with standard agriculture leases once they are pursuing programmes of viable and sustainable agriculture in keeping with the objectives of the Agriculture Policy 2002—2005, and farmers who have been farming on the land, the ministry would ensure that they receive security of tenure.

In addition to what already exists, we have been developing new blocks of agricultural land by surveying and subdividing them into parcels and providing the necessary infrastructure, such as access roads and drainage for distribution to new farmers interested in agriculture as a commercial enterprise. At 1 o'clock this afternoon I was in County Victoria distributing leases for new agricultural land in new areas. Philip Trace, Moruga is one of those areas. We have distributed today approximately 40 agricultural leases for new areas of agriculture. [*Desk thumping*]

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So this Government, unlike the previous administration, which did absolutely nothing for agriculture—agriculture was on the decline from 1996 to 2001. I have said it in this Senate before and I would repeat it. In 2002 we were able to arrest the decline. There was no growth in 2002, but we arrested the decline. In 2002 we were aggressively pursuing the whole question of increased agriculture output and we are putting new lands under agriculture.

Fifty-two blocks of state agricultural lands are being titled. That is encompassing about 2,000 hectares, which is 5,000 acres of new land. We have already identified certain lands on which we want to increase production. Cocoa is one of them. I remember mentioning that. We have, in the past six months, put under cocoa cultivation, 800 acres of land. That is new cultivation. So when we talk about showing an interest in agriculture and making agriculture commercially viable, this Government is pursuing that.

With respect to taking land out of agriculture, we have said over and over again, all agricultural lands, particularly in Caroni (1975) Limited, would remain in agriculture. That is a decision of the PNM Government of Trinidad and Tobago. [*Desk thumping*] All agriculture land would remain in agriculture.

We are saying that we want to create new entrepreneurs. Therefore we have identified acres of lands and the workers of Caroni (1975) Limited would be given the first option and the first opportunity. It seems that the Senator has a problem with that. What is wrong with providing those workers in Caroni (1975) Limited who have spent so many years working the land and have some knowledge and experience in agriculture, the first opportunity to lease a parcel of land so that they could remain in agriculture if they so wish? That is what we are doing.

The previous administration's plan was to find one investor and lease out 1,000 acres of citrus to that one investor. We are saying, no, that is not how we want to go. We want to create new entrepreneurs and we want people to have the opportunity to own their own farms. That is what we are doing. One thousand acres would create 100/150 farmers, not only in citrus. I have said it before and I do not want to keep repeating myself. I have circulated a document—I am sorry the Senator has not received her own as yet, but copies are being made—where it would show the areas that we have already identified for agriculture, for heavy and light industries.

If we say we are going to have industries, if a garment factory goes there, I see nothing wrong with that. She seems to have a problem with garment factories. We

would open gas stations as well, not only garment factories. [*Desk thumping*] That is not a problem. We are open to any industry once it is legitimate business that would create employment for the people of Trinidad and Tobago.

Then you have other areas for residential. The Minister of Housing is here and we are going to move very swiftly in order to create residential estates as well. All of that is going to create economic activities. I have met with the Point Lisas/Couva Chamber of Commerce, the Chaguanas Chamber of Commerce; I have met with all these business organizations and when we rolled out the plan, they were all very excited. So if the Senator has any land in Chaguanas or in Central Trinidad that she is interested in selling, please let me know and I would put her on to those who are prepared to pay her top dollars.

One minute we are being told that Central Trinidad would be a ghost town; everybody would go home with nothing to do; there would be no economic activities, and the next minute we understand there are people in Boca Raton who are planning to buy the land at high prices. They keep contradicting themselves.

Again, we talk about keeping agricultural lands in agriculture. We made no proposal of putting any 1,000-room hotel with a golf course. That is not in our plans. We have already said that we want to make Trinidad and Tobago a developed country in or before 2020 and food security is going to be a critical and important part in making Trinidad and Tobago a developed country. We need to feed ourselves. We know that and we are working towards it.

We have had a task force set up for the poultry industry, the cocoa industry, the apiculture, small ruminants, et cetera, and we are focusing on areas where we know we have a competitive edge. We have signed protocols with countries in which we have never exported fresh produce. Only last week or the week before, we signed one with the Commonwealth of Dominica; we have signed with Grenada; the Attorney General has just vetted the one for Antigua/Barbuda; we are exporting into Barbados by container loads. We have now formed what we call an Agriculture Export Association.

Do you think it is only the Trinidad and Tobago Manufacturers Association (TTMA) and Chamber of Commerce? Now that there is someone in agriculture who understands business, there is an Agriculture Export Association. [*Desk thumping*] What we are doing now is looking for markets, not only regionally, but extra-regionally as well. So when we tell our farmers, “we need you to plant cassava”, we know that there is a market for it. We are advising our farmers as to what they should grow; the quantities they should grow, so that when the time

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comes for reaping, there is a market for them. So it is not that everybody would grow the same thing and there is an abundance and a glut in the market and they have to sell it under cost. We have to approach it in a businesslike manner. You have to be able to produce what the market demands. When you do that, you earn a good living and you would be able to provide a very good living for your family. That is what we are doing.

With respect to the plan for Caroni (1975) Limited lands, I have said it over and over again; in distributing these maps it would identify where we are having the heavy industry. That would be in Point Lisas, north and south. With respect to light industry, that would be in Dow Village; Reform; Endeavour; Factory Road, Chaguanas, and so on. There would be residential and commercial areas in Egypt, Chaguanas, Waterloo, Couva, Balmain, et cetera. So we are moving forward. We know what we want to do; we know what needs to be done and we are going to do it.

With respect to the Voluntary Separation of Employment Programme (VSEP), let me tell you again, earlier today when I was in County Victoria, the workers of Caroni (1975) Limited came to me and asked when is the court hearing because they want to go and demonstrate in front of the Industrial Court to say to them that they want their VSEP. [*Desk thumping*]

As a matter of fact, the workers of Caroni (1975) Limited are very confident, first of all, that the plan that we have in place is a plan to their benefit. Instead of having to be an employee and be dependant on an industry that is dying, what we are doing is providing them with the opportunity to be entrepreneurs to determine for themselves by their labour, that whatever they put out is what they would earn. I am confident that the people of Central Trinidad and the workers of Caroni (1975) Limited are resilient people and they would be very successful and in a short space of time we would only be hearing good things of this entire plan.

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

BWIA
(Severance Benefit Payments)

Sen. Wade Mark: Madam President, on January 28, 2003 some 617 workers were served through their union with formal notices of retrenchment in conformity with Act No. 32, the Retrenchment and Severance Benefits Act.

In the letter of notice the workers were told by the management of BWIA that they would receive their severance payment—that is their property—in

accordance with the subsisting collective agreement, with the effective date being March 15, 2003. Further, on the evening of January 28, 2003, the majority of the board of directors of BWIA, including its chairman and chief executive officer, addressed the nation and said, among other things, that the workers would be paid enhanced benefits and would receive their severance payments in accordance with good industrial relations practice.

Earlier on that said day, that is January 28, 2003, the colourful CEO of BWIA invited the BWIA unions to a meeting and indicated that the cost of the programme was provided for by BWIA since 2002; that is, the retrenchment programme. Subsequent to the effective date, that is March 15, the workers proceeded to collect their severance payments only to receive from the BWIA management a series of lame-duck excuses, including openly compromising the professional integrity of the Board of Inland Revenue.

It was on April 01, 2003 that the workers approached the company en masse. The union was informed then by BWIA management that there was no money to meet the severance payments of workers and had no idea as to when they would be able to honour the workers' severance payment obligation. Payment, they said, would depend on the financial assistance of the PNM regime.

BWIA management went further to inform the unions that the existing staff, that is the workers who are now employed, are also faced with retrenchment and further layoffs, as well as salary cuts that could range between 5 and 25 per cent. The unions are demanding, quite legitimately, the immediate payment of their severance to their over 600 members, by the BWIA management. The union is also calling—and this would ring very nicely, I am sure, with the hon. Minister of Finance—for the re-nationalization of the airline which this same Minister sold out to Acker in 1994.

It is clear that private sector participation has not lived up to its expectations and there is need for Government's direct intervention into the operations of BWIA. Workers need to have representatives at the level of the BWIA board of directors, but the PNM is violently opposed to workers' representation on state boards. This is an extremely complex industry and as such the role of workers is very important in such an industry. The crisis at BWIA has brought to the fore the need for us and for the Government to amend the Industrial Relations Act and the Retrenchment and Severance Benefits Act insofar as job security for workers is concerned.

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The former Minister of Labour, the hon. Harry Partap, had proposed to the standing tripartite committee on labour-related matters, chaired by the then Attorney at law, Elton Prescott, that the Parliament put on its agenda a bill called the Termination of Employment Benefits Act (TEBA). The main purpose of this Act was to replace the Retrenchment and Severance Benefits Act and to establish a terminal benefits fund at the level of the individual enterprise and that trade unions and employers would mutually agree on the appointment of money managers for each fund.

Comments were submitted by both employers and business, but I must tell you, since coming into office—the PNM, that is—that standing tripartite committee has been abandoned and so too the Termination of Employment Benefits Act. This is not only shameful, but absolutely unpardonable. The denial of severance payments to these BWIA workers is both immoral and indecent. The truth is that employers have failed to fund their severance payment for workers. When workers are retrenched in any industry today, they receive their severance pay either through the normal cash flow mechanism or through loans from financial institutions.

We, in the UNC, say that the PNM regime must take full responsibility for the failure of BWIA. The PNM failed to ensure that there were proper management practices at that company. The PNM had failed to conduct a proper financial audit at BWIA. The truth is that all is not well at BWIA. BWIA seems to be a mystery. Something is wrong and there is need for some deep probing into the financial management of this airline. I think we need a commission of enquiry into the operations of BWIA. The PNM regime has simply been accepting whatever excuses that management were to submit to them via reports. The BWIA management must take full responsibility as well, for the crisis of the airline, not only the PNM.

We must never forget that the PNM sold out BWIA to Edward Acker in 1994. We say that the time has come for the PNM to retake BWIA from the allies of Edward Acker. It is inconceivable for a management to consciously and deliberately retrench over 617 workers without making provision for their severance payment. It is unpardonable; it is a cardinal sin for any employer to retrench workers and treat them like animals in this land.

It is our information that the accountants at BWIA advised the management to fund the workers' severance pay but they simply refused to do so. In light of all that has happened at this airline since January 28, 2003, the time has come for the Government to reclaim BWIA; the time has come for the Government to do whatever it has to do to meet the workers' severance payments and to reorganize

that airline in the interest of the people of Trinidad and Tobago and the entire Caribbean.

The die has been cast. It is either liquidation or re-nationalization. That is the crisis that BWIA faces today and the Government is left with little choice but to take control of BWIA. It is our view on this side that the time for the PNM to intervene to save that industry is now. All that the PNM has delivered so far to this country since coming into office in December is murder, kidnapping and retrenchment. The time has come for the PNM regime to take back BWIA and put it into the hands of the people of this country, and the time has come for the Government to intervene and to provide those workers and their families with the relevant severance payments. In that context, I feel that the Government would be doing the people, the workers and the country a great favour, because the people, the workers and all their families and dependants are fed up and they want intervention now.

That is what we are calling for. We call on the Minister of Trade and Industry and the Minister in the Ministry of Finance to convince his Government and the Prime Minister to take action, intervene now and save the jobs of workers, save the airline and make arrangements to pay the severance payments to the over 617 workers and their families and dependants.

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

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam President, I want, first of all, to say how pleased I am to visit with my colleagues in the Upper House. It is quite some time since I was last here. I have noted that the Leader of the Opposition in the Senate has toned down considerably since the last time I heard him. I understand that he has been taking some coaching. I do not know whether his coach forgot to tell him that he must take his hands out of his pocket when he is speaking. But you can see quite clearly the coaching has helped.

Yesterday afternoon when I saw this matter and I saw that it was directed to the Minister of Trade and Industry and Minister in the Ministry of Finance, I had to ask: How did I get involved in this? Because you would know, as the Member reminded us, BWIA was privatized in 1994. It is now on the stock market. The Government owns 33.5 per cent of the equity in the company; the Government has three directors; there is a golden share. The golden share simply gave us a veto right on the appointment of the chairman. You would know, Madam President, that the chairman was appointed in the last regime and the chairman

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has real sway on the board. As a matter of fact, Government's directors are in the minority on the board.

So that in all the circumstances, I do not know why the Senator is asking the Minister of Trade and Industry and Minister in the Ministry of Finance to explain what is a company matter. I wonder if this matter related to Neal and Massy, whether he would have asked the Minister of Trade and Industry and Minister in the Ministry of Finance to come to the Parliament to explain. As I understand the situation, the company has up to April 15 to pay its severance.

Like him, I express amazement that any company can consider retrenching workers without making adequate arrangements for the payment of that severance. But that is a separate issue. The point I am making is that the company has up to April 15 and if it fails to pay by April 15, the legislation provides for certain rights of the union and I think the union is aware of that, but you can see that none of the unions seems to be concerned. Nobody is here to listen to this matter this evening. They are aware of their rights and I am sure they are going to exercise those rights.

I can tell you I met with the unions last week and they both left, I thought, quite happy. Both of them coming out of press statements said that they are prepared to work with the Government in correcting the ills at BWIA. That is what we are doing. You would know, Madam President, that when in November the company approached the Government for assistance and the Government agreed to assist, we did so on certain conditions. One of those conditions was that we would set up a committee to look at BWIA, to do the same thing the Senator is asking for. The committee is out there working, looking at the operations of BWIA to see what economies can be effected; to see whether some type of functional cooperation with Air Jamaica and Liat would make sense and also to look at positioning Piarco as a hub for air transport into and out of South America.

That committee is working. As a matter of fact, last week the committee submitted an interim report which is on its way to the Cabinet, making certain recommendations which would be considered by the Cabinet, and that is what it is. We are doing this because the Government wants to position Trinidad and Tobago in a particular way and air transport is extremely important in that regard. As a matter of fact, I would dare say a national airline, in the first instance, could assist in the realization of that strategy.

Madam President, I am sure Senators would have heard of Government's plans, one, to be the headquarters of the Free Trade Area of the Americas (FTAA)

and to do that we must have easy air transport into and out of Latin America. The Government is taking the initiative and has agreed to provide financing for airlifts into some of the Latin American countries, into Costa Rica, into Cuba, into the Dominican Republic in the first instance, and the plan is at the second stage to go into Belem and other Latin American countries.

We would prefer to be able to do that with what is still known as our national airline. We make it clear, however, that what is important is air transport rather than an airline, and that we would go forward; we would play our part. We have no difficulty in playing our part if there is a viable plan and if other shareholders would come to the table. If other shareholders are not prepared to come to the table, then we are saying that we need equity for any funding we would put into BWIA.

Obviously, if we put equity, it means that very easily we would have control. The issue is, one can deal with it that way or deal with it via the golden share. These are issues that must be debated so as to arrive at what is best for the country. I think if we look at what is happening in the world; if we look at the United States, you would see that there seems to be a realization that airlines are important for countries. We need, however, at all times to ensure that we get value for money. Airlines, if they are strategic, then we need to have it at minimum cost.

As we go forward, we must have some arrangements with the unions and managements that they must face the reality. This is why one of the key issues the Government would be looking at is to see clearly what part the unions—in other words, the employees; all of them, including the pilots and so on—are prepared to play to ensure that BWIA survives. They will find the Government a willing participant as long as everybody is prepared to come to the table. But the Government is no “bobolee” and that is the reality.

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

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.45 p.m.

WRITTEN ANSWERS TO QUESTIONS

CEPEP

(Public Works Details)

- 25. Sen. Wade Mark** asked the hon. Minister of Public Utilities and the Environment:
- A. Could the Minister give details about the names and number of companies established and performing public works under the Community-based Environmental Protection and Enhancement Programme (CEPEP)?
 - B. Could the Minister state whether all those companies identified are legally incorporated under the New Companies Act? If not, why not?
 - C. Could the Minister further state whether any advertisements were placed in the daily newspapers for notice of public tendering for these public works? If not, why not?

CEPEP

(Employment Criteria Details)

- 26. Sen. Wade Mark** asked the hon. Minister of Public Utilities and the Environment:
- Could the Minister inform the Senate about:
- A. (i) The total number of persons employed by each company under the Community-based Environmental Protection and Enhancement Programme (CEPEP)?
(ii) The criteria used by these companies in the employment of these persons?
 - B. Could the Minister state whether the jobs offered under (CEPEP) were publicly advertised?
 - C. Could the Minister provide the appropriate information and documentation to show that these jobs were advertised?

**CEPEP
(Remuneration Details)**

27. Sen. Wade Mark asked the hon. Minister of Public Utilities and the Environment: Could the Minister provide details on:

- (i) The amount of money paid to each company under the Community-based Environmental Protection and Enhancement Programme (CEPEP);
- (ii) How are the companies paid;
- (iii) When are they paid; and
- (iv) How much is each person employed by these companies being paid?

Pursuant to his reply to questions Nos. 25, 26 and 27, earlier in the proceedings, the Ministry of Public Utilities and the Environment (Sen. The Hon. Rennie Dumas) caused to be circulated to Members of the Senate the following statistics.

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
A.E. Rasolli Maintenance Services Limited	60	542,173	419,534
Agromomics Inc Limited	60	561,687	437,312
Allahu Enterprises Ltd	60	267,673	207,150
Answer Maintenance Limited	40	404,606	307,708
Ant's Mole Construction Limited	40	358,188	272,963
Arc Angels Limited	60	628,428	437,708
Beautification & Sanitation Co. Ltd	40	390,105	282,463

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
Beckles Environmental Services Limited	60	490,617	371,421
Beckles Company Limited	60	503,689	392,555
Benchmark Environmental Services Ltd	40	388,016	287,045
Breeze Maintenance Services Ltd	40	387,401	285,704
Chaitram and Company Limited	40	400,008	293,548
Claudius.Asad.Asiam. Construction Ltd	40	409,814	311,733
Cleanville Company Limited	40	325,736	247,425
Clearcut Environmental Services Company Limited	60	538,248	405,927
Cornerstone Environmental Maintenance Company Limited	40	375,685	286,151
Crewcutters Maintenance Company Ltd	60	429,762	333,949
Cumana Engine Room Environmental Company Ltd	40	391,729	292,014
Cut-Clean And Clear Maintenance Services Ltd	40	410,634	312,136
Daily Environmental Services Ltd	60	571,063	436,092
Danavin Company Limited	40	427,149	307,663
DARWEN Ltd	60	551,664	429,421
Debut Cleaning Company Limited	40	379,485	287,839
Deep Maintenance Company Limited	60	548,589	426,321
Deep Root Environmental Company Limited	40	428,341	308,679
Development and Enhancement Services Limited	40	323,637	245,892
Divya Enviro Ltd	40	320,825	242,328

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
Docland Ltd	40	406,162	294,309
Doolay Environmental Services Ltd	40	391,412	283,417
Duncan Village Maintenance Company Ltd	40	406,299	294,370
EDM Environmental Management Co. Ltd	40	359,814	269,398
Edpat and Company Limited	40	366,476	278,924
Effective Environmental Systems Company Ltd	40	396,391	301,647
Enviro Company Limited	40	400,827	298,981
Envirochem Limited	40	390,620	291,576
Environmental Alternatives Ltd	40	409,653	296,771
Environmental Enhancers Ltd	40	332,890	251,279
Environmental Improvement Company Limited	40	387,534	280,546
Enviropro Ltd	40	314,743	227,318
Fabcon Limited	40	345,940	244,787
Farnum Environmental Co. Ltd	40	326,506	247,857
First Class Homes and Commercial Property Ltd	60	499,559	387,834
Foster - Solutions for Sustainable Ecosystem Development Ltd	40	318,296	240,466
G. Bacchus General Contractor Enterprise Ltd	40	371,693	282,350
G.P. Maintenance Ltd	40	401,691	297,000
Gap Environmental Experts Co. Ltd	40	339,698	252,392
Gateway Environmental and Maintenance Services Ltd	60	513,024	403,229

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
Global Enterprises Limited	40	348,108	264,903
Healthy Environment and Landscaping Providers Ltd	40	276,413	210,026
Heyman's Environmental Services Ltd	40	367,992	277,966
Hibiscus Services Co. Ltd	40	304,957	230,818
High Place Enterprises Ltd	60	569,500	444,161
High Road Maintenance Co. Ltd	40	329,538	232,693
Hinds Oliver Enterprises Company Limited	60	603,852	469,519
Hyllite Services Limited	40	452,247	326,577
Iardanus Limited	40	358,972	273,368
Jaisuree Enterprises Ltd	40	295,474	218,250
JC Environemntal Services Limited	60	529,065	402,598
Jenbri Enterprises Limited	40	408,851	302,474
Jen-Cam Limited	40	386,222	288,784
John Fortune Enterprises Ltd	40	375,333	287,167
K&R Contractors Company Limited	40	418,815	312,707
K&S Environmental Services Company Limited	40	419,562	313,432
K.G. Environmental Services Ltd	40	420,731	303,483
Kenwyn & Kyle Environmental Specialist Limited	40	377,964	287,226
KFS Company Limited	40	396,085	300,962
KS Environmental Maintenance Company Ltd	40	416,785	300,490

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
Lee St. Louis Environmental Specialist Limited	60	602,528	469,847
Lo Pari Landscaping Company Limited	40	352,952	272,519
M.J.I. Landscaping Limited	40	337,674	250,935
M/S Community Maintenance Limited	40	365,399	271,419
Mario Eco Company Limited	40	390,578	289,790
Marryshow Maintenance Services Ltd	40	393,342	299,366
Maximum Environmental Services Co. Ltd	60	463,178	358,456
Miracle Bright Maintenance Company Limited	40	424,506	329,993
Mountain View Environmental Company Limited	40	316,200	235,160
MPH Services Limited	40	408,820	295,017
N.B.C. Company Limited	40	309,696	234,233
Neighbourhood Maintenance Services Ltd	40	313,267	235,566
Palladin's Company Limited	40	372,987	284,148
Patchiff Industrial Services Limited	40	349,169	251,093
Pical Services Ltd	40	342,053	254,032
Point Fortin Environmental Services Limited	40	415,818	315,099
Prim Clean Limited	40	376,694	272,875
Pro Blade Limited	40	344,001	245,150
Prudent Construction Ltd	40	379,627	288,898
Quality Environmental Services Ltd	40	423,442	306,635

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
R.J.S.D.C. Company Ltd	40	368,207	280,347
Real Maintenance Services Ltd	40	182,860	138,142
Rencamp Cleaning and Landscaping Company Ltd	40	334,067	253,716
Roopy's Contracting Services Ltd	60	545,289	423,974
S&G Maintenance Company Limited	40	360,424	278,014
S&S Environmental Services Company Limited	40	409,524	310,937
S.A.S. Maintenance Company Limited	60	632,387	466,719
S.J.L. Environmental & Developmtn Company Limited	40	374,607	285,404
SAMCOLL Construction Company Limited	40	385,951	275,790
Sarah Maintenance Company Limited	40	423,010	306,028
Silver Sands Ltd	40	330,001	249,141
South East Maintenance Services Ltd	40	399,561	304,212
South West Development Agency	40	366,140	278,058
The Maintenance Advantage Co. Ltd	40	386,008	293,755
Theodore Maintenance Co. Ltd	40	316,855	239,454
Thomas Loney Maintenance Services Ltd	40	336,340	253,855
Time Environmental Services Ltd	60	66,511	51,456
Toncabean Maintenance Company Ltd	40	409,425	296,677
Trinidad Bago & Sons Company Limited	60	563,174	428,708
Two J's Beautification Limited	40	394,423	286,621

CONTRACTOR'S NAME	NUMBER OF EMPLOYEES	TOTAL PAYMENTS FROM 27 SEP'02 TO 31 JAN 2003	PORTION OF PAYMENTS PAID AS WAGES
Wells Maintenance Company Limited	40	437,023	314,681
West & Associates Co. Ltd	60	547,840	426,143
William & Sampson Company Ltd	60	539,826	419,781
		44,282,031	33,262,579