

Leave of Absence

Tuesday, September 25, 2007

SENATE

Tuesday, September 25, 2007

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 Sen. The Hon. Hazel Manning, Sen. Dr. Eastlyn Mc Kenzie, Sen. Brother Noble Khan and Sen. Dr. Glenn Ramadhar-Singh who are all out of the country and to Sen. The Hon. Satish Ramroop who is ill.

SENATORS' APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from His Excellency the President, Professor George Maxwell Richards, T.C., C.M.T., Ph.D.

Senators, I have five instruments to read and you will appreciate they will take quite a while, so with your leave, I will read the body of the instruments and pass them to the Hansard Reporter so they could be incorporated into the *Hansard*.

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MR. OVERAND PADMORE

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, OVERAND PADMORE, to be

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temporarily a member of the Senate, with effect from September 25th, 2007 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 21st day of September, 2007."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Satish Ramroop 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 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 immediate effect and continuing during the period of illness of the said Senator Satish Ramroop.

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 25th day of September, 2007."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

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/s/ G. Richards
President.

TO: MR. SYLVESTER PETER RAMQUAR

WHEREAS Senator Dr. Glenn Ramadhar-Singh is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

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, SYLVESTER PETER RAMQUAR, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Dr. Glenn Ramadhar-Singh.

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 25th day of September, 2007."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MS. ALTHEA ROCKE

WHEREAS Senator Dr. Eastlyn Mc Kenzie 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, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ALTHEA ROCKE, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Dr. Eastlyn Mc Kenzie.

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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 21st day of September, 2007."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: PROFESSOR DAVID PICOU

WHEREAS Senator Brother Noble Khan is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, DAVID PICOU, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Brother Noble Khan.

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 21st day of September, 2007."

OATH OF ALLEGIANCE

The following Senators took and subscribed the Oath of Allegiance as required by law:

Overand Padmore, Joan Hackshaw-Marslin, Sylvester Peter Ramquar, Althea Roche, Prof. David Picou.

Letter of Rebuttal

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**LETTER OF REBUTTAL
(Mr. David Brash)**

Madam President: Hon. Senators, a letter dated September 13, 2007 was received from Mr. David Brash in which he rebutted statements made by Sen. Wade Mark at a sitting of the Senate on September 03, 2007 during the debate of the Appropriation Bill, 2007. Mr. Brash also sought approval for a response to be incorporated in the parliamentary record. In this letter Mr. Brash claims that the statements adversely affected his reputation and cast a shadow over his integrity, credibility and standing in the business community.

I have reviewed the verbatim report and wish to confirm that Sen. Mark did state that:

1. Mr. David Brash, Chairman of NIDCO, chaired a committee to oversee the implementation of the water taxi project;
2. All the committee members were hand-picked by Mr. Brash; and
3. He manipulated all the contracts that were awarded. [*Interruption*]

Senators, can I have some silence please?

Sen. Mark also went on to list a number of companies which he alleged received contracts and which were either owned by committee members, or in which the owners were friends of Mr. Brash.

I am of the opinion that Sen. Mark's statements can and may have adversely affected the reputation of Mr. Brash in his dealings or association with others as stipulated in the guidelines regarding live parliamentary broadcasts.

I have therefore granted approval for Mr. Brash's response to be read into the parliamentary record. I now call upon the Clerk to read the response.

**Response
(Mr. David Brash)**

The Clerk:

"I would like to state that I am neither the Chairman of the Tender's Committee nor a member of the Tenders Committee. The contracts were awarded by NIDCO in accordance with NIDCO's Board-approved tendering procedures and policies.

NIDCO's Board-approved tendering policies and procedures allow for the award of contracts on a sole selective basis in clearly delineated circumstances and based on technical criteria, as well as the principle of

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value for money. All proposals received by NIDCO with respect to sole select awards are evaluated and negotiated by NIDCO's engineers with recommendations being brought forward to NIDCO's Tenders Committee and its board for final approval. I reiterate, no contracts have been awarded without the approval of NIDCO's Board.

Whilst I may be familiar with the principals of some of the companies named in Sen. Mark's contribution as a result of my 20 years of involvement, *inter alia*, in the energy sector and in marine transportation activity, I have never sought to improperly influence the process of selecting companies for the award of contracts in favour of these companies as Sen. Mark suggests. The attacks by Sen. Mark upon me personally in this regard are an unwarranted slur on my character and good name and are totally without foundation.

I trust that this response will clear up any misconception created in the public's mind concerning the water taxi project and serve to reassure the public that NIDCO is handling this project and other projects under its purview properly in accordance with guidelines established by the Board and in accordance with the laws of Trinidad and Tobago."

Sen. Dumas: Shame on you!

Sen. Mark: He should be in jail. He is a schemer.

[*Madam President pounds gavel*]

Madam President: Senators, can we please continue with the business of the Senate, you may have your private conversation somewhere else.

**INCORPORATED TRUSTEES OF THE PRESBYTERIAN CHURCH OF
TRINIDAD AND TOBAGO BILL**

Bill to repeal and replace the Presbyterian Church Incorporation Ordinance, 1893 and provide for the incorporation of certain persons as Trustees of the Presbyterian Church of Trinidad and Tobago, brought from the House of Representatives [*Sen. Rawle Titus*] read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings.
[*Sen. R. Titus*]

Question put and agreed to.

FINANCE (NO. 2) BILL

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

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

Question put and agreed to.

**JOINT SELECT COMMITTEE REPORT
(Presentation)**

The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Mustapha Abdul-Hamid): Madam President, I beg to present the report of the Joint Select Committee on Broadcasting.

ORAL ANSWERS TO QUESTIONS

**Customs House
(Details of)**

76. Sen. Wade Mark asked the hon. Minister of Finance:

With respect to the construction of the new Customs House in Port of Spain, could the Minister inform the Senate:

- (i) what was the original estimated cost;
- (ii) how much money has been expended to date;
- (iii) what is the new estimated total cost;
- (iv) what was the original scheduled completion date; and
- (v) what is the new scheduled completion date?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Thank you, Madam President.

Madam President, the original cost of the 10-storey Customs and Excise Building under construction in Port of Spain was estimated at \$114,460,000; \$101,429,000 has been spent on the construction of the Customs and Excise building to date. The new estimated cost of the building is \$119,507,000; the original projected completion date for the building which is being constructed by local contractor, NH International was March 16, 2006. Discussions had commenced with the contractor with a view to accelerating the pace of work in order to complete the building on or before December 31, 2007.

Sen. Mark: Could the hon. Minister indicate whether the new estimated total cost for the completion of the project is as he stated \$119 million or \$190 million?

In those circumstances, could I ask whether the original estimated cost would have been overestimated by the Central Tenders Board or the Government that awarded it to the Central Tenders Board?

Sen. The Hon. C. Enill: Madam President, subsequent to the award of the contract for the construction of the 10-storey building, there were a number of unforeseen circumstances that impacted on the cost of the building. These included unforeseen ground conditions having regard to the fact that the Government's campus site was reclaimed land.

Another factor which impacted on the cost were changes in the design and architectural components of the building such as the use of aluco bond which is a composite panel and granite to ensure the building matches the aesthetics of the rest of the campus.

Delays in the on-site activity due to the scaffolding accident in June 2006 and the ensuring of investigations and implementation of remedial systems also contributed in some measure to this particular issue.

Sen. Mark: Could the hon. Minister indicate to us, seeing that this project is some 18 months behind schedule, how has this delay impacted on Governments operations and its ability to service the public of Trinidad and Tobago? What negative impact, if any, this delay has had on Government's operation?

Sen. The Hon. C. Enill: Madam President, as the Senator knows, the reason this building was set up was to ensure that we could put our public officers in an environment that is conducive to our aspirations of providing quality service to all our citizens.

They are currently housed in a location, and to the extent that this building is not available, simply means that they continue to operate in the current unacceptable location. For my own part, I would have liked to have this building completed, but there are matters which no Government Minister has control over and, therefore, all we could have done in these circumstances was to have negotiations with the contractor to move the process forward at a faster rate.

Sen. Dr. Gopeesingh: Through you, Madam President, could the hon. Minister indicate whether despite the fact of almost 18 months of delay in the completion, it has only cost \$4 million? Is this a true reflection of a \$4 million overrun despite a delay of 18 months, or is there something not within the discussions that we are unaware of?

Sen. The Hon. C. Enill: The information available to me says that the time delay had more to do with issues of ground conditions and change in the aesthetics. The net effect on that is the cost that we have been given so we have moved from \$114 million to \$119 million. I am not aware of any other facts to change our position.

**Road Paving Programme
(Details of)**

82. Sen. Dr. Tim Gopeesingh asked the hon. Minister of Works and Transport:

With respect to the proposed road paving programme being undertaken by the Ministry of Works and Transport, could the Minister inform the Senate:

- (i) which roads are scheduled to be paved;
- (ii) the process utilized in determining which roads needed to be paved; and
- (iii) the cost per kilometre of paving?

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I am advised that the answers to questions Nos. 82, 83, 84, 87, 88 and 89 are not yet ready. I ask that the questions be deferred for one week.

Sen. Dr. Gopeesingh: Madam President, you will realize that we are coming to the end of the parliamentary term after five years. These questions have been asked almost nine months ago and have been deferred on three separate occasions and now again, so obviously we would end the parliamentary term without any answers.

Madam President, roads are being paved at the moment, so it is knowledge to everyone—

Madam President: All right, no speech, Senator. No speech is necessary. I would hope that if there is a sitting next week, we would get the answers.

Sen. Dr. Saith, which are we answering?

Sen. The Hon. Dr. L. Saith: None.

Madam President: Oh, all have been deferred?

Sen. Mark: Madam President, before we move on I will refer to the appendix in terms of written answers.

Sen. The Hon. Joan Yuille-Williams, Minister of Community Development, Culture and Gender Affairs has blatantly refused—

Madam President: Senator, we do not need a speech. We know that, we are aware of that, the Minister is also aware of it; she has stated that she has tried to get the question and we can hope that before we close that she would have some of the answers.

Could we move on, please?

Question, by leave, deferred.

The following questions stood on the Order Paper in the name of Sen. Dr. T. Gopeesingh:

**Road Paving Programme
(Contract Details)**

- 83.** With respect to the proposed road paving programme being undertaken by the Ministry of Works and Transport, could the hon. Minister of Works and Transport advise the Senate of:
- (i) the tendering procedure involved in awarding contracts;
 - (ii) the names of the firms/contractors that have been awarded contracts; and
 - (iii) the cost of each contract awarded?

**Brian Lara Stadium
(Details of)**

- 84.** A. With respect to the award of the contracts for the construction of the Brian Lara Stadium in Tarouba, South Trinidad, could the hon. Minister of Sport and Youth Affairs indicate to the Senate:
- (i) the tendered cost;
 - (ii) the cost overruns to date;
 - (iii) the expected completion costs; and
 - (iv) the expected completion date?
- B. Could the Minister also indicate:
- (i) the names of the companies that tendered for this project and their tender prices;
 - (ii) the process used to evaluate the tenders; and
 - (iii) the names of the individuals/firms that evaluated the tenders?

**Construction of the Waterfront Project
(Award of Contracts)**

- 87.** A. With respect to the award of contracts for the construction of the Waterfront Project along Wrightson Road, Port of Spain, could the hon. Minister of Planning and Development indicate to the Senate:
- (i) the tendered cost;
 - (ii) the cost overruns to date;
 - (iii) the expected completion costs; and
 - (iv) the expected completion date?
- B. Could the Minister also indicate:
- (i) the names of the companies that tendered for this project and their tender prices;
 - (ii) the process used to evaluate the tenders; and
 - (iii) the names of the individuals/firms that evaluated the tenders?

**Construction of the Government Campus
(Award of Contracts)**

- 88.** A. With respect to the award of contracts for the construction of the Government Campus on Richmond Street, Port of Spain, could the hon. Minister of Planning and Development indicate to the Senate:
- (i) the tendered cost;
 - (ii) the cost overruns to date;
 - (iii) the expected completion costs; and
 - (iv) the expected completion date?
- B. Could the Minister also indicate:
- (i) the names of the companies that tendered for this project and their tender prices;
 - (ii) the process used to evaluate the tenders; and
 - (iii) the names of the individuals/firms that evaluated the tenders?

**Construction of the Prime Minister's Residence
(Award of Contracts)**

- 89.** A. With respect to the award of contracts for the construction of the Prime Minister's residence and Convention Centre and its furnishing, could the hon. Prime Minister indicate to the Senate:
- (i) the tendered cost;
 - (ii) the cost overruns to date;
 - (iii) the expected completion costs; and
 - (iv) the expected completion date?
- B. Could the Minister also indicate:
- (i) the names of the companies that tendered for this project and their tender prices;
 - (ii) the process used to evaluate the tenders; and
 - (iii) the names of the individuals/firms that evaluated the tenders?

Questions, by leave, deferred.

Sen. Mark: [*Inaudible*]

Sen. Dumas: Stop harassing the Minister.

Madam President: Sen. Mark, I am not going to tolerate your interruptions today.

ARRANGEMENT OF BUSINESS

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I seek leave of the Senate to deal with matters of today's sitting in the following order: Bill No. 1, Private Business on the Supplemental Order Paper, followed by Bill No. 2, Government Business on the Supplemental Order Paper, followed by Motion No. 1 under Government Business on the Supplemental Order Paper and then Committee Business.

Agreed to.

Sen. Mark: Madam President, I am in agreement with what you have just said, but I want to put on the record based on discussions I have had with Sen. The Hon. Dr. Lenny Saith, today as you know, was supposed to be Private

Members' Day and we have agreed to forego it today and in exchange we shall be meeting next week Tuesday to deal with Private Members' Business, so I just want you to be aware of this negotiation.

**INCORPORATED TRUSTEES OF THE PRESBYTERIAN CHURCH OF
TRINIDAD AND TOBAGO BILL**

Sen. Rawle Titus: Madam President, I beg to move,

That a Bill to repeal and replace the Presbyterian Church Incorporation Ordinance, 1893 and provide for the incorporation of the Presbyterian Church of Trinidad and Tobago and for related matters, be now read a second time.

Madam President, this Bill was introduced in the House of Representatives and referred to a select committee of that House. The committee examined the Bill and considered and agreed that the draft required strengthening and amendments were proposed and accepted by the church.

2.00 p.m.

On September 19, 2007, the report was adopted and the Bill was passed by the House of Representatives, with amendments. The amended Bill is what is now before the Senate. The Bill was circulated and the gist of the Bill is actually embodied in clauses 6 and 7, which I am sure everybody has had a chance to look at. Therefore, with a Bill as simple as this, I see no reason the support of the entire Senate should not be forthcoming.

As you know, the Presbyterian Church has had a presence in Trinidad and Tobago for some 114 years and the contribution of that denominational group is one that should be commended and I would like to so do and have it recorded. As a matter of fact, I would like to record the congratulations of Trinidad and Tobago to all of the denominational boards for the contribution that they have made, both to the spiritual well-being of the nation and to the education process.

The Bill essentially seeks to change the names of the trustees and to enlarge their powers. As I said, all of that is embodied especially in clauses 6 and 7. As I said before also, the Bill is very simple and we seek the support of the entire Senate on this.

With those few words, I beg to move.

Question proposed.

Sen. Wade Mark: Madam President, unlike the last Private Members' Bill that we had which sought to incorporate the National Carnival Bandleaders Association on which we had abstained, this one will receive our fullest support

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because there is no controversy surrounding this particular Bill that is before us. And we know, as the hon. Sen. Titus has said, this institution called the Presbyterian Church, has played a very critical role in the development of the Republic of T&T over the years, and we are only too happy to join with Sen. Titus in giving support to this particular measure where a couple important changes are being proposed, giving the repeal of the original ordinance of 1893.

So we do not have any objection to the incorporation of the Presbyterian Church, given what Sen. Titus has advanced.

Sen. Basharat Ali: Madam President, I rise to give my strong support to this Bill before us because I am a product of a Presbyterian school, in fact, the San Juan Presbyterian School. That is the first school I attended—a primary school—but I have one comment and that is, I looked through the schedule and I did not see my school listed. So I would like that to be looked at.

Madam President: That is what?

Sen. B. Ali: The Schedule of the Bill does not list San Juan Presbyterian School. They list the church and the Manse under the San Juan/Woodbrook Pastoral Region, but not the school. So it may be an omission on the part of someone so I just thought that I would bring it to the attention of Senators.

Madam President: We will deal with that at the committee stage.

Sen. B. Ali: Madam President, that is all I had to say and, as I said, I support the Bill before us. Thank you.

Sen. Rawle Titus: Madam President, I rise to thank both Benches opposite for the support that they have pledged and it is with pleasure that I beg to move,

That the Bill to repeal the Presbyterian Church Incorporation Ordinance, 1893 and to provide for the Incorporation of the Presbyterian Church of Trinidad and Tobago and for related matters, be now read a second time.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 13 ordered to stand part of the Bill.

Schedule.

Question proposed, That the Schedule stand part of the Bill.

Sen. Ali: Madam President, I had raised the question of the Schedule.

Sen. Dr. Saith: Madam Chairman, this was the list provided by the Presbyterian Board and I will raise it with them. It may be that they have sold that property, I do not know.

Madam Chairman: But the school is still there.

Sen. Dr. Saith: No, but they may have sold the property. If it needs be, we can always add it, but we have to talk to them. It is their list.

Sen. Yuille-Williams: I am wondering really whether it is that Presbyterian school, because I went to a school that is not there but the land is there, so I think it might not be the same thing that we are looking at. The land is there and, therefore, it might not be the name of the school.

Madam Chairman: So we will have to talk to them about that and if necessary, bring it—

Sen. Dr. Saith: We will double check their list.

Question put and agreed to.

Schedule ordered to stand part of the Bill.

Preamble approved.

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.

FINANCE (NO. 2) BILL

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

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

Immediately upon the assumption of office in 2001, this Government articulated its vision for the citizens and for the country of Trinidad and Tobago. It was a long-term vision. We identified our principal objective: Trinidad and Tobago would achieve developed country status by the year 2020, if not before. Since that time, we have articulated on the occasion of the presentation of our national budget the annual plans and programmes which were required to be

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implemented to assure the achievement of our national goal. The 2007/2008 budget statement is no different. The framework and strategies remain anchored in Vision 2020 and seeks to consolidate the tremendous and substantial social and economic gains already achieved.

Accordingly, before I discuss the provisions of the fiscal Bill 2007, I think it is only right that I should share with the national community the progress which has been made towards ensuring the sustainability of the existing strong economic fundamentals which are so essential for developing further our human and physical capital as well as improving our institutional environment.

This Government considers a stable macroeconomic environment as a precondition for generating sustained economic expansion and for building social and economic structures. The evidence is unambiguous and unquestionable. The long-running economic expansion remains solid and sustainable. Economic growth averaged 9.4 per cent per annum during the period 2002/2007, reflecting continued growth in both the energy and non-energy sectors. The economy doubled in the six-year period, 2002/2007 and so has the per capita income which has increased from US \$7,100 to US \$14,790. The economy has been generating substantial employment growth so that full employment was actually achieved at the end of December 2006 at 5 per cent unemployment. Indeed, the rate of unemployment had averaged 6.5 per cent as at the end of July 2007. You would always have some level of fluctuation in the labour market due to seasonality of labour, but this will also introduce some flexibility in the labour market.

The rate of inflation has been decelerating in response to public action on both the demand and supply sides. In August 2007, the rate of inflation has been reduced to 7.9 per cent. Altogether, the Government continues to target 7 per cent by the end of this year and 5 per cent thereafter.

Core inflation, which excludes volatile food prices, has stabilized at about 4.5 per cent. The incidence of poverty has been substantially reduced from 35 per cent in 1990 to 16.7 per cent in 2006. The balance of payments has been generating substantial current account surpluses boosted by high oil and gas prices and stable foreign capital flows to support investment which average annually, US \$674 million for the period 2002/2007.

These activities have resulted in a build-up in foreign exchange reserves to US \$7.4 billion at the end of December 2006. Crucial to this sound balance of payments position was a decision of the PNM Government in 1993 to introduce a flexible exchange rate by floating the TT dollar against the US dollar and to liberalize the economy by removing all controls on current and capital transactions.

Despite the criticisms of the cynics and the doubters, the TT dollar has remained stable against the US dollar for the past 14 years. The external public sector debt is substantially below the levels prevailing in similarly circumstanced countries. It is now 5.4 per cent of GDP. Gross public debt relative to gross domestic product continues to fall from 30.5 per cent in fiscal year 2006 to 28.3 per cent in fiscal year 2007. The Heritage and Stabilisation Fund now stands at \$10.9 billion or 8 per cent of GDP. As you would recall, in the budget statement we made a commitment that the estimated surplus of TT \$1.2 billion would be transferred to the Heritage and Stabilisation Fund. We would, therefore, close this year at just about \$12.1 billion. When we passed our legislation for the Heritage and Stabilisation Fund in March this year, the commitment was that these funds would be invested by the Central Bank in external markets. The first quarter return was US \$26.4 million, just approximating TT \$166 million, because of no taxes and all these funds are reinvested, we could see exponential growth of this fund. [*Desk thumping*]

Additionally, let me assure this honourable Senate that for the first quarter, not only was 60 per cent excess revenues above our budgeted oil and gas price put into this account, but 100 per cent surplus was, in fact, transferred to the Heritage and Stabilisation Fund. In the context of these buoyant economic conditions, Trinidad and Tobago has now become one of the most attractive business investment climates in the western hemisphere. International investors supported by the investment ratings as ascribed by international rating agencies, Moody's Investor Services and Standard and Poors, continue to take advantage of economic conditions prevailing in the country through investment in new energy products and in non-energy sectors. In April 2007, the regional credit rating agency, CariCRIS, issued its first sovereign credit rating of the Government of Trinidad and Tobago, assigning it the top rating of CariAAA for regional scale foreign currency and regional scale local currency and TTAAA for Trinidad and Tobago national scale.

This Government has demonstrated its commitment to improving the quality of life of the people of Trinidad and Tobago. In 2006, Government introduced free tertiary education. This is supported by a seamless education system which includes from free early childhood, primary and secondary school, which also support free meals, books, transport, just one of the many arrangements under our education system. In 2006, we also introduced reductions in personal income and corporate taxes. All citizens who cannot afford medication for chronic diseases can now have access to CDAP, which is the Chronic Disease Assistance Programme. This programme was introduced in 2003 and provides universal drugs for 11 diseases. Above all of these, citizens now have access to quality and affordable housing.

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Fiscal policy is now assuming an even more critical and proactive role in this resource endowed country. In light of the fact that a large proportion of the resource rent associated with crude oil and natural gas accrues to the Government, fiscal policy is the primary channel through which, not only the quantum of revenues, royalties and taxes is determined, but also the distribution of those revenues through generations. I have just earlier outlined the Heritage and Stabilisation Fund, which is such a measure. The measures prescribed in this 2007 Bill show our commitment to ensuring that Trinidad and Tobago will not go the way of other countries but will stay on the development path that we have chosen.

I will now examine the Finance (No. 2) Bill clause by clause. Clause 1 of the Bill cites the Short Title of the Bill, which is self-explanatory. Clause 2 of the Bill identifies the various dates on which the several provisions of the Bill will take effect. The Government has acknowledged that in recent years rising inflation rates have, in fact, eroded real disposable income. At the end of fiscal 2007, as I said earlier, the inflation rate was 7.9 per cent. In an effort to alleviate financial difficulties of government pensioners, this Government has recommended that the minimum pension payable in respect of service under the Government or other public service, be set at \$1,650 per month with effect from October 01, 2007. This will apply to the following categories of pensioners in the government service and is to be found at the following clauses of the Bill: clause 3, Judges, including Widow's pension; clause 4, Prison Service; clause 5, retiring allowances, including diplomatic service; clause 6, public officers; clause 7, Widows' and Orphans' pension; clause 8, municipal corporations; clause 12, fire service; clause 13, teachers and clause 14, teachers in assisted secondary schools.

Regulations have also been prepared to give effect to the increase in the minimum pension to public officers in the police service, defence force and Industrial Court and will be published upon the coming into operation of this Bill.

Clause 9 of the Bill amends the National Insurance Act, Chap. 32:01. The 7th Actuarial Review for the inter-valuation period 2001 to 2005 was completed in June 2007 as provided by section 70(1) of the National Insurance Act, Chap. 32:01. Following the completion of the 7th Actuarial Review, the National Insurance Board of Trinidad and Tobago has recognized and supports in principle the implementation of any combination of, but not limited to the following reform measures in order to address the long-term financial sustainability of the National Insurance Scheme: convert from the earnings class system to one that covers exact earnings; increase in the contribution requirement to qualify for a retirement

pension; increase in the minimum retirement age and coordinate NIS reform measures with pension reform measures at the national level.

The Government of Trinidad and Tobago is also currently in the process of reforming all the country's retirement systems which include social assistance and occupational pension systems.

The Government of Trinidad and Tobago supports the following recommendations relating to the financing provisions of the National Insurance Board of Trinidad and Tobago which are due for implementation from January 2008: increase the earnings ceiling from \$4,377 per month to \$8,300 per month; increase the contribution rate from 9.9 per cent currently to 10.5 per cent in 2008; increase contribution rate to 10.8 per cent in the year 2010; increase the contribution rate to 11.4 per cent in the year 2012 and thereafter; increase the number of earning classes from 12 to 16; increase the lower and upper limits of earnings in each class to reflect inflation rates.

The Government further supports the following recommendations relating to the benefit provisions of the National Insurance Board which are due for implementation from January 2008: set the minimum monthly retirement pension from currently \$1,000 to \$2,000; set the minimum retirement grant at \$2,000, which was previously \$200; set the minimum widows' and widowers' pension at \$400 monthly; set the minimum dependent parent pension at \$200 monthly; increase the maternity grant from \$2,000 to \$2,500; award a maternity grant on the basis of father's contributions where a mother does not qualify. This is a new measure being introduced altogether.

It continues: in the case of multiple births, pay a maternity grant for each birth—again this is another new measure; increase the funeral grant from \$4,000 to \$5,000; include the cost of magnetic resonance imaging up to a maximum benefit limit, in the list of health care services covered under medical expenses.

Madam President, I will now go on to clause 10 of the Bill which amends section 3 of the Senior Citizens Grant. The amended section 3 would increase the income qualifying ceiling from \$25,800 per year to \$30,000 per year and would remove the additional monthly allowance of \$100 and \$200 and incorporate these allowances into the Senior Citizens Grant, with effect from October 01, 2007.

Where the annual income of a qualified person under the Act does not exceed \$1,200 per year, the person would be eligible to a Senior Citizens Grant of \$1,650 per month. Where the annual income of a qualified person under the Act is more

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than \$1,200 but does not exceed \$12,000, that person would be eligible for a Senior Citizens Grant of \$1,560 per month.

2.30 p.m.

The Bill seeks to maintain the pro-rated payment mechanism whereby an individual who receives a total annual income exceeding \$12,000 but not exceeding \$28,200 would now receive a monthly Senior Citizens Grant equivalent to one-twelfth of that difference, that is between the sum of \$28,200 and the total annual income of the individual. The flat Senior Citizens Grant payable to individuals in receipt of a total income exceeding \$28,200 but not exceeding \$30,000 will be \$150 per month; otherwise we would have had a scale of payments from \$1 to \$150. This puts a standard Senior Citizens Grant of \$150 for those individuals with incomes straddling \$28,200 to \$30,000 per year.

Clause 11 of the Bill amends the Public Assistance Act Chap. 32:03. In its attainment of developed country status by 2020, the Government has identified the wellness of all citizens as a primary objective and in particular, the development of an environment where the basic and special needs are met adequately. In light of this we have increased the disability grant from \$900 to \$1,100 per month, and we have increased the income ceiling for receipt of this grant from \$3,600 to \$12,000 per year, with effect from October 01, 2007.

Clause 15 of the Bill amends the Motor Vehicle and Road Traffic Act. With respect to the investigation of certain crimes involving imported motor vehicles, it is now necessary to collect motor vehicle tax at the point of importation of all vehicles. We are now treating new vehicles and foreign used vehicles similarly. The present system for the collection of motor vehicle tax is subject to manipulation and sometimes fraud, resulting in significant under-collection of motor vehicle tax. The existing law requires that motor vehicle tax be paid before registration of the vehicle by the Licensing Division. In order to facilitate a more efficient collection of the motor vehicle tax, it is proposed that the motor vehicle tax be paid at the same time that customs duty and VAT are paid; that is at the time that the vehicle is entered for use in Trinidad and Tobago.

With the migration to the automated system for customs data (ASYCUDA++) software, it is intended that the Customs and Excise Division will require all importers of motor vehicles to insert the vehicle identification number of each vehicle on the customs documentation, thereby allowing the Division to establish a database of all vehicles imported into Trinidad and Tobago, that could be assessed by the Trinidad and Tobago Police Service and Licensing Division for

investigative purposes. It is therefore proposed that with effect from the coming into operation of this Bill, the Comptroller of Customs and Excise be responsible for the collection of the motor vehicle tax, upon the entry of all motor vehicles in Trinidad and Tobago.

For the purposes of collecting and enforcing the payment of motor vehicle tax, the Customs Act, Chap. 78:01 relating to the importation of goods shall apply in the same manner, as if it were a duty of customs.

Concessions granted to returning nationals on the importation of motor vehicles are provided for in clauses 15 and 24 of the Bill. Where a returning national satisfies the licensing requirements for the importation of a motor vehicle into Trinidad and Tobago, he would be entitled to a rebate on motor vehicle tax and customs duty normally paid on the motor vehicle imported for his personal use, where he can show that he resided abroad for a continuous period of at least five years, immediately prior to his return to the country; that he acquired the vehicle while abroad and was the registered owner of the vehicle and that he must have been the registered owner of the vehicle for at least six months.

The system of rebate currently available to returning nationals is as follows: where he is a registered owner of the vehicle for more than six months, but not more than one year, he is entitled to 25 per cent of the motor vehicle tax and customs duty payable; where he is a registered owner for more than one year, but less than two years he is entitled to 50 per cent of the motor vehicle tax and customs duty payable; where he is the registered owner of the vehicle for more than two years, he would be entitled to 90 per cent of the motor vehicle tax and customs duty payable.

With effect from the coming into operation of this Bill, it is now proposed to reduce the period of residence abroad from five years to two years and to remove the requirement as to the minimum period of ownership of the vehicle.

Assuming the returning national satisfies the licensing requirements and resided abroad for at least two years, immediately prior to his return to Trinidad and Tobago, he would be entitled now to the following reliefs from motor vehicle tax and customs duty:

- where he is the owner of a vehicle for not more than six months, he would be entitled to 25 per cent of the motor vehicle tax and customs duty payable;
- where he is the owner of the vehicle for more than six months but not more than one year, he would be entitled to 50 per cent of the motor vehicle tax and customs duty payable;

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- where he is the owner of the vehicle for more than one year, he would be entitled to 90 per cent of the motor vehicle tax and customs duty payable;
- where the returning national disposes of the vehicle within two years of the importation of the vehicle, he would be liable to pay the full taxes and duties.

Mr. Speaker, since the announcement of this measure, there has been a tremendous response from our nationals abroad eager and excited to return to Trinidad and Tobago. This amendment was introduced in terms of returning nationals.

Clause 16 of the Bill amends the Airports Authority of Trinidad and Tobago Act and is really in the nature of a consequential amendment following the decision to remove the departure tax at the airport. The actual repeal of the departure tax is to be found at clause 23(a) to (e) of the Bill. The repeal of the airport departure tax will take effect from the coming into operation of this Bill.

Clauses 23(a) to (i); (i)(e); (i)(f) and (ii)(f) of the Bill amend the Miscellaneous Taxes Act to provide for the replacement of the airport departure tax with a passenger service tax to be imposed by the Airports Authority of Trinidad and Tobago under its enabling legislation. In this regard, it is noted that section 12A of the Airports Authority of Trinidad and Tobago Act, Chap. 49:02, authorizes the Airports Authority of Trinidad and Tobago to impose dues, charges and fees for the use of the airport facilities.

The imposition of the passenger service charge will be consistent with the Airports Authority's main function as described in section 12(1) of the Act as being:

“to develop and manage the business of the airports, including the development, maintenance or improvements of their facilities in a cost effective manner, so as to ensure the availability of efficient, secure and safe aviation services to the public at all times as well as to ensure commercial viability.”

At the point of departure, subject to exemptions, passengers currently pay a security fee of \$25 and a departure tax of \$75. The security fee is retained by the Airports Authority of Trinidad and Tobago for its purposes and the departure tax is remitted to the Consolidated Fund.

It is proposed that the new passenger service charge will be a consolidated charge which would comprise an amount equal to the security fee and the existing departure tax. The consolidated amount will be charged at no additional cost to

the travelling public and will be retained by the Airports Authority of Trinidad and Tobago in its entirety for its purpose.

The proposed passenger service charge will be included in the cost of the ticket and every person would be liable for its payment with the exception of those individuals who are exempt from the payment of the airport departure tax under the existing laws.

The responsibility for the collection of the passenger service charge will pass to the airlines which must account to the Airports Authority of Trinidad and Tobago for the receipts and exempt claims. It is expected that the introduction of this amendment will facilitate greater efficiency in the delivery of service to the travelling public by reducing delays at times of peak passenger movement.

Although no specific legislative action is necessary, the introduction of the passenger service charge will nevertheless require finalization by the Board of the Airports Authority of Trinidad and Tobago. It is not proposed that the departure tax at the seaports be removed. In other words, the departure tax at all seaports will be retained.

The petroleum sector is the key to Trinidad and Tobago's economic development. The hon. Prime Minister and Minister of Finance in the 2007/2008 budget presentation said:

“Since the early 1990s the expansion and diversification of the energy sector have propelled the overall growth and increased the resilience of our economy. The current state and international recognition accorded our energy sector is the result of the foresight of successive PNM administrations, and the initiatives we have pursued to achieve the development of our oil and gas resources.”

In this regard, it has been this Government's objective to encourage greater exploration activities by, among other things, providing fiscal incentives. By way of some history in respect of providing fiscal incentives, in 2004, the Government committed itself to establishing a revised energy tax regime. This commitment was made in the context that more than 10 years had elapsed since the last review of our energy tax in 1992.

In 2005, we made good on this commitment by introducing certain fiscal measures and thereby making adjustments to the Petroleum Taxes Act; the Unemployment Levy Act; the Fiscal Incentives Act; the Income Tax (In Aid of Industry) Act; the Income Tax Act and the Corporation Tax Act. In addition, the Government also made a commitment to review the petroleum tax regime every three years.

In 2006, further changes were made to legislation, which continue the process of the reform of the system of taxation of income from petroleum production. Once again, the Government will amend, in particular, the Petroleum Taxes Act; the Petroleum Production Levy and the Subsidy Act, in order to provide the type of fiscal regime required for the advancement of the sector.

In keeping with this Government's drive to increase exploration activity, we recently offered acreage under competitive bid in the shallow horizons onshore/nearshore; deep horizons onshore/nearshore; shallow marine and deep marine areas. Petroleum operations in these areas will be carried out under production sharing contracts, which is one of the legal instruments provided for under the Petroleum Act, the other being the exploration/production licence.

Carrying on exploration activities under production sharing contracts (PSC) is not a new phenomenon in Trinidad and Tobago. In fact, our first PSCs were signed in the early 1970s. In the mid-1990s we again entered into what was termed the new-styled PSCs in view of the fact that new arrangements encapsulated some differences with respect to the fiscal arrangement. We are again embarking on introducing revised PSC models in respect of the areas put out for competitive bid. This will depart fundamentally from the older PSCs in the matter of the payment of taxes and other impositions.

Whereas under the terms of the older PSCs, taxes and other impositions were paid from Government's share of the profit petroleum on behalf of the contractor, with the new PSCs the contractor will be responsible for the payment of its taxes. That is a substantial change. In addition, the new model PSC will afford the Government also to receive a share of the profit petroleum. These latest PSCs, like the older PSCs, provide shares of profit petroleum in accordance with splits or percentages that are negotiated between the Government and the contractors. These percentages, depending on where prices and production levels fall, ensure that the Government receives adequate returns as part of its share of profit petroleum, that is similar, or more than those revenues paid under a tax royalty regime.

As Dr. Pedro Van Meurs, consultant in oil and gas fiscal systems indicated at a recent energy conference held at the Hilton Hotel on August 13 and 14, 2007, the trend in the oil and gas industry today is to offer more diverse fiscal systems while still being sensitive to the market. As so well articulated by Dr. Van Meurs, Trinidad and Tobago, for a small country, needs a diverse fiscal regime to take cognizance of the geographical differences, the different resources and the level of maturity of the industry.

The Petroleum Taxes Act and the Petroleum Production Levy and Subsidy Act will be amended in order to support this country's energy objective; encourage greater exploration activities by providing certain incentives; give recognition to the contractual arrangements made under the PSC in respect of the value that is negotiated; allow for easier administration between the Government and the contractor and remove any anomalies within the Petroleum Taxes Act and Petroleum Production Levy and Subsidy Act.

The Petroleum Taxes Act and the Petroleum Production Levy and Subsidy Act will be amended at clauses 17 and 20 as follows: in section 2(1), the terms “deep horizons onshore/nearshore area”; “deep marine area”; “shallow marine area” and “shallow horizons onshore/nearshore area” have been inserted into the definition section to give recognition to the areas offered for competitive bid and will be so classified by the Minister of Energy and Energy Industries. In addition, the term “production sharing contracts” has been inserted and have been given the meaning in accordance with the Petroleum Act.

Presently, the Petroleum Taxes Act, under section 15(4), provides that all production business carried on by a person, whether under an E&P licence or a PSC licence or both may be consolidated. However, the existing PSCs do not allow for this consolidation.

In support of the country's objective to encourage greater exploratory activities under the new PSCs, the contractor would now be able to take advantage of the benefits under the law, since the contract will expressly provide for consolidation of profits or losses arising out of petroleum operations. This change is a significant departure from the existing system where the PSCs are ring-fenced and the contractor is unable to consolidate any of his production business under a PSC, with other business operating under other PSCs or an E&P licence. Under the new system, the law will expressly provide that consolidation of profits and/or losses arising under PSCs will be limited to PSCs operating within certain specified areas. I specified those earlier. It should be noted that consolidation of the profits and/or losses of production businesses under several E&P licences will have no similar restrictions.

The existing section 15(4) will now be subject to a newly inserted subsection 4 and section 15A. The new subsection 4 ensures that existing PSCs will remain ring-fenced. Section 15A(i) provides that a person carrying on production business under a production sharing contract in a deep marine area, entered into and signed after the coming into effect of the Finance (No. 2) Act would now be allowed to consolidate with PSCs in other deep marine areas. In addition, section

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15A(2) allows for consolidation of production business by holders of PSCs in the shallow horizon onshore/nearshore/; deep horizon onshore/nearshore areas and shallow marine areas only with other production businesses carrying on in any of these areas. Production business under these new PSCs may not consolidate with production business under exploration production licences and PSCs entered into prior to the coming into operation of the Finance (No. 2) Act.

The Second Schedule of the Petroleum Taxes Act deals with the computation of petroleum profits tax. In this regard, item 6C provides for the deduction of outgoings and expenses and other special payments incurred by the taxpayer in ascertaining taxable profits. The amendments to sub-item 2B are a cleaning-up measure since supplemental refining tax is no longer a deduction for tax purposes. Petroleum impost and royalty are financial obligations under the Petroleum Act and are allowable deductions in ascertaining the taxable profits of the taxpayer.

These insertions are only to put into law the practice of the Board of Inland Revenue to allow these obligations as deductions for tax purposes. We are, therefore, validating any prior action of the Board of Inland Revenue in respect of these deductions.

In terms of the new production sharing contracts, they will also differ from the older production sharing contracts in that Government's share of profit petroleum will be in lieu of certain financial obligations of the contractor, namely supplemental petroleum tax, petroleum impost, royalty and petroleum production levy. The supplemental petroleum tax, petroleum impost, royalty and petroleum production levy will not be deductible in ascertaining the taxable profits of awardees of PSCs entered into and signed after the coming into effect of the Finance (No. 2) Act. The insertion of sub-item (3) gives effect to this new position.

Given the terms of the new PSCs, the provisions of the Petroleum Taxes Act and Petroleum Production Levy and Subsidy Act will effectively be modified. In order to address this, new provisions have been included in both pieces of legislation to provide that the provisions of the PSC will prevail only as they pertain to SPT and petroleum production levy.

In the 2007/2008 Budget Presentation, the hon. Minister of Finance indicated that we need a new fiscal regime of incentives to stimulate further drilling in the deep marine areas of the east coast marginal fields heavy oil, farming and farmout arrangements.

The measures I have just outlined are part of the ongoing process. However, in view of the complex nature of the issues involved in energy taxation, the necessary consultations and analyses will need to be done to achieve the right mix of fiscal measures in the interest of all concerned.

I will now go to clause 18 which includes certain tax amendments. A number of amendments will be made to the taxation laws in keeping with the thrust to clean up the tax system and to make the tax administration more efficient. Among other things, the Board of Inland Revenue will be introducing a new system for processing and administering taxes known as the integrated tax processing system or ITPS. Several taxes will be integrated into a single database, which could be accessed at any regional tax office. Similarly, payments of taxes can be made at any of these regional tax offices. I understand that they will be looking at other locations where taxes can be paid. This will result in a quicker response to queries and improved delivery of services to the taxpayer.

The following amendments will be made to the tax legislation. At clause 18(a) and (e) of the Bill, the liability of the taxpayer to income tax and business levy will be considered settled where the tax liability of a person in a year of income does not exceed \$100. You will recall that during the budget presentation, the Minister of Finance announced that a tax refund not exceeding \$25 will not be paid to the taxpayer. After reviewing this measure, it was felt that the taxpayer's right of property should not be removed and as such, there will be no legislative changes regarding the refund of that \$25. It should nevertheless be pointed out that any such refund will continue to be applied to any tax liability before that quantum is now waived. The proposal to settle a person's tax liability will also apply to corporation tax and appropriate amendments have been made to the Corporation Tax Act at clause 19 of the Bill.

Although section 8(1)(x) of the Income Tax Act exempts from tax the lump sum death benefit paid under an employer's approved pension fund plan, no similar exemption provision exists in respect of a lump sum death benefit paid under an approved deferred annuity plan. This anomaly is now being corrected. It appeared to be an oversight. This amendment is being dealt with at clause 18(b) of the Bill.

Clause 18(c) of the Bill amends the Income Tax Act to provide for accelerated wear and tear allowances in the establishment of child care and homework centres. The Government put a provision in terms of 100 per cent wear and tear allowance up to \$500,000 per location, now a maximum of \$3 million per company in the event that that entity has more than one location. It goes in keeping with this Government's approach in terms of family life.

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The existing tax legislation provides that under certain circumstances tax is to be withheld at source. The tax withheld must be remitted to the Board of Inland Revenue by a particular date and failure to comply with the provision will result in a penalty being paid which, in some cases, is as high as 100 per cent of the outstanding taxes not paid to the Board of Inland Revenue.

It is proposed that all penalties that are in excess of 25 per cent, be now reduced to a maximum of 25 per cent. This reduction, apart from providing a benefit to the person charged with the responsibility to collect tax on behalf of the BIR is also geared towards minimizing the need to treat with a number of applications for waiver of penalties. The imposition of a high penalty was intended to increase taxpayer compliance at a time when the enforcement mechanisms of the BIR were not as strong as currently obtains.

The Government of Trinidad and Tobago is of the view that because of increased taxpayer maturity and strengthened enforcement compliance mechanisms, there is no need to have such high penalties.

3.00 p.m.

Specifically, clause 18(d)(i) and (ii) of the Bill modifies the penalties under section 28 of the Income Tax Act, while clause 18(g) of the Bill modifies the penalties under section 99(4) of the Income Tax Act. Clause 18(j) of the Bill modifies the penalties under section 134(A)(3) of the Income Tax Act and the proposed amendments to clause 22(h) complete the across-the-board modification of penalties to a harmonized rate of 25 per cent.

Clause 18(d)(iii) of the Bill amends the amount available to be claimed as a deduction for income taxes from \$12,000 to \$25,000. Again, the Government has identified the promotion of long-term savings as a key factor in prudent fiscal and monetary management. This measure will, I am sure, impact long term where there will be less dependence on state pensions. In accordance with the policy, the Central Bank has also introduced a financial literacy programme. We will see therefore, a greater number of individuals taking advantage of this tax benefit and providing for their retirement.

Clause 18(g) of the Bill seeks to amend section 103 of the Income Tax Act to create a mechanism for more efficient settlement of interest on outstanding tax liability. At present, section 103 provides for the control of interest on our outstanding tax liability. If the taxpayer does not pay the amount of tax he is liable to pay during the year of income by April 30, which is the date established by statute, then interest accrues on the outstanding liability from May 01 to the

day the taxpayer pays the liability. In settling his account with the BIR, the taxpayer may pay by cheque. In order to resolve the problem of outstanding interest, due to a lag between the date of the cheque being processed and to allow for effective and efficient administration of the collection of tax revenue, it is proposed to give the taxpayer a grace period as determined by the Board of Inland Revenue for payment of interest. This flexibility will get rid of a lot of small interest charges which is really a nuisance tax.

Clause 18(h) of the Bill makes provision for the granting of an amnesty for tax. You will recall that in 2000 an amnesty was granted to give a one-off opportunity to taxpayers who had failed to file returns to bring their tax status up-to-date. The concessions were offered to all resident individuals and companies and were applicable to all interest and other penalties payable on outstanding liabilities of income tax, corporation tax, business levy and value added tax due and payable as at December 31, 1999. In order to benefit from the concessions, the taxpayer must have filed outstanding returns and paid all outstanding taxes on or before April 30, 2001, failing which the interest and other penalties would be revived after that date.

There was a tremendous response to the amnesty in 2000 and it is now proposed that there be a similar amnesty for late filing of income tax and corporation tax returns for years of income up to and including 2006. This amnesty is recommended because the board believes that the tax liability which the State stands to collect far outweighs the penalties and would encourage taxpayer compliance.

Clause 23 of the Bill similarly amends the Miscellaneous Taxes Act to give amnesty to provide for the waiver of taxes, interest and penalties related to the Green Fund levy. Clause 21 of the Bill amends the Value Added Tax Act to effect waiver of penalties and interest as they relate to VAT. Clause 22 of the Bill amends the Land and Building Taxes Act to effect the waiver of penalties and interest as they relate to land and building taxes and also modification of withholding tax.

Clause 18(j) of the Bill amends the Income Tax Act for the modification of Part II, Third Schedule, Income Tax Act. The Income Tax Act provides that income tax referred to as withholding tax be levied and paid on distribution, and payments arising outside of Trinidad and Tobago and made to any non-resident person or company. When the tax rate on net income was in certain cases as high as 45 per cent, it was reasonable to maintain the rate of withholding at the rate of 20 per cent, since this is imposed on gross income. However, now that the tax

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rate has been substantially reduced to 25 per cent across the board, it appears harsh to maintain the withholding tax regime on gross income at 20 per cent. For this reason, it is proposed that the withholding tax rates be amended as follows:

- the withholding tax on payments be reduced from 20 per cent to 15 per cent;
- the withholding tax on dividends be reduced from 15 per cent to 10 per cent; and
- the withholding tax on dividends paid to a parent company be reduced from 10 per cent to 5 per cent.

Clause 19(a) and (b) of the Bill amends the Corporation Tax Act to reduce the administrative burden on the Board of Inland Revenue. It is recommended that should liabilities relating to corporation tax, land and building taxes and petroleum taxes amount to \$100 or less—as I indicated earlier, Madam President—such liabilities be considered settled. Clause 19(a) and (b) and clauses 20 and 22 amend the respective Acts to give effect to this provision, that is, settling liabilities of \$100 or less.

Clause 23(g)(i) and (ii) of the Bill amends the Miscellaneous Taxes Act. Presently the tax legislation requires that certain persons collect and pay to the BIR, financial services tax, insurance premium tax and hotel accommodation tax. These persons are not required by law to file a return, which will assist in establishing a liability in the records of the BIR. It is proposed that the tax legislation be amended to give to the BIR the power to require returns to be filed, which will be used to establish a liability against which payments will be offset. The filing of the returns will facilitate efficient administration and will be in a format simple enough to ensure the person required to pay the tax is not unduly burdened. Madam President, this is all in an attempt to simplify the taxation system.

Clause 23(i) amends the Miscellaneous Taxes Act to give the Board of Inland Revenue the authority to require a return to be filed, which will be used to establish a liability, against which payments will be offset and which is geared towards payments of insurance premium tax.

Clause 25 of the Bill amends the Income Tax (In Aid of Industry) Act. The First Schedule of the Income Tax (In Aid of Industry) Act, Chap. 85:04 was amended to allow all manufacturing activities to benefit from the accelerated depreciation. In addition, the initial allowance relating to the plant and machinery for such manufacturing activities was increased then from 50 per cent to 60 per cent.

Given this Government's objective of retooling the manufacturing sector for enhanced competitiveness, it is proposed that the initial allowance relating to machinery and plant for all manufacturing activities conducted in Trinidad and Tobago be further increased from 60 per cent to 75 per cent. When combined with the wear and tear allowance available to the manufacturing sector in the subsequent years of asset utilization, this measure will provide an additional benefit to the manufacturer by reducing his chargeable income and, therefore, his tax liability.

The last clause, clause 26 of the Bill amends the Finance Act, 1987 to make adjustments to the payment of health surcharge. The amendment makes payable a sum of 25 per cent of the health surcharge that an employer has failed to deduct or to deposit such an amount, and interest at the rate of 20 per cent a year on such amounts, unless the Board of Inland Revenue otherwise directs.

Additionally, notwithstanding subsection (2), but subject to subsection (5), the amount of interest an employer is liable to pay on account of the health surcharge payable by him may be calculated by the board from the due date up to a date determined by the board.

Clause 26 of the Bill makes provision that:

“The board shall, by notice in writing, inform the employer that interest shall not be calculated in accordance with subsection (2) where the employer pays the interest calculated in accordance with subsection (3), on or before a date stipulated in the notice.”

Clause 26 of the Bill also makes provision:

“Where the interest so calculated by the board under subsection (3) remains unpaid after the date stipulated in the notice, the person shall be liable to pay interest calculated in accordance with subsection (2).”

Madam President, this was a lengthy presentation but, as you would appreciate, it is important that in the *Hansard* we record all the clauses and all the amendments thereto.

I beg to move.

Question proposed.

Sen. Wade Mark: Thank you very much, Madam President. I listened very attentively to the hon. Minister, who I am happy is presenting for the first time in a long time in place of Sen. The Hon. Conrad Enill, Minister in the Ministry of Finance. Maybe these are signs of the times. The colleague next to her will know what I am speaking about.

The Minister indicated to us that nationals—I do not know where they are, but we were told that they are anxious and eager to flock back to Trinidad and Tobago under this regime that cannot control crime in this land. The Minister did not give us any statistics; we got no facts; all we got was a flourish. Just as our Prime Minister, who has told the country about a land of milk and honey; living in Mars and in the stars, they are not on the ground at all.

Recently, I read that another one of them on the campaign trail said there was full employment and whoever does not have employment, was not looking for work. I know of many graduates of the University of the West Indies who cannot get jobs. I will pass them all to Sen. The Hon. Christine Kangaloo, the Minister of Legal Affairs, who says that work exists all over the country and those who are not working do not want work. I will send all the applications to her.

Sen. Abdul-Hamid: Send them by me!

Sen. W. Mark: No. You dead. I am saying dead politically.

However, I take comfort in the fact that His Excellency the President of this Republic, in a Republic Day message in the newspaper yesterday, described this country as a place of deep grief that needs to be rescued from the downward spiral that threatens the country's development. Here, the head of State is saying that we are a place of deep grief and the Minister is telling us that nationals are anxious and waiting to come to this country.

This country is in a mess under the PNM. The nation is in a state of confusion. Trouble persists in the land. Madam President, let not your heart be troubled. We in the UNC would like to tell you and all our colleagues today that it is only when it is dark enough that we can see the stars. After the darkest hour will emerge the brightest dawn. The sun will rise again in the Republic of Trinidad and Tobago. I have no doubt in my mind.

I have listened to the hon. Minister making statements as if the PNM is responsible for economic development in this country. Their economic policies have brought about what the hon. Minister has said is the doubling of this economy. Bogus! Madam President, do you know what has brought about the domino effect in this economy? Not economic growth, not expansion. What has brought it about is statistical conmanship. The IMF advised this country sometime in 2004 that the last rebasing of our GDP figures was done in 1985. It did not take into account, communications, the modern financial systems, the gas sector, and the telecommunications sector. They brought those values into the GDP and that is why the economy doubled from \$57.2 billion to \$114 billion.

It had nothing to do with any wisdom on the part of the Government as it relates to economic policy. They have been fooling the population, giving people statistical misinformation. *[Interruption]* I am not giving way; not today. She has had her full flight. Allow me to have mine. We are coming to the close of this Parliament. I know she will not be going to Tunapuna, so I have to deal with her now.

Per capita income has doubled. If statistically the IMF has advised you to rebase the values of your GDP and include sectors not incorporated since 1985, obviously it must double. If you were \$56 billion and you have gone to \$114 billion; divide that by 1.3, it is bound to double. There is no magic in that. Full employment. Bogus! What full employment do you have here? Statistical conmanship! That is what this Government has engaged in.

Madam President: Mind your language!

Sen. W. Mark: Statistical conmanship is a good—

Madam President: Bogus is unparliamentary.

Sen. W. Mark: Bogus is not a parliamentary word? Since when? If it is not a parliamentary word, I withdraw it. So full employment is misleading. Just the last week or two weeks ago, the Central Statistical Office issued a statement saying that unemployment is now 7.5 per cent at the end of the first quarter in March. Now we are hearing from the Minister that we have full employment and it is about 5 per cent.

Sen. Sahadeo: I said 6.5 per cent.

Sen. W. Mark: Is that full employment? They do not take into account under employment where people are working three and three and a half days a week. How could that be full employment? They are fooling themselves. They are not fooling the people. When we were there inflation stood at less than 4 per cent. They have no claim to fame. Poverty! Statistical conmanship again!

Madam President, they told you that poverty has been reduced from 35 per cent to 16 per cent. Where are the facts and figures? I call on the Minister to produce a copy of the European report on this poverty reduction. Where is the report? We cannot believe her. This Government cannot be trusted; lying to the people; fooling the people. Where is the full employment?

Madam President: You know the word lying is not parliamentary.

Sen. W. Mark: They have not been telling the truth. I will say on the platform what you are doing. *[Interruption]* Not you. You are different. We have a special one for you with the Jamaat.

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This Government is fooling itself and they will all be exposed in a short while when they call the elections. Do you think you can fool the people; “mamaguying” the country with full employment, poverty reduction, inflation at 7.9 per cent and GDP in the economy doubled. These people are living in space. They are in Mars. They have not landed on earth as yet. They are fooling themselves, but they cannot fool us. We will expose them.

This Finance Bill we are dealing with is a red herring. It is inconsequential to the realities of life in the real world of Trinidad and Tobago today. You know what the Bill represents? A portion of expenditure, which is largely recurrent in nature by the Government of Trinidad and Tobago. They come to the Senate to effect measures that were announced in the 2007—2008 budget package. That is on the recurrent side. The real side that we need to deal with, we are not dealing with today. We should be dealing with capital programmes, where the Government is involved in a feeding frenzy in terms of cost overruns in so many major projects. There are no control mechanisms on the cost aspects on the capital side, so they do not tell us about that. We do not know about the Scarborough General Hospital, which cost the country over \$500 million and the foundation is not up as yet. That is what the country wants to know about, not “chilli bibi” increases of \$1,650 to the senior citizens.

I will deal with Mr. Brash in a short while. If he feels he can use the Parliament to say that Wade Mark misled the country, I want to tell you, Madam President, that when these people pass on information to this Senate, I must have a say. They just cannot send a statement. Either he is wrong and I am right or I am wrong and he is right.

Madam President: Sen Mark, I want you to understand that it was my decision on receiving the letter and within the laws of the broadcasting regulations to allow that statement to be made.

Sen. W. Mark: There is no discipline, as far as the Minister is concerned, on the finances as they relate to mega projects in our country. Where is the fiscal accountability for the so-called mega projects in this country? Many are above budgeted expenditure, incomplete and constitute a virtual feeding frenzy for those fortunate to participate. The Government has not assured the people through this Bill that it is serious about waste, inefficiency, mismanagement and corruption. They have not given the country the assurance that they will put controls in place. NIDCO has no controls; it is a runaway horse doing whatever it wants, but we will deal with it at the appropriate time. On account of these projects, the public purse continues to be plundered, then they tell us they are going to increase pensions to senior citizens by a small amount.

The measures in the Finance Bill will not in any way address the pressures that the grassroots face in this country. It will not bring an end to rampant crime. It will not bring under control widespread corruption at the highest level in the Government. It will not reduce the cost of living for the ordinary people who are under pressure to make two ends meet. It will not ease the congestion and chaos in the administration of law and justice in this country.

I was shocked where I learned that Lord Mustill, in a public statement—and I am so happy that he is here; that the Prime Minister brought him to this country so that he can see the scheming political machinations of this regime and how they use the power of State and laws of the country to oppress and victimize and to target their opponents. I await his report.

Sen. Montano: Madam President, on a point of order, the Senator has been on his legs for 15 minutes and has not yet said anything relevant to the Bill other than to refer to the increase of pensions as “chili bibi”. He has not said anything that is relevant.

Madam President: As you know, Mr. Minister, it is a money Bill and Senators can speak on most matters, but I would still like to appeal to Senators to address the very important issues in the Bill instead of all the other irrelevancies.

Sen. W. Mark: I find you unfair to me by saying that what I am saying is irrelevant. I told you that on many occasions I have sat on that Chair.

Hon. Senator: No, man.

Madam President: Sen. Mark, I did not say what you said is irrelevant. I am asking that we continue to address the matters within the Bill.

Sen. W. Mark: I misinterpreted you. I am saying that in the absence of transparency, accountability and a proper procurement system, large scale corruption persists in this country. I call on the regime that is outgoing, the PNM regime, to conduct a full forensic audit on the entire operations of NIDCO, including the water taxi scheme, the rapid rail project, the Butler/Churchill Roosevelt interchange and I want to say that no amount of crocodile tears and misleading and highly inaccurate statements coming here, insofar as the public is concerned, will cover up the waste, mismanagement, corruption that is taking place at NIDCO.

3.30 p.m.

He asked me to address some specific provisions. I will deal with them. I want you to look at clause 18 of the Bill. Would you join me? Let us journey to clause 18 of the Bill.

Under clause 18(c), you will see “(ba)”. I do not have to read it for you. You will see that they are going to set up a facility to deal with childcare and homework facilities for the dependants of employees.

May I ask you to go to page 54 of the Minister of Finance’s statement, when he presented the budget. It is stated:

“Child Care Facilities and Homework Centres

Mr. Speaker, the maintenance of the family is recognized by the Government as being critical to the development of the domestic social sector. It is proposed, therefore, that companies that provide day care facilities and or homework centres at their workplace for the children of employees, be provided with an accelerated wear and tear allowance up to a maximum of \$500,000 in the year in which the expenditure was incurred.”

It goes on to state that the government is going to monitor this to prevent abuse by companies. This will take effect from January 01, 2008 and the Government will soon implement a policy in which homework centres will be established in all government buildings, where appropriate, and the Government encourages the private sector to follow suit.

How is it, on the one hand the Government speaks to the issue of companies in the Minister of Finance’s budget statement, but in the Finance (No. 2) Bill that is before us, the Government is saying “persons”? There is a difference between persons and companies. Is that an oversight? *[Interruption]* Well, I see “persons” in mine. Did you correct it downstairs? Go to page 16 of the Bill that you sent to us and you will see where “persons” is written and not “companies”. It has to be an oversight. I would advise that this “person” or provision that you are talking about can create loopholes for individuals to construct facilities, in order to derive benefits from that provision. We are asking that the issue be addressed.

Sen. Montano: In the Income Tax Act, a “person” includes a person, an individual, an unincorporated group of persons, a partnership, as well as a corporation. It includes all of that. This includes everybody who is operating a business.

Sen. W. Mark: Madam President, I am very clear. In the Minister of Finance’s statement, he made reference to companies. I want it to be, as your Prime Minister would say, “pellucidly clear” in the legislation, so that no one could get the impression that it could be used by individuals. *[Interruption]* He

has a chance to speak. I am not giving way again to Sen. Montano. He will speak at the appropriate time, as he normally does when I speak. I am expecting him to speak after me. He likes to follow me. The PNM say “mark Mark”. Mark Montano, mark Mark. I am seeking clarification from the hon. Minister. She can let us know whether this is really an oversight and we would like that to be corrected.

This Government, as the hon. Minister indicated, has embarked since 2002—based on a secret report that was commissioned by the International Monetary Fund in 2002—on a strategy of pension reform in the country and they have not informed the population and the stakeholders of this thrust towards reform of the pension system. What we have seen slipping in like a “tief” in the night, in the most deceptive way, are the measures that they are driving to bring about the reform of the pension in Trinidad and Tobago. It is in this context, we must look at the NIB arrangement, the Senior Citizens Grant and all the changes they have proposed for judges, magistrates, municipal corporations, fire fighters, prison officers, among others.

This Government is seeking to reduce this population to old age pension. That is what they are seeking to do, in terms of the minimum they should take home. They have not told you, but it is in budget speeches that you can refer to, where the Government, in its quest to abolish old age pension, which they have done, on the advice of the International Monetary Fund, on a secret report that was commissioned by the International Monetary Fund at the behest of the Prime Minister of the Republic of Trinidad and Tobago. If you feel I am telling a tale, I have the report here. It is a secret report, commissioned by the Prime Minister in April 2002. The contents are here.

What this Government is about essentially—when you talk about NIS changes—is phasing out old age pension, which they have now called Senior Citizens Grant. In the next five years, if we take God out of our thoughts and put the local Pharaoh back to enslave us once again and back into bondage, then you will see what will happen to—not only civil servants and teachers—but old age pensioners. I want you never to forget the measure that was brought in the last Finance Bill, which we debated, where the Government got us to pass—we opposed it and we will always oppose it—a Bill called the Finance Bill. In that Bill was embedded and anchored the amendment to the Old Age Pension Act, where they changed the name from old age pension to Senior Citizens Grant.

In clause 5 of the Bill it is stated that a grant under that Act is subject to review and may be increased, decreased or discontinued. This is what the Government said in a Finance Bill they brought a few months ago. The old age

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pension, which is a right of the citizens when they cross age 65, has now become a privilege. They can remove it whenever they wish. A grant is a gratia payment. It could be given and taken away. Old age pension is a right. The masses of people shed their blood in this country in the 1930s, to ensure that they had old age pension. This was a right in this country. A right wing, conservative fascist-oriented government has now removed it, by the stroke of a pen and said: No more old age pension. I want to tell you and this Government that a UNC Alliance government will restore old age pension in Trinidad and Tobago, not as a grant, but as a right.

How can you tell the elderly who have laboured so hard in this country for all these years, that they have now been given a grant? The International Monetary Fund told them to integrate old age pension with something called NIS. That is why today the Prime Minister could announce—[*Sen. Mark displays document to fellow Senators*] Look, his agent, in an article of Thursday, September 20, 2007 signed by a “fella” called Calder Hart. He is talking about improved National Insurance benefits for workers in 2008. We are on a political platform. [*Interruption*] It is not worrying me. We have said in the UNC that the minimum pension in this country, universally, for all citizens should not be less than \$3,000 per month. We said in the UNC Alliance, we will have a universal pension system, in which the minimum will be \$3,000 per month and it must be linked to the cost of living.

We have gone further and said that we must bring down the age from 65 to 60. That is the point that we have made; not this kind of criminal behaviour, giving the people of this country “chilli bibi” increases, when people have laboured so hard and parents cannot make two ends meet. There are women in households who go to the groceries today and when they take the trolley to the cash register they would tell the cashier: “Ah cyah take that, I cyah take this, I cyah take de other.” Do you know why? They do not have the cash to pay. This Government comes and fools itself—it is not fooling the people—that poverty has now been reduced from 35 per cent to 16 per cent. Where is the evidential documentation to support that argument? Do you know where it is? It is locked away in the Minister of Finance’s office.

We call on the European Union, through this Parliament, to make that document available to the public of Trinidad and Tobago, since the Government has refused to make that document available to the people of this country. We do not know what criteria they have used to assess poverty levels in this country. This Government cannot be trusted if the Prime Minister of this country—I do not

know if this is correct, you must guide me—lied to the Parliament. Is that a wrong? The Prime Minister of this country and he apologized after. Did he lie or tell untruth? I do not know. I know he did something that was wrong. How can we trust a Prime Minister who tells untruth after untruth in this country?

Sen. Padmore: That is why Panday is not there.

Sen. W. Mark: I know one thing about you; you are not making any dictator take over your party. I see where you voted for Valley to be screened. I am happy about that. If there is one thing I could tell you, Overand Padmore is in support of democracy in the PNM and I support that and applaud you. Continue, you are doing well. I saw him in tight conversation with John Donaldson and Jerry Narace. “All ah dem plotting against Manning to get rid of him.”

Sen. Dr. Gopeesingh: The old boys coming back.

Sen. W. Mark: We have to look. The Prime Minister, on an election platform two or three years ago, made a big announcement that he will increase NIS retirement pension to \$1,000. Do you know what he had to do? He made that announcement without informing the board of directors or the board of the NIB. They had to scramble to fit the Prime Minister’s agenda into their programme. People thought, at that time, that the Government of Trinidad and Tobago would have subsidized that increase in NIS. We thought that the Government, with so much revenue from oil and gas, would have subsidized the NIB in the increase of \$1,000. Once you increase NIS benefits, automatically contributions go up. There was a cost to increasing it.

Everybody thought that the Government was going to subsidize it. The Government never subsidized. Do you know who had to pay for it? You, me and the people of this country have to pay for the increase, because the Prime Minister went on the platform and made a reckless statement and we “are to ketch”. Workers real disposable income fell because the employers simply passed on the cost.

If I have to pay two-thirds of NIS contributions as an employer, to the NIB, that will impact on my profits and my cost of production. I am going to pass on that cost to the people of the country, the consumers. What Mr. Manning’s statement did in 2003/2004 was to decrease the disposable income of poor people.

The cost of living increased because the businessman passed on the cost to the consumers. The Government has done the same thing in this particular period. They have made a reckless statement that they will go to \$2,000 per month for retirement pension, for retirees. Do you know who has to pay for that? You and I

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have to pay for it. These are the increases for the lowest, the highest and the average. We will be called upon to pay for the increase in the contributions, through contributions, as a result of this reckless statement that the NIB had to go and “fight up” in order to justify, through a report. We have not seen a copy of the report from the actuaries. I think it is the seventh actuarial report.

This thing is a lot of mamaguy and fooling people by telling them that they have increases in NIS retirement benefits and pensions, when the people who are getting the increase have to bear the burden like beasts in this country. Already they are burdened by the high cost of living, the crime wave, corruption, congestion and chaos. They are going to call on us now to go into our pockets to pay more contributions towards NIS because you, the Prime Minister, made a statement that it will go from \$1,000 to \$2,000.

I wanted to hear something from the hon. Minister on Caroni (1975) Limited, but I did not hear her. I know they have betrayed the Caroni (1975) Limited workers. My colleague will have much more to say about that. I did not hear the Minister talk about Caroni (1975) Limited. Those workers have been forgotten—“chilli bibi”. The industry they have now established for the Caroni (1975) Limited workers is “chilli bibi, toolum” and cake. That is the industry that they have established for the Caroni (1975) Limited workers; some of the most productive workers in this country, “chilli bibi, toolum” and cake.

They are going to the country in a few weeks’ time to tell the people to give them a second chance. You want to be in hell? Give them a second chance. You want to starve? Give them a second chance. You want to eat dirt? Give them a second chance.

I read the Bible and I know Pharaoh had his people enslaved and in bondage. He had a favourite formula whenever he wanted to prolong the slaves in bondage. His favourite formula was to divide and rule the slaves and have them fight amongst themselves. The day the slaves united, it was the beginning of the end of Pharaoh. The slaves in this country will unite. The slaves who are in bondage in this country, because of the oppression of our local Pharaoh, will unite and we will be liberated and freed. All over the country, people are calling for freedom. That will come. It is only a matter of time. They are scared to call the election date, because they know what is coming. The masses are waiting to “eat all yuh raw”. Nobody will save you all this year, not the Jamaat al Muslimeen or those CEPEP workers you are planning to use as muscle power. We are going to the Commissioner of Police to deal with them.

We understand that they intend to use CEPEP workers as muscle power, to replace the Jamaat al Muslimeen to terrorize the people of this country. We intend to have a meeting with the Commissioner of Police, to make sure that the CEPEP workers understand that they are not to get involved in that kind of politics. This whole exercise that we are engaged in today is a red herring, an inconsequential exercise because, at the end of the day, all they are monitoring is small people.

They are not monitoring the big sharks. The big sharks get away with murder in this country. They are not bringing them to book. Not one drug lord has been arrested by this Government in the last six years even after they discovered so much drugs in the country. Not one drug lord is behind bars. Is the drug lord financing them? We do not know. We are asking questions. Why are they not “locking up” drug lords in the country? “Yuh want tu lock up Panday?” Lord Mustill will free Panday and the Privy Council will free Panday and the people who will end up in jail—one of them is the Attorney General.

Madam President: Senator!

Sen. W. Mark: All right, I withdraw.

Madam President: Senator!

Sen. W. Mark: “Yuh, yuh—”

Madam President: You are on your feet while I am on my feet to start with. Sit down! You have certain privileges under this Bill, but you are going a bit too far, so please.

Sen. W. Mark: We will expose the PNM. I know you will not be there because you are the President. “Yuh eh going an campaign at all”, but I will deal with them. We will deal with them in the UNC Alliance.

Hon. Senator: The last days.

Sen. W. Mark: Hallelujah! Amen for you. I know one thing is that you are holding up democracy. I compliment you for that. You opposed Patrick Manning and I support you on that.

Let me indicate, if we are talking about bringing people up to a certain level in our country, it is said when the tide rises all boats will float but if your boats have holes some will sink and some will rise. What we are seeing today is that the masses of people, their boats seem to have only holes, under the PNM, because they are not rising.

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Do you know the worst form of distribution of wealth and income has taken place under this Government over the last 25—30 years? No other Government has been so wicked, cruel and brutal to ordinary people and grassroots people in this country. The poor are poorer, under this Government and the rich have become richer. Less than 5 per cent of the population, based on information that has come to my attention, control more than 50—60 per cent of the wealth of this land. *[Interruption]* You would not produce it. I cannot see it in the CSO statistics. I have to get it from your sources. Deny it and come with the facts. Well, tell us what is the “Trini” coefficient in Trinidad and Tobago like today, is it 0.40, 0.07, or is it perfect? Tell us. We have no information. The currency of democracy is information and they are denying us information.

Imagine a Minister who wants to face the electorate, Sen. The Hon. Christine Sahadeo, comes in this Parliament and tells the nation that poverty has been reduced from 35 per cent to 15 per cent with not one iota of evidence to give us. Where is the report to substantiate your bogus—is bogus wrong?

Madam President: I prefer you not use it.

Sen. W. Mark: You are hiding the report because the report is a fabrication. If you believe in transparency, table the report. Let us see the report and understand what the European Union did. It is the first Government that runs a government like a lodge. It is a secret order, a masonry, masons, free masons and “Rosicrucianists”. They are running the Government and the country like a secret society, a lodge with our money.

Imagine we have to beg to get a report that was financed by taxpayers of this country, the European report on poverty and how they go about measuring poverty. Where is the report, Sen. The Hon. Christine Sahadeo?

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. *[Sen. Dr. T. Gopeesingh]*

Question put and agreed to .

Sen. W. Mark: “I know dat dey eh want to hear meh.” I know that the masses will want to hear me. When we go on the platform, we will expose every one of them, whether they are in Pointe-a-Pierre, Toco/Manzanilla or Cumuto/Manzanilla. Could you imagine that people are suffering in this country? My mother, who is pregnant, not literally, goes to the San Fernando Hospital and

she has to sleep on a bench, a chair, a wheelchair or the cold concrete. What kind of heartless, cruel regime is in charge of this country? A young man by the name of Allan Mahabir from the Train Line died on the cold concrete floor in San Fernando Hospital. He died because there was no bed for him. He wanted water to drink because he was dehydrated. He was pointing to the cooler for water. They passed him straight. He died the next day. They talk about caring and wanting another chance in this world? They want another five years, to do what, to kill more people? They have no care for the pregnant ladies and mothers. Our elderly who have heart problems would go to the hospitals and have to sleep on benches in San Fernando.

Our civilized society is judged by any measurement, by how it treats its elderly and its young ones. You are treating people in this country like dogs and animals. You tell us that you are going to bring us into a land of milk and honey in the next five years. That is a nightmare that we will be facing.

Madam President, you would have read some time ago—This country is losing plenty money, because of mega projects and corruption. We cannot get answers from this Government because it is a secret society. You would have seen a big advertisement in the *Newsday* of Friday, September 14, 2007. I am not advertising for them and I do not want any money. Bombardier is there. It is in the *Guardian* of September 13—Bombardier, both of them. It was telling us that the Minister of Works and Transport is a chronic stranger to the truth.

He is quoted in the newspapers on a critical financial matter involving \$15 billion of our taxpayers' money, on a rapid rail project; \$15 billion that could go towards making people's lives more comfortable in this country. We have to invest that. There is no accountability or transparency in this. Here Joel Brown, on Thursday, September 06, 2007, said that the Vinci-led consortium had proposed using a hybrid electric and diesel rail system that would have saved taxpayers US \$100 million. The savings with respect to the Phase I contract is real, which is US \$37 million. The alleged difference of US \$100 million, was very difficult to quantify. The Minister is saying that this was difficult to quantify. He went on to say that Imbert said the project consultants informed him that they did not have enough information to make a proper evaluation on the proposal for the hybrid system which is not proven technology. It is experimental electricity power or diesel power. Either/or, it is proven technology. In other words, this diesel electric is not proven technology. Bombardier and Vinci have put out full page advertisements in the newspaper telling the country that the

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hybrid diesel/electric system is working well in France, the United States and Canada over the last three to four years, but we have our Minister of Works and Transport telling us that is not proven technology. [*Interruption*]

He could say what he wants, but this involves \$15 billion. You could talk about hybrid whatever you want. I want to know why this Minister came and almost told an untruth. I would not say lie. It is hurting me. That is what he did. I would not say it, because you have corrected me. A project that can save US \$100 million, that gentleman told us that it is not proven technology and that it was confirmed by the contractors.

I think the Attorney General has told us and the time has come for him, even I know that he was a player in this exercise, to tell us where his investigations into the corrupt practices involving Bouygues and Alstom have reached. We would like him to tell us why the Minister continues to split hairs. Bid-rigging is corruption, price-fixing is corruption and cartel formation is corruption. We are undertaking the biggest project that will have critical implications for all of these measures that we are dealing with. There has been no transparency and accountability in this matter.

We call on the Minister of Works and Transport, through the Minister of Finance here today, to make public the evaluation report, if he has nothing to hide. Let us see what these people recommended.

I have been made to understand that the bid-rigging in this exercise started since July last year. We want the Minister to deal with this matter. We have said to make the evaluation reports available to APETT, JCC and Transparency International. They have the skills, the understanding and the capabilities. Make it available to us too, but make it available to them, so they can tell us the corruption involved in this. Why are you hiding this report?

I believe the police should be called in. I think “fellas” called Jerry, Selby and Devanand Maharaj should be interviewed by the police. We understand that big, big money passed in this matter involving tens of millions of dollars. This whole thing was rigged, in order to give this thing to this particular company. We want this matter investigated. Big money!

We in the UNC Alliance call for the scrapping of the Rapid Rail Project once again. The “Racket”, not Rapid, “Rail Project”, must be halted. We call for an independent forensic audit of the procurement and evaluation processes into this exercise. Something must be done about it.

As I am on my legs and about to wind down, I want the hon. Prime Minister to tell this country, whether he had a secret and private meeting with Martin Bouygues, the owner and CEO of Bouygues when he was in this country a couple of months ago. We want the minutes of those meetings. We want to know what was discussed, because we have a feeling, based on the track record of Bouygues, “dey does bribe people from top to bottom”. I am not saying that our Prime Minister was bribed. I am not implying that at all. Bouygues, on the records, has a history of not only bribing Prime Ministers and Presidents, but financing political campaigns for parties that are running for elections.

This is a serious matter, because it affects the ordinary people in this country: our mothers, fathers, grandmothers and our children—\$15 billion on a Rapid Rail Project and it is a secret in this country. What was the role of the Minister of Works and Transport in this whole matter? What was the role of Andre Monteil in this matter with Bouygues? He is linked with Bouygues on the Waterfront Project in a joint venture arrangement with Home Construction Limited. What is the link between Monteil and Imbert? “Ent” Monteil is the Chairman and campaign manager of Imbert? I am asking questions. I am not implying anything and I am not casting any aspersions. I ask questions. Do you know why?

Madam President: Sen. Mark, you have a very smart way of doing these things. You are always asking questions, but you are always calling people’s names. Under the Standing Orders, you are under the privileges of Parliament. I think sometimes you are apt to abuse it.

Sen. W. Mark: I am a member of the public and I have a duty and responsibility, regardless of the consequences, to say what people are asking. People are dying out there. People are living in fear out there and I have the responsibility, as a Member of Parliament, without let or hindrance or any fear to come here and ask questions. That is my duty and responsibility. That is why I am in Parliament. I am not in Parliament to play games with the PNM.

As I am on that and I am closing, I want the Attorney General to tell me whether he is aware that when these three offshore patrol vessels, which seem to be changing prices everyday—the Prime Minister said \$1.4 billion. In a statement to the Parliament he said that it cost \$2.4 billion for the three offshore patrol vessels.

We want the Attorney General to investigate this one. What was the role of Tony Blair, the former Prime Minister of Britain, in this matter—whether Tony Blair called the Prime Minister of this country before this deal was struck. We

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want to know. These are matters that the people are asking out there. What was the role of the former Prime Minister of Britain in this matter? This is all I am asking. I am asking these questions. I am not casting any aspersions. The people are demanding answers to these questions. We will have more to say about this on the campaign trail. We will deal with the PNM when the time comes.

Let me wind down. This matter is a serious one. It may be inconsequential, but it gives us in the Parliament the opportunity to ask questions, raise issues and get the Government to respond. They must account to us. We are the Parliament. The Executive is accountable to the Legislature. You cannot be running a secret empire. You cannot continue running a secret order. We have been informed, and I want the Attorney General, not to look at the Standing Orders, to tell me whether he is aware.

Madam President: You have one minute Senator.

Sen. W. Mark: I want him to tell me if he is investigating the matter. That is what I would like to find out.

I look forward to the Attorney General, very shortly appearing before the Tribunal. I think the time has come for him to tell the truth on the matter involving Mr. Panday, the Chief Magistrate and the land deal with Monteil.

Sen. Jeremie SC: Madam President, he is out of order. Under the Standing Orders, he is discussing a matter which is before the Tribunal. It is Standing Order 35(8).

Madam President: I had my doubts, because it has been mentioned a few times and I was not too sure if that would fall under being sub judice. That is why I did not pull up the Senator prior to this.

Sen. Jeremie SC: I would be happy to respond. The Senator has been happy to speak. This is his habit. [*Continuous interruption and crosstalk*]

Sen. W. Mark: “Mustill say in de papers boy, that you are a schemer.”

Madam President: Sen. Mark.

Sen. W. Mark: I am not saying anything.

Madam President: Continue.

Sen. W. Mark: Let me close down. To show you how the PNM is trying to “tief” our country from the citizens—

Madam President: Sen. Mark.

Sen. W. Mark: Sorry, how the PNM is trying to institutionalize itself in this country, watch Caribbean Airways and they put a balisier. [*Sen. Mark shows Caribbean Airlines brochure to Hon. Senators*]

Madam President: Sen. Mark, please. You are way past your time, please.

Sen. W. Mark: Thank you very much, Madam President.

Sen. Prof. Ramesh Deosaran: Madam President, this exercise is really to operationalize the budget speech into some specific areas to which expenditures will be allocated. There are two such issues I would like to comment upon but, in the true spirit of parliamentary debate, I would like to respond to some matters raised by the Minister in the Ministry of Finance, Sen. The Hon. Christine Sahadeo, and also to some remarks made by Sen. Wade Mark, in the process.

I have heard so many biblical quotations this afternoon perhaps, from the Independent Bench, I could say that blessed are the peacemakers, for they shall be called the children of God.

I think peace is one of the issues to which this budget has directed itself, otherwise the money is of no use really if it cannot bring some peace, comfort and civility to the national community.

One, of course, cannot go too far out on those factors, but if the public ought to have confidence in this Parliament, that is the moneys allocated, should bring value, not only in terms mentioned by Sen. The Hon. Christine Sahadeo but, also having the citizens feeling comfortable and more precisely along the lines that Sen. Mark alluded to, health and safety. I cannot resist the opportunity to remind this Parliament of certain obligations that it has, some of which are being executed. But to make this financial exercise relevant, I think we ought to refer to Sen. The Hon. Christine Sahadeo's remarks. Quite dutifully, she noted that we are heading into developed status by 2020. There have been substantial economic and social gains. She has remarked upon the progress made so far, especially in terms of building social and economic structures.

The Minister listed some important indices, which really attest to the fact. It is a fact, as has been mentioned previously, that in the macroeconomic indicators, this country is doing very well. She mentioned the poverty rate, unemployment reduction, the per capita income, our level of GDP, the balance of payments being quite favourable, the attraction for foreign investment and our savings level. All these things comprise what we can call social economics. Sen. King, my colleague would, perhaps, attest to that.

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From this point on, it is not merely a financial report that we are getting or should get. It is not a bookkeeping exercise, in which we should be thoroughly and exclusively engaged. It should lead us from economics into the social well-being of the country, otherwise there is no relevance to this particular debate; it remains a sterile accounting exercise.

As the Minister said, this country has now become one of the most attractive places for investment. People are not merely coming to bring their moneys here, they have families and they would want to feel safe, in order to enjoy services and facilities.

This might very well be the last time I might be speaking in this Parliament. It always occurred to me when we are speaking about money in the Consolidated Fund, for example, it is always mentioned as government's money and that the Government is giving this and the Government is giving that. The money, sometimes, is expended so arbitrarily, whether it is for a Caricom project or LIAT. It sounds so arbitrary. That is another point. The main point I want to make is that it is not government money, whichever government is in power; whether it is the UNC, PNM or NAR. That habit creates, to me, a very unfortunate psychology. The people feel detached from the very moneys that they put in the national Treasury. The money is really taxpayers' money. If we have that psychology reversed, in the sense that it is not any government's money, it is the people's money, put in the hands of certain trustees at a particular time of our development. If at that particular point, this message is received by any government, I think there will be greater sensitivity and enhanced accountability, as to how such moneys are handled. That seems to have been missing for many, many years.

Because, it seems as if there is a very unfortunate disconnection between all these expenditures we have been hearing about from this \$40 billion budget, how people feel about how they live and how comfortable they ought to feel.

I will refer a moment or two about an editorial from the January 05, 2007 issue of *The Economist*, which speaks to some of the issues raised by this particular Finance Bill. It is also an article that will exemplify what is missing from our budget exercise and the kind of service we have to give to our people. This has been a pattern in this country for a long time.

I remember, for example, just before an election or two, road paving took place in this country with a frenzy, unprecedented. When Carlos John was Minister, \$90 million—roads were paved all over the place, as if it is a miracle being dawned upon us. Then I heard—just to exemplify my point about the

disconnect and to reverse the psychology that it is government's money; as if it is really the Ministers who put their money into the Treasury, which is far from the truth. I am speaking, of course, generically. I have heard it said that any government that does not spend a lot of money in paving roads, just before the elections will likely lose the elections. I have heard it in front of witnesses, some of whom are here at present. That is the wrong psychology to run a country. As I have said—that is why I called a name to underline the point—that it is a pattern of expenditure that has gone astray; a pattern of expenditure and the rationale for the expenditure.

That is why social economics is now becoming a very important discipline, meaning that the economy is for the people and not just to be put on a balance sheet.

That is why I totally support the Government in this initiative—financial literacy. It is a very important project, in principle. I recall, during the budget speech, if I am correct, Sen. The Hon. Enill enunciating the factors that are going into the financial literacy programme: responsibility, thrift and choices. That is one particular word I remember because I will allude to it in a short while in my relatively brief contribution—the choices that young people, especially, must make in order to secure a productive and useful adulthood.

I am afraid, with the expenditures going as they are, and not having the sense of responsibility attached to utilize those expenditures by the people who benefit from those expenditures, that lack of responsibility is affecting the society as a whole. I have spoken about that more extensively in the budget speech, but it is indeed connected to the programme for financial literacy. I wish the Government well in executing that particular programme.

All I am saying with respect to Sen. The Hon. Christine Sahadeo's dutiful remarks, she is quite correct, I do not think she has really said anything inaccurate, except that we need to go further than merely expenditures.

What I will ask for now brings me to Sen. Mark's concern. I believe we really need a copy of that poverty report—I do not think there should be anything to hide—and if possible that 7th Actuarial Report. If there is an actuarial report that is available and for possible use to the Parliament, I think that too should be shared with us, not for any mischievous, political reason. As I said, blessed are the peacemakers. I am merely trying to put certain elements into the debate that would really help and lift the parliamentary debate. If we had the poverty report we could really know what that 16 per cent means, how it is measured more

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precisely, and what it means for sustainable development. But not having that, people like me can only accept the figure. I am quite sure some of my colleagues would have liked to see that; those who get involved in national development.

I refer to this article from *The Economist* of January 05, 2007 on page 13. What the editorial really says in a nutshell—it is based on empirical evidence. In Europe, for example, the question has gone beyond merely expenditure. They have now developed an index and those countries in the European Union which have not yet developed it, are now seeking to have it developed as an indicator of their country's progress. I am quite sure there are other Ministers who might be speaking, will speak about progress. I think there is need for a new indicator, general well-being. In fact, it says in one paragraph:

“In debates with Anglo-American capitalists, wily *bons vivants* tended to cite the idea of quality of life to excuse slower economic growth. But now David Cameron, the latest leader of Britain's once rather materialistic Conservative Party, has espoused the notion of ‘general well-being’ as an alternative to the more traditional GDP. In America, meanwhile...”

What they are dealing with here is that economic prosperity has really not made people more comfortable and happy in the different countries, and now the wiser in those countries are seeking to find out why. They have to answer this question. I am quite sure Sen. King knows that even economists are now trying to find answers to this disconnect between vast expenditures and a lack of comfort, peace and civility amongst the different countries.

America has started on that track as well, that is why they have put conditionalities on their welfare programmes. It is a point I have made repeatedly in this Senate but, of course, as usual, we will wait for a crisis to hit us and then we would get busy as we did with paving roads—overnight solutions with vast expenditures.

“In America, meanwhile, inequality, over-work and other hidden cost of (economic) prosperity were much discussed in the mid-term elections;..”

That is quite recently.

“and ‘wellness’...has become a huge industry, catering, especially to the prosperous discontent of the baby-boomers.”

We cannot be too far behind. We have a good measure of economic prosperity but we cannot wait until the problems that are emerging from economic prosperity overtake us to the point where we cannot have any public policy to manage these problems properly because, they will be so overwhelming.

Let me give an example. We have individual freedoms in this country but, sometimes the expression of those individual freedoms brings collective discomfort. It is seen in the case of traffic. Everybody feels he or she has a right to buy a motor vehicle. If everybody expresses that right, as they do, it has now challenged us with collective discomfort and the people then complain. But it is almost too late to do anything about those kinds of congestions east, north, west and south. But, we should have seen it coming 10 years ago. We can count. We can project and we could have, therefore, formulated policies, in terms of roads and other forms of regulations. There are other examples, but I need not detain the honourable Senate.

There are other issues to show the disconnect between economic prosperity, as we have defined it, and how the population feels about their country and themselves. This is good talk for the election platform, I should say.

The Government should be obligated to tell the people how comfortable they have become with the expenditure. There are indices of comfort. I am not saying that the whole scenario is one of doom and gloom, but the Government should rationalize for the electorate how that money that has been spent so far, has brought comfort, peace and civility and the reasons for any gaps therefrom.

Madam President: All right, we will take the tea break now and return. We will suspend and return at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: Senator, you spoke for 18 minutes, so you have 27 minutes remaining of your first 45 minutes.

Sen. Prof. R. Deosaran: Thank you, Madam President. As I was saying, it is not a question of spending the money, in the case of paving roads, which is a very useful exercise for the national community, but it is the way it is done and also when it is done. You do not need to have your expenditures driven overwhelmingly by an election. We should have a system where the planning takes place in a more comfortable time, so whatever you do would be sustainable and would maximize public value. I do not think that we have reached there.

Speaking about reaching, since Vision 2020 is the mantra of this Government—we all wish them well as I have done in previous contributions—I think we have to examine what those countries to which we aspire are doing and what they call development. I have heard it said that we want to be like the

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developed countries, because that is what getting developed status means. We would find ourselves in a rather invidious position, perhaps an embarrassing position, when we reach the year 2020 and we recognize the things that they are doing are so far removed from those things that we have achieved, we will then talk about development status for 2040.

Therefore, what I am trying to do—we must remember that ideas come before money. It is ideas that make money work. Money have no legs. It is ideas that put money to work properly. We have been compared so regularly with Singapore, but it was a few ideas that drove Singapore into where it came and, similarly, ideas for the whole South East Asia. It was an idea that drove industrialization to the Protestant ethic. A few ideas got together and energized the notions of thrift, sacrifice, hard work and patience. Many of those things are now found in the Financial Literacy Programme to which I have already referred.

What we are really doing through the Financial Literacy Programme, as an example, is trying to revive the spirit of capitalism in its compassionate forms. That is what I mean by ideas driving an economy. I find that we are bereft of ideas pertaining to development. So, if I might say so again, Madam President, you will forgive me for making reference to these things which might in a sense sound intangible, but they are like gasoline to the engine of development. It is the catalyst; it is where the sparks begin to fly from the ideas that we generate upon which Vision 2020 should rest. Of course, some of these ideas are in the Vision 2020 manual.

This is a very relevant point, because what I am trying to do is to close the gap between expenditure and services, and to close the gap between the Government and its people. That is why this gap is causing much disturbance. Evidence for it flows from the political platforms, talk shows and letters to the editor.

I am quite sure that the Government must be disturbed to know what more these people want us to do. I would be among the first to say that the Government has expended vast sums of money on things that it thinks people need. In a sense, perhaps the Government feels that it cannot do anymore and it might be right.

I am going to read the final line in what I think is a very illuminating article from *The Economist*. In the centre of the journal there are several articles pertaining to the same question; the economics of development and the connection between psychology and economics. In fact, 10 years ago, this was the subject of a research programme at the university. The findings have been put into a book produced by the university called *Psychonomics and Poverty*. This is what

the Finance Bill rests on. It is the market economy. When you deal with prices and NIS, all those things form part of a market economy, because it leaves choice and it leaves the freedom of prices to roam wherever it chooses. The last paragraph reads this way:

“To find a market system wanting because it does not bring joy as well as growth is to place too heavy a burden on it. Capitalism can make you well off. And it also leaves you free to be as unhappy as you choose.”

So, the question of choice in a democracy is very important, in the context of the expenditures the Government has incurred. People have choices to make, and that is why I found the Financial Literacy Programme so very attractive.

What do people care about \$20 million here, \$12 million there or that you gave LIAT \$40 million or you transferred the ownership of BWIA to Caribbean Airlines? Madam President, in real life, in our daily existence—yours, mine and everybody here—what brings us joy or unhappiness is whether we have proper facilities and services. It is very mundane, but it is not trite. Briefly, I could tell you that the services in this country have fallen down. The Government must ask itself what more it can do. Where are the agencies of delivery, for example, local government?

There is a big pothole when you leave St. Vincent Street close to NALIS. When the late Selwyn Richardson was Attorney General he said that citizens are entitled by law to sue the Government for any such damage or breakage through potholes or if you fell through a manhole. At that time, a fellow fell through a manhole, and that was the advice the then Attorney General gave the country. I do not know if this current Attorney General would proffer similar advice.

I am just pointing out these things. I do not want to make a litany of this exercise, but I just want to remind this Government about what is really important to our countrymen and countrywomen or country folks and get whoever it is responsible to patch that pothole especially when Ministers have to pass there regularly, and there are other such instances. This is shocking! This is an insult to our Ministers. Forget me, I really do not matter. I could pass somewhere else, but you have your Ministers passing there. Sen. The Hon. Dr. Saith has his office right there. I think we should have some regard for the Ministers in this country.

I see letters to the Editor that bleed my heart. There are pensioners writing with grieved souls about the difficulties they encounter when they have to collect their pension cheques. Apart from the money—whether it is a grant or a pension—the access to this money should really be made more comfortable for

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people on wheelchairs, walking sticks, bending and crawling to get money that should really be there. That is disrespect. Where are the agencies? I know that Ministers are even wondering what more could they do as Ministers. That is why some of us have much faith in these joint select committees which could call these agencies to account for their services. I am talking about the expenditures in the Finance Bill and what is the value of it from a \$40 billion budget.

Yesterday, I was driving with a Catholic priest in my car. He is from France. He asked me where the signs in this country are. He went looking for a place called Moruga. He said, I thought in countries—like when you are in France, you go to Champagne Country and so forth and you could get a map in any book store or in any tourist place free. Some of us travel, and the hon. Minister would know that when you go to Geneva, you could go to the tourist place and pick up a map to know where you are and to tell you where to go, but in this country we really do not know where we are, and we also do not know where we are going, except that we have Vision 2020.

He was lamenting the fact that this country has no signs and no maps available. The Minister of Tourism and maybe the Minister of Local Government should ask: What are these regional corporations doing and/or the tourist agency doing to make here a civilized country? How are we going to see our way to Vision 2020 if there are no proper signs to take us there or any part of the country?

Again, we have the beaches—and this is what worries people. I am just echoing the sentiments of our ordinary citizens to find out with all this money, why these services are so bad—and there are more dogs than people on some of our beaches. It is like a doghouse in Mayaro and Maracas. I like to hear a pretty speech about tourism, but I want to see the place cleaned up for those foreign investors who would want to come here and use our beaches for themselves and their families. So, what is the talk about? That is the proposition that I am making. I believe it is quite relevant to any expenditure undertaken by a government. That is one of the traditional sacred reasons why in a money Bill people are allowed some flexibility, but using their discretion as well.

A Member of Parliament, one of my colleagues, talked about the toilets in the country. If you are in an emergency in a traffic jam, you are in real deep trouble. [*Laughter*] All those things make a country civilized. It makes no sense talking about this GDP and this per capita income, when people like some of us travel around the world and see what is there. We want to know why can we not have, if not all, some of the things here. What is the problem? This is not about politics

and who would win the next election. This is about spending our taxpayers' money properly and bringing good service to the taxpayers who put the moneys in the hands of trustees called a government. These are not simple matters. This is the crux of our politics. It is the crux of the connection between a government and its people. Any government that deserts its people in these respects is not a government fit to govern. Any government! Of course, again, I speak generically.

I am aware that if you do not call a few numbers like \$3 billion or \$4 billion from the Bill it would look as if you were not quite relevant. That is why I made the point that ideas come before money. I want to refer to something my good friend, Sen. The Hon. Martin Joseph said and which is appropriately quoted in the *Sunday Guardian* dated September 23, 2007 on page 35. It tells you of the power of an idea. It is a very powerful idea. It helps explain a lot of the crime, gang warfare and incivility now crippling, at least, some parts of this country.

National Security Minister Martin Joseph at a post-Cabinet news briefing on Thursday said:

“One of the challenges we face is that of instant gratification where people want things now and don't want to invest.”

Of course, the quotation was above an article headlined: Politics and thugs”. Not “politicians and thugs”, but “Politics and thugs”. Why is that statement important for this Finance Bill?

Clause 18 of the Bill speaks about the establishment of childcare and homework centres. By coincidence, Sen. Mark referred to this same provision. I wish to commend the Government for establishing such centres, just as I did with the Financial Literacy Programme. Of course, I believe that this policy, if not partly, was largely inspired by the initiative of the Office of the Attorney General in having a childcare facility and showing how it could work. I think, he too, and his ministry ought to be commended for that initiative.

So, we are not totally bereft of ideas. Do you see where an idea has reached? Madam President, \$500,000 in tax relief. The point is to maximize the value of these childcare and homework centres. You can say it is the cradle of human development—the age at which they are and the type of care you can bring forward to these young persons would carry rich dividends in the future, and that again is not a trite remark, though it is well known. Here it is now being structured as the Government's policy. Many of these children, especially whose mothers are compelled to work—single mothers—they have a proper refuge provided by the Government of this country.

Madam President, if you connect what Sen. The Hon. Martin Joseph is saying with what Minister Conrad Enill's Financial Literacy Programme is about, you are going to see the connection between the instant gratification complained here about and what the Financial Literacy Programme sets out to achieve: thrift, restraint, self-control, responsibility and choices.

Madam President, in a child's development, which is where we have to put much of our emphasis now—it seems to me that we have lost a generation. I do not see most of them rehabilitated. I do not see them willing to be reformed. I see them unfortunately and, quite sadly, as a lost generation. Rather than attending to them alone and exclusively by having all kinds of conferences and meetings with gang leaders and community this and that, I think we better use law enforcement at that level, and do prevention programmes and so forth at the younger level. I think we have to make a choice in that direction. What happens up here—if you are lovey-dovey with people who are breaking the law with impunity, indirectly it would inspire the younger ones to do the same, because there is where they get the heroism, gratification and self-respect. So, by doing that at that level, you are implicitly and indirectly nurturing a young generation into a similar path.

So, we have to use these childcare and homework centres in the most positive and effective way. You have to get the childcare people, the professionals, ready to make this concession work, because there is a lot of tax relief being given here. To make it work, persons who are in charge of these childcare centres have to know how to train the children properly to get the appropriate values, interest and motivation to live a life that is productive and civil and away from the incivility and gangsterism that we have especially along, as I have said before, the East-West Corridor.

We cannot afford to lose two successive generations. I say so with a heavy heart, because there are many young persons in different parts of the country who know the difference and who are making the right choices in spite of adversity. They have received scholarships, they are poor and they are obedient to their parents, but there are some who have refused to do such things and find attraction in more ugly features of community life—killing one another and bringing grief to communities, in spite of all the assistance and opportunities available.

So, we have to sit and examine what we are going to do to make such communities safer—whether the Finance Bill or the budget can do that and, if not, why not. What I am saying on this occasion is that there is some hope through these childcare and homework centres.

Madam President, finally, I believe that most of the services to which I refer like the road signs and beaches and so forth could be and should be properly handled by the municipal corporations at the local government agency.

I want to make an appeal in these closing moments of this parliamentary life that this Government or any other government coming into power—our next group of ministers—should give much more money to these local government bodies and expand their responsibilities, in addition to cemeteries and playgrounds and have them directly accountable.

There is some skepticism as to whether these local government bodies could fulfil these obligations, but it is not difficult if constitution reform is adopted. Make them, not only responsible, but take off some of the weight from the central government, but have them more accountable with increased finances. I think that is the way we must go. Such increased responsibility should include policing in an improved statutory fashion rather than just the Municipal Police Force.

Madam President, speaking about that and the disconnect between the citizens and the Government and bringing life to this Finance Bill, in terms of the vast expenditures, we would like to see—in my closing remarks—in this period of heavy election campaigning—whilst we appreciate the picing and the fatigue and so forth—I noticed that Sen. The Hon. Christine Kangeloo has shown some dramatic improvement being on the political platform, and Sen. The Hon. Christine Sahadeo has moved to the front line of speech making. So, whilst we appreciate the rhetoric on all sides, it makes a campaign lively and attractive to attend. I want each party to start putting some seriousness into constitution reform so that some of the misgivings and gaps that I mentioned briefly could be closed in the new era after the next election.

We want to know—I have said it before—that to heal some of these breaches, it is my considered view that the Prime Minister should have a new Constitution one year after the next election into which he should be free to choose his Cabinet from outside the Parliament, and let the Parliament conduct its own business for accountability, legislation and so forth. I do not think that you could have Ministers in this day and age with such serious expanded responsibilities still being tied in a parliamentary structure as a Minister to answer questions and to give reports and to pass Bills. Their functions should be separate.

The Westminster system has outgrown its usefulness. It is sometimes subverting the very democracy that it promises, and I think we shall heal that breach more precisely, by having a serious look and putting some ideas for the

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national community to consider for constitution reform. After all political parties are registered, some money should be put into the budget for election financing for each party. We just cannot continue this way.

I hope that these words find willing ears and kind hearts. Madam President, thank you. [*Desk thumping*]

Sen. Dr. Tim Gopeesingh: Madam President, this is another Bill in support of the budget and all the promises that have been made in the budget statement. It really gives a little more detail about the duties and taxes that are being introduced after the passage of the budget in this House and other provisions of a fiscal nature in relation to the 2007/2008 budget presentation and for related matters. This is basically a Bill looking at the whole aspect of the fiscal management of the economy for 2007/2008.

This is also taken in the context of the management of the economy over the last six years under this administration, because certain fiscal measures and variation of duties and taxes started—it did not start with their administration, but work started under their term in 2001/2002. So, this is an area now where we are having six years of their administration of fiscal management in relation to duties and taxes and money that has been received from the taxation system.

So, over the period of the six years, we have seen that this Government has spent close to about \$205 billion, and most of that sum would be from revenue earned and some from borrowings. Some of the borrowings had to be paid back. This year, we have been asked to approve a budgetary expenditure of close to \$43 billion and, therefore, to spend \$43 billion, you have to generate the income and the revenue for that. This is the context of the debate on this Bill here this afternoon.

The hon. Minister in the Ministry of Finance spoke about these issues in terms of fiscal policies in the context of Vision 2020 for their administration and their vision. The Minister went on to talk about economic fundamentals and a stable macroeconomic environment. What became very resounding was her statement that what is quite evident is that the ability to manage the economy was unambiguous and unquestionable. Now, I think what is unambiguous and unquestionable is the non-performance of this Government, in terms of its fiscal administration.

This is an administration that has been mired in economic non-performance and mismanagement. I think that if one were to go around and take a poll in the country, not a Johnson Poll or any other poll, the people would tell you that

economic mismanagement of this country is one of the major issues on the agenda of this administration. That would be revealed to them pretty shortly when people go to vote. That is one area where people in this country feel that this administration has failed miserably.

They have spent \$205 billion and, today, after receiving all these duties and taxes—and people are paying taxes on a daily basis—they cannot see what this Government has offered them in terms of something that stands out tangibly. All that they could see is high-rise buildings in downtown Port of Spain, but beyond that they could see nothing else.

When you look at the other sectors of the society, in terms of the infrastructure, there is no improvement in the infrastructure; no improvement in the health sector; no improvement in the education sector and no improvement in the area of national security. All these sectors have failed miserably over their period of non-performance. So, when the Minister talked about what is evident, unambiguous and unquestionable is their economic performance, I think it is very certain that economic non-performance is quite unquestionable—mismanagement of the economy.

The Minister also talked about the growth in the energy and non-energy sectors. I wonder where there has been growth in the non-energy sector. We know that there has been growth in the energy sector, because of the taking out of our natural resources from Trinidad and Tobago. Oil and gas exports account for about 80 to 85 per cent of our revenues and 55 per cent of our GDP.

At one time, the manufacturing sector was contributing 12 per cent, but that figure went down to 10 per cent. That sector is now contributing only 7 per cent of the economy. Madam President, is this a Government that has worked in terms of economic performance? That does not go well at all. So, when the Minister talks about growth in the energy and non-energy sector, I wonder where is that statement coming from. Where is the growth in the non-energy sector?

Agriculture has declined from 4 per cent to 2 per cent; half per cent of the GDP under this administration. There is also the non-energy sector deficit which is towering about 20 per cent now. The IMF is telling this Government that it has to bring it down to 10 per cent. If there is a problem with oil and gas at anytime, what is going to happen to Trinidad and Tobago's economy? We know that it is a volatile sector, even though we may have some of the resources, and we do not want to go into the report that says that we only have resources for another 12

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years. So, when the Minister makes those statements, I think it is important that she must be able to substantiate them by giving us empirical evidence and data and not to just speak off-the-cuff and say that something is happening when it is not so.

The hon Minister talked about current account surpluses. She said that on a yearly basis they have had current account surpluses. Every year, at the end of the year, this Government comes to this Parliament and asks for more money to be added on the original budget and for Parliament to approve a Variation and Appropriation Bill. They borrow \$4 billion and \$5 billion more every year.

So, when they borrow the money to prop-up what they were supposed to spend, at the end of it all, they must have a current surplus, because they are borrowing money to create a surplus at the end of the year to tell Trinidad and Tobago that they have a current account surplus, after they have borrowed billions of dollars to make up a surplus. Fundamental accounting is going to show that is something morally wrong. You are borrowing money to spend, and then you are saying that you have a current account surplus. That is another issue. The population has no confidence in this Government. This Government cannot fool the population anymore, because people are very smart and they know what is happening.

The hon. Minister then talked about the Heritage and Stabilisation Fund. They boasted that it is a \$10 billion fund. Madam President, this could have been \$10 billion or \$15 billion more. Do you know what has been happening year to year? They would peg the price of gas analogy to oil at different values. One year it was pegged at \$33; it moved to \$38 and then to \$45. Now, they pegged that based on a five-year average of the past and a five-year average to come. So, this year they said that \$45 is a good average, but should you peg it at \$45 because you want more money to spend? Why not peg it at \$40 and put the extra money from the \$45 a barrel into the Heritage and Stabilisation Fund? Why must you increase the expenditure because you know that you could get \$5 more for a barrel of oil? Madam President, do you know what happens? The economy heats up.

The Central Bank Governor said that the economy is inflated. Our monetary policies are not in keeping with our fiscal policies. There is a monetary fiscal imbalance and the Government is fire-fighting every day to bring it up to par.

Madam President, in terms of the price of oil on which it is predicated, this Government could have done much better in terms of putting more money into the Heritage and Stabilisation Fund. [*Desk thumping*] This year is another

example. The price of oil has reached almost \$75 and \$80 and pegging it at \$45 dollars is a means of the Government getting more money to spend badly and to spend it for election. They could have predicated the price of oil at about \$40 a barrel. So, this is not good fiscal management.

The Central Bank Governor said that the economy has been overheated and to bring the overheating down. The Government said that it has moved inflation from 10 per cent to 8 per cent. In our six years in office, as Sen. Mark had indicated, our average inflation rate was 2.2 per cent. We never increased taxes during those six years. We increased personal allowances; and we brought taxation for ordinary persons and corporations down, and the cost of living went down, but this Government has done the reverse. All the gains in the economy that we were able to achieve in our six years, they have reversed them in a short period of six years.

Madam President, in terms of expenditure, do you know that this Government has spent more than \$205 billion? Do you know what we spent during our six-year period? Madam President, \$55 billion. They spent about almost four times the amount of money that we spent in the six years we were in office. What have they been able to show for it?

We were able to show to the world what we were capable of doing. You all can see it. We have books to show our performance for that six-year period, but what we have from this Government is books to show their promises that they have never been able to fulfil. This afternoon I will not bore this Senate with all the things that they said they would have done and they were unable to do.

The hon. Minister spoke about the US dollar being stable. She said that it remained stable over the last 14 years. Madam President, it was their administration, during 1991 to 1995 which had a floating rate, and the currency was devalued on three occasions during that period. It was left to the UNC regime to stabilize the exchange rate. During our six years in office, the exchange rate remained stable. [*Desk thumping*]

Sen. Montano: That is not true.

Sen. Dr. T. Gopeesingh: Sen. Montano will respond. Within the last six years it has remained stable, but we must let the population know that during our six years in administration the exchange rate was stable.

Sen. Montano: That is not true.

Sen. Dr. T. Gopeesingh: It was changed three times between 1991 and 1995. Madam President, the hon. Minister indicated that they gave free tertiary education, CDAP, quality housing and so forth. Now, let me come to that. I was going to talk about the education sector during my budget contribution but, unfortunately, I did not have enough time, but let me deal with part of it today.

They have spent almost \$18 billion in education during the last six years. They promised 650 Early Childhood Education Centres and they delivered seven. Today, the hon. Minister of Education cannot tell this country which primary school or secondary school has been completed and filled with students and teachers and operating. There is no primary or secondary school that has been built, completed and staffed under this PNM administration during their six years in office. [*Desk thumping*] They have done nothing for primary schools, secondary schools and Early Childhood Centres. They have only completed seven out of the 650 Early Childhood Centres that they have promised.

The failure rate in the secondary school examination continues; 70 per cent of the students have failed to get a full certificate in government schools. Only 30 per cent of the students in government schools get a full certificate. What changes have they been able to achieve? What increased performance have they been able to achieve in secondary education? None whatsoever!

The percentage of students really passing the SEA examination is about 3,000 to 4,000 students. Have they been able to improve that figure? No! So, the Government's performance in the primary education school system and the secondary school system has been abysmal.

They have not been able to fill the positions of school supervisors. There are almost 400 positions of school supervisors to be filled. In Sen. Prof. Deosaran's Teaching Service Commission report, one would see that over 400 positions of school supervisors have not been filled.

There are hundreds of positions for principals which have not been filled; hundreds of vice-principal positions have not been filled. They are only acting.

The deans of discipline positions that they spoke about were supposed to be introduced in the school system—over 200 to 300 deans of discipline—have not been filled. So, when the Government talks about improvement in the education system, where is the improvement in education? It is absolutely nowhere at all! In fact, the entire country would tell you that the education system has fallen woefully short under this administration. The Government has spent almost four times the amount of money that we have spent in education; \$18 billion.

Madam President, with respect to UTT, to date, the country has not been given a satisfactory explanation of the legal aspect of UTT in terms of the incorporation into the legal statute books of Trinidad and Tobago as an entity. They have spent about \$600 million. Recently, I heard the hon. Minister of Science, Technology and Tertiary Education indicate that the Government has increased the expenditure. I believe the hon. Minister mentioned something close to \$1.2 billion. I am not sure. I was looking at the Minister on one of the information programmes.

Where is the accountability for this \$1.2 billion in UTT? We know that it has not been created as a legal entity in the law books of Trinidad and Tobago. Is it a non-profit organization or is it a profit organization for some persons who hold the reins of power in UTT?

If you build a big campus in Wallerfield, how many students are going to enter that campus? Do you know the transportation difficulties that would ensue? So, we are building a big campus in Wallerfield, but it is going to be like a white elephant like what Mount Hope was for years, which they had built during the 1981 to 1986 period. What is going to happen to the campus at Wallerfield?

They said that 40,000 students are now enrolled at UTT, but we understand that students are registering just beyond O levels. Students are now coming into what is called a university with O levels and some of them are being asked to repeat O levels. How can you say it is the University of Trinidad and Tobago when you are looking at students with O levels? Is that how you were able to say you have a university enrolment in UTT of about 35,000 to 40,000 persons? This is pure semantics. You cannot have a university where you are having students doing O levels. I do not want to go into the massive corruption aspect of it, but it is important to note that we have no accountability, no transparency and no probity in the running of the administration of UTT. We have called for a forensic audit into the expenditure of the UTT.

Hon. Minister, I think it is incumbent upon you as the Minister, who has been responsible for the expenditure of almost \$1 billion or even more in UTT, to say how that money has been accounted for, and to give the population of Trinidad and Tobago the information on the expenditure of UTT. We would need to have the Auditor General's report tabled in Parliament.

Well, the hon. Minister who presented this Bill spoke about the CDAP. I want to just spend a few minutes this afternoon on the CDAP issue. The whole issue of pharmaceuticals for the nation's citizens used to be incorporated in a budget on a

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yearly basis. In 1995, when we took Government, the budget was approximately \$540 million and the expenditure on pharmaceuticals was about \$80 million out of that \$540 million. Now, the budget on health is close to \$3 billion.

When I asked the question with respect to the expenditure on CDAP, do you know what the total was? Madam President, \$52 million. They are saying that \$52 million has helped this population in the health sector on an annual basis—almost \$80 million, one-sixth of the budget on health used to be for pharmaceuticals. That is \$80 million out of \$550 million. That is about 14 per cent. Madam President, during their five years in office—from 2002 to 2007—they have spent only \$50 million on CDAP. What about the other parts of the health sector in terms of pharmaceuticals?

The pharmacy at the San Fernando General Hospital was closed for a month. People are not getting pharmaceuticals at the health centres. They have to leave the 105 health centres, because they cannot get any pharmaceuticals. In our administration, pharmacists were working and persons were receiving their pharmaceuticals at the health centres. They cannot get them at the health centres, and they have to now travel miles to go to one of the 200 approved pharmacies that are selling the drugs.

Madam President, if 150,000 persons are enrolled in the CDAP and they are receiving pharmaceuticals for a year—if you multiply 12 months by 150,000 that is \$1.8 million, and \$1.8 million out of \$52 million is about one-fiftieth—do you know how much it works out for a person getting pharmaceuticals on a daily basis? It works out to be about 30 cents.

Now, what type of drug a person with diabetes or hypertension would get for 30 cents per day? Do you understand why this population is becoming unhealthier and worse off? They have drugs like Enalapril. You would not even give it to a donkey to bring the donkey's blood pressure down. The Enalapril on the market is about three cents or four cents for one. [*Crosstalk*] Madam President, it is about three to four cents for one. Do you know that the cheapest hypertensive drug that you could get that is really of good consistency is Zestril? It costs about \$4.

When they talked about CDAP, it is a programme that is worth speaking about. Do you remember that we are the ones who started it? We started it during our regime. We had four approved diseases that we were looking after.

I want to make a sterling plea to this Government now and that is the pharmaceuticals on the CDAP programme are worsening the health of the persons who are taking the drugs. [*Desk thumping*] Their diabetes is becoming worse;

their hypertension is becoming worse; their glaucoma is becoming worse and the statins that they are given for ulcers and so forth are not working. All the drugs on the CDAP are not working. It is time for a revision of the drugs. They must consult the national formulary committee. Well, the Minister of Health has served his role and he has gone. He has mashed up the health sector. The Prime Minister has fired him and now he is gone. He does not care about that again. It seems as though we would have to care. The pharmaceuticals on the CDAP are fraught with massive problems, and the population is becoming worse off.

When the Government boasts that it has CDAP and so forth, there is no way that you could talk confidently about CDAP working to the benefit of the people of Trinidad and Tobago. Madam President, when they spend the money, they must spend the money with proper outcomes. If you could get the tablets at three cents, four cents and six cents for one, the people are dying as a result.

Do you know what the consequences are with someone suffering with diabetes and hypertension and not getting proper treatment? They end up with strokes, cerebral hemorrhage, heart disease, heart attacks, renal failure, blindness and amputations. Madam President, you know those facts off your fingertips. These are the consequences of the CDAP at the moment. People are worse off and they are dying as a result of it. I have completed my contribution with respect to CDAP. We will change it.

Sen. Mark: I am seeing the Kangaloos' are taking over the courts now. It is a family affair in the courts.

Sen. Dr. T. Gopeesingh: The hon. Minister also indicated that the per capita income has increased and improved. How can you boast of a per capita income of \$14,800 when, to our knowledge, 30 per cent of the population is living below the poverty line? [*Desk thumping*] How could you speak in glowing terms of a per capita income? In other words, each person in Trinidad and Tobago should be getting \$14,800. And when three out of 10 persons cannot survive at all, what is their definition of poverty? It is less than \$655 a month. That is their definition of poverty, but yet they are boasting about a per capita income, in big glowing terms—\$14,800 and three out of 10 persons—and almost 390,000 persons, which is 30 per cent of the population are living on less than \$655 per day.

When we asked the question, the Government said that the percentage is 17 per cent. Our colleagues asked the Government to substantiate this and it could not do it. So, it is statistical conmanship. My colleagues talked about the statistical conmanship in the recalculation of the GDP when they said that the GDP has doubled over a period of time.

Sen. Mark: The population will decide.

Sen. Dr. T. Gopeesingh: Madam President, I come to the other major issue which is very disconcerting in this country at the moment. When we look at projects that have been undertaken by this administration in its quest for “their development”—having high-rise buildings and building this and building that, we asked for the information in terms of accountability, transparency and probity.

Madam President, we understand that the Tarouba Stadium is going to cost about \$1.2 billion. We asked the question with respect to the National Performing Arts Centre; \$373 million. This was given to a Chinese company without any tendering. They said it is a government-to-government relationship.

Madam President, \$1 billion was unaccounted for by the Water and Sewerage Authority which was chaired by Mr. Gerald Yetming. I have spoken ad infinitum about half a billion-dollar corruption in the health sector and, to date this has not been negated by anybody whatsoever. I have spoken about this matter many times.

We spoke about the \$600 million to \$700 million spent in the education system in terms of the construction of facilities and there is no accountability with respect to the construction of these schools, as far as that expenditure is concerned.

When the question was asked about the Waterfront Project, we were told that it will cost \$2.1 billion. We then made a statement that with the overruns that project is going to end up costing about \$3.5 billion. They tried to negate it and they said that it was not \$3.5 billion.

With respect to the Scarborough Hospitals, there is almost \$500 million mired in corruption. You have \$250 million being spent on the Prime Minister’s residence. In NEDCO, \$1.2 billion was spent. There are 200 contractors, and we do not know how these contractors got their jobs and on what tendering process.

The Solid Waste Management Company is the company that is looking after the auditing of NEDCO and that company has one private auditor; one single individual who has done the audit of this \$1.2 billion in NEDCO. This is why the Auditor General made these very embarrassing statements in her report. Presently, they are still spending money in NEDCO, and they have not done anything about transparency and accountability. There are 200 contractors making millions of dollars every year, and we do not know where these contractors came from.

We have given the names of some of these contractors. We have done a search on who are owners of these companies, but they have no shame. This administration has no shame! They know that what they are doing is wrong. The Auditor General told them that what they were doing is wrong, and they said that they were going to correct it and to date they have not corrected anything.

Madam President, \$1 billion was spent on URP. There has been a corruption scandal in the National Housing Authority of almost \$200 million. There were ghost gangs and “J.Lo” and so forth. Madam President, when we come to approve certain duties and taxes and to make provisions of a fiscal nature and matters pertaining thereof, in terms of the revenues that the Government is getting, how are they spending the money? People are asking that question. Then you had the Cudjoe Construction Company in Petrotrin; \$120 million. Questions have been asked with respect to this company and no answers were given.

6.00 p.m.

We have the Caribbean Airlines. Sen. Mark showed you—I am going into his personal book here—Caribbean Airlines, TT \$1.5 billion, US \$250 million, just to change this bird and change the name to Caribbean Airlines. You have Peter Davies, who is part of the whole reconstruction of the airline industry and he is gone now and he put his partner in at \$500,000 a month. And from the 2,000 people who were supposed to be employed with BWIA, 1,200 are now employed; 800 have lost their jobs and those 800 who were supposed to have their pensions and gratuities given to them, are begging for their pensions and their gratuities and up to today they have not been given.

Sen. Mark: No trade union.

Sen. Dr. T. Gopeesingh: And no trade union for them. They wiped-out four trade unions in the space of that time. TTT, hon. Minister of Public Administration; he has to take the responsibility for it; “mash up” TTT—when you talk about a heritage, TTT was a heritage—spent \$173 million the first year; lost \$83 million last year and they are moving with new CNMG, and hundreds of people lost their jobs. The figures were discussed last time.

In summary, when I spoke about all these things just a while ago, about \$15 billion or \$20 billion unaccounted for with no transparency, no accountability and no probity by this administration. Madam President, you think \$15 billion or \$20 billion is easy for the people to be paying duties and taxes and see their money going down the drain and they do not know what their money is going to. No, that is a shame.

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Then on crime; the hon. Minister of National Security, poor thing; well everybody says you know you all have gone from operation A to Z: Anaconda to Zero Tolerance; gone through the whole alphabet in crime plans. You asked for 555, you got 555. The poor people are trying; the Chamber is trying with the 555. You brought in Mastrofski, \$85 million. You brought in foreign special FBI people from Scotland Yard and so on; they are living somewhere in the East. One of the guys, when Vindra Naipaul, poor thing, was kidnapped, went to the back of Vindra Naipaul's family home and asked them what to do. That is the type of people they brought down. They made one Deputy Commissioner of Police—if I am not wrong; brought him from abroad and made him Deputy Commissioner. And what do we have now, 1,600 murders in their six years; 19,000 serious crimes per year; 15,000 minor crimes per year; 172 kidnappings for ransom; that is the legacy of the People's National Movement administration. And, poor thing, we as parliamentarians have to stand today and debate a little \$100 here and \$500 here, when they have \$205 billion to spend and they cannot account to this population for it.

Sen. Dr. Saith: I have to send you for remedial math.

Sen. Dr. T. Gopeesingh: I know you have a good mathematical brain as an engineer; I have a lot of respect for your professional competence and ability, but as a politician, none. [*Laughter*] You are my friend; we have a special link; many of his family are in medicine and that is the linkage.

Let me just come to two other little points again. Freedom of Information Act; why has this Government sought deliberately— You know, Madam President, in our manifesto, UNC 2000—2006, we did a lot of work in terms of what we introduced in terms of transparency and accountability. We introduced the Freedom of Information Act. We brought on the Constitution (Amdt.) Act, Anti-Corruption Commission, Integrity Commission; the UNC did it. And today, we have found ourselves as a nation with at least 12 of the state enterprises, statutory organizations and state bodies removed from the Freedom of Information Act.

Now, any straight thinking citizen will ask the question, why have these companies been removed from the Freedom of Information Act? Is there a logical reason for their removal? And the first thing that would come to mind is that they have something to hide. [*Interruption*] Lord Mustill is coming for you, you know.

Sen. Mark: "Eh boy, Lord Mustill coming for you; you gone you know."

Sen. Dr. T. Gopeesingh: They won round one already, they say that they do not have the Narinesingh matter in this one; they ruled against that. The Government has lost round one on that; Sharma coming to win. Sharma coming to win this matter here; it is a foregone conclusion.

Sen. Kangaloo: Who Sharma?

Sen. Dr. T. Gopeesingh: The Chief Justice, Sharma.

Sen. Kangaloo: Well, speak properly.

Sen. Mark: No, no, the Chief Justice that you politically victimized.

Sen. Dr. T. Gopeesingh: "I would not go there; I know you does get a little vex." So, Madam President, here it is we are asking about collection of taxes and the taxpayers are asking about where their money has gone and why are you removing these companies from the Freedom of Information. You have to beg to get information, and when we tried to beg to get information, Madam Minister in the Minister of Finance tells us that we could go and look in the *Gazette* and find the information there. You remember?

Sen. Mark: "Yeah, yeah."

Sen. Dr. T. Gopeesingh: That it is produced in the *Gazette*, so we could go and look. Just like this morning, we asked—no, I cannot go there at all. That was the Joint Select Committee this morning, but I cannot go there; so that is fine.

The other point, you know they have not been able to perform or implement any of the things that they promised this nation. They say, "We are going to do this and we are going to do that", and when they found themselves in difficulties at the end of about three and a half years to four years and they realized that they are going nowhere, they are bouncing their head on a wall and nothing is being implemented; they say, "You know what, there is bureaucracy in the system; the system is stifling us; we cannot implement anything; you know what we are going to form now; multi-purpose companies." So they formed 15 multi-purpose companies—

Hon. Senators: Special purpose companies.

Sen. Dr. T. Gopeesingh: Special purpose companies.

Sen. Kangaloo: Get it right.

Sen. Dr. T. Gopeesingh: I am getting it right—and you know what they have done? Taken away the Central Tenders Board tendering process and put the tendering straight in the hands of these special purpose companies; just like the

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Educational Facilities Management Unit, UDeCott and we know—“oh, gawd” we are tired of talking about it. We could talk day in, day out; they are controlling about \$15 billion of our money; one foreigner, Mr. Calder Hart, whatever he is. And there are only four people on that tenders committee who are the four directors of the board. They are doing their own thing. You could imagine \$15 billion of our money with UDeCott and they are spending it as they want.

So, the 15 special purpose companies are doing their own thing; they are spending their own money with no accountability. This Government promised to bring a procurement White Paper to be discussed—

Sen. Mark: A green paper.

Sen. Dr. T. Gopeesingh: No, they said they would bring a white paper to be discussed and for it to be passed in Parliament in terms of the whole procurement aspect for these special purpose companies.

[*Sen. Montano waves some papers*]

He is showing me a white paper now. They have a green paper; I do not know if it is like an iguana; this iguana fails to change its colour. [*Laughter*] You know the iguanas change their colour from green and if they go to a brown area, they become brown. But this iguana that they have—this procurement unit has failed to change its colour from green to white. It is useless for Sen. Montano to be waving that up at the moment and they know that they have done nothing about this new procurement. So they are spending billions of dollars in Trinidad and Tobago with no accountability.

Just some few points again I wanted to speak about in terms of the inclusion aspect and caring for our people. But one of our colleagues would speak more precisely on this whole aspect of poverty, disability grant and all these pensions for the elderly and the indigent population and so on. If they have given a \$300 per month increase in their pension by virtue of the inflation of almost 8 to 10 per cent yearly and inflation on the price of food of 25 per cent in one year, that \$300 would be wiped out by about March, April of next year. That increase would be meaningless to these poor people who are receiving this pension. So, despite the fact that they have given, first of all a meagre pension increase of \$300, the inflation is wiping that out in a few months.

The disability grant, about \$100; that can do nothing and we indicated that we would at least increase that disability grant to beyond \$1,000 per month. Then for somebody to get a disability grant, you know how much worry—[*Interruption*]

No, no, \$900—you have to go through the rigmarole of getting a doctor to state that you are completely disabled. Now, some people have some visual impairment; some people are physically challenged and they cannot seek any proper employment, but somebody has to certify that they are completely disabled. That cannot work at all. So, to get a disability grant—how can you certify that somebody is completely disabled? That does not work. This whole question of the disability—I just have a few minutes, so give me, Wade—

Madam President: I was now going to say your time is up. Hon. Members, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. Dr. T. Gopeesingh: Thank you, Madam President. Three major areas, which I will be brief on, the physical infrastructure I have mentioned. The Government has not satisfied this country that the expenditure on the physical infrastructure has been to the benefit of the population. This interchange at the Uriah Butler Highway, which we had left in a state just ready to be implemented, has taken six years and just as in an election year, they are now starting to do a bit of work and that is pure "mamaguy".

We made some suggestions that along the East-West Corridor there are about 16 or 17 traffic lights; we would try to ensure that when we get into government we would have some overpasses at these traffic lights so we would have free flow of traffic. One month after we made that statement on the Monday night platform, the PNM said they are going to do that. Let us see; we are going to be there, so we will do it.

In terms of the physical infrastructure, it has worsened. They said they have paved 110 kilometres of road and I do not know what they have done. When we asked the question to the hon. Minister, tell us about your road-paving programme: With respect to the proposed road-paving programme being undertaken by the Ministry, could the Minister inform the Senate which roads are scheduled to be paved? He said \$700 million in road-paving and you mean to say they are so discourteous to us, they know what roads they are paving; they do not want to tell us, because it is all couched in a whole matter of corruption and electioneering process.

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Security of the society; I have spoken a bit about that, because people feel very unsafe and no matter how much money they have spent, the population is still not satisfied because people live in fear all the time. If we are to spend the money that they have been spending and if we, as a government, would have come to this Parliament and asked the parliamentarians to increase the duties and make variations to duties, taxes and introduce new fiscal provisions and so on. They started to speak about Vision 2020 from 2004 or somewhere around there; 16 years down the line to come and they are making a mess out of things. They reach 2007 and it is a total mess. I do not know where they are thinking about Vision 2020, but thank God we have democracy and election every five years and you will be stopped in your tracks.

Madam President, you know what we as a Government would have been doing with our money? [*Interruption*] Yes, exactly what we said we would do. We would mobilize the diverse talents of our population. Under the Westminster system; under the People's National Movement administration, they forget half of the population; they look after half of the population, they forget the other half.

We would mobilize the natural resources for our country, not in a waste that they have been taking the gas and oil and we do not know the price of gas they are selling at and they say it is a top secret because there are contractual arrangements for it. We would have made that quite clear to our population. And we want to have a knowledge-based society that is globally competitive.

When we speak about a knowledge-based society—we are asking about e-commerce administration of government ministries and e-Government. Up to today, they do not have a human resource information system looking after different workers, the teaching service, police service, prison service, public service and fire service. What is this thing about information technology doing? The Minister of Public Administration knows they are not taking this country anywhere forward.

Just for instance, basic little things about putting computers in schools. They should be looking at putting a computer in the hands of every secondary school child, and that is not going to be too much. One hundred schools, you have two forms; each form has about 20, 25 students, so that is 50 students; 100 schools at 50 students; that is 5,000 students in secondary schools; 5,000 multiplied by 300 is 1,500,000; that is \$1.5 million or \$15 million.

This country has so much money they cannot put a computer in the hands of every child in a secondary school? They have so much money but they talk about information technology. We will have a diversified economy; we will not be really

reliant on gas and oil alone and we will move to improve the agricultural sector, the manufacturing sector and the services sector. We will ensure that we diversify this society. Our society will be technologically driven and we will sustain full employment.

Hon. Senators: He is reading from the manifesto.

Sen. Dr. T. Gopeesingh: No, no. I am telling you this is what we would have done with the money that you all are asking us to do with your money—

Sen. Jeremie SC: He is reading from the manifesto.

Sen. Dr. T. Gopeesingh: No, this is not a manifesto; this was in the past. This is to tell you what we would have done; what we will do in the future, I will pull out and show you what we would do in the future. [*Crosstalk*]

Sen. Jeremie SC: That is the new manifesto.

Sen. Dr. T. Gopeesingh: I have it here somewhere; here it is: "Towards First World Status within the Next Decade". This is part of it, Madam President, so I have to hide it from you all, because you might want to steal our ideas. [*Laughter*] [*Desk thumping*] That is how we will govern this country.

Madam President, I want to reemphasize before I close on what my colleague has spoken about on one or two little issues. The first thing, you see that Rapid Rail Project that is going to cost this country \$15 billion; we want an accountability of that and we really call for a halt until this population is explained to on this whole company called Bouygues and Alstom. We were not happy with the explanations given by the Minister of Works and Transport and we need some explanations too on the water project from South to North Trinidad; that is a lot of money. But the \$15 Rapid Rail Project needs to be explained more to this population and we say that it should stop for the time being until this population is given an explanation. My colleague asked about the role that the former Prime Minister of Britain played in it and what about the role of the President of Bouygues, when he came to Trinidad recently and had a meeting with the Prime Minister? These things have to be explained.

As an administration, this PNM administration has really failed this country in terms of their economic performance and economic mismanagement. The infrastructure has weakened and decayed. Their work on the education and health sectors has worsened tremendously. Their crime situation is abysmal; they have not been able to make any inroads into that whatsoever. The cost of living has worsened, their credibility has worsened; they have not been shown to be a caring government.

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We would have spent those \$205 billion and we would spend, when we get into government, the \$43 billion that is now for 2007/2008, we will ensure that there is sustainable growth in this country; we will ensure that we continue to build an intelligent nation; we would create more and better and sustainable and permanent jobs. We would have a better quality of life for all our citizens. A better quality of health care; greater equity in Trinidad and Tobago; peace, security and harmony in the society and a competitive economy that is in the top three in the Western Hemisphere.

Madam President, this is what we would do when we receive the money from all the duties and taxes.

Thank you very much.

PROCEDURAL MOTION

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, all he did not say they would do is unite with COP. [*Laughter*]

Madam President, I beg to move that the Senate continue its sitting until the completion of the agenda that I outlined at the beginning of the sitting.

Question put and agreed to.

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Sen. Mary King: Thank you. Madam President, I will not keep us very long. I have two points that I will like to make on this Finance (No. 2) Bill. Well, obviously, we have to legalize all the budget measures and this Bill is very necessary, I am glad to have it here today. But in going through it, I am a little surprised about one of the clauses, which I see here and I would like to make a comment on it. We have stated in clause 17:

"The Petroleum Production Levy Act and Subsidy Act is amended —"

And we go on to say:

"Notwithstanding the provisions of this Act, where in relation to the (production) levy...—

(c) conflicts or is at variance with this Act,
the provisions of the contract shall prevail."

I am really not happy with this clause and I want to know why it is there and what gives us the authority to change an Act in this manner?

In the Petroleum Production Levy Act under section 9, where we are actually defining what is the production levy and we have even given the formula for the production levy, and we go on to state “the production levy is to be computed in accordance with section 11(1),” which gives us the formula. So an Act has laid out how we are going to measure the levy for each individual company which is operating in the energy sector.

It also tells us this levy is to be paid to the ministry monthly and within five days after the date of notification of the amount of the levy thereof in writing to the Minister. It tells us the Minister would deposit the levy in the fund. Penalties for persons who fail to deposit the levy in the fund, a fine of \$10,000 and if they continue, another fine of \$200 every day thereafter for not paying the levy.

Clause 19 of the Act tells us that the Minister shall be responsible for the administration of this Act and for the computation, collection and recovery of the levy. It gives also the Minister the power to allow another person to exercise his powers and if need be, he can authorize another person to be responsible for this. The only variation the Minister can do under this Act, he may vary the schedule by adding or removing therefrom any petroleum product.

So, my concern is, there is nothing within the Petroleum Act which gives the Minister the power to be able to negotiate with any company or any business person who may be producing oil or gas; it does not give him any power to change the conditions under which business levy is going to be assessed and paid.

So, I do not see any powers under the Act and I do not see that the Minister can actually vary this by contract-by-contract with individual people. Now, I know that we need to give new incentives for the investors who will be coming in to drill in the deep wells and the other very “hard-to-get-at” hydrocarbons, but I think this is not the way to change or to give incentives by allowing a Minister to vary an Act and to allow a contract to supersede an Act.

Madam President: Senator, could you give way?

Sen. M. King: Of course.

Sen. Sahadeo: Could you refer to which clause.

Sen. M. King: Clause 17. No, this is not what it says. Are you answering?

Sen. Sahadeo: Clause 17? Go ahead.

Sen. M. King: So, I am saying that I do not see that we can have the Minister being able to have a contract which supersedes the Act. And I am saying if we need to give incentives, which we do, then let us do it properly; let us examine all the petroleum taxes Acts; all the Acts, which have to do with taxes and royalties.

Sen. Sahadeo: Can I see if I understand to give some clarity here for one minute?

Sen. M. King: Of course.

Sen. Sahadeo: What we have here as far as I understand, right now we have production sharing contracts, which in fact are very different, separate and apart to both the Petroleum Taxes Act and therefore, what it says here, for example, you cannot consolidate profits because they are ring-fenced, whereas the Act gave that authority. So, what they are saying in effect, production sharing contracts are separate contracts and therefore the legislation under which these are right now cannot in fact, obviate those arrangements or agreements under the individual PSAs, and that is why when we had discussions— So, therefore what we recognize fully since the 1970s when we introduced production sharing contracts, these would have conflicted with legislation because we went another way in order to have arrangements put in place. That is why that part of it says, it excludes the provision of this Act with respect of the levy. This Act shall not apply to the contract. So it specifically spells it out in that regard.

Sen. M. King: That is not the interpretation here and if we need to change the wording to reflect that then let us do that, but this is not what this is saying to us. I am suggesting that until we totally review incentives; I know we need to do it quickly, but we do not need to do it that quickly that we do it in this fashion; let us examine all the petroleum Acts and let us bring it to Parliament for debate, so that we clearly understand what we are doing and what we are giving up. We need to have an analysis done; we need to know what are we giving up to give these incentives or to remove the levy or whatever it is we are trying to do. And I think, Madam President, if we are serious about accountability and transparency, I do not think we can allow arbitrary changes to this Act to take place without the full debate on the incentives that we, as a Parliament, wish to give to the investors in the energy sector. The energy sector, as you all know, is very, very important to the revenues of the Government; so let us do it holistically.

The other point I wanted to make is one which has to do with development, Vision 2020, and what is a developed nation. We are supporting programmes; the URP, CEPEP, we have a Solid Waste Management Company and in all that we are doing, building IT platforms; talking about e-commerce, e-business, e-Government

and e-everything, and we have not devised a system whereby we can dispose of the old and obsolete equipment because we have companies in Trinidad and Tobago where we have mountains of monitors; mountains of processors and we have nowhere to put them. Other countries have not only thought about it, but have devised systems whereby they collect them; the actual company which produces and manufactures, also collects them; takes them apart; salvages what can be salvaged; recycles what can be recycled and disposes properly of what needs to be disposed of properly.

Madam President, I think we also need to start as a nation looking at these issues, because we cannot arrive at 2020 and still be in chaos not knowing what to do with our old, old equipment.

6.30 p.m.

Ideas are good, but implementation and thinking about the ideas are one of the most important aspects of development. I would like to think that soon, whoever the new Government is, it will start to have a unit within the Solid Waste Management Company to deal with these issues.

I thank you.

Sen. Sylvester Ramquar: Madam President, I want to deal with certain sections of the Bill dealing with social security. Introducing the subject, social security has nothing to do with party; it is bipartisan. While some of us on that side may be enjoying good salaries, one of these days they will collect national insurance (NIS) and pensions. We need to examine very carefully in a holistic manner what we are doing.

Madam President, pensions and social security are driven by the philosophy of how we treat senior persons, how we take care of them. Is it that we are going to do a piecemeal here and there or is it that every time election comes around we increase this and that without reference to the entire package before us?

If we examine sections 3 to 8 and 12 to 14, we will see that one of the proposals is to increase public officers' pensions, most likely those in existence, to a minimum of \$1,650. As the leader of this side said, we are equating them with old age pensioners. Little as it is, it is important that we give them something.

I want to remind those on the other side that we had a minister of government who died in the poor house. We had a former parliamentary secretary for St. Joseph who was getting \$300 a month. We have increased it now, but I am at a

loss to understand why we continue to put dollar figures—and years from now we will realize that we had done everything except to change the dollar figure—rather than end up with a formula method in which we can deal with these kinds of minimum pensions.

While I need to congratulate them for what Sen. Mark called the “chili bibi”, I have to be very concerned, because they continue to increase the unfunded liability. These funds are coming from a pension plan where there are no funds. We are taking it from State revenue, the Consolidated Fund. By the end of the day there is no fund backing public officers’ pensions. I do not know when we are going to deal with that issue.

If you go back to some figures quoted on December 12, 1997 in the Prime Minister’s 1998 budget speech, he showed us that a very dangerous trend was taking place. He pointed out in 1992 that the debt for public officers was \$391 million; in 1997, it was \$562 million, and by the year 2002 it would have been over \$1 billion. What is that debt today?

I heard the hon. Minister in her presentation saying to this House that we were servicing our debt. We create a debt for these pensions by every public officer we employ, from the date we employ them, and we are not making any attempt to deal with this issue. This is just growing upon us. I have to be very concerned, because one of my main interests is senior citizens, and pensions. It derived from one of these old western movies that I saw where when the chief died they put the squaw outside to freeze and die. We say “We care”, but probably we care for ourselves.

If the oil price was to change—and I am not even going to the Scott Ryder Report—one of the first things we will have to do is cut back. We are giving them \$1,650; some of them were getting \$300 before. In the 1994 budget the Prime Minister informed us about the numbers. *[Interruption]*

Sen. Enill: The Senator just said that the Government was doing absolutely nothing about the unfunded pension liability issue; that is not true. There is currently a team made up of workers representatives, the Government and the actuaries who are, in fact, working out the difficulty. The difficulty we have found is in the record keeping of the Government service. We can only do that now since we have invested in a programme called IHRIS, which basically captures the data that is required to work out the liability issue.

We have simply used a method that was available to us, which was to have the pension based on a pay as you go system, rather than asset accumulation in the manner in which you have suggested.

When we look at the cost involved in asset accumulation, there is going to be recognition for the individuals who contribute. That whole formula for contribution has to be negotiated with the unions. It is now on the agenda for discussion. I just thought I would put that in.

Sen. S. Ramquar: I am not sure if you addressed what I am concerned about. The old people say, “While the grass growing, the horse starving.”

In the 2006 budget speech the Minister of Finance went to great lengths and talked about a working committee on pensions. He said that they were looking at indexation and portability. They continue to look at it. We already have a liability for the benefit structure, so we know that we are giving them two-thirds of their salary as a pension based on 33 years of service. Any actuary worth his salt can tell you how much that costs. It will cost somewhere between 21 to 23 per cent of salary.

Why can we not give the public officers an increase equivalent to their contributions and let them start to fund it from today? There are two aspects of a pension; there is future and past service. We will deal with the past service after. I am not asking the Government to take billions of dollars and shove into the past service liability. You may want to do it over an extended period; so you put aside some money from the employees for their contribution, you put aside some from yours and we have a pool; so, at least, this debt to the Trinidad and Tobago public could be reduced, because our children and grandchildren will continue paying for this debt. I want to warn that the day the revenues fall from this country, we will have people hanging themselves.

There was a former permanent secretary (PS) in the Ministry of Education who lamented in the newspaper the pension he was getting. When we have to make an adjustment to give a judge a pension of \$1,650, “we reach where we going”. Judgment is about impartiality and so on, but if at the end of the day when I leave the Bench, in order to survive and live some kind of life, I have to depend on the private sector, then I will have to taint my judgments, because I will need them for consultations; I will need them for jobs, at least to make a five cents to live. We need to do something about this.

I do not want to say that the UNC government will set up an unfunded or contributory pension scheme for public officers, both monthly and daily paid officers. We will allow them to go to get an increase equivalent to their contribution in the first instance, and we will start to fund the pension. As Sen. Enill said, when he attempted to give me some information, we will see about the

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past service liability when they go. So we are not funding this with “no” big set of money immediately, but we know the liability every day, so every day they work, the salary increases.

Three factors determine pension: salary, service and the accrual rate. We know the accrual rate is 2 per cent; so $33\frac{1}{3}$ by two is $66\frac{2}{3}$; so every day the service goes and every day the salary goes. Because when we have another negotiation, the salary will go up, therefore, the liability will go up, and we continue to sit and wait on the committee.

You do not have to tell me about the records in the government system. That should not be an issue, whether you buy IHRIS or whichever management system to collect data and clean it. When we had the National Petroleum (NP) situation, for years they could not get an account; they could not get an audited or an actuary’s report, simply because of the data. Why? It was more a problem than you have; they came from the marketing department of Shell; the marketing department of Texaco, and the marketing department of BP. They all merged together; they brought the people, but they did not bring the records.

We got some young students during the summer vacation and tried to build back the records. This is not a Herculean task, but we need to do something. It calls for a philosophy; it calls for really caring about something. If we are here only to make an adjustment and keep them quiet so we can get votes, then we will do different things. *[Interruption]*

Sen. Enill: Just for clarification. I do not understand what the Senator is saying. We have 82,000 employees in the Government service and there are 64,000 pensioners right now. On the basis of those who have already reached the age of retirement, we are funding it to the tune of \$1.2 billion and that is that. The measure sought is to bring them to a level in circumstances where we have this pool that we have to follow. What do you mean by saying that you can, in fact, build a fund from now; on the basis of what? I do not understand.

Sen. S. Ramquar: I am saying that we have a situation where a debt is growing and there is no money to back that debt. We give a little offset increase off and on to help them buy some food at the end of the day. We are giving a judge \$1,650 a month in pension. A pension is supposed to bear some kind of reality to your last lifestyle; you cannot expect a doctor to live on a labourer’s pension when he retires. I understand that we are giving them something now.

I am simply saying that we cannot continue to come every two days and give a little chirrup here, a little plaster there, a little piece of chewing gum there and

some putty here. We need to look at the pension bill and come up with a holistic view. Yes you want data, but in the meantime while you are waiting on the data, we know the benefit.

Sen. Enill: We do not!

Sen. S. Ramquar: What do you mean, “we do not know the benefit?” You know the benefit for each person.

Sen. Enill: [*Inaudible*]

Sen. S. Ramquar: The Minister will have his chance; let me finish please. Some of us need to be a little educated in pensions. [*Crosstalk*] I am not saying the Minister.

Sen. Enill: I ran an insurance company, so I know.

Sen. S. Ramquar: We are talking about increasing the pension benefit out of no fund for Government public officers. We have Caroni workers who paid contributions to a pension plan for years. The Government, meaning the major shareholder of the company, Corporation Sole, never put back the money it took out from the workers’ salary. It was a contributory pension plan. They never put back the money they took out and passed it over to the trustees. Neither was the company’s contribution put over to the trustees; so you have a situation where the actuaries are saying that if the money was in the fund, there would have been a surplus. That is what I am interested in.

The hon. Minister did not understand me the last day when she attempted to talk about the Caroni issue. We do not want any gratis from the State, like you are making up the pension by giving me some special concession to get old age pension or a Senior Citizens Grant. We have contributed to a pension plan; the pension has a surplus, therefore, we need to fund it. Whoever took the money out and did not fund it, we need to get it. We need to put that money back into the pension plan and use the surplus to buy improved benefits.

Madam President, I need to inform you that I was the advisor of the five trade unions in the Caroni settlement issue. If the Government was funding the plan properly, we would have had a surplus with which we could have increased the pension. We are not asking you to carry it to \$1,650; we wanted to have a minimum coming out of the pension plan of \$1,000. We got that for the staff. You are not asking for gratis.

Let us examine the simplicity of what we are asking for. You have to fund it. If you give them the old age pension in a different cheque and give them their pension in another cheque—the \$1,650 that the Government wants to give them—

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at the end of the day, the Government is still funding it. Why does the Government not fund the fund properly and pay them the entitlement out of the plan?

The UNC government will do it in the first 100 days; you do not need any mathematics for that. You need to put this money back that, basically, you stole out of the package. According to the Act, you cannot take money out of a person's pay package without having the authority to do so. You withheld the money from their pay packages, so, in fact, you denied them their rightful entitlement, and you come now and you want to give them meagre pensions. Look at how many years, and we have not been able to resolve it.

The Caroni pension plan borders on a criminal act. The staff pension plan, under the Trustees and Rules, says that the administration fees must be borne by the company. The trustees have been taking out administrative fees to the tune of in excess of \$5 million out of the staff pension plan and nobody is doing anything about it. We have a company that has no workers, therefore, there is no worker representative; therefore you have no management committee. But the Chairman of the company and the single officer, the Chief Executive Officer (CEO) of the company, sits as the management committee and takes decision. They are attempting at this point in time to amend the Trustees and Rules.

It is the State we are coming up against; so we have to go to court to challenge the State about that legality and illegal acts it is doing to the pension plan. They will come here and say, "Oh, we love the Caroni workers"; we love them for votes. Are we really concerned about what we are doing?

You know what is sad? When Caroni closed down somebody talked about NBN and TTT—I am sorry the Minister is not here—we were in a similar state of not funding the pension plan. We put in every cent for TTT and for NBN and we put in the investment return we had asked for that they had not put in over the period. So if the money was there, it would have earned 6, 8, 10 per cent or whatever. We also asked for the money compounded over the period it was not put in, and they put it in, but not for Caroni. I am forced to ask: Is this really caring?

Somebody said that we care about certain sectors of the society. I want to tell them that one of these days they will be pensioners too and they will not be in the House as they are now. They will not be in the office of power and privilege, and one of the Caroni workers might have to assist them.

If you look at what is before us, with a number of pieces of pension plans we have to come and amend every time we want to do something. Pension plans in this country are fragmented and discriminatory. We have a pension plan for every Tom, Dick and Harry by an Act of Parliament. There are some described in this present Bill. One pension plan for three persons, the President, the Prime Minister and the Chief Justice; they can get 100 per cent of their salary as a pension for life. It has nothing to do with qualifications, service or years; you do not have to work hard for the State. You get the office for two days and a pension for life.

We have the police and the army getting 85 per cent of their salary as a pension. The rest of mortals have to go under another 1965, 1967 law, because of two pieces of draft regulations that have not been assented to by the President, which limits us to $66\frac{2}{3}$ per cent of our salary. I will talk more about it when we reach clause 18. Why can we not sit as a people and put all these laws together and create benefits? Let us come up with one structure, so that when we are doing something we do not have to refer to 64 pieces of legislation.

In my documents it says the Pension Act; the hon. Minister said that was referring to public officers. It happens all the time; we forget some people every time and they are left to suffer. I will demonstrate it later on. I want to leave the question of the airlines for last. I want to go to clause 10 and the Senior Citizens Grant.

Looking at it honestly, I know that we have increased it to \$1,650, and I smile. I said to myself, "Fattening hog for the slaughter." It is a clear design of this Government; it is a philosophy that poor people must have no pension. They must provide for themselves. They must never depend on the State for a pension. So we increase it now, chirrup, chirrup, chirrup, to get votes for the election and no sooner it is over, hog for the slaughter.

The Finance Bill of 2007 that was passed a couple of months ago in this House says on page 7, clause 11(5):

"A grant under this Act is subject to review and may be increased, decreased or discontinued."

You will tell me, "Well, boy we could increase, we doh have to discontinue it." I want to take us back to the Minister of Finance's budget speech that was delivered in October of 2004. I want to quote him from page 30:

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“But perhaps, of greater concern, Mr. Speaker, is the urgent need for individuals to ensure they are in receipt of an appropriate level of income in retirement thereby reducing the risk of poverty in their retirement years.”

This is the sting:

“The responsibility on the State to provide for one’s welfare in retirement must be reduced and eventually removed.”

These were his words. So when they came with a Bill later on and they changed the name to “Senior Citizens Grant” and slipped it under subsection (5): increase, decrease and remove, you knew what they were going with clearly.

It is a planned design, but, “We have an election coming, so we need the votes; let us increase it to \$2,000.” How long will we carry it for \$1,650? How long will we leave it there? “Shortly after we will remove it.” This is their design, because the clear intention is to remove it. They announced it in the budget speech and now they have put it into law by the new Senior Citizens Grant. [*Crosstalk*]

We honestly believe and we will take steps to ensure that it is put in place that the Senior Citizens Grant is repealed and an old age pension Act is replaced. [*Desk thumping*] We are going to take steps to ensure that nobody in this country gets a pension of less than \$3,000 a month. We want to make sure that you get a pension from age 60 and that the subjective bias which exists now illegally—Madam President, the officer comes to the person. I do not know if you could ever begin to imagine the humiliation you face when these officers come by you. They see your passport, “Yuh went away”, well boy, you are in trouble. They see your bank book, “yuh in trouble”; your son buy a little something for you, well that is a big problem, “How much money he give yuh?” Is this how we want to treat our senior citizens, people who have served this country for 42 years? We are treating them like scums of the earth.

We as a Parliament, as the protector and defender of the weak, poor and oppressed, must have a little conscience in our heart when dealing with matters like these. We cannot treat people like that. What could \$1,650 buy? What is the minimum light bill cost? We have to have lights, unless you tell me like the old Indians in America, “Put the squaw out in the winter to die.” We have family on that side too and they are all subjected to this discrimination on a daily basis. Sen. Mark spoke about going to the grocery and seeing old people picking up grocery items and they cannot deal with them. “Dey have to put back some in de cart and when dey letting dem cash it is, ‘How much it is’, and they add two more.”

That is where we have forced people in this country of \$200 billion over five years. [Crosstalk] “Doh worry how much it was; we will deal with it.” “What yuh worried about?” We will make sure you get a pension, because it is not about qualifications and so on. [Crosstalk]

I want to go to clause 11, if my friend will give me two minutes to finish what I have to do. Public assistance and disability grant. I think it was reported yesterday that the President of the Republic of Trinidad and Tobago, His Excellency Prof. Max Richards made a statement. I am not going to read the whole statement, but the *Express* carried a headline story:

“Help the children”

Was he addressing this Parliament? We look at all kinds of things for the children. We talk about school and all kinds of things that we want to give them. We gave them bus passes without “bus”; stand pipe without water, but, “We helping de children.” Some of us become infirm for whatever reason; whether it is from diabetes, we “loss” two legs, or whatever, God forbid. Some say they are paying for their karma, but at the end of the day some of us cannot see about ourselves and we are now treating them worse than the \$1,650.

I want to ask the other side aloud, “What is the difference between somebody in a wheel chair and somebody who has two legs?” The “fella” in the wheelchair has a family to mind, at the end of the day. He may have lost his two legs or whatever it is, he cannot work anymore. At that stage, it is the little money that will keep you going; I cannot say it will keep you happy.

I saw a young fellow of 35 years from T&TEC whose arm and leg were burnt off. The accident was so bad they had to take out the sweat glands. He used to feel this fire; 35 years old, with seven children, living in Morvant, in the back where it joins Barataria. His name was Rampersad. He tried to walk, but it was a cross—Sen. Dr. Gopeesingh or Madam President might be able to tell me more about not having balance. He put two irons in his yard and tried to walk; of course, he had false legs or artificial limbs, whatever it is called. He would fall and pivot himself on the leg that was off, by the stub that remained. He would spin, because he could not hold on with this hand. As a matter of fact, the doctor in England where we had sent him asked the branch officers to talk to his wife to explain that he was impotent; this 35-year-old man with seven children. What keeping his family around him?

If you are a fellow with a bit of pride, a little decency in you, you would never like anybody to have you in that condition, so you become miserable. You are miserable to the world; you are miserable with yourself. And we are talking about

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giving them \$1,100 and we are boasting about that? Why can we not equate the public assistance grant and the disability allowance to the equivalent old age pension? Why can we not do one simple thing?

I do not want to believe that they are doing things *vaille-que-vaille*. I am assuming that the \$1,650 is to buy a little basket of food. It may not pay for the light bill, so we could take an extension cord supply from the neighbour. We may not pay for the water, so we may run across with the bucket, if we have foot to run for the bucket. At the end of the day, he might buy a basket of food. Even with the basket of food, we must not provide for the “fella” in the same way we are providing for the senior citizen. We will never see that continue. We will ensure that recipients of these benefits at least get an old age pension.

I want to compliment the Government for increasing the \$12,000 to \$25,000 tax free pensions and NIS contributions; I know I had some work involved in it. Have they understood what they were doing? The \$25,000 is for NIS and pension contributions. The NIS under the new system, which I will deal with in a little while, will be roughly \$329; if you multiply by 12 it is \$3,951.76, and they are not giving you 100 per cent tax relief on that, notwithstanding they give you \$25,000. They give you 70 per cent of it. Therefore, you can only claim \$2,766.37. If you minus it from the \$25,000, we have \$22,233.66; if we divide it by 12, therefore, what is available for a pension plan contribution is \$1,852.80 per month.

This increase did not deal with the “fella” down there; it dealt with somebody who was earning some salaries: Ministers of Government, MPs and so on. I told you just now that between 21 to 23 per cent, depending on your age and a number of demographics, which my friend tried to tell me about, which I knew for 37 years. Madam President, 22 per cent of salary, roughly, will give you $66\frac{2}{3}$ of your salary. So if we take an individual, somebody not working for a company, who has no pension plan, and he wants to put aside his pension contribution and he is working for a salary of \$20,000 a month, 22 per cent of that is \$4,400 a month.

So you begin to see that he is going to continue to give a tax free break on \$1,852.80, and the rest he will have to pay tax on it. When he gets his pension—that is supposed to be tax free—he has to pay tax again on it. They themselves will end up in another monkey pants in the figures they are giving. If for instance he was going with a company and they were sharing the contribution one to one, then he had to contribute 11 per cent, but the sting is in the tail. Why would I contribute in excess of what I am contributing now?

Let us take a worker who supplements his income to help himself from the old age pension; he “doh” trust the Government with old age pension or the NIS with what they want to do with it, and he now decides to buy a supplementary pension for himself. Can he use it? For what benefit? The draft regulation we talked about earlier will come to haunt him; he is restricted to $66\frac{2}{3}$ per cent of his salary as a pension.

This is why I talked about a holistic view. We touched the contributions, but we did not open up this $66\frac{2}{3}$ of salary as a pension. Moses did not bring down that retirement as stones; so why must we have it sacrosanct that it must be $66\frac{2}{3}$? You are forcing people to write to the trust deed, even those who want to contribute more. The Board of Inland Revenue will not register your deed notwithstanding it is acting on a draft regulation, if anything in your pension plan says that you will get more than $66\frac{2}{3}$ per cent of your salary as a pension.

When we examine what is happening before us, we are in a very serious situation, because you are giving the concession, but who will take it, except somebody working for \$20,000 a month or more? It will be of no benefit to him. I want to correct this view about the $66\frac{2}{3}$ per cent. You will hear actuaries telling you, “But he getting $66\frac{2}{3}$; he eh going to work, so he doh need the jacket and tie; he has transport so he could live on less.” But this $66\frac{2}{3}$ is a joke. Somebody said that it is really statistical fraud; I did not say that.

When he examines it, the average citizen in Trinidad and Tobago patterns his life to retire at 60 or what retirement date the company gives him. So normally he would take a mortgage; he would have his children in school; he would buy a car; he would fix the roof or whatever it is, hoping to get a lump sum to clear his bill so he could go to retirement debt free. When you take 25 per cent of $66\frac{2}{3}$, in fact, he gets 50 per cent of his salary. I was just using the \$2,000 to demonstrate something to you.

You have somebody working for \$6,000 a month. They work for 33 years; with the accrual rate the formula is 2 per cent. You get $66\frac{2}{3}$ of \$6,000; that is \$4,000. You take 25 per cent, which is \$1,000, to surrender it for a lump sum, at least to pay off your debt. You may even provide for the children finishing school. But now you are left with 50 per cent of your salary, \$3,000; \$3,000 from \$6,000 is 50 per cent. So even from that, you will begin to see that you have some serious problems to come to terms with in terms of what you want to do.

What is the problem of the State refusing to grant 100 per cent pension to somebody, if I am prepared to take money out of my pocket to save? Saving is for national development, because the money is there for 42 years with you in some

institution; I cannot touch it. When I join the company at 18 years and retire at 60, that is 42 years. I want to take my money out of my pocket and I want to buy a pension or contribute a little more. Whether it is an additional voluntary contribution (AVC) or whatever, I want to do that for myself, but the State is blocking me. Then when I cannot make my pension for whatever reason, they want to give me old age pension or cut it out. [*Crosstalk*]

I want to go to the NIS. In all honesty, how could we sit here and approve a Bill to give the national insurance \$2,000 a month, without telling you about how much it is going to cost you? If you look at the last amendment in 2004 to the Insurance Act, you would see that there were Schedules for everything almost. If you get this dollar, you pay that amount; you get that benefit.

People cannot buy cat in bag; sorry for the kind of language; but we need to see what it will cost us. It is nice for Sen. Sahadeo to say that we are going to pay 9.9 per cent—[*Interruption*]

Madam President: Senator, it is Minister.

Sen. S. Ramquar:—Hon. Minister; sorry—and eventually 11.4 in 2012. I want to burst his bubble; they have been portraying far too long to people, telling them that their level of contribution will be 12.4 per cent at the end of the day. Let us look at the last amendment. They will tell you nice and glibly; you will see all the articles in the newspapers, very small increases. Let us look at some of the Schedules. If you go to 2004, they tell you that the NIS increase in 2004 was based on an 8.7 per cent total contribution. It is a two to one ratio, which means that the employee will pay 2.9 per cent and the employer will pay 5.8 per cent.

I want to examine that story they have been giving us, because they put the money in classes. Let us examine class one in 2004. I can do it for every class from then to 2012, because I did it. Class 1 is \$100 to \$159.99. The contribution for the employee dollar figure, it changed from the percentage, is \$3.77. Let us take the employee who is getting the lowest point on the ladder, so he is getting \$100 a week. His contribution is \$3.77; that is 3.77 per cent of 100. So how come he is paying 2.9 per cent? What I am submitting to you is that the whole pay schedule, the contribution rate, is discriminatory against the small man.

Let us examine somebody who is getting \$10,000 a week. Their contribution would have been \$29.29; therefore, it will be 0.29 per cent contribution. That is what we are paying. So while they are telling you that the contribution rate is based on 8.7 per cent—I do not know who they are trying to fool—if you work the figures, the fellow getting \$100 and his employer is paying a joint contribution of 11.31 per cent. That is what he is paying. [*Interruption*]

I can give you any figure you want, but let us talk about it outside of Parliament. Madam President, I am really trying to talk to you a little this evening. [Laughter] I really do not have time for persons who did not think about what they were doing and just shove figures “down people throat”.

Sen. Dumas: Do not be rude! [Crosstalk]

Sen. S. Ramquar: Take the other year. In 2005 they said that the contribution was based on 3.9 per cent. If you look at the person in class 1 who is getting \$100—and the highest part of class 1 is \$159.99—you will see that the employee has to pay a contribution of \$4.03, which is really 4.03 per cent of salary. If you examine the total contribution—while they are telling you a total contribution of 9.3 per cent—in the case of the \$100 worker, the total contribution is 12.09 per cent. So when they come here and tell us on a scale that it is moving between 10.5, 10.08 and 11.4, we have to watch it very carefully. That is the first point. [Interruption]

Sen. Sahadeo: I want to refer to the *Actuarial Review* which is actually going to be laid in Parliament. It is not what the Senator is saying. It says:

“Increase the contribution rate in three steps: 10.5 per cent of insurable earnings as at January 07; 10.8 per cent of insurable earnings as at January 04, 2010 and 11.4 per cent of insurable earnings as at January 02, 2012.”

This document will be laid in Parliament, so it is not the Senator saying this but is, in fact, the *Actuarial Review*. I just wanted to clear that up so you would not misunderstand.

Sen. S. Ramquar: I am really not on the percentage game, because we do not see a percentage for NIS. [Crosstalk] We are having a back up that the actuaries told us that. It is the World Bank Actuaries and the International Labour Organization who do the NIS reviews for them, and they are competent people. [Interruption]

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [Sen. Dr. T. Gopeesingh]

Question put and agreed to.

Sen. S. Ramquar: The point I want to make is that we are using an argument for a percentage recommended by actuaries, but we are not putting percentages to charge the employees for contributions. We are putting a dollar figure based on a

band. I will deal with why we should really go to percentages after. When we examine the band, it is most discriminatory to the lowest grade and class. This is supposed to be 9.3 and he had to pay 12.9 per cent in 2005.

I do not have much time, so let me try and speed up a little.

We are going in bands. I want to ask this honourable Senate, why do we have to put a dollar band? We had forgotten it in 1972 to 1999 and we never addressed the increase, so we were paying \$7 and so on, and when we got the small NIS, we complained to the officers at the NIS offices. Why were we doing that? Every time we have a class and a band, it means after 2012 we have to come back to this honourable House and increase it again.

If we are going with 3.5 per cent for employee and 7 per cent for employer, or whatever percentage we want to go, why can we not put it on a salary, have a cut off scale—because I understand the re-distributive effect of the NIS, and it is an important thing to keep—and increase the NIS to \$2,500 a month minimum, so those at the lowest rung will get something, and make them pay an equal percentage on their salary. Therefore, if we say 3.5 per cent, the man getting \$100, will pay \$3.50, and the fellow getting \$10,000 will pay the 3.5 per cent of that, \$350. Why is that so hard to understand? He gets a percentage of his salary based on it.

We have all kinds of crazy things in this Bill. We have something called a conversion factor. All my life I have contributed at the maximum grade, but then some years we do some amendments and we say now the maximum grade—I do not have time refer to the clause to show you what I am talking about, but I am sure that the people in the Ministry of Finance will know and those in NIS.

We say that now we changed class 5 into class 1; then we do some more conversion and say class 8 has gone to class 3. I can prove it to you; we have it here. The man is paying a percentage of his salary as a pension; we have a minimum pension to cater for the re-distributive effect; end of story. Why do we want to continue with this?

If you see the increment we are giving people; 26 cents for every 25 weeks of contributions. So after 750 contributions, which is 14.4 years, the employee makes 26 weeks, so we give him 25 cents. Nobody could understand it, because it is so confusing. What is worse, they tell you that you can take a pension from age 60, but nobody tells you that there is a discount factor if you take it at 60 years. If you go to the Act itself, you will see that it is totally discriminatory again. You are

losing roughly 38 per cent—bear with me if I have a few points off, because I am quoting off my head now. You are losing about 40 per cent of your pension if you go at 60 years.

I want to raise two other issues because I know that time is running out on me. I do not want you to call me.

There is the issue of the spouse, dependent relatives and so on. I am going back to my story. Are they not people too? When the Member dies, will we put the spouse out in the snow to wither and die? Why can we not put a formula and say that we are going to give them 75 per cent of the Member's pension if they have children and 50 per cent if they have none? Whatever figure you want to put. If you put a percentage, we have to come back to this House and debate these issues.

Sen. Mark might come and ask you to give him a little increase, at some point in time; but we do not always have to come back every week, because we will have a chart: \$2 getting \$4.26 increase. What nonsense! This is the day of globalization. This is when we are supposed to know all kinds of things; formulas and Excel spreadsheets and so on. It is a simple thing to do. I know that the people at NIB know what I am talking about, because we had this discussion already. I do not understand what we are doing to ourselves as a people.

The last point I want to raise is about the grant. If you do not make 750 contributions or contribute for 14.42 years of your service, if you miss it by one week, so you make 749 contributions, they give you a grant. Do you know why we moved away from provident funds in this country and went to pensions? Because the State saw the wisdom in people getting a lump sum, they blow it and then come back and ask the Minister to sign a little letter for them to get poor relief—in those days we called it that—or get some kind of little assistance, or you have a sheet. We throw up a barbecue or something. So we decided to give them a pension.

If a man worked for 15 years and dies or if he did not make enough contributions, at age 65 we give him a grant rather than a monthly pension. All pension systems in the world, after five years they consider it vested and, therefore, will give you a pension after five years. Of course, it will be based on service. Why can we not do something like that? Is it a hodgepodge that we get before us, that every year we come, election time, put some butter “round de lip”, and the natives with the tom-tom and loin cloths will vote for us? That is what we turn our people to? I am making an appeal for those dependent relatives.

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I know a teacher who died just a couple weeks ago. His wife has two sons and is getting \$382 survivor's benefit. There are some cents in it after the \$382. That is what is happening in our society. Is that what we want? Why can we not give them some part of the minimum pension? We established \$2,000 as the minimum pension. With the scheme—no pun intended—the NIS system, let us say a man pays a contribution; he dies just one or two days after getting the pension, so he has not utilized his contributions; probably we could convert his wife who is getting \$300, and give her part of the \$2,000. I am not saying that we give them \$2,000, but we could give them 75 per cent.

I know we are winding down; we have to wish each other happy Christmas, happy election hunting and so on and so on, but this is a very critical issue. It is the only reason I really spent time to come here and do something. I know friends on the other side are not listening and are not concerned, but it is people we are talking about. This society is about people.

I remember a journalist talking to the Brazilian President a few years ago. He asked him, "How is the economy?" If you hear the President, "GDP, unemployment, foreign reserves", he fixed it up nice. He asked the President, "How are the people?" He started to mumble, "But, but, but". This is the society we are in, a working poor.

I contribute to an NIS system and when I am finished, I have to go and beg my bread or look for some kind of watchman work? This is the state we are in as a people? This is not a political speech. This is talking about serious issues. I am talking from my heart. I am making an appeal for whoever is there; let us make sure that we do things right.

Thank you.

Sen. Basharat Ali: Madam President, I propose to limit my contribution to clauses 17 and 20 in this Finance Bill, both of which relate to petroleum.

Madam President, clause 17 presents to us an amendment to the Petroleum Production Levy and Subsidy Act and includes a definition of production sharing contract, which is straightforward. It includes a new section 9A, which I will read in due course. To understand what the proposed section 9A is all about, I need to go back to the parent Act, the Petroleum Production Levy and Subsidy Act of 1974. [*Interruption*]

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

Section 3(1) says:

“Nothing in this Act shall apply to the production business of any person unless—

- (a) such business produces petroleum at a daily average rate in excess of three thousand five hundred barrels; and
- (b) such person is beneficially entitled to receive the proceeds of the sale of the petroleum.”

So that sets the baseline for companies or persons who are liable for paying the petroleum production levy, that is 3,500 barrels.

Section 9(1) of the Act says:

“There is hereby levied and charged on every person in respect of any production business carried on by him, a petroleum production levy of either an amount equal to four per cent of the gross income from the production of crude oil, or the amount computed in accordance with section 11(1), whichever is the lesser.”

Section 11(1) of this same Act really gives us the subsidy calculation, which nowadays is always higher than the 4 per cent of the gross income. So that is the scenario in which we have to look at this section 9A.

I will like to read section 9A:

“Notwithstanding the provisions of this Act, where in relation to the levy, the production sharing contract—

- (a) excludes the provisions of this Act in respect of the levy, this Act shall not apply to the contract;
- (b) modifies the provisions of this Act, then for the purposes of such contract, this Act shall be read and construed accordingly; or
- (c) conflicts or is at variance with this Act,
the provisions of the contract shall prevail.”

I am not too clear as to where the parties that I am going to speak about fall, with respect to that.

Traditionally, we have had exploration and production licences, and the people who have been paying petroleum production levy from day one would have been those licencees; they would be today, bpTT, Repsol, which is a spin-off from bpTT, and Petrotrin. Just to give you some rough numbers of production from these entities: bpTT produces 27,000 barrels a day of crude oil; Repsol, 16,000, and Petrotrin 52,000. That is a total of 95,000 barrels a day. If we take the cap of 4 per cent of the gross income—and I have chosen a price of US \$65 a barrel, I think that is a reasonable figure—we are talking about a petroleum production levy of US \$90 million or TT \$570 million in one year.

The two entities that I wish to address and to find out their status are BHP Billiton and EOG Resources, both of which produce over the minimum 3,500 barrels a day that I spoke about and have production sharing contracts.

Mr. Vice-President, BHP Billiton, which is an operator of a tripartite group composed of BHP, 45 per cent; TOTAL ELF, 30 per cent, and Talisman 25; their production is 30,000 barrels a day, and EOG Resources, 8,000 barrels a day. That total is 38,000 barrels a day. If we were to apply the 4 per cent cap again of gross income, at the same \$65 a barrel, that will give us a petroleum production levy of US \$36 million in a year, or TT \$230 million.

My question is: What is the status of these two companies? Do they pay petroleum production levy under their production sharing contracts or do they not pay? If they do not pay or if they are not liable to pay, why should they not, because only their exploration and production licencees carry the subsidy burden? More than that, the main bearer of the burden is our 100% state-owned company Petrotrin, which at 52,000 barrels a day is paying between 40 and 55 per cent, depending on whether these two entities are also included in those production numbers that I gave.

7.30 p.m.

So I would like very much for the hon. Minister in the Ministry to respond to that whenever she wishes; during my contribution, or in her winding up. I think it is an important matter. Just for the benefit of this Senate, the shortfall in subsidy according to the 2008 estimates is supposed to be TT \$1.2 billion which is coming as an expenditure under the Ministry of Energy and Energy Industries.

So if we add that \$1.2 billion to \$570 million which gives us TT \$1.8 billion. I have said before it is close to TT \$2 billion and I think it may be there by the time we look at this higher crude oil price which generates higher product prices, where the yardstick is that product prices of gasoline and diesel fuel is about 15

per cent higher than the price of crude oil. So if you have \$70 crude oil and multiply that by 1.15, you get \$80-plus as a price which should be the final price for these products. So our subsidy is growing.

I am not in favour of continuing large subsidies; I think sooner or later the customer who wants to run his car will need to bear the burden or part of it and it will do very many things for us. It will conserve on our basic resource, clean up our environment and reduce our greenhouse gases. That is my position with respect to clause 17, the proposed amendment to the Petroleum Production Levy and Subsidy Act.

Mr. Vice-President, I go to clause 20 which represents the amendments to the Petroleum Taxes Act and I would like to say that these are the third set of amendments to this Act in three years. In 2005, Finance Act, No. 21 in July of that year, there was a very substantial amendment to the Petroleum Taxes Act.

In 2006, there was Act No. 2 of 2006 which came into effect in February, 2006 and now we have before us Finance (No. 2) Bill which gives a very substantial number of changes which I will go through one by one, and I note in the other place there were some amendments in bold in the documents presented to us. I do not think they are really substantive in nature, but they represent some drafting clean up to make the Bill, and subsequently the Act tighter. I may be wrong, but that is how I read these bold prints which I see.

Just to recap a bit on these amendments, in the 2005 Act, the aim was tightening up legislation as regards allowances, et cetera, and that was well handled, but the most significant amendment, in my view, was to give effect to a new range of supplemental petroleum tax to take into account the reality of crude oil prices which were well over US \$50 per barrel.

Accordingly, there was a major revision of the Third Schedule of the Petroleum Taxes Act to give effect to a scale of supplemental petroleum tax rate with crude oil prices going to US \$49.50 and over at the final level. It may be that now we are seeing where we are going, this schedule may need a further revision and I can well understand the reasons for that.

The 2006 amendments were to give recognition to exploration in deep water and there were two definitions, one for deep water which is that part of the submarine area which has a depth greater than 1,000 metres and a deep water block which is 50 per cent or more of a licensed or contract area which lies in deep water. In this 2006 Act, incentives in the form of capital allowances were provided for deep water blocks. For example, you have capital allowances which have grown up to 140 or 150 per cent.

The Second Schedule in that amendment was revised to give effect to greater control over the petroleum prices and for determining fair market value of export gas in the form of LNG and to formalize the advisory role of the petroleum pricing committee which, I believe, should be in existence and which perhaps the Minister may want to tell us about. That is something that was well needed because we had seen in the years before, certain manipulations of LNG sales and it has now extended to LNG sales in exchanges in one of the amendments before us. It was timely that those should be there and given in great detail in this Second Schedule of the Petroleum Taxes Act.

The third item which was spelt out quite clearly was the payment of both petroleum profits tax and supplemental petroleum tax on a quarterly basis to make it quite clear what the conditions were and to provide for fines, et cetera, in the event that the ministry or Government did not get their returns that were expected of them.

Mr. Vice-President, I go to the 2007 proposed amendments and the first item that comes into that one which is under clause 20 of the Bill before us. The amendment there is to section 2 which is the definition, and there we find definitions for four items and the hon. Minister made mention of these before; deep horizons onshore/nearshore area; deep marine area; shallow marine area; and shallow horizons onshore/nearshore area.

My concern about this is where do these definitions fit into the deep water marine and deep water block because we have deep marine and shallow marine in the listing, but in 2006 we had deep water marine. So what are the clarifications?

Sen. Sahadeo: Senator, that is a different category altogether. Deep water is totally different to the new categories we have put in where we are saying now that we are allowing for new production sharing contracts under the specific categories. What in fact can be the profit or losses can be put together. We are saying that all public sharing contracts (PSCs) which were in existence before were certainly ring fenced and what we are now doing and introducing as an incentive is certain categories where we are now saying that you are allowed to offset these profits and losses against other PSCs only for these because the others remain ring fenced. So it is specific categories and areas which we are now defining because in the competitive bid rounds we have now determined these and they are deemed to be special categories. I do not know if that clears it up a bit for you.

Sen. B. Ali: Thank you, Madam Minister. Unfortunately, it does not clear the issue for me because these are supposed to be classified by the Minister responsible for petroleum and perhaps he might be able to say what the difference between deep water and deep marine is, for example, or shallow marine in deep water. Is shallow and deep in these definitions a reference to horizons or not? I do not know and I would like clarification because in a way it corrupts the 2006 amendments if we do not know exactly what we are talking about when we say deep water because you may be in deep water but it may be a shallow horizon well, because the shallow horizons refer to the sub-surface condition, the geological formation.

It is very important that these should have been clarified because when people spoke about Ibis deep, it was unclear as to whether it was Ibis in deep water or Ibis deep in horizons. It became clear afterwards that we were talking about deep horizons.

Mr. Vice-President, the next question I have, which is once again to the Minister in the Ministry of Finance and it refers to the payment by contractors under petroleum sharing contracts. Is it only petroleum profits tax they pay in cash, and if they are paying royalty and supplemental tax, and impost, et cetera, are those paid in cash or kind? It is still quite unclear to me. I think from what I read that maybe the petroleum profits tax which is the basic corporation tax, income tax *per se* is what the contractors or the bidders who are doing the PSCs, new people into the PSCs will be having to counter. I know the philosophy there and I believe that was one of the sticking points the last time when we did not receive too many favourable bids. So it needs clarification because it makes it very difficult for some of the other items to be put in place because it seems sometimes a bit contradictory. It is even more difficult because of two things; the non-consolidation of the 2005/2006 amendments into the Petroleum Taxes Act and the absence of an up-to-date model production sharing contract on the website of the Ministry of Energy and Energy Industries. I think that is very crucial. The last one which I consulted yesterday went back to 2000, so that is certainly not applicable. I would like some answers to those questions because they are very critical to my thinking on where we should be.

The consolidation of E&P licences and that is addressed in clause 20(4) says:

“(4) All production business carried on by any person on or after 1st January 1980 under an exploration and production licence may be consolidated.”

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Previously there were many marine licences which were separate from land for example, now they are providing for consolidation and seeing they have used the word “may”, I presume it is left to the licensee to decide whether he wants to consolidate it or not.

Then we have the other item and this is section 15A consolidation of production sharing contracts (PSCs) in deep marine areas and it says:

“15A.(1) All production business carried on by any person under a production sharing contract in a deep marine area may be consolidated only with other production business carried on under a production sharing contract in other deep marine areas.”

So this is where I am asking for clarification as to where deep water stands in all of this. It continues:

“(2) All production business carried on by any person under a production sharing contract in—

- (a) a shallow horizon onshore/nearshore area;
- (b) a deep horizon onshore/nearshore area;
- (c) a shallow marine area,

may be consolidated in each or any combination of those areas.

(3) A person carrying on production business under a production sharing contract may not consolidate such business with other production business carried on under an exploration and production licence.”

With which I well understand and agree, because they are two kettles of fish, so to speak.

Mr. Vice-President, there were some amendments to the Second Schedule which I would like to address, and those which I saw were amendments to 6C where there is a new 6C(2)(c) included and one has to read clause 6C(1) to find out what it is all about. It says:

“6C.(1) There shall be allowed for the purpose of ascertaining the taxable profits the deduction of all out-goings and expenses as are wholly and exclusively incurred during the year in the production of the profits or gains.

(2) There shall also be allowed as a deduction in ascertaining the taxable profits—

- (a) any levy paid in accordance with the Petroleum Production Levy and Subsidy Act; and
- (b) supplemental petroleum tax paid under this Act.”

Sen. Sahadeo: Senator, excuse me, I am trying to follow which clause are you really referring to?

Sen. B. Ali: Item 6C of the Second Schedule, I am finished with the Bill. So those are the little nitty-gritty things which relate to how you compute because the Second Schedule is headed “Computation of Profits”, so it is an important element of the whole Petroleum Taxes Act.

Finally, in the Third Schedule I believe I had a little problem with that too. I think it was a new section 7 because the previous one was repealed and this new 7 had the same clause which I find a bit puzzling.

It says the Third Schedule to the Act is amended:

“by deleting item 7 and substituting the following item:

7. (1) The income derived by a person carrying on production business, whether on land or in a marine area, under a production sharing contract shall be subject to supplemental petroleum tax.

(2) Notwithstanding the provisions of item 7(1), where in relation to the supplemental petroleum tax, a production sharing contract—

- (a) excludes the provisions of this Act in respect of that tax, this Act shall not apply to the contract;
- (b) modifies the provisions of this Act, then for the purposes of such contract, this Act shall be read and construed accordingly; or
- (c) conflicts or is at variance with this Act,

the provisions of the contract shall prevail.”

This is the same language used in the Petroleum Production Levy amendment, so I did not understand what it said and it may all be because of the new arrangement whereby the oil from the contractor and the taxes which are actually paid by him. This is why I ask the question whether the other elements like royalty, supplemental tax, petroleum impost and production levy are really items in kind and then it is for the Government or the ministry to sort it out.

So those are the items where I would like to get some light thrown so I can understand it. I would like to say that I had been associated with production sharing contracts since mid-74. I was a participant in the negotiation of the first

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production sharing contract with Mobil Oil in 1975, then the renegotiation of it because at that time we were still vulnerable and the US Government said what we were having was not tax, it was royalty from the point of view of deductibility and creditability in the taxation system that were not acceptable so we had to rework that.

That was in the late 70s into the 1980s. So the petroleum sharing contract is an ongoing exercise and a basis for competition because you are looking at competitive bids where you give the formulation and the graph and table where they have to fill in the numbers. So it is a very important part of our open competitive bidding process for production sharing contracts.

I look forward to some answers before the end of this debate.

Thank you very much, Mr. Vice-President.

Sen. Ronald Phillip: Mr. Vice-President, I rise to make some brief comments on this Bill that gives legal status to some provisions of the Finance Bill, 2007 and I would like to respond to some of the comments made by the hon. Minister when she piloted the Bill.

In her presentation she spoke about Vision 2020 and reaching developed status which is really the vision of this administration and so everything they have done within the five pillars which they said would drive Vision 2020. When we look at this Bill, we cannot help but ask: Have we really reached, or are we incrementally there moving toward developed country status?

We may look at some developed countries in Europe, the USA and Canada and would have taken from them some of the indicators that tell us we are doing well and I think it was alluded to in one of the contributions that it is really the quality of life and the social conditions. So when I look at what is happening in our society, a 17-year-old state witness gunned down in St. James, and this morning a three-year-old baby in a cage in Cumuto, and coming to the Parliament I saw a young lady at the corner of Chacon Street totally lost in terms of being scantily clad. People would say all you have is a shirt on your back, but she did not even have a shirt on her back and this tells about the society in which we live.

So all this money, the structures, and everything we are putting in place, have they really come to some fulfilment or better quality of life for the people in our society? Should this administration really engage in policies that would give that disadvantaged, vulnerable group some preference in terms of how we spend the money and how we do things? One formula cannot work for everybody because of the division in society.

One of the failures of this administration has been to create an integrated services approach and this is why when we spend a lot of money in terms of machinery to equip the health sector, people have still not benefited and I do not want to get into the ills of the society, but I want to recommend that the ministries really start this. I have been monitoring the ministries websites and I want to give some credit to the Minister of Legal Affairs because only her website is really progressive and one can actually access things. I do benefit from what the Minister of Legal Affairs has done but there are other ministries that are languishing and lacking and while we spend and put money in different votes for them, there is not a coordination of the effort and so they miss the ball.

While they have produced the paper plans in terms of what to do, the implementation has fallen down and so when we talk about the financial package in terms of balance of payment, the inflation rate and the Heritage and Stabilisation Fund, it was the UNC administration that started that fund and I want to compliment this Government for following what the UNC had done and continuing to invest that fund outside Trinidad and Tobago to produce good returns to us because that is the policy we had adopted and I want to compliment them for adopting it.

Mr. Vice-President, when we talk about the economy—and I have mentioned this already—one of the models is really the effective exchange rates and the Minister said over the last 14 years, the foreign exchange rate had been stable. Well, 14 years ago, it was TT \$2.58 to US \$1.00 and as of now, it is TT \$6.34 to US \$1, so I do not understand how she could say it is stable, because it has increased tremendously.

So definitely, the Minister has not been truthful in saying that we have a good exchange rate. There is always pressure on the exchange rate when we do not have good monetary and fiscal policies to run the country, and when we look at the other Caribbean countries we had said in the year 2001—2002 when the CUTO Agreement would have fallen through with preferential rates for bananas with what island, their economy would have collapsed and they have been able to reinvent their economy to go into tourism and it is doing well, and still the Eastern Caribbean dollar is much more appreciated than ours. So we need to look at these examples and say exactly how we are managing the people's money.

The hon. Minister also mentioned in 2006 that we have free tertiary education and while they use that term, the Ministry of Science, Technology and Tertiary Education has received \$1.9 billion so what is free? If I take the money and buy you a nice-looking tie and give it to you, then it is not free, it is your money that

paid for it and somebody has to pay for education and when we talk about things being free in this country the people must really know what we are really doing with the taxpayers money.

The Ministry of Education is getting \$3.8 billion, so when we look at all that money and they are saying free tertiary education. We are also seeing where our secondary school students are not really accessing these services so we spend \$1.9 billion to provide tertiary education because research has shown that if a nation engages persons in tertiary level education, the rate at which this person can produce in latter years pays more than if the person entered the job market at the earlier age and without actually pursuing tertiary education.

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So all the countries in the world are saying, yes, it is an indicator. If you have a larger tertiary level population, then you will definitely do well. It means that the contribution to GDP by all these people would increase. The Minister also boasted that they created a seamless education system. That is so far from the truth. When we talk about a seamless education system, we are not talking of early childhood, primary level, secondary level or tertiary education. That is the normal system. The term, seamless system of education was actually used in the early 1970s when the United Kingdom created a programme called “Investors in People”. This was really a system where employers would create the situation where people who were not doing well in school and came in—the artisan, the craft person and the person with the bakery, and so on—could have pursued credits. So they were able to exit and re-enter the system.

About three months ago I was reading the newspapers and I read of an 84-year-old person in Australia having completed a degree. So I ask: How many older people in our society could go into the system, having done some work before and gained credits from what is called prior learning and recognition? So they have not created any seamless system of education. These are nice jargons that they come and use here in terms of it. They have not done that.

The Minister said that there are free meals and transport. I know there is a School Nutrition Programme that provides for the primary school level, but I have three little kids and every morning I pack lunch kits for them. There is no meal that is free. So where are these people who access these programmes? If we are saying here, in piloting a Bill, that we are spending money and it is a national thing, then I expect every single child in this country to be getting a free meal in school, like we talk about in the First World countries. We also should have

public transport. It was the UNC government, again, that provided these yellow buses and created a rural system to bring the children out of the rural areas to school. To some extent, that exists, but we need to have that comprehensive support system.

As I mentioned this work example, we need more and more people now having that relationship with the workplace. What they have done is create an On-the-Job Training programme where they would send people to these employers to get trained. But does it filter into a credit system? Having spent some time there, is somebody assessing them? Are we really getting this value for money? Only last week I was browsing the Net looking at Queen's University in Canada and do you know to get into the Masters level, you must have five years of work experience? Regardless of your acumen in terms of your degree and everything, they want you to be embedded in the real world. You must get that work life experience.

So I support any On-the-Job Training programme. In fact, I was a member, through the Ministry of Finance, on the labour market committee to advise on the single market and economy. At that point, only people with degrees, sportspersons and entertainers could have moved among the Caribbean islands and I was insisting that persons with craft qualifications should be able to move. That was the level at which I was moving the people so we could be truly integrated.

Those are the things the Minister was saying, but they have not done it. I do not see this integrated system and I definitely do not see the benefit after spending all this money in tertiary level education, because they have not conceived it properly. Nobody could actually exit the system and re-enter. In fact, when I was an employee of the Ministry of Science, Technology and Tertiary Education a little earlier, working with an organization, I had actually gone and lobbied the Faculty of Education to take people from the technical college, but so fixed were these guys in their ivory towers that they did not want to open up the system and exempt people who were doing the craft courses into the Faculty of Engineering.

I want to talk about the Chronic Disease Assistance Programme (CDAP). Now the CDA Programme—

Sen. Kangaloo: It is CDAP.

Sen. R. Phillip: The “P” is for “Programme”, so it is called CDA Programme. So good enough—CDA Programme. This CDA Programme that caters for 11 chronic diseases was actually started by the UNC administration. When we talk

about the CDAP, we were really trying to give the vulnerable in our society some assistance. Chronic diseases are really lifestyle diseases. These are people who have gone out of balance in terms of their work, their exercise and nutrition. So I would have liked, really, a total health care approach to this.

There are actually projections where we are definitely going to move into the—we are actually in the age of biotechnology. A lot of people said ICT, but we have moved away from ICT and biotechnologies are actually referred to, what is called, a blue ocean industry, where it is an open market, and it is a trillion-dollar industry. They are actually projecting and forecasting that in as early as 10 years' time if the trend continues, you would actually have about 25 per cent of the population in the world suffering from diabetes, because what you are seeing now are more children suffering with diabetes as opposed to young adults. So the age at which these people are affected is becoming younger and younger.

So when we talk about these programmes, we cannot buy these drugs and, as my colleague said, inferior drugs. I would like the Ministry of Health to conduct a study on what is really the benefit of those drugs that the doctors are prescribing, that people are able to access freely, so we could really ascertain if these drugs are working. Are they doing the best for our people? Because what will happen is that if we do not advise people properly, then the Ministry of Health and the Government would have a whopping bill to pay in terms of health care. While we want to give this service to our people, it means that more and more people now would put a burden on the Consolidated Fund.

So when we talk about these signs of well-being, one of the signs of well-being is really the amount of foot traffic you see around a city in terms of: Are we creating places to live, to study, for recreation, for business? The Minister talked about encouraging business in terms of foreign direct investment and business, but are we doing that? Can you name a place that people could come and walk in our cities and feel safe? Whenever you travel, one of the first things you want to do, you grab a map and walk about to see the place in terms of sightseeing.

Can people do these things safely in our country? The answer is no, because we have not really provided institutions that could provide the services for the people. We need to get our institutions to work: health care; the police service; the fire service. Those things must be done with some kind of integrated support, where, if you go to a home and you find a child being abused or whatever, there are supporting social services to pick the child up. You would always have a lot of money being spent in this country and those most vulnerable in our society cannot benefit.

So when the hon. Minister spoke about poverty reduction, Jesus Christ said that the poor will always be with us. He did not mean the same people will always be with us. He meant that that poor is a transient group. When I was a student at the university I considered myself poor and having worked and accumulated some money and saved some funds, I am a little better off than before, but that is the point. The point is that the younger people, when they come up in society and they try to get an entry level job, and so on, that is not where they should stay; that is where they should move from.

So we really do not need to lock in certain sectors of the population as being poor; we need to really have these institutions and these services that make sure it is a transient group. I agree, people would start at some point, but that is not where they would end up. So when we talk about this poverty level moving from 35 to 17 per cent and we are at full employment and 17 per cent are poor, then we really have the working poor. That is of serious concern in a society that has a lot of money.

Also, the Minister mentioned housing. It is really an area where they have boasted that they have done so much for the people and in a year they have created about 8,000 units. They did not start until about 2003, so while they professed that they were going to do 100,000 homes they have built about 26,000 or 27,000 so far. So what is of concern is the heavy subsidy, because we are really spending \$538,263,720 as the administrative cost to set up a ministry that will build 8,000 homes.

So when you look at it, you are really spending about \$67,000 in administrative costs just to do a unit. It is heavily subsidized, so everybody will want it. I remember a case study that I looked at where the Brazilian Government was going to build 100,000 homes and when they finished the project, they had one million applications, because it is the same reason. If the government is going to subsidize something, everybody wants to get something for nothing—at least we think so—so people will always try to beat the system to get these homes. So we should really have proper planning in terms of the housing to make sure that people really benefit.

One of the points I would like to also comment on is the personal tax liability. I think the amnesty is excellent for the Government to collect this revenue. The first job I ever had was in the Ministry of Finance in the PAYE section. In those days, as a young man I used to be walking around Port of Spain collecting shoe boxes where we would put the little slip that the companies would pay. In those

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days I would write in the ledger, the moneys that Government was actually making. In the PAYE section—just a small crew of us—we were boasting we could have actually made \$1 million in terms of revenue per day.

So having worked in different sections in the Ministry of Finance, I am aware of the fact that a lot of people do not pay their taxes, so any system to simplify the taxation to allow the Government to collect revenues—and this Government has been very delinquent in getting that revenue and also the VAT payments—I would say that it is definitely a welcome. I am really hoping that ITPS systems—these computerized systems that the Minister talked about—could really work because I know about the nightmare, having worked in the Ministry of Finance.

So I would like to talk a little about this clause 19 that talks about the Corporation Tax Act, and to ensure that the corporations that owe the country money, especially those that come up in the construction sector that have large crews—and any time they employ 1,500 to 2,000 people, they get the NIS; they get the health surcharge; they deduct PAYE and they do not remit anything to the country. So people come, set up these companies, close them down and they leave and a lot of people do not benefit. And when we talk about collecting the revenues, it means that if this country could collect the revenues that they earn and manage it better, definitely we would be able to get value for money.

Clause 20 talks about petroleum and we look at the concessions—Sen. Ali is always a hard act to follow. I am on the PAC committee with him and when he talks about his numbers—he did a good job in talking about the difference here. But I know Petrotrin is one of the biggest companies and they have about 2,000 leases that they have given out, producing about 52,000 to 55,000 barrels a day. What you look at, really, is why are we giving these tax concessions for the exploration at such a peppercorn rate? The Minister quoted the consultant, Pedro Van Hearst, stating that they must have a diversified fiscal regime. I understand that you should have a fiscal regime but I would like the Minister probably to say: These areas of exploration, would it be new areas or would it be in existing areas?

If we say that the Ryder Scott Report is untrue and we have a lot of gas, why are the companies lobbying for concession? If the gas is there and you are going to find it, and the oil is there, well, then they should not be lobbying for this. I agree with Sen. King that some incentive must be given for people to get into the business, but this is more than incentive; these profit-sharing contracts and arrangements are really areas in which they are ensuring they are in a win-win situation, and the country does not benefit from the full revenues. So I would like

to ask: What is the shortfall in revenues when we give this concession to these companies? Now we are trying to allow them to consolidate their profit and losses so they could write off certain debts.

So with these few comments, really, I would like to say that we need to see better accountability for the people's money. We really need to see the institutions working in this country. We really need to see a better managed and a diversified portfolio between this energy sector that brings us all this money and the other sectors in the economy. So only when the Government takes an integrated approach to the services, which it has not done, then the quality of life and the indicators we are looking for a developed world, will show.

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

Sen. Prof. Kenneth Ramchand: Mr. Vice-President, I know that this is a debate about operationalizing items that have already been debated, but I am taking advantage of the liberties granted to raise a number of points. These points will appear to be scattered points, but what they have in common, what lies behind them, are two very basic questions. What philosophy or vision or social and human goals underlie the spending that we keep boasting about? And, secondly, what is the nature of governance in this country of ours which is supposed to be a parliamentary democracy?

So the first of the issues I want to raise has to do with a budget item that I meant to speak about in my contribution in the budget debate but ran out of time. I see in the budget statement that we are making a contribution to the University of the Southern Caribbean, previously called Caribbean Union College, a sum of \$90 million, but there were no explanations given for this. I am not coming out and opposing, I would just like to know what it is about.

We have two universities, the University of Trinidad and Tobago and the University of the West Indies and we offer a wide range of courses. Are we saying that the University of the Southern Caribbean is offering courses which our tertiary institutions do not and cannot offer and, therefore, we have to pay them to run those courses? Or is the \$90 million an unrefundable payment in advance for students who may attend the University of the Southern Caribbean? Do our students get free entry as a result of our paying the \$90 million? Could we not have had an arrangement whereby the University of the Southern Caribbean would be GATE-approved, so any of our students who want to have a wider choice than we offer as between UTT and UWI, they could go to the University of the Southern Caribbean?

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I really am puzzled by the disbursement of \$90 million and, as I said, while I do not oppose it, I would really like to understand how it fits into our tertiary education programme and why it was not simply done by making that university GATE-approved. So that is the first issue.

The second issue has come up once or twice in the debate and I will not spend a great deal of time on it, but it raises the question of Executive power. We have had manifestations of the kind of thing that I want to talk about, in the past, right down to the Severn Trent contract; right down to the desalination project. A lot of mega projects are decided upon and imposed upon the nation by executive fiat and they never come to Parliament for discussion. If these issues had come to Parliament for discussion, I am sure the Parliament would have served, at least in part, the function of being a kind of think tank where we would look around; where we would be a little more circumspect before we committed ourselves to huge expenditures.

I am sure that this country needs an extensive debate on the proposed—I do not know what to call it—Rapid Rail, or transit, or railway system. We know so little about it; I do not know what to call it. That is the first thing. So whatever it is, it ought to have come to Parliament for a full discussion. And if it had come to Parliament for a full discussion, we would have asked: What is the problem? Perhaps one of the answers that would come out is, one of the problems is that everybody wants to go to Port of Spain. Why does everybody want to go to Port of Spain? Because there are not sufficient jobs in the regions. Why does everybody want to go to Port of Spain? The regions are not sufficiently developed. The country is not properly decentralized. You have to ask: “And is the only problem traffic? Are you trying to solve a traffic problem? If you increase our ability to take people into Port of Spain now, what is going to happen 10 years later? Are you going to increase again?”

So you do not solve the traffic problem by just building more roads. You have to have a more comprehensive view and you have to have a more long-term approach to the development of your country and recognize that if everybody is heading that way, everybody should not be heading that way. We should make it possible for people to move laterally and in different directions, and you do that by developing your regions.

You talk a lot about putting computers in every school, and this is a computer age; it is a long, long time we have been talking and we still have a situation where anybody who wants to do business with any of the ministries, has to come to Port of Spain. Can we not, by this time have computerized?

I am saying that a debate on whether we need a railway system—and we do—would have broached other issues which need to be dealt with so that when we do something about the traffic, it stays fixed. You would not have to come back and solve it five years later. Members of the Government may shake their heads and say: “We hear that already.” You heard it already but you are doing nothing about it. So that is the second issue.

The third issue really has to do again with executive power and I may even say, executive refusal to think. All over the world, governments are legislating for, and holding conferences, seminars and discussions and setting up working groups—I spoke about this in my budget contribution, but nothing is happening—about the possible devastating effects of global warming on our economy and society and we are doing nothing. We are spending billions of dollars and not even \$200,000 to bring a panel of speakers to speak to the country about global warming and its implications for countries like ours. At the very least, we should make that start and invite them to this country to educate the population about what we have to expect.

I tried to do it at the UTT and I cannot get the funding. I tried to get Mr. Al Gore to come, but that is “bread”. Well, I am thinking more humbly now, so if the Government is willing to give us some money, I am sure—

Sen. Dr. Saith: I just sent you \$1.5 million—

Sen. Prof. K. Ramchand: For the global warming conference?

Sen. Dr. Saith: No.

Sen. Prof. K. Ramchand: So, the third issue is—

Sen. Dr. Saith: I gave you \$1.5 million—

Sen. Prof. K. Ramchand: You “didn’t” give me.

The other day I was at a meeting and I said to an oil expert: What do you think about my argument that we should not give so many incentives to the oil companies? Because, Franklin Khan—your big man—went in the other place and said he does not agree with giving concessions and when he started to talk and he said what he was going to do, the Prime Minister who was sitting opposite said, “yes, man, lash dem with it”. So there he was, encouraged by the Prime Minister to go on with a speech that was arguing against concessions.

It was a very technical argument. Anyway, this fellow told me, the trouble with this country is that there are too many people who feel they know everything. In other words, I must not talk about that; I must only talk about

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literature. So I said that the greatest minds of our country, Mr. CLR James, Mr. Lloyd Best, Mr. Walter Rodney, Mr. VS Naipaul, these are people who talk about everything. They see their country whole; they do not live in silos. So if in my little way I want to talk about everything, leave me “nuh”. Argue with me; tell me I am wrong; I will humble up and say I beg your pardon, but if I am right, you must say: “Boy, you are bright.”

Sen. Dr. Saith: You put yourself with Naipaul already? “Yuh bright.”

Sen. Prof. K. Ramchand: Well, “what yuh go do?” Let us say, I can read as well as he can write. And there is some reading I want to do now in relation to clause 17, which states:

“The Petroleum Production Levy and Subsidy Act is amended”—

And we are getting, after “production business” a definition of a “production sharing contract”. It states:

“‘production sharing contract’ means an agreement entered into in accordance with the Petroleum Act;”

That seems clear enough.

8.30 p.m.

When we go to clause 17, new section 9A, we are told that:

“Notwithstanding the provisions of this Act,”

the Petroleum Production Levy and Subsidy Act,

“where in relation to the levy, the production sharing contract

(a) excludes the provisions of this Act in respect of the levy, this Act shall not apply to the contract;”

In relation to the levy, if the production sharing agreement comes up with something different—[*Interruption*] What does it mean? What is the name of that Act?

The argument I want to make is still the same. The production sharing agreement supersedes the Act; whatever Act we mean. I am not happy about that. If when I want to find out what the production sharing contract is, I am not told that it is confidential and you cannot know, I would consider agreeing but I cannot give carte blanche for secret production sharing contracts to be issued totally out of sync with the Act. You could only do that if there is transparency. If you are going to show us the production sharing contract, let us know. There must be that kind of transparency. That is my problem with clause 17.

My fifth point has to do with pensions. I found the contribution by Sen. Ramquar a very logical and an informed one. I am particularly struck by the discrepancy that arises when you do not tell a person that so much per cent of your income must be contributed rather than a dollar figure because that creates an imbalance. I am paying a large part of my salary in relation to what my pension would be if my salary is small. If I am earning \$15,000 a month then I should pay my percentage which will exceed the dollar figure. Let me pay a percentage so that mine could subsidize the poorer person so that he could get a better pension.

The second thing I want to say about pensions is that names matter. In the budget debate I objected to the name being changed from “pension” to “grant”. You are not giving these people anything. If anybody is giving it, we are giving it. We are not giving it out of charity. If you have respect for people who have worked, lived, brought up families; sent children to school and university whose children are serving in the society; people who in their obscure or unknown ways are helping the society to hold together, these people are not to be looked down on because they do not now go to work.

Our legislation is not weird, but we are not very consistent. We are now in a situation where if your wife never worked; you have property and are divorcing, the default position is 50 per cent is hers because she did work. She did not get a salary for it and she did not bring in money. There was unremunerated work in building the family assets. The law recognizes the value of unremunerated work in relation to domestic situations. Older people in our country have carried out much unremunerated work and continue to carry out unremunerated work after they have retired. It is insulting and patronizing to say that you are giving them a grant. I had not picked up on it, but I heard Sen. Ramquar's discussion of what he sees as a possible long-term plan to abolish the grant, I found it very convincing, frightening and appalling.

I sincerely hope that it is not a plan to abolish the grant. I wish that the Government will return to call this a pension and remove that provision that gives the impression that they could withdraw it.

Sen. Dumas: Distrustful.

Sen. Prof. K. Ramchand: Sometimes you have to be distrustful. “Whenever Shane Warne bowl to me I distrustful. I can’t trust him. He is out to get me.”

For reasons of equity, for allowing people to take pride in themselves and justice, we should change this back from grant to pension and remove that

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provision which leaves it open to another government, not necessarily this one, to abolish the so-called grants.

My last point is in support of my colleague Sen. Prof. Deosaran who talked about happiness, quality of life and general well-being. This is an area that I am famous for speaking inexpertly on. I have never believed that GDP and per capita income are proper measures of the state of life in a country or the well-being or happiness of people in a country. The distribution is so uneven and so skewed that you could have a massive GDP and great per capita income, but 40 or 50 per cent of your population are out of it.

This is one of the strangest countries. I have never known a country that is so rich in which there are so many poor people. Sen. Prof. Deosaran was linking this to our notion of development. He spoke about our stated intention to achieve developed country status. It is not the first time I have to say this. What developed countries are we thinking about? The ones that can create weapons of mass destruction? The ones that can conduct germ warfare? Are those the developed countries we want to emulate? We want to be like them? I do not want to be like them. Somehow or the other we have hitched ourselves to some kind of line with—. I am not arguing that we are moving too slowly towards developed country status and that by the time we reach there they would have left us. You will not catch me with that. I am not trying to follow them. If I try to follow them I will always be bringing up the rear. I am not saying, “Well yes, if we really want developed country status we have to be more effective otherwise they would leave us. Eh, eh.”

Sen. Dumas: Check the comparative list.

Sen. Prof. K. Ramchand: I always listen to my friend. My father used to say if we called the right name he would whistle—I could call some countries and nobody here will whistle. “America,” “Germany,” “you can’t whistle.” I do not know why we have this thing about being like them. I think that we should turn more inwards; be a little more appreciative of who we are and where we are and to recognize that the distance is here.

I am taking the opportunity to refer to a poem by Leroi Clarke in a volume called *The Distance Is Here*. It is a book in which his paintings are revealed as trying to explore the here and celebrate the now. It is a book in which the paintings and poems interlock in that philosophy. The quote describes a little confrontation he had with a vagrant. It is a prose poem so it reads more like prose.

He brushed past me leaving a scent that converted an almost dismal ear to one laboured with carrion. One minute walking, the other he is riding a bicycle but the bike had no pedals neither was there a saddle. He came to weightless stop. He balanced there silently for a moment. Then he began rumaging in a garbage bin when quite abruptly he turned his eyes zero to mine. 'The distance is here', he said without a blink. And continuing to dig deeper, deeper, deeper into the garbage he seemed to have discovered a place in a heart no longer remembered. My own shadow tightened to a dot under my feet.

If we realize that the distance is here and try to explore that here, we would humble ourselves and our shadow will tighten to a dot under our feet.

Thank you.

Sen. Raziah Ahmed: Mr. Vice-President, one of the joys in coming to the debate at this point in the evening is that one gets an opportunity to reflect on all that has been said over a large number of hours. If I were to remember anything significant about this evening's debate, it is when Sen. The hon. Christine Sahadeo in her opening presentation made the point that nationals were eager to return to Trinidad and Tobago, because of the concession to bring back motor vehicles.

I thought that it was funny because I pictured immediately in my mind, a huge container coming on the docks in Port of Spain, with about six Ferrari in yellow and red; two stretch limos; a number of suburban vehicles, those four by four aggressive vehicles and some fancy cars and cannot be cleared for weeks because the port workers are on some kind of industrial action. Finally, getting cleared and coming into the city and being unable to manouvre through the streets of the city because of the congestion problem. I wondered which national in their right mind will rush to bring cars down here for their convenience.

It occurred to me that the nationals who will do that will use this provision for its loophole. The loophole being now, that nationals abroad are being facilitated to bring back two year old vehicles or less than two years old into a country, fuming with CO₂ emissions but who would now be able to eagerly sell these vehicles at high prices in the foreign used market in this country. That is the danger in that provision. Nationals who are eager to come back might be looking to make a mint out of an enterprise and a new industry that would be generated from that measure. I thought that that was a funny way to start the day because it makes no economic sense.

I want to take a page from Sen. Prof. Deosaran's book when he quoted from a distinguished journal *The Economist*. I was reminded of something that I had

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read once in 2006 about the statement that the United Nation's President Kofi Annan made in 2004, at the World Economic Forum where he wanted to point out to the citizens of the world—that is a global forum—that what was needed was a building of better lives and better living standards. This is what he said in January 2004:

“...I call for a compact—not a contract; not a code of conduct; not a set of regulations, or new system of monitoring, but a concrete expression of global citizenship. I was looking for something that would strengthen the economic openness that business needs to succeed, while also creating the opportunities that people need to build better lives.”

The measures in this Bill stem from the fact that the social equation has become exceedingly complex and the Government as well as large stakeholders have failed to provide adequately in respect of pensions, food security, health, nutrition, peace and stability. The irony is that Government and the large stakeholders exist fundamentally for that reason, to provide people with these benefits. Instead, the macroeconomic focus has been exceedingly narrow and the dream of economic sustainability and viability has gone flat. We are here to fix through a series of pieces of amendments, problems which are a reiteration of a lack of vision on the part of planners.

In the first eight or nine pages of this Bill we are dealing with an upgrading of pensions. Pensions for whom may I ask? Pensions for judges. It is appalling to learn that there are judges in this country who will now benefit from the grand total of \$1,650 a month and we have come to move it from a smaller figure. If they did not provide elsewhere for their retirement, these people will be “ketching dey nennen” in this society. They are not alone. People who have served in the prison service and as heads of missions, a grand total of \$1,650 per month. These measures are now pittance remedy, a kind of scraping of the barrel to try to provide a whole group of people with some kind of comfort. Do you know what level of comfort that resides at? That level of comfort that is being provided in this grandiose fashion is what they call a safety net. It is a floor at the lowest possible level you could want to have.

They established in the presentation that 16 per cent of the population is living below the poverty line with \$650 a month. According to CSO's statistics, the percentage of households headed by retired households is another 16 per cent. We are learning now, that amongst these retired people, there are judges; heads of diplomatic missions and people from the prison service who have been told that they can live comfortably on \$1,650. That is a scraping of the barrel.

I suppose that if we had seen the actuarial review that was reviewed by Senators on the other side about the status of the National Insurance Board and the funding of the National Insurance Scheme, we would have been able to justify some of the computations and they would have been a little more meaningful. We on this side were not privy to that report and our response in the debate cannot be from that learned perspective. However, we do not live in isolation and with reference to isolated reports. Taking the book from the larger thinking outside the box and the global perspective, let us look at what as a global purchaser of good and services—which is what we are in Trinidad and Tobago—what the vendors and sellers are doing because we depend very heavily on them for food and many other critical items.

In January, 2007 the Canadian dollar was valued at TT \$5.05; the Euro was valued at TT \$7.73; the US dollar could have been purchased for TT \$6.30; the Barbados dollar could have been purchased for TT \$2.98 and the British pound traded at TT \$11.65. Today, September 2007, the Canadian dollar has moved from \$5.05 to \$6.25 on par with the US dollar, the first time that has happened in 30 years; the US dollar trading at \$6.30 in January is still \$6.30 today. The Euro trading in January at \$7.73 is now trading at \$8.83. The British pound trading at \$11.65 is now trading at \$12.66.

The relevance of this is with respect to the fact that our major trading partner, the United States must be entering some kind of economic situation that has resulted in their dollar depreciating against the other currencies in Europe and Canada. Since we are buying so much from them, it is instructive for us to try to understand what will happen in the United States economy in the months to come. If we are depending on them for our food, other commodities and supplies as the major trade partner, we need to understand that the indicators for the United States could be grave; and whether these measures in our Bill today, serve a short-term objective in light of the actuarial review which we have not seen or whether they serve a long-term objective in light of that actuarial review which we are promised that we would see long after the debate is over.

This is important because our competitiveness is critical on the world market and we need to understand what is in our monetary and fiscal policy that has led us to a situation where as an essential purchaser of food, we are in a backwater position with 15.27 per cent of households headed by retirees who might get less than \$1,600 a month. It is important because we have come to the end of a cycle of PNM rule and it is always good to look back and see what happened in the past, so that we could understand the next wave and treat with what is coming.

Historically, it was Arthur Lewis in the 1940s who stimulated perspectives of thinking that helped Caribbean people's breakout of what was called the plantation mould, although some people maintain that we are still there. In the 1950's, independent and revolutionary political thought took roots in Trinidad and Tobago and Jamaica and that led to island elections for the first time and the route that we have come to call "industrialization by invitation," as an economic solution that will better provision the households of the islands to use the words of Arthur Lewis and to furnish revenue for governments, in light of diminishing returns in agriculture. That was 57 years ago, in 1950.

Moving on in the history, 20 years later, the Black Power Revolution in Trinidad was a heating up of the society. It was a civil disobedience manifestation that was preceded by marches by the police force and the actual beating of politicians on Coffee Street in San Fernando. These reactionary initiatives were seeking at that time, to nationalize industry and stake a claim for national patrimony. In addition at that time, there was an outcry for racial recognition, hence the genesis of the Black Power Movement. Twenty years further, in 1990, this honourable Parliament was held hostage by insurgents who left death and destruction in their wake, no doubt they were a misguided lot, but the signal was that times were really bad and our security was seriously at risk.

9.00 p.m.

We are almost 20 years down the road now and our agricultural sector is almost dead. Now we are hearing about overnight desperate consultations and mega farms that will spring up like mushrooms overnight. Unless we are growing mushrooms, I do not know how that will work. Farms cannot be force-fed and do not develop overnight.

I make these points because the cycle of social upheaval seems to be predestined at 20-year intervals and that speaks to 2010 and we must do all we can to prevent social upheaval and to maintain peace and stability in this beautiful country and as a result of the work in this honourable Parliament.

The major import of the Bill is a revision of benefits based on Government revenue from the one-legged energy sector and an attempt to make compensation more meaningful. There is another measure in clause 18 of the Bill which serves to foster savings. It has been said by experts in the field of macroeconomics that one of the major developmental obstacles in countries such as ours is insufficient capital formation. It is felt that the scarcity of capital may have more to do with the lack of incentive to save and invest than income scarcity.

Now we have, in our situation, a deductible of \$25,000 that we are now told is the amount recommended by those who can afford it, if they want to provide for themselves a suitable pension. That figure is a large quantum of money and will probably not be something that a large number of people can afford to do. Again, it is a situation that will be exploited by those who have, to maximize their claims. While it is good for people to be able to save, is the incentive to save equally spread throughout the various sectors and will it lead to long-term capital formation? This is what developing countries need to spin out of the cycle of deprivation and poverty.

The Minister mentioned tax incentives that it is hoped would stimulate manufacturing because the depreciation claim is now being buffeted. With an already small stock of manufacturing plant and machinery, it is unlikely that such a measure would lead to any significant boosting of the manufacturing sector.

Another major obstacle to development is the lack of social overhead capital and inadequate human resource skill. We have seen unfolding before us, a situation in Trinidad and Tobago and the larger Caribbean where we have to import labour. While we are putting measures in this Bill to provide our workers with a social security safety net, a minimum pension, one has to be concerned about the other people who work in our environment and the things that are being said about their conditions of work.

I refer to an article on February 10, 2007, in the *Trinidad Guardian*, by Sherwin Long where he said:

“Michael Zhang, managing director of the Shanghai Construction Group’s local operations, yesterday confirmed that just over 20 Chinese construction workers will be repatriated to China this weekend...”

A group of Chinese workers staged a demonstration outside their living quarters at Saddle Road, San Juan on Thursday.

They were protesting short payment and poor living conditions. However, they were assiduously at work at the site yesterday...

He denied salary payments or living conditions were an issue.

‘Their living conditions were up to standard,’ he said.”

But they were sent back to China.

We provide our people with at least a fall-back position of \$1,650 or \$2,000, minimum pension, and we have this situation of import labour manifesting itself, not only in Trinidad, but throughout the Caribbean and, as big brother to the Caribbean, we also need to safeguard exploitation of human rights.

Listen to what Bert Wilkinson said at Inter Press Service, www.ipsnews.net/print.asp?idnews=38691, about the situation in Georgetown, Guyana, July 27, this year:

“When references are made to China in the Caribbean, eyes and ears are turned more to its ongoing dollar diplomacy fight for recognition by regional governments than to trade or other aspects of the Sino-Caribbean relations.

But a new issue is slowly beginning to attract the attention of Caribbean people—a protracted fight by trade unions against what they see as a systematic invasion of lower-paid Chinese labourers to complement a building boom throughout the region.

At least two Caribbean countries, Trinidad and Tobago and Barbados, among the most prosperous and developed, have in recent weeks been forced to confront the issue following complaints from various quarters.”

I do not wish to go further on this matter other than to point out that this is a serious deterrent to the development of the workforce in a developing country such as ours and that we need to ensure that there is an absence of exploitation and that our people are treated just as well as those we bring. These reports should be investigated and we should not be accepting the exploitation of labour of any form within our borders.

Another factor that is deemed by the experts to be an obstacle to development in Third World countries such as ours is called social overhead capital. This refers to the infrastructure projects such as water management, roads, power generation. We are talking about a group of workers—I have the statistics from the CSO of the number of workers who are actually employed in this sector and who, from these measures, will be going home with less than \$3,000 per month. This does not augur well for people who have built roads, generated power and managed our systems.

Further, international agencies such as the World Trade Organization, have indicated that the way that they have supervised world trade in terms of their rules-based policies, have really hurt countries such as ours.

There are some clauses in the Bill that have not been broached as yet and I need to make this point. For example, clause 9(b)(ii)(4) says that:

“For the purposes of this Act, where it is a condition for entitlement to the special maternity grant that the woman is the spouse of an insured man, the Executive Director may treat...”

I would like to know whether the word we want to use is “may” or “shall”. Does “may” convey some amount of discretion? Would leaving the legislation with the word “may” lead to some discrimination of certain single women or widows?

On the matter of maternity grants and NIS, we have the situation of domestic workers who still do not come under the umbrella of compulsory national insurance contributions. This is a travesty of justice and ought to be corrected as a matter of urgency. Women are primarily involved in this sector. They work for weekly wages and the majority of employers do not pay an NIS contribution. There is no law that says they must and this must be remedied urgently. We in the UNC Alliance will make those kinds of provisions available.

When we look at the news headlines, what are we seeing in this country? These measures deal with pensions only, but on an alarming note, there is dissatisfaction with wages, dissatisfaction with crime, mismanagement of tax revenues, labour unrest and a number of measures that mask unemployment and rising food prices.

To counter the effect of the increases for retirees that go into effect immediately are increasing levels of contributions by people who are working and the Minister would need to clarify how the change recommended from class to actual earnings will be computed. Will there be ceilings and floors, or is it a continuous progression of a percentage deduction the higher the wage earnings? This is a matter that needs to be addressed because it may lead to certain disparities.

With respect to clause 10(c), the Senior Citizens Grant, Mr. Vice-President, several readings of this clause really do not make it any clearer as to what is intended here. It has already been debated about the grant as opposed to a pension, but there is a complexity that involves \$200, \$1,650, \$100, \$1,550. It has to be put out in a much simpler fashion because the Senior Citizens Grant is not something an employer grants. It ought to be an entitlement and should not have all these complications. That makes absolutely no sense.

In addition, the number of workers who would get relief under clause 18 section 82A, when you look at the CSO statistics, we see that 26 per cent of workers are elementary workers and 20 per cent craft and other related industries. We know immediately that 46 per cent of workers in the country will never be able to utilize that benefit.

On the question of the disability grant, the Minister said that wellness was a primary objective of the Government and then proceeded to talk about how it was

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raised by \$200. It puzzles me to figure out how someone who is disabled could be happy with \$900 or \$1,100. I do not know why that is something that allows the Government to claim that wellness is one of its primary objectives. There is a huge disconnect between the statement and the justification.

They went on to talk about the pharmaceuticals that are being dispensed. I have spoken to people who used to get their prescriptions from the pharmacists at the health offices in the districts and who now have to access CDAP. They now complain that because the drugs are generic, they are not as effective and they have to fork out money to buy the brand name drugs that are deemed to be more effective. One needs to question whether CDAP is delivering a quality of pharmaceuticals that is generic and which people are saying is not up to standard. It is also very cheap. *[Interruption]* There was a saying when I was growing up—“Cheap things no good and good things no cheap.”

Mr. Vice-President, what is happening in the construction industry is that we have mega projects on the one hand and about 26,000 cheap houses under construction or completed. If one were to drive through the country and take a survey of where the existing government housing projects are, one will see that places like Embacadere, La Horquetta, Roy Joseph, the traditional housing projects of Government are in the traditional PNM areas. We wonder whether housing as a benefit for all citizens is a truism or whether there will be transfers from the old housing projects into the new housing areas. That is an area for all of us to be aware of because we need to know that housing is equitably distributed.

Sen. Sahadeo: Mr. Vice-President, I am not sure I heard what she said about truism. Could you explain that please?

Sen. R. Ahmed: I am asking a question. *[Interruption]*

In the business sector, Mr. Vice-President, we have a situation in terms of wellness and the desire to have a medically fit society. There have been no provision in the Bill with respect to HIV/AIDS, which we are told will threaten some 25 per cent of the workforce by 2020. This is with respect to the medical benefits under the National Insurance Scheme and whether the small amounts of money allocated will have to be revised almost on an annual basis in order to cope with the spiralling medical costs that will fall hard in the pocket of workers who, according to the ILO, will be affected by this epidemic of HIV/AIDS by 2020. We need to think of long-term measures rather than short-term remedies for the medical welfare benefits that will come out of the National Insurance Scheme.

So there are a number of situations, but there is one in the social fabric of society that must be referenced and it has to do with many of the things about which Sen. Prof. Deosaran and Sen. Prof. Ramchand spoke. It has to do with a Joint Report by the United Kingdom Office on Drugs and Crime and the Latin American and the Caribbean Region of the World Bank on Crime, Violence and Development: Trends, Cost and Policy Options in the Caribbean, published March 2007.

In an article in this report by Yvette Holder, a United Nations consultant, there is an alarming illustration about the situation in Trinidad and Tobago. I make the point because the social welfare distributions will have to be significantly increased, and whether they come in the form of make-work projects or NIS benefits, this is the situation for which we need to prepare. This is what Holder says in this article.

“In Trinidad and Tobago, young men, especially those just out of prison...”
and this speaks to our unemployment statistics as well—

“and those with little prospect of employment, are targeted by drug suppliers who control the communities, empowered by the illegal guns that they possess and the profits of their illicit trade. These recruits are approached with a quota of cocaine and the necessary weapons to protect their turf. Refusing the offer will mean continued hardship and deprivation, or even death. The situation is further exacerbated by political patronage, whereby these communities are the beneficiaries of alleviation projects which are often controlled by the community drug supplier.”

This is a very serious situation. This United Nations researcher is implying that if we have a high level of people in prison, when they come out, they fall into a vicious cycle where they cannot find legitimate employment. Obviously they are stigmatized.

Sen. Kangaloo: Mr. Vice-President, on a point of order. Standing Order 35(1)—irrelevance.

Mr. Vice-President: You should definitely come back to the Bill!

Sen. R. Ahmed: Mr. Vice-President, I will come back to the whole situation of zero employment which is what the Minister referenced.

Sen. Sahadeo: Full employment assumes 5 per cent unemployment.

Sen. R. Ahmed: Whatever it is, I am responding to that statement. *[Interruption]* I am sorry if I misquoted her, but I am saying that there are people in our society who have been institutionalized in the prisons and who will never find legitimate employment. I am not making that statement in a vacuum, but in the context of the United Nations report.

My point is that if there are people who will never find legitimate employment because of stigmatization from some previous incarnation, we need to put measures in place so that when we speak about “whatever the Minister said,” we would have taken care of the loopholes in the system. My purpose is to bring value to the debate; we cannot make an idle boast about everybody who wants to work. It has been said that if you want to work, you can find work, but I am saying that there are people who want to work but will not be employed. We, therefore, need to treat with these people. The United National Congress Alliance recognizes the existence of these people and, certainly, when we get the reins of government, we will ensure that these people are properly socialized and will not be exposed to the rudeness and other kinds of misbehaviour that people try when they want to undermine, undercut and stigmatize innocent people.

This is not about today and examples on the part of distinguished adults who proffer themselves as professionals and whose behaviour is decidedly rude is a reason for concern. This debate is not just to get a Bill passed so that we can close off the Parliament and go on to election; it is for the future well-being of the people of Trinidad and Tobago. Apparently, some of the people on the other side fail to understand that. Their agenda is to get this thing passed and go to the election because they are hoping that some prophetess will tell them good things and I am thinking: What a foolish man!

I go back to my contribution. What a foolish man it is who would try to speak about no unemployment or whatever phrase they use and not recognize that there are loopholes in the system where people who want work will not get jobs. Just this morning, I spoke to a lady who has a son with a university degree and a daughter with A levels and certificates in fine arts; both children are unemployed and have been unemployed for at least two years and it is not because they are not looking for jobs.

It has been said that social revolution occurs in cycles and it does not have to be violent.

9.30 p.m.

In our short political history, we can see the cycles. When we allow the current situation of uncertainty and inequity to lead to a third cycle of unrest in 2010—There was an International Monetary Fund report a few years ago that predicted economic crash in this country by 2008. That report has fallen by the wayside.

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

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

Question put and agreed to.

Sen. R. Ahmed: Thank you, Mr. Vice-President. I can understand the unrest on the other side, because it is a small capsule of what is happening on the outside. What they do not understand—what this era calls for is something that simple minds will not understand. This era calls for a mass of critical thinkers who hold patriotism dear, whose actions are fuelled by love for the common man and whose expressions are unbridled by political partisanship. [*Interruption*] Sorry, Mr. Vice-President. This era calls for a mass of critical thinkers because we are in deep, social problems, never mind all the fancy measures for pension that are really only giving \$500, in terms of an increase.

What is difficult to understand, which stimulates further social unrest, is the concept of the servant leader.

[MADAM PRESIDENT *in the Chair*]

When we speak about these things, Madam Vice-President—

Madam President: Are you demoting me?

Sen. R. Ahmed: Sorry, I apologize. When we speak of these things, it is because we hold the interest of workers dearly in our hearts and we hold the interest of pensioners very close to our hearts.

What is lacking in the entire Bill, in terms of meaningful provision, is the fact that all of the clauses give small pittance, handouts, in almost every category, from the \$25,000 tax deductible, which will never be achieved by the majority of workers in the country, to the fact that we have judges who will now be “happy” with \$1,650 per month. There is nothing in any of these provisions that would

lead to capital formation; increased productive capacity; further sincere, honest and sustainable development goals; build capacity in the non-energy sector; stem corruption; and result in the reduction of poverty.

Madam President, this is why these interim measures that are before us today make very little sense in the long view. This is why the country needs to make a decision that the PNM Government must be removed.

I thank you.

The Minister of Labour, Small and Micro Enterprise Development (Sen. The Hon. Danny Montano): Madam President, I just want to say one thing about something that Sen. Raziah Ahmed said. She was talking about imported labour and made some comments that are somewhat misleading and need to be straightened out for the record.

To begin, the labour laws in this country apply to all workers in the country, no matter where they come from. No matter what nationality you are, the laws apply fully. Whether you come from Timbuktu or Shanghai, the labour laws here will apply to you equally, as if you were a citizen.

What has happened is that workers have been brought here by different parties and the conditions of work are usually different from the local workers. The first thing that has to happen is that the imported workers have to be housed. The first thing is that they have housing, whereas a normal worker here is not housed. He lives in his own house and he travels to work every day. The circumstances are different. Once they are housed, they are also fed.

The Ministry of Labour, Small and Micro Enterprise Development has a division called the Labour Inspectorate that visits these sites to make sure that at least the Minimum Wages Order is being fully followed by all of these construction sites where there are foreign labourers. We have been doing it on a fairly systematic basis.

With the greatest of respect, insofar as the Chinese workers are concerned, we have not found any instances where there have been any breaches of the labour laws in this country; insofar as the Chinese workers are concerned. We did find some very serious breaches in the laws with some workers that were brought here from India. They were brought here by an Indian company, not a local company, who was a sub-contractor on the Waterfront Project. He brought his own workers from India. When they got here, they realized that the circumstances of workers in this country were substantially better than what it would be in India. They then realized that, insofar as they were working in Trinidad, they were being

shortchanged and there was a little bit of an issue. They did not call the Ministry of Labour, Small and Micro Enterprise Development. They called the Indian High Commission which subsequently, called the Ministry of Labour, Small and Micro Enterprise Development. By the time we got involved, it was pretty well settled and everything was worked out. Some of the workers went home, but most of them stayed here and the arrangements were regularized within the confines of the law in Trinidad and Tobago.

The only instance of fairly major breach of the laws, was a similar situation which involved 52 workers who came from Mexico. Again, they were hired by a Mexican company and brought here; not by a Trinidad company. They were hired by a Mexican company in Trinidad and Tobago. Again, once they got here, they recognized that the circumstances of their counterparts working in Trinidad were much better than what they were being paid and they—not quite went on strike—made a little bit of a noise about it. They complained, again, to the Mexican Embassy, which then called the Ministry of Labour, Small and Micro Enterprise Development. Again, by the time we got involved, it was pretty well resolved. Approximately 30 workers decided to go back to Mexico and 20 of them decided to stay here and have stayed and have made arrangements within the confines of the law. There is nothing for the Ministry to do any further. That is that.

Workers do not come here and abuse the situation. If they come here and work for less money than a Trinidad worker, well that is fair game. That is what globalization is all about. That is what it is all about. The fact of the matter is, we may not recognize it, but in the context of globalization and business generally, your competition is not the person sitting next to you. Your competition is the person sitting in Shanghai or Beijing. That is where the competition is. He does not have to be here to compete with you. Once we recognize that—I can assure you that this Government understands that very clearly and has been investing in education and technology—then we would be in a better position to compete effectively on a global marketplace.

Let me assure this honourable Senate that insofar as the labour laws are concerned, we make every effort to enforce them properly and fairly and no one gets off. As far as we are concerned, nobody gets off.

I want to say one other thing that got me a little earlier. It was what Sen. Dr. Gopeesingh said. He said that under the UNC, there was no devaluation of the dollar. That is not true. When the UNC came into power at the end of 1995, the exchange rate was approximately \$5.80. Immediately when they formed the government, Senators would recall, the currency slipped immediately to \$6.17,

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\$6.18, \$6.20 and \$6.23. It stayed at \$6.23 for several weeks and then slipped down to \$6.30 and then the Central Bank stepped in and said: “We are holding the line at that point.” That is what happened. It is not true to say that the currency did not devalue under the UNC administration. The biggest slippage, since the floatation of the dollar, actually occurred under the United National Congress.

Thank you very much.

The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Thank you, Madam President. Let me at the outset thank all the Senators for their contributions. Of course, I will go through many of them. A lot of them were, sorry to say this and without being rude, quite irrelevant and took a lot from us for not invoking the Standing Orders.

Be that as it may, let me congratulate Sen. Ali for a very, very detailed and interesting contribution. I will first respond to some of his concerns which he outlined in his contribution. As I indicated very early in my presentation, under the new system—probably I should go directly to clause 20, which speaks about inserting the appropriate types of areas. We have deep horizons and onshore/nearshore areas. Let me first define it, as I understand.

When we looked at deep horizons and onshore/nearshore areas, the first instance is in terms of the shallow horizon, as opposed to the deep horizon. If we were to take a cross-section of onshore, in terms of that category of land, the area, or height less than 5,000 metres will be deemed to be the shallow horizon. Beyond approximately 5,000 metres will be deemed to be deep horizon.

We also have the offshore and shallow marine. You would remember in our last fiscal arrangement, under the deep marine, we gave what is called an uplift of 40 per cent. You also mentioned that in your contribution. [*Interruption*] You want to interrupt so early? Go ahead.

Sen. Ali: That is what confused me. We are speaking about deep water area. Here we have deep marine, but in the 2006 amendment, we were speaking about deep water.

Sen. The Hon. C. Sahadeo: We have indicated in our recent competitive bids that these were some of the terms that we introduced. Therefore, we wanted to make it standard. We introduced these terms in the legislation.

In the last fiscal amendment, we had deep marine with an uplift of 40 per cent, meaning expenditure for exploration was grossed up by 40 per cent. They got an additional tax benefit.

What we are introducing now, with the new production sharing contracts, is that the law will specifically provide that consolidation of profits and losses, arising under production sharing contracts, will be limited to PSCs operating in certain specified areas. Therefore, it means production sharing contracts in deep horizons onshore/nearshore areas. We also have shallow marine areas and shallow horizons onshore/nearshore areas. These new production sharing contracts can in fact be consolidated. This is a totally new measure. As I have said in my presentation, before we had PSCs, which were totally ring fenced, meaning that you could not consolidate one PSC with another PSC.

We also have deep marine areas. Production sharing contracts will be consolidated with other deep marine areas. I know it sounds difficult, even for me, although I do a bit of taxation. This is the whole concept that is being introduced. Primarily before, we ring-fenced all the PSCs and now we are saying, based on the various categories, we are now doing that.

The other area is that the new PSCs differ from the older PSCs, in that Government's share of the profit petroleum will be in lieu of certain financial obligations of the contractor, namely, supplemental petroleum tax, petroleum import royalty and petroleum production levy. The contractor will pay now for the first time, with these new production sharing contracts, petroleum profit tax and unemployment levy. Before, the Government's share took care of all taxes. We are now separating it. Part of the Government's share will include supplementary petroleum tax, petroleum royalty and petroleum production levy. What it leaves is that the contractor is now accountable and pays directly to the BIR, petroleum profit tax and unemployment levy. In that area, the laws have been put in place in both clauses 17 and 20, to accommodate these new arrangements.

I would like to move on to Sen. Ramquar's contribution. Again, whereas you seem to have some experience in the insurance area, it is unfortunate that you do not always have all your information. It saddens me because I always believe when we sit in this Parliament, we may sit on opposite sides, but certainly we must be professional about what we present. Therefore, it is imperative that we take time to get information.

When those on the other side sit there—all of a sudden I hear the claim: Why should we differentiate between the quantum for pension and the quantum for disability grant? I really do not like to go back and say this is what you did. I would like to make reference to what existed in 2001. In 2001, there was an old age pension—I would come to that in a minute—of \$800 and a disability grant of

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\$600. As you can see arithmetically, there was a disparity. I am not saying that justifies the disparity. There was the thinking, all along, in terms of what was really deemed to be an old age pension. We come today and hear those on the other side making a grandiose statement. The Senator is visiting for a second time and I say welcome, again. You come here with a grandstand and want to make bold and inaccurate statements.

It worries and frightens me, because I cannot believe that those on the other side will stand and say—sometimes sit—that they want to pay a pension of \$3,000 to all citizens 60 years and over. We cost it out. The increase that we gave was in excess of \$250 million. When you look at these arrangements, you have to look at what are the other social programmes. You have to look in detail.

I am sorry Sen. Dr. Gopeesingh has left the Chamber. I would love to have—I would say it in his absence because he can get the *Hansard*. I know he will get a copy. He always quotes from the *Hansard* subsequently. I will take my time, because it is really rude. He has reached the status of having a doctorate in medicine. He stands in this Chamber and makes gross misstatements. He is misleading the public at large.

When those on the other side say that they would pay these quanta, all they are trying to do is fool the people. Remember those on the other side talked about CEPEP and URP? Their leader got up and said that he would make sure that we pay the people. They have to get their act together. One minute “Dey eh sleeping with de devil, next minute dey sleeping with de dead”. They have to get their act together, because I cannot understand why they come here and make these statements.

I would like to address the issue, in terms of old age pension, vis-à-vis, Senior Citizens Grant. I have put aside for a rainy day. I am hoping to take advantage of the various tax incentives. Sen. Ahmed was complaining and questioned why some people are getting it. You do not have to contribute \$25,000 to an annuity. If you can afford \$10,000 or \$20,000 or up to \$25,000, the Government is saying to put in and get a tax benefit and at the end of the day, fewer persons will be dependent on a government pension. Moreover, what really is an old age pension? A pension, as far as I am aware, is a payment for a service, on retirement, having worked with an employer or for some service of employment. It can either be contributory or non-contributory.

This Government sat down and deliberated why we should call it old age pension. Because you are 65 years and over, are you saying we must call it “old age pension?” I heard Sen. Prof. Ramchand “ramajay” and say that we should

change it. A man of fine literary mind like him? I thought he would have said a rose by any name will smell as sweet. Not only that, I would have thought he would have said Senior Citizens Grant sounds so dignified. Let me put it on the record, Senior Citizens Grant is here to stay. It is not only here to stay, we will review it continuously, just as we have reviewed the benefits of the National Insurance Scheme.

Madam President, as I indicated before, our visiting Senator made a lot of comments in terms of the NIB and the new arrangements. [*Continuous interruption and crosstalk by Sen. Mark*]

Madam President: Please, sit. Sen. Mark, when you were making your contribution there was absolute silence in this Senate.

Sen. Mark: “Yeah”, but she misleading the Parliament.

Madam President: I do not see how she is. She is stating what is a matter of fact. [*Interruption*] We are not talking about other countries. We are talking about Trinidad and Tobago. Just continue.

Sen. The Hon. C. Sahadeo: He cannot understand a government that is innovative. He cannot understand a government that knows what it is about.

I refer to the actuarial report which indicated that the actuary delivered a presentation of the draft report and recommendations to the National Insurance Board of Directors and key stakeholders representing business and labour. The NIB also presented the recommendations to associations representing employers in August 2007, and to labour unions. There has been general acceptance of the recommendations among stakeholders.

National Insurance provides coverage to approximately 506,500 workers and NIS disbursements amounted to \$1.05 billion in benefit payments to 136,620 insured persons.

I do not want to spend all of my time on national insurance. You would agree that the basic monthly contribution increased from \$1,000 to \$2,000. The host of increases that I gave in my presentation earlier, certainly, will demonstrate that the employee will benefit substantially from the small increase in premium, vis-à-vis, the large quantum, in terms of benefit.

Coming back to Sen. Ramquar’s contribution, he made a statement very boldly about Caroni (1975) Limited and the unfunded pension. I would like to deal with that. Under the new pension of 1995, there was an under-funding of

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\$65.1 million. The old pension was under-funded by \$260 million. Again, this Government actually approved \$360 million to fund the daily-paid Caroni (1975) Limited pension. When those on the other side get up in this Parliament and in the public forum and make statements about what we are not doing and what they did for the former Caroni (1975) Limited workers, that is why public fora is where we tell the people the facts and nothing but the truth.

When those on the other side use the liberty of Parliament to make gross misstatements, it is always good to wind up at the end of the day. It really saddens me when statements are made and no time is taken—I really believe the Senator may not have gotten time to do his research and may have been fed information by some of his colleagues. [*Interruption*]

Sen. Ramquar: Point of order.

Madam President: What is your point of order?

Sen. Ramquar: She is misleading the Senate.

Madam President: That is not a point of order. Misleading the Senate is not a point of order, so it is unfortunate.

Sen. The Hon. C. Sahadeo: The other issue is the payments made by this Government. Again, I want to say very clearly that more than \$6 million, in terms of recurrent expenditure, is payroll cost for public servants. I also heard statements about what is happening or what we are doing. We gave increases. The last increase was in addition to salary adjustments. We gave 15 per cent to the public sector. Therefore, it means that our payroll cost—we have acted responsibly. It means that we take care of all our people.

I also want to go a bit into comments by Sen. Dr. Gopeesingh. Every time certain people get up in this Parliament they like to talk about special purpose state enterprise. It is not 15. We have the Rural Development Company Limited. It is the first time in the history of this country, we have a state enterprise that has been assigned for rural development. That is exactly what we do. We have done a lot of work in rural communities and ensured that the quality of life for our citizens in rural areas could be similarly enjoyed.

Community Improvement Services Limited is another special purpose state enterprise. We also have East Port of Spain Company Limited, which, again, is developing and taking care of East Port of Spain.

You know what really amazes me about what was said earlier? Those on the other side did not understand establishing companies with a special mandate. When the election was coming they took a state enterprise like TIDCO and \$900 million was spent on paving roads.

Sen. Kangaloo: They paved dead dogs. They paved everybody.

Sen. The Hon. C. Sahadeo: When I hear those on the other side talking, I have to again say what we are all about.

A lot was said today about the health sector. I must spend a minute on it. When you hear about CDAP, they talk about the drugs which are no good. When we make statements in the Parliament—you are a medical doctor, do you know the impact of those statements on the population? Those citizens are at a level where they are now confused. I heard Sen. Ahmed say generic drugs. You are fully aware, the world over, of the importance, because of the lower cost of generic. My jacket may not be *haute couture*, it may look so, but the fact remains that you would, therefore, use something that has just as much value. Again, they make statements that CDAP dispenses medication which is not good or improper. I think we must correct it. It is not right. We should be much more careful and responsible because again, we are misleading those who need us most.

Madam President, when the Eric Williams Medical Sciences Complex was deemed to be another hospital, it was no longer a paying hospital; I want to put on record, that in 2004 the total number of patients who attended Mount Hope, as we call it, was 7,400. For 2005, they had a clientele of 45,000 patients. I will repeat, because we hear about “no beds”.

It was only yesterday I was at Mount Hope visiting a colleague and my mother who is ill. I had dialogue with some of the doctors there and they indicated that the system has to be reviewed. Because it is free, there is a general walk in and—you are a medical doctor and you could appreciate this—because of the increase in the flow they need to be much more careful, in terms of how beds are allocated. I am not trying to justify it. Of course, there is a need for more beds. Because these institutions are now free, the demand has increased. From 2005, at Mount Hope, we have had 541 heart surgeries. Again, we must put this on record.

I want to quickly mention something about diabetes. I heard something about “types of 4 cents drugs for horse”. I am not a doctor so I do not know. Being a responsible Government, we will certainly ensure—I think it is the Food and

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Drugs Division. What the Senator is saying—we have a host of qualified professionals who approve all these drugs and medications. When we make gross statements, we are saying that our colleagues are being irresponsible. I do not believe that.

Diabetes, as you will appreciate, is a chronic disease here and we have been giving free medication. We will now be giving testing strips and also the machines so that diabetics can monitor themselves. Insulin will also be provided. We have a host of preventative measures.

I am really saddened that Sen. Dr. Gopeesingh is not here. He talked about all these payments being made under BWIA, NHA and NEDCO. I wonder if the Senate remembers when the Senator paid to himself—the North West Regional Health Authority—a cheque for \$600,000. I am not going there again. When we want to get up and make querulous statements about individuals, I think we need to be careful. That is not right.

Sen. Mark: You should be the last person to be talking about that.

Sen. The Hon. C. Sahadeo: I can stand up to scrutiny any time. I would also like to compliment Sen. Prof. Deosaran. He made many comments. [*Continuous interruption by Sen. Mark*]

Madam President: Sen. Mark, please, it is too late in the night to put up with that.

Sen. Mark: She is accusing people of things on this side. “She husband is chairman of de board”.

Sen. The Hon. C. Sahadeo: Madam President, I would love to respond to him, but it is so late. I heard Sen. Prof. Deosaran mention “it is not Government’s money”. I could not agree with him more. First of all, in making my comments, my whole approach was what the Government’s policy is, in terms of where our funds are allocated. When we talk about Government’s policy, we talk about our education policy. When we are referring to how these moneys are allocated, we are really talking in terms of Government’s policy. If that came across in any way, I want you to know that most certainly we see it as the citizens’ money. Therefore, the Government’s responsibilities determine the policies we adopt to make sure, therefore, that this country moves forward.

It was quite interesting that we had Moody’s with us only this week. In discussing our credit rating and where we were, they indicated that we were rated, not with our Caribbean neighbours, but alongside other energy-producing countries. Trinidad and Tobago—[*Interruption*]

Sen. Mark: Point of order.

Madam President: What is the point of order?

Sen. Mark: Standing Order 35(8). She just accused the Senator of receiving or paying to himself \$600,000. This is on record. Standing Order 36(8)—the conduct. I would like you to rule on this.

Madam President: Senator, I did hear the Minister say something about writing a cheque for a certain amount.

Sen. Mark: You are imputing improper motives. You are supporting that?

Madam President: She did not say that it was any way improper. She said he wrote a cheque for \$600,000. That is what I heard.

Sen. Mark: You supporting that?

Madam President: Wait, wait. Senator, did she say for himself?

Sen. Mark: She said so!

Madam President: All right. Minister, please do not go there again.

Sen. The Hon. C. Sahadeo: Certainly.

Madam President: Certainly, if that was said—I do not know what cheque she is talking about so, I cannot make a judgment on it.

Sen. Mark: She is imputing improper motives.

Madam President: All right. Then that is imputing improper motives. Let us move on from there please and do not go back there.

Sen. Mark: No. Point of order!

Madam President: You made your point!

Sen. Mark: Madam President, I made a point of order and I want it to be struck from the record! How could she be making a statement about a Senator, who is not here to defend himself? [*Continuous interruption and crosstalk*]

Madam President: Senators, I do not need help. I will make the decision myself. If that was what you said Minister, I really cannot judge because I do not know what it is. I think for safety sake, let us take it out of the records. Thank you very much. Continue, Minister.

Sen. The Hon. C. Sahadeo: Madam President, I also would like to congratulate Sen. Prof.—[*Interruption*]

Sen. Yuille-Williams: Madam President, something seems to be a little strange, because I remember Sen. Mark making accusations against me concerning a much larger sum than that. It went to the Privileges Committee and it was never struck off even though I protested. I am surprised to hear him talk.

Sen. Mark: I take objection to that. You are totally out of place!
[*Continuous interruption by Sen. Mark*]

Madam President: Sen. Mark, you know something that I do not understand, Sen. Mark, you can be very thin-skinned. When you sit there and call everybody else corrupt, when you make accusations. As soon as somebody else makes an accusation you are very thin-skinned about it. Let us move on, please.

Sen. Mark: She is querying you.

Madam President: She did not query me. Let us continue.

Sen. The Hon. C. Sahadeo: Madam President, as I was saying earlier, Sen. Prof. Deosaran—[*Interruption*]

Madam President: I cannot hear the Minister.

Sen. The Hon. C. Sahadeo:—made a comment which I would like to endorse. He said that early childhood centres and homework centres would create maximum value, it is a cradle of human development, which will pay rich dividends. I could not have said it nicer. I could not have been as fluent as he was and certainly in future, when I refer to it, I would have to start using that profound statement. This Government continues to look at nurturing the family unit.

Another comment that the Senator made was: What brings joy? The problem we have in our society today is that family life is in crisis. The question that sometimes comes to mind is why is family life in crisis today? I am not sure I have all the solutions, but what I know for a fact and the gurus would like to put on the table is, did we not put adequate emphasis on social programmes? Is it that we left the family units by themselves and that successive governments should have paid more attention to social and other programmes that would have supported family life?

Madam President, in concluding, the various measures that we have outlined in the Bill took into consideration the various measures that we introduced in the 2007 budget.

Madam President, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

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The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Madam President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

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

Bill accordingly read the third time and passed.

**MEDICAL BOARD (AMDT.) BILL
House of Representatives Amendments**

The Minister of Health (Hon. John Rahael): Madam President, I beg to move the following Motion standing in my name:

Be It Resolved that the House of Representatives amendments to the Medical Board (Amdt.) Bill, 2007 as listed in the Appendix to the Supplemental Order Paper, be now considered.

Question proposed.

Question put and agreed to.

Madam President: Hon. Senators, before we continue, you will notice that there are a number of amendments coming from the House of Representatives. The practice was that if there were one or two, each amendment would be read and any comment or debate could be made on it, then it would be put to the vote. Where we have all of these amendments, I do not know whether you will agree, the Clerk can read all the amendments and anybody wishing to make a comment on any one, two or all, can then get up and do so. Do I have your agreement on that?

Absent Indicated.

House of Representatives amendments read as follows:

- | | |
|---------------------------|--|
| <i>Renumbered Clauses</i> | Renumber clauses 7, 8, 9 and 10 as clauses 8, 9, 10 and 12 respectively. |
| <i>Clause 3</i> | In the definition of “specialist”, insert after the words “specialist qualifications” the words “from an institution recognized by the Accreditation Council of Trinidad and Tobago and” |
| <i>Clause 5</i> | In paragraph (a), delete the words “and a Secretary-Treasurer” and substitute the words, “, Secretary and a Treasurer,” |

Clause 6 In the proposed section 10A(1) –

- (a) in paragraph (c), delete the word “and” in the second place it occurs;
- (b) in paragraph (d), delete the words “of Medical Practitioners.” and substitute the words “; and”; and
- (c) insert after paragraph (d), the following new paragraph:
“(e) date of registration in the Medical Specialist Register.”

New clause 7 Insert the following new clause:

“Section 11 amended 7. Section 11 of the Act is repealed and the following new sections are substituted:

“Secretary to maintain the Register and Medical Specialist Register” 11. (1) The Secretary shall keep and maintain the Register and the Medical Specialist Register in accordance with this Act and the Rules and Regulations of the Council in that behalf and shall from time to time make the necessary alterations in the addresses or qualifications of persons registered.

(2) The Secretary shall on the advice of the Council, and as prescribed by Regulations, erase from the Register and the Medical Specialist Register –

(a) the name and particulars of every deceased medical practitioner and specialist; and

(b) the name of every person caused by the Council to be erased from the Register and Medical

Specialist Register in accordance with section 24.

11A. In addition to the duties set out in this Act, the Secretary and Treasurer shall perform such other duties as may be prescribed.”“

8. Delete the word “Secretary-Treasurer” and substitute the word
(as renumbered) “Treasurer” wherever it occurs.

9 Delete the words occurring after the words “amended by” and
(as renumbered) substitute the following:

“(a) inserting after the words “applicant for registration” the words “on the Register, Medical Specialist Register”;

(c) deleting the words “Secretary-Treasurer” and substituting the word “Secretary”.

New clause Insert the following new clause:

9A

“Section 9A. Section 17 of the Act is amended by—

17 amended (a) inserting after the word “The” the words “Secretary shall on the advice of the Council and as prescribed by Regulation”;

(b) deleting the words “Council shall cause to be erased” and substituting the words “erase”;

(c) and inserting after the word “Register” the words “and the Medical Specialist Register”.

New clause Insert the following new clause:

9B

“Section 18 amended 9B. Section 18 of the Act is amended by deleting the words “Secretary-Treasurer” and substituting the word “Secretary” wherever they occur.”

- New clause*
9C
- Insert the following new clause:
 “Section 19 amended 9C. Section 19 of the Act is amended by deleting the words “Secretary-Treasurer” and substituting the word “Secretary.”
- New clause*
11
- Insert the following new clause:
 “Section 21 amended 11. Section 21 of the Act is amended by deleting the words “three thousand dollars and to imprisonment for one year” and substituting the words “ten thousand dollars and to imprisonment for two years.”
- 12
(as renumbered)
- A. Delete paragraph (a) and substitute the following:
 (a) in subsection (1), by–
 (i) inserting after paragraph (c) the following paragraph:
 “(d) purports to practise medicine.”;
 and
 (ii) deleting the words “one thousand five hundred dollars and to imprisonment for six months” and substituting the words “ten thousand dollars and to imprisonment for two years”.
- B. Insert after the proposed subsection (3), the following subsection:
 “(4) Notwithstanding any provision to the contrary, a medical practitioner who before the commencement of the Medical Board (Amendment) Act, 2007 practiced as a specialist may, for a period of one year after the commencement of the said Act –
 (a) practise as a specialist;

- (b) take or use any name, title, addition or description implying or calculated to lead persons to believe that he is a specialist; or
- (c) advertise or hold himself out as a person authorized or qualified to practise as a specialist,

but shall within that period apply for registration on Medical Specialist Register.”

- New clause*
13 Insert the following new clause:
“Section 23 amended 13. Section 23 of the Act is amended in subsection (4), by deleting the words “three thousand dollars and to imprisonment for one year” and substituting the words “ten thousand dollars and to imprisonment for two years.”
- New clause*
14 Insert the following new clause:
“Section 24 amended 14. Section 24 of the Act is amended in subsection 2(c), by inserting after the word “Register”, the words “, the Medical Specialist Register”.
- New clause*
15 Insert the following new clause:
“Section 31 amended 15. Section 31 of the Act is amended by deleting the words “Secretary-Treasurer” and substituting the word “Secretary” where they occur.”
- New clause*
16 Insert the following new clause:
“Section 34 amended 16. Section 34 of the Act is amended by deleting the words Secretary-Treasurer” and substituting the word “Treasurer”.”.

Mr. Rahael: Madam President, I beg to move that the Senate doth agree with the House of Representatives in the said amendments.

Madam President: Are you going to give any reasons? Do you want to talk about the amendments?

Mr. Rahael: I do not know if it is necessary. I think it is self-explanatory.

Question proposed.

Sen. Mark: Thank you, Madam President. When we look at clause 3, as it relates to the removal, it talks about an institution recognized by the Accreditation Council of Trinidad and Tobago. I want to ask the hon. Minister, how efficient and up to date is this Accreditation Council? I would like to know how this Accreditation Council goes about securing data from other institutions that are internationally recognized. I would also like to know whether the Accreditation Council of Trinidad and Tobago is now part of the Caribbean Accreditation Council. I want you to clarify these points for us. The other amendments seem to be very—we do not want to delay you but this is the area we want some clarification on.

We will never support the hijacking of the Medical Board by the Government. As we have seen, this is a further consolidation of the Government's hijacking and handcuffing of the Medical Board. Whilst they have these small amendments that they have brought, the principle remains the same. We will never support the hijacking and undermining of the Medical Board of Trinidad and Tobago.

Madam President: Anybody else has anything to say? Are there any other questions?

Mr. Rahael: Thank you, Madam President. Just to satisfy the Senator, the Accreditation Council of Trinidad and Tobago was set up for the purpose of this nature. The Accreditation Council already has a list of universities that are accredited in its own country. Those universities have been accredited in their respective countries and the Accreditation Council of Trinidad and Tobago would have investigated those universities to ensure that they are bona fide. Those universities are listed with the Accreditation Council of Trinidad and Tobago.

In addition, if someone applies to be registered in Trinidad and Tobago, with a medical degree and that university is not accredited in the Accreditation Council's register, they would investigate the university in whichever country that certificate was supposedly given, to ensure that it is a university of standing. As we are aware, the question of buying a certificate on the Internet will not take place. The Accreditation Council of Trinidad and Tobago was set up for this kind of exercise.

In the other place, everyone agreed that it is in the best interest of the citizens of Trinidad and Tobago that the Accreditation Council of Trinidad and Tobago verify the universities that give that type of certificate.

Sen. Mark: I asked the hon. Minister if he could clarify whether the Accreditation Council of Trinidad and Tobago is part of the Caribbean Accreditation Council. I am just asking.

10.30 p.m.

Mr. Rahael: I am being advised that it is part of the international accreditation group, and not just the Caribbean.

Madam President, I beg to move.

Question put and agreed to.

ADJOURNMENT

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, the night is late and I think we have had enough for today, so I now beg to move that the Senate do now adjourn to Thursday, September 27, 2007 at 1.30 p.m. On that day we will deal with Private Business. That is all.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.32 p.m.