

*Leave of Absence**Tuesday, February 14, 2012***SENATE***Tuesday, February 14, 2012*

The Senate met at 11.00 a.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Verna St. Rose-Greaves who is out of the country. On the question of correspondence from the President, I intend to defer that matter to later in these proceedings.

FINANCE BILL, 2012

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

PAPERS LAID

1. Ministerial Response to the Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 2) on the National Information Communication Technology Company Limited (NICTCL) [*The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Fazal Karim)*]
2. Value Added Tax (Amdt. to Schedule 2) Order, 2011 [*The Minister of Finance (Hon. Winston Dookeran)*]
3. Annual audited financial statements of the National Gas Company of Trinidad and Tobago Limited for the year ended December 31, 2010. [*Hon. W. Dookeran*]
4. Defence (Rates of Pay and Allowances) (Amdt.) Regulations, 2012 [*The Minister of National Security (Sen. The Hon. Brig. John Sandy)*]
5. Annual administrative report of the Ministry of Local Government for the period October 01, 2006 to September 30, 2007 [*The Minister of Public Utilities (Sen. The Hon. Emmanuel George)*]
6. Annual administrative report of the Ministry of Local Government for the period October 01, 2007 to September 30, 2008 [*Sen. The Hon. E. George*]
7. Annual administrative report of the Ministry of Local Government for the period October 01, 2008 to September 30, 2009 [*Sen. The Hon. E. George*]

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ORAL ANSWERS TO QUESTIONS

**Importation of used vehicles
(Government's new policy)**

26. Sen. Fitzgerald Hinds asked the hon. Minister of Trade and Industry:

With respect to Government's new policy which will allow for the importation of used vehicles up to six (6) years old, could the Minister of Trade and Industry indicate to the Senate:

- (a) the number of used vehicles actually imported into Trinidad and Tobago for the years 2008, 2009 and 2010; and
- (b) his Ministry's projected estimate of the number of vehicles expected to be imported into the country within the next twenty-four (24) months?

The Minister of Trade and Industry (Hon. Steven Cadiz): The answer to Question 26, Part (a): The used motor vehicles imported to Trinidad and Tobago for the year, 2008, amounted to 4, 882; for the year 2009: 3, 360; the year 2010: 3, 655 units. This data was requested from the Customs and Excise Division of the Ministry of Finance. The data was collated for Harmonized System headings 87032290, 87032320, 87032330, 87032340 and 87032490 which includes motor cars and other motor vehicles principally designed for the transport of persons, including station wagons and racing cars.

In 2008 a total of 4, 882 used motor vehicles were imported into Trinidad and Tobago. This figure declined to 3, 360 in 2009, while in 2010 there was a slight increase to 3, 655 used motor vehicles being imported.

The answer to Part (b) of the question: Cabinet, by Minute No. 3190 of December 2006, agreed to the establishment and implementation of a quota system by the Ministry of Trade and Industry. To date, the quota stands at 13, 497, and the Ministry does not expect the importation of used cars, less than six years, to exceed this figure.

Sen. F. Hinds: Thank you very much. Would the Minister indicate, by way of a supplemental, how does the Government propose to deal with the disposal of 13, 497 vehicles, when that time comes, if these vehicles are imported over the next 24 months?

Hon. S. Cadiz: Mr. President, I think that would form a new question because that is a whole issue of disposal of vehicles from since 2006 when that quota was set.

Sen. F. Hinds: Further supplemental. I am suggesting to the Minister, since the number of vehicles actually imported in 2008, 2009 and 2010 averaged about 3,500, and you have increased the quota to 13,000, it obviously means that this matter grows in relevance. Would the Minister tell us how he is proposing to deal with this substantial increase if this is realized?

Hon. S. Cadiz: Mr. President, I will read again. Cabinet, by Minute No. 3190 of December 2006, agreed to the establishment and implementation of a quota system by the Ministry of Trade and Industry. To date, the quota stands—and this was the quota that was agreed to in December 2006—at 13,497 units, and the Ministry does not expect the importation of used cars less than six years to exceed this figure.

In 2006 the then administration set the quota of 13,497 and therefore, this administration has maintained that quota, we have not exceeded the quota. Based on the figures that we have shown, the average importation is roughly 3,500, and that has not changed. We maintain the quota system and it will not be changed. The same system of disposal that was envisaged in 2006, I assume that the status quo would remain and we would follow suit. We will be disposing of vehicles that come off the licensing officers' books in the same way that they have been disposed of in the past, however, I am pretty sure that that system will change in due course. What this system is, I am not too sure; that would be a whole environmental issue that we would be dealing with.

Sen. F. Hinds: One further supplemental. Is the Minister saying, that his Government's decision to increase the age of vehicles to be imported from four to six years is not likely to have an impact on the number of vehicles imported into the country, and if so, what is the value of the new policy?

Hon. S. Cadiz: What the Minister is saying is that when the quota system was set in 2006 for 13,497 vehicles, that quota did not change.

Sen. F. Hinds: Mr. President, it appears as though the Minister is not understanding my supplemental. I will have to put it again.

Mr. President: Sen. Hinds, you have to accept the answer from the Minister. If you have another supplemental—you can have a seat. [*Desk thumping*] If you have another supplemental question you may present it. You have to accept the answer from the Minister.

Sen. F. Hinds: Even if it is illogical and does not answer the question?

Mr. President: Sen. Hinds, I have ruled. You may ask another supplemental.

Sen. F. Hinds: Is the Minister saying—let me put it to you this way—that Government’s decision to increase the age of imported vehicles from four to six years will not have an effect on the number likely to be imported? It is a straightforward question.

Mr. Ramlogan SC: It is the same question.

Hon. S. Cadiz: Mr. President, the question I am answering is No. 26 which deals with (a)—the number of used vehicles actually imported into Trinidad and Tobago for the years 2008, 2009 and 2010. The (b) part of that question has nothing to do with the disposal of vehicles. A simple question was asked and the correct answer was given.

Sen. F. Hinds: Waste of time. May I proceed, Mr. President?

Hon. S. Cadiz: That was very unparliamentary.

Mr. President: Next question, Sen. Hinds.

Sen. F. Hinds: Thank you very warmly, Mr. President.

**Community Development Financial Assistance (Studies) Programme
(Details of)**

27. Sen. Fitzgerald Hinds asked the hon. Minister of Community Development:

With respect to the Community Development Financial Assistance (Studies) Programme, could the Minister of Community Development indicate to this Senate for the period July 01, 2010 to August 30, 2011:

- (a) the number of persons who benefited from the programme for the period mentioned above;
- (b) the total amount disbursed by his Ministry under this programme for the same period;
- (c) the names of the recipients at (a) above and the corresponding institutions at which the programme of study is being or has been undertaken in each case?

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I reply to Question No. 27. First, by way of background, on March 14 2002, Cabinet by Minute No. 421 agreed inter alia, to the establishment of Community Development Scholarship Programme, under which bursaries would be awarded to young persons to undertake programmes of training and/or study in traditional and non-traditional areas.

In respect of (a) above that:

- (i) the Ministry of Community Development and Gender Affairs in consultation with the community-based organizations and non-governmental organizations identify the criteria for the award of the bursaries;
- (ii) Two, the awards be tenable locally or overseas;
- (iii) Three, a scholarship selection committee be established within the Ministry of Community of Development and Gender Affairs to make the appropriate selections, and make recommendations to the Minister for the award of the bursaries; and
- (iv) Four, the recipients be required to enter into agreements with Government to serve in their respective communities for a designated period of time.

Subsequent to the above, Cabinet, by Minute No.1823 of July 09, 2009, agreed that all beneficiaries through financial assistance studies programmes available to nationals for tertiary education being offered by ministries and departments—inclusive of the undermentioned—be managed and administered with immediate effect by the Ministry of Community Development Culture and Gender Affairs:

The Ministry of Health; the Ministry of Science, Technology and Tertiary Education; the Ministry of Energy and Energy Industries and the Tobago House of Assembly.

11.15 a.m.

So my direct answer to the question—part (a)—for the period July 01, 2010 to August 30, 2011: 89 persons benefited from the Financial Assistance (Studies) Programme of the Ministry of Community Development while 31 persons benefited from the Ministry of Health's Bursary Programme. These were largely renewals.

The answer to (b): for the period under review the Ministry of Community Development disbursed the sum of \$2, 189,592.94 in respect of its own Financial Assistance (Studies) Programme to beneficiaries of the Ministry of Health's programme. When these figures are compared with what the previous government administered on its programme, the records from the inception read as follows: 2003, approximately 28 recipients, with a value of \$1,191,531.26; 2004, there were approximately 199 recipients, with an approximate value of \$6,327,182,

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50; 2005, there were approximately 366 recipients, and the approximate value was \$12,468,462.87; 2006, there were approximately 219 recipients, and the approximate value of those bursaries was \$12,896,553.99; in 2007, the approximate number of recipients was 358 and the approximate value was \$16, 507,815.83; 2008/2009 period there were approximately 190 recipients and the approximate value of the programme was \$5,106,748.03; for the period January to May 2010 there were approximately 152 recipients with a total value of the programme of \$3,068,273.63. That made a total, over the period 2003 to May 2010, of an approximate number of recipients of 1,583 with a total value of \$57, 566,568.11.

The total number of recipients who benefited from grants under the previous government was 1, 583, with a total of \$57, 566, 568.11. Apart from that, a number of persons who were supposed to have received substantial amounts indicated that they never got a single cent. Additionally, certain beneficiaries from this programme under the previous government obtained as much as half a million dollars. In an effort to streamline the programme, this new People's Partnership Government took a decision that beneficiaries should not receive more than one grant and the cause of studies must be relevant to the current or projected needs of the country. It was also decided that the maximum grant should not exceed \$25, 000.

The answer to (c): the names of the recipients of bursaries from the Ministries of Community Development and Health and the corresponding institutions at which the programme of study is being pursued or has been undertaken is attached at Appendices I and II. I would like to say that Appendices I and II are pretty voluminous, but they are here and can be circulated if required.

I thank you.

Mr. President: I would like to suggest that part of the question is fit for answer in writing; you may circulate it as written to the question remarked.

Sen. Hinds: Thank you very much. It appears, though, the fact that the Government has continued to award bursaries under this—

Mr. President: Sen. Hinds, a question please!

Sen. Hinds: I am directing the question, Mr. President.

Mr. President: I did not understand the question.

Sen. Hinds: Well, I was not through, Mr. President, I am so sorry, I was—yes, the Minister would agree, therefore, that since the Government has continued to disburse moneys under this programme, that there is great value in this programme, and it ought to be continued for the benefit of the citizens of Trinidad and Tobago. Would the Minister so agree?

Hon. Senator: That is not a question. That is not a supplemental question.

Sen. The Hon. E. George: Mr. President, you may wish to rule on whether that is a supplemental question or not.

Mr. President: I do not think the question really arises on the original question, Senator. [*Desk thumping*]

Sen. Hinds: Thank you very much.

**Persons Reported Missing in Trinidad and Tobago
(Details of)**

28. Sen. Fitzgerald Hinds asked the hon. Minister of National Security:

- (a) Could the Minister indicate the number of persons reported missing in Trinidad and Tobago between October 01, 2010 and July 31, 2011?
- (b) Could the Minister also indicate what specific action, if any, has been taken to protect other citizens from this trauma-generating phenomenon?

The Minister of National Security (Sen. The Hon. Brig. John Sandy): The response to (a): during the period October 01, 2010 and July 31, 2011, 882 persons were reported missing in Trinidad and Tobago. Of this figure 855 persons have been accounted for, while 27 are still classified as missing.

- (b) The Trinidad and Tobago Police Service continues to pursue missing-person cases with urgency so as to avoid or minimize possible harm to the victims and alleviate the distress experienced by family members. Even as the police service continues its operations in this regard, great emphasis is being placed on the dissemination of information to the national community via the media on precautionary measures that should be taken. The police service is committed to continuing its work with citizens to reduce this occurrence.

Sen. Hinds: Hon. Minister, since, as you reported, 855 persons were reported as missing or 882 rather, and 855 eventually came to be accounted for with only 27 still actually missing? Might the Minister agree that it might be a question of the reporting mechanism and how it is recorded, because there is a substantial difference between the number reported missing and the number actually missing, might the Minister consider that it might be something with the criteria for recording who is missing and whether you are prepared to take a look at that?

Sen. The Hon. Brig. J. Sandy: Mr. President, with respect to that question asked, what we are dealing with is missing persons reported, and this is what I shared with this honourable Senate.

Mr. President: Senator, I do think it is hypothetical question that would not be allowed. Do you have any other supplemental for the Minister?

Sen. Hinds: Hypothetical! Mr. President, this is real. I just related to real figures reported by the Minister. It is far from hypothetical, but let me continue. Not getting very much help from the hon. Minister, may I proceed to question 30?

**Police Stations
(Details of)**

30. Sen. Fitzgerald Hinds asked the hon. Minister of National Security:

Could the Minister indicate to the Senate:

- (a) the number of new police stations and their location on which construction work started since his assumption of office;
- (b) the number of stations and their location that have been completed during the same period; and
- (c) the number of stations and their location that have been repaired during the same period?

The Minister of National Security (Sen. The Hon. Brig. John Sandy): Mr. President, response to (a): hon. Senators, when the People's Partnership Government assumed office in May 2010, it entered with a new vision for service delivery by the Trinidad and Tobago Police Service. In an effort to restore safety and security to citizens of Trinidad and Tobago, the Government recognized the need to have an increased police presence on the streets and within communities. This has been fully established through the 21st Century Policing Initiative, which formally introduced a new system of deployment whereby police officers conduct an increased number of patrols and engage in greater collaboration with residents to stem deviance and crime in communities.

Notwithstanding this approach, Government acknowledges the need for continuation of the construction programme to rebuild dilapidated stations and locate new stations in areas where they are required.

When this Government took office, there were 18 police stations identified for construction, as part of the Urban Development Company of Trinidad and Tobago (UDEcCott), Construction and Refurbishment Programme. In the interest of accountability and transparency, this Government took the decision to review the details of all agreements made with UDEcCott. Having completed a thorough review of the contracts, approval was granted for the construction of eight stations, which are scheduled to commence in fiscal 2011/2012. They are as follows:

1. La Brea
2. Moruga
3. Oropouche
4. Arima
5. Brasso
6. Cumuto
7. Maloney
8. Piarco

(b) In light of the explanation provided at part (a), there were no stations completed for the period in question.

(c) For the period May 26, 2010 to present, refurbishment works were undertaken on 32 police facilities. They are as follows:

Police Stations/Posts

1. San Fernando
2. Chaguanas
3. Arouca
4. Morvant
5. West End
6. Princes Town
7. Siparia
8. Freeport
9. Sangre Grande
10. Couva
11. Scarborough
12. San Juan
13. Maraval
14. St. James

Divisional Headquarters

1. Siparia
2. San Fernando
3. Sangre Grande

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15. Four Roads
16. Cedros
17. Valencia
18. Tableland
19. Mon Repos
20. Marabella
21. St. Mary's
22. Blanchisseuse
23. Rio Claro
24. Biche
25. Toco
26. Canine branch (Caroni)
27. Point Fortin
28. Guapo
29. Mayaro

Sen. Hinds: Indeed, just for clarity, would the hon. Minister, having indicated that Cabinet has agreed to construct eight stations, which you named, have any of these stations actually gotten off the ground? Has work actually started on any of the eight?

Sen. The Hon. Brig. J. Sandy: Work has not actually started on any of the eight.

Sen. Hinds: “Aaaah”.

Sen. The Hon. Brig. J. Sandy: But, I must remind this honourable Senate that the former government took office in December of 2001, and the first construction was started on September 26, 2005, three years thereafter. [*Desk thumping*]

Sen. Hinds: Therefore, the Minister would agree that since none of the eight were actually started, and you indicated that none have been completed during the very period, the Minister must, therefore, agree that his Government or your Ministry has done nothing by way of improving police stations for the period. Nothing!

Sen. The Hon. Brig. J. Sandy: I do not know if that is a question, Mr. President. [*Laughter*] But I must remind the hon. Senator that, apart from the Mayaro Police Station that was started three years after they took office—and one

would assume they did nothing, nothing, nothing, as he said of us in those three years—the Gasparillo Police Station that was started on September 30, 2005 as well; the Belmont Police Station was started on September 23, 2005; Tunapuna Police Station was started on October 17, 2005; and the Toco Police Station on October 17, 2005. Those were the five police stations that started on those dates and most of them took two and a half years; or in the case of Tunapuna, it took six years and one month. *[Interruption]* Following that, after 2005 no other police station was built.

11.30 a.m.

Hon. Senators: Oooh! *[Desk thumping]*

Sen. Hinds: And you did nothing to improve that. Yes, might I therefore, Mr. President, in this confusing environment direct question No. 31 again to my friend, the hon. Minister of National Security.

**Police Vehicles
(Details of)**

31. Sen. Fitzgerald Hinds asked the hon. Minister of National Security:

- A. Could the Minister indicate the number of police vehicles that have been provided to the police service, since he assumed office, and when the handing over was made?
- B. Could the Minister outline the arrangements in place for the maintenance and repair of the vehicles so provided?

The Minister of National Security (Sen. The Hon. Brig. John Sandy): In response to (A); for the period May 26, 2010 to date, 44 vehicles were provided to the Trinidad and Tobago Police Service. These vehicles were handed over to the service in November 2010.

It is envisaged that the Trinidad and Tobago Police Service fleet would continue to be strengthened in fiscal 2011/2012 to support the expanded implementation of the 21st Century Policing Initiative, and ensure heightened police visibility through the conduct of more police patrols within business hubs and in communities. Further, alternative modes of transportation, such as bicycles, are also being pursued for high traffic areas.

Part (B) all new vehicles provided to the Trinidad and Tobago Police Service are serviced by the supplier until the end of the warranty period. When the warranty expires, the vehicles are to be repaired by the Vehicle Maintenance

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Company of Trinidad and Tobago. Repair services were outsourced in situations where vehicles remained on the VMCOTT compound for extended periods, due to the lack of capacity or capability to complete repairs. There has been an increase in the operational fleet from 750 to 950 vehicles within the last year, with a reduction in time required for maintenance and repairs.

Sen. Hinds: Thank you warmly, Mr. President, as I ask a supplemental to my friend. The 44 vehicles that were handed over to the police service during the period under review, were these vehicles that were ready for handing over when you took office, or did your Government purchase 44 new vehicles?

Sen. The Hon. Brig. J. Sandy: Mr. President, these vehicles were with VMCOTT when we took office. [*Interruption*]

Sen. Hinds: Oh, I see.

Sen. The Hon. Brig. J. Sandy: And were handed over to the police, subsequently [*Interruption*]

Sen. Hinds: Police.

Sen. The Hon. Brig. J. Sandy: Thank you! You are so kind. It should be noted however, that they were sitting idly at VMCOTT doing nothing—[*Interruption*]

Hon. Senator: Yeah, depreciated. [*Interruption*]

Sen. The Hon. Brig. J. Sandy: —while crime was on the rise and the police service was in need of vehicles.

Sen. Hinds: I thank the Minister for the clarification that he bought not a single vehicle since he took office. [*Desk thumping*] Mr. President, may I proceed? And might I yet again direct question No. 32 to the hon. Minister of National Security on a matter with which he is obviously more familiar, at least he ought to be.

Sen. The Hon. Brig. J. Sandy: Mr. President, is that part of the question as well?

**Police Service/Defence Force
(Corrupt Practices and Unethical Behaviour)**

32. Sen. Fitzgerald Hinds asked the hon. Minister of National Security:

Could the Minister identify what specific action has been taken since he assumed office to deal with cases involving corrupt practices and unethical behaviour in the police service and the defence force?

The Minister of National Security (Sen. The Hon. Brig. John Sandy): Since May 26, 2010, there have been several initiatives within the Trinidad and Tobago Police Service and the defence force to address the issue of corrupt practices and unethical behaviour.

Among the notable initiatives in the Trinidad and Tobago Defence Force were the following:

- (1) The engagement of Ernst & Young to conduct a review of Trinidad and Tobago Defence Force financial systems and processes. As a result of the consultant's report, changes have been implemented in the procurement department, so as to ensure defence force compliance with statutory regulations.
- (2) Implementation of an Enterprise Resource Planning Solution aimed at improving the efficiency and effectiveness of the defence force. This programme is geared towards the increased use of technology as a strategic enabler across all arms of the Trinidad and Tobago Defence Force, while providing greater oversight and transparency to the various processes and systems employed.
- (3) Expansion of the military justice system and the military accountant system. Some consideration is being given to the introduction of a Judge Advocate General, and an internal audit function within the defence force, to minimize the opportunity for corrupt practices and unethical behaviour.

Mr. President, in the Trinidad and Tobago Police Service, a Professional Standards Bureau was established on July 15, 2011. Members would recall that previously, the Police Complaints Division was responsible for the receipt and investigation of complaints from members of the public, as well as internal disciplinary matters on the conduct of any police officer. This arrangement brought into question the impartiality of investigations and its implications for a fair and just outcome.

To ensure that investigations of claims that are criminal in nature are conducted impartially, therefore, a Professional Standards Bureau was established. The bureau is headed by an Assistant Commissioner of Police and has been engaged in the investigation of several matters.

Sen. Hinds: One final question for my friend, the Minister. I am sure the Minister is aware that there is a serious concern about seepage of arms, and particularly ammunition, from the precinct of the defence force. Is there anything specific that has been done to treat with this matter?

Sen. The Hon. Brig. J. Sandy: Mr. President, the defence force records arms and ammunition on a daily basis. As a matter of fact, in some instances, arms and ammunition are checked three times per day—sometimes by the duty officer, sometimes by the field officer and by the company commander of the respective company. This has been a practice. What has happened within recent times is that there has been more stringent observation of that practice. And it is in this context that I can comfortably argue that, yes a better or more stringent system is observed in the Trinidad and Tobago Defence Force. [*Desk thumping*]

Land Titles in Tobago (Regularization)

45. Sen. Dr. Victor Wheeler asked the hon. Minister of Legal Affairs:

Further to the budget presentation of 2011/2012, could the Minister state what is the status of the project for the regularization of land titles in Tobago?

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, in answer to question No. 45; on December 06, 2010, seven members were appointed to serve on the Committee for the Regularization of Land Titles in Tobago. The committee is headed by the hon. Vernella Alleyne-Toppin, Minister of Tobago Development. Other members include: Mr. Andre Felix, land surveyor; Ms. Roslyn Parmasad, attorney-at-law, Ministry of the Attorney General; Ms. Rionne Boyke, attorney-at-law, Ministry of Legal Affairs; Mrs Deborah Moore-Miggins, attorney-at-law; Mr. Alvin Pascal, Senior State Counsel, Tobago House of Assembly; and Mr. Anthony Arnold attorney-at-law, representative of the Ministry of Tobago Development.

The committee was tasked with the responsibility of making recommendations for regularizing land titles in Tobago, through a review of the report by the special committee appointed to make recommendations to the amendment of the Real Property Ordinance—the McKenzie Report—as well as through consultations with relevant stakeholders and through a review of legislation.

Mr. President, the committee met on 15 occasions. One of the major tasks undertaken to date has been the review of the McKenzie Report which is a very comprehensive and detailed document. What was required was to determine the extent to which recommendations of the McKenzie Report may still have been relevant, applicable and practical today. You would appreciate, Mr. President, that the McKenzie Report was completed approximately six years ago and was shelved by the previous administration.

This committee was mandated in part to determine the relevance of that report or portions of it given the lapse of time. Having completed that part of the exercise, Mr. President, the committee has prepared a draft interim report which identifies a number of issues that adversely affect the registration of titles in Tobago. These issues can be categorized into the following major areas:

Understanding land holding culture and social issues: It was recognized that an informal system of holding by family structures without formal subdivision and registration was prevalent.

Administrative weaknesses: several administrative functions and offices which normally form part of the system of land administration, including registration of titles, have either been absent or not fully available in Tobago.

Legislative matters: two legislative frameworks—the RPO System and the Land Adjudication System—are to be considered and examined:

Weak judicial support; the need for a depository of wills has been identified.

Mr. President, having assessed the relevance of the previous work done and having determined many of the key issues involved, the Ministry of Legal Affairs is in a position now to move to phase 2 of the process. The next stage of the process involves hosting two public consultations, currently being organized, and which will be hosted within the first quarter of this year, that is, all things being equal, before the end of March 2012. Thereafter, the comments and wishes of the residents of Tobago will be considered against the dictates of law, and a final policy will be developed.

Thank you, Mr. President.

Dr. Wheeler: Just one supplemental. Has the Government set a deadline for completion of this exercise?

Sen. The Hon. E. George: Well, except for, what I read here about the completion of the public consultations at the end of March 2012, there has been no deadline set that I could see.

Commissioners of Affidavits (Tobago)

46. Sen. Dr. Victor Wheeler asked the hon. Attorney General:

- A. Could the Attorney General indicate how many Commissioners of Affidavits are currently practising in the island of Tobago (excluding the Clerk of the Peace and the Assistant Registrar of the High Court or any other officials attached to the High Court or the Magistrates' Courts)?

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- B. Could the Attorney General indicate whether any suitable applications have been made to his Ministry, within the last three years, by persons wishing to become Commissioners of Affidavits for districts located in Tobago? C. Could the Attorney General indicate why no additional Commissioners of Affidavits have been appointed to Tobago the in last 5 years?

The Attorney General (Sen. The Hon. Anand. Ramlogan SC): The answer to (A): the records in my Ministry indicate that there are currently three Commissioners of Affidavits in Tobago. These are: Mr. Leo Cowie, appointed on June 6, 1992; Oscar Deane appointed on August 5, 1987 and Cyril Denoon appointed on August 22, 1995.

I am unable to conclusively say whether these persons are practising as we sit here, for the following reasons: Section 5(4) of the Commissioner of Affidavits Act, Chap. 6:52, provides that when a person is appointed a Commissioner of Affidavits he or she is required to make a payment of \$100 annually to the Comptroller of Accounts which would enable him or her to keep the fee collected for the preparation of the affidavits. It is only upon receiving proof of this payment that a letter is done, authorizing the commissioner to keep the fees received. This will in effect determine whether a Commissioner is in fact still practising. There are no authorization letters on the file for the above mentioned persons.

11.45 a.m.

The answer to (B) is, for the period January 2009—February 14, 2012 the records in my Ministry indicate that a total of 13 applications were received from persons from Tobago wishing to become Commissioners of Affidavits.

The answer to (C): since assuming office as Attorney General in late May 2010, no persons have been appointed Commissioners of Affidavits for Tobago. The Ministry has begun to assess applications that have been on the files; however, the necessary background checks and the procedure for one to be appointed a Commissioner of Affidavits is quite convoluted and complicated.

One of the main requirements is the background check that has to be done by the security agencies and that, in my experience, takes a considerably long period of time. I have been making enquiries into that matter in the police service, because I find, for myself, that it is something that needs to be speeded up, and I welcome the question from the hon. Senator because it provides a useful prompt and opportunity to bring this back on the front burner, because there is in fact a paucity of Commissioners of Affidavits, not just in Tobago but also in Trinidad.

Many of the commissioners we have had, in fact, have passed on and the system I have inherited, as I described earlier, is not one that allowed you to keep track of those persons—because they pay the fee to the Comptroller, but there is no relationship between the office of the Comptroller and the office of the Attorney General to know that the fee is paid by someone so that they are currently practising, as it were. And there is no association, as it were, for Commissioners of Affidavits that looks after these matters, as perhaps in the legal profession you have the Law Association which looks after the receipt and payment of fees.

But I am aware of the problem; I am concerned about it, and I had been taking steps to remedy it. The bottleneck I have encountered has to do with the security checks that need to be done by the security agencies which, I suppose, are overburdened and perhaps do not put it as high on the agenda and priority.

But a list of prospective candidates was considered and investigative reports were requested on those candidates; four for the districts in Trinidad and one for Tobago, because although we receive a lot of applications—as I indicated, 12 or 13—not all of them will, in fact, be eligible and meet the requirements to be considered. But one person's name went forward and the background check was done. The investigative report received from the police service stated that with respect to the candidate from Tobago that did meet the requirements, that individual was no longer interested in being appointed a Commissioner of Affidavits.

With respect to the period prior to my appointment, January 2007—May 2010, records reveal that no persons were, in fact, appointed as Commissioners of Affidavit for the districts in Tobago. In fact, I went back into the records—because, you know, Tobago is sometimes treated as a bit of an annex. So I went back into the records, and under the previous administration, throughout its tenure, there was not a single appointment of a Justice of the Peace or a single Commissioner of Affidavits for the districts in Tobago.

Thank you very much.

Sen. Dr. Wheeler: Mr. Attorney General, is there a process whereby advertisements are placed for people to enquire whether they might be suitable or seek appointment?

Sen. The Hon. A. Ramlogan SC: The procedure is such that you do not need to advertise. It is a small pool of persons and, really, from what I have seen, it has been done almost by word of mouth. The large majority of persons who apply are,

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perhaps, retired public servants, members of the religious community and perhaps the paralegals who work and service the legal profession, which is where you need the Commissioners of Affidavits, really, and it has been done by word of mouth. But there is no shortage of applications.

The problem really lies with the process, to evaluate and assess the applications that lead to the appointment. It is complicated and it is a bit cumbersome. I have simplified it, but the problem really rests—and it is one that is beyond my control, and it has to do with the background and security checks that are required by the police service before they can give the clearance for someone to be appointed a Commissioner of Affidavits or a Justice of the Peace.

I cannot fault that requirement, and I do not want to override it because we have had cases before the courts with fraud involving Justices of the Peace; we have had cases before the courts involving allegations of impropriety against Commissioners of Affidavits; and the role and function they perform—albeit for a small pittance—in the administration of justice and in society as a whole, is a very, very important one.

The Commissioners of Affidavits—I mean, in San Fernando you have them on the Promenade with a little bench and people go to them, whether you want to do a deed poll, a name change to apply for a visa under a different name; whether you want to do a land transaction; whether it is an affidavit that has to be filed as sworn evidence in a court of law—with the JPs you have the questions that arise with respect to bail and tampering of documents and forged documents. So that because of the history and the experience we have had with these two functionaries in the administration of justice, I prefer to err on the side of caution and let the police actually do the proper background security checks.

Unfortunately, it does take a little time and I am not happy with that, but I have, in fact, written on more than one occasion to the office of the Commissioner of Police to try and get things speeded up. I have mentioned it in person as well and I have been given the assurance that they are trying to expedite matters there. So I am hoping that in the future, things would, perhaps, be expedited.

Thank you very much. [*Desk thumping*]

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I intend to, at this point, go back to Item three: “Announcements by the President.” Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards T.C., C.M.T., Ph.D.:

Senator's Appointment

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“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: ARNOLD RAM

WHEREAS Senator the Honourable Verna St. Rose Greaves 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 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ARNOLD RAM, to be temporarily a member of the Senate, with effect from 14th February, 2012 and continuing during the absence from Trinidad and Tobago of the said Senator the Honourable St. Rose Greaves.

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 13th day of February, 2012.”

OATH OF ALLEGIANCE

Sen. Arnold Ram took and subscribed the Oath of Allegiance as required by law.

TIMELY ANSWERING OF QUESTIONS

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I just want to crave your indulgence to announce that we continue, as a Government, to answer all the questions that are posed on time and comprehensively. [*Desk thumping*]

Sen. Hinds: Comprehensively? Shame! Shame!

FINANCE BILL, 2012

Order for second reading read.

The Minister of Finance (Hon. Winston Dookeran): Thank you, Mr. President. Mr. President, I beg to move:

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

The Finance Bill, 2012 as amended in the other place last Wednesday is but the articulation of the legal requirements in order to effect the proposals they were laid in this honourable House at budget time. There are many different Acts that are to be amended and are listed in the Explanatory Note.

What I would like to indicate today is, firstly, what the general objectives of these measures are and explain a few in some detail, most of which have already been placed in the record of *Hansard* in terms of some of the details. You would recollect when the budget was presented last October, there were a number of economic objectives that were outlined and appropriate measures were put in place to ensure that these objectives can be realized. Not all the measures are incorporated in the Finance Bill. Many do not require changes to the Finance Bill. Those that do require changes in the Finance Bill are now enumerated and are before this honourable House. They were meant to achieve three broad goals. One: to continue to facilitate the expansion of the economic space within which the economy works; two: to attempt to introduce measures for compliance that will broaden the tax base and at the same time would improve the efficiency with which such taxes are to be remitted. Thirdly, measures of a social nature were included in the Bill.

In the first instance, the Bill makes provisions for the payment to members of the protective services of a special duty allowance and, secondly, moves one step further in our goal to establish a universal pension plan for Trinidad and Tobago. Those are the measures that have been enumerated in the Finance Bill, 2012.

Let me, rather quickly, go through some of these clauses and their objectives. In terms of widening the economic space in which we operate, among the measures that were laid in this honourable House and require legislative approval were two. One has to do with allowing certain additional allowances with respect to encouraging the exploration of oil production. That matter is not reflected in the Bill because it was, according to the law, indeed, implemented by Order shortly after the Parliament had given the approval for the budget.

12.00 noon

The other measure had to do with the question of the stock market. And, with an attempt to increase the activities of the stock market which is an indicator of economic life in the country, we proposed a new window to be opened for small and medium-sized businesses. And, to do so, we suggested certain criteria within which such enterprises would qualify to enter into the stock market and issue whatever is required in order to raise funds. And, to do so, an incentive was placed in the budget of reducing the tax for the small and medium-sized enterprises from the current levels to 10 per cent. That measure is now reflected in the Bill before us.

On the issue of compliance, there are a number of provisions that were outlined in the budget debate. With respect to the gambling and betting industry, Part III of the Bill clause 3 of the Bill seeks to increase the penalties under the Gambling and Betting Act. This has two objectives: one is to widen the income tax base of the country, and also, at the same time, to establish some form of regulatory compliance with respect to that industry. We understand that that industry has been left largely outside the realm of the tax intake in the country. Penalties have therefore been increased to \$250,000 in the case of those who would not comply with the requirements of the Act.

Mr. President, with respect to the value added tax, we recognize that there have been many loopholes and leakages that need to be dealt with and in that respect, a number of measures were outlined to effect that particular provision. One such measure is that the threshold for the registration of companies, which existed at \$200,000 has now been raised to \$350,000. This, we believe, would be able to allow smaller companies not to go through that process at this stage and would be less of a burden on persons. The Income Tax Act Part XIV of the Bill, Clause 8(1) make amendments along these lines.

In addition to the VAT provisions, we have introduced other measures aimed at increasing the capacity for the Board of Inland Revenue to enforce tax collection. There are many provisions. I would not go into the details here. They are outlined in the Bill and have been explained in the Explanatory Note and would have already been placed on the *Hansard* record, so, I do not think I would go through the details. If there are any questions we can certainly answer them.

They have also introduced some variations with respect to the Green Fund. The Green Fund, as you are aware, has been put into place to encourage sustainable development and community involvement in protecting the environment. Last

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year, we expanded the scope of those who were eligible to access the Green Fund by attempting to encourage more community groups to do so. This year, we have gone one step further, and have recognized that the issue of community awareness and education should be placed to access the Green Fund as it represents improving the environment within which the issue of environment can be dealt with. So, we have added some additional measures to include that. That particular provision has been requested by many non-governmental organizations that would like to get more deeply involved in the issue of protecting our environment and making the country and the communities aware of what is required.

Mr. President, I indicated that, apart from these compliance measures in the field of the betting industry, we have been looking at the issue of our fuel subsidy, and there were many who have argued that the country cannot so afford. We have taken the position that we must exhaust all avenues by which we can in fact reduce that subsidy. And, we recognize that over the last year or two, there has been a loophole that has been exploited by those who were purchasing fuel at subsidized prices and re-exporting it.

In order to stop this practice, or at least influence this practice, we thought we should address this issue in two ways. Firstly, by setting the administrative machinery that is required in the administering of that subsidy programme. The Minister of Energy and Energy Affairs has been engaged in putting the administrative arrangements in place, in order to prevent the exploitation of that illicit activity. On the other side we have increased the penalties that were attached substantially for those who violate the rules with respect to the fuel subsidies.

Both of these measures, we hope, will contain the growth of the illicit trade and would allow the Government to have more access to the revenues coming out of the petroleum industry without this illicit trade. Those measures are outlined in the Bill. My understanding from my discussions with the Minister of Energy and Energy Affairs is that this matter has already begun to show some rewards and, perhaps, in this debate, he may give some more details. He indicated to me that in the first three months, \$90 million of illicit trade was in fact stopped by this measure.

You would recognize that those who asked for the fuel subsidy to be removed would now begin to see—when you look at what is happening worldwide and what has been happening in Nigeria and elsewhere—the wisdom of this Government in dealing with this issue in a manner that will bring the same results by more and better legislation. [*Desk thumping*]

Mr. President, I would like to go on to some of the issues with respect to on the pension system. We have been very concerned about developing, for the medium and long-term, a pension system in Trinidad and Tobago that is sustainable, that is secure, that is integrated, so, that over time, we would be able to provide adequate coverage to our senior citizens. We started earlier on by increasing the old-age pension, as it is called, to \$3,000. There was much sound and fury about that, saying it should have been increased to a wider net. But, our objective now is to build, systematically, a sustainable pension programme, one that would largely be funded, as opposed to being dependent for all time on the Treasury commitments.

Having done that in our first step, we began to look at the issues relating to fundable pension programmes, and the National Insurance Scheme, clearly, is the single most important one that we have in our society. To that end, we requested an actuarial review to be done, a special one, in order to see what is possible in increasing the pension of NIS recipients beyond the current \$2,000 level. That work, having been done, it was recommended that it is possible for us to increase the contribution from \$2,000 to \$3,000 and this Bill gives vent to that as we continue to provide more protection for the senior citizens of this country. [*Desk thumping*]

In our pension reform programme, we had indicated that we are looking beyond that. At this point, we have asked those who we have engaged to look at the pension scheme in Trinidad and Tobago to consider the possibility of including the self-employed into this programme in due course. My understanding is, depending on how it is measured, somewhere between 50 per cent and 70 per cent of our population receive some form of pension support. We intend to make that nearer to 100 per cent over time. But, we are dealing with this in a manner that will be sustainable, so that we will not put at risk the capacity of the Treasury to fund this programme in the long term. You see, this Government, while it deals with the problem of today, is also concerned about putting that problem in the context of a solution for tomorrow and beyond. [*Desk thumping*]

That is why I wanted to explain our approach to the pension reform process. The first step, we did in the 2011 budget. The second step we are doing in the 2012 budget. As we continue this process over time, we hope to add more coverage and at all times ensure that there is sustainability. We have laid the report as required by the Act, on this matter, before this honourable Senate outlining the basis for it.

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12.15 p.m.

I consider, Mr. President, that this is a measure that has to be viewed in the context of creating a society that will provide for our senior citizens on a permanent basis. As events develop, we hope that we can, in fact, deal with all the issues pertaining to total security.

But, even with the measures we have taken, there are times, at which, some may find themselves at a slight disadvantage, and we have made provisions in the Bill to ensure that anyone whose net income—because of the interaction between the old-age pension and the national insurance pension—is less, will not be so deemed, and we have made provisions in the Bill to ensure that no one will be less advantaged because of this proposal.

We have also included a provision to change the way in which pensions are calculated in the municipal corporations, in order to allow for a better pension, based on the fact that the calculation of that pension was, in fact, working against the public officers, and provisions have been made to deal with that as well.

There are two measures that we have introduced in the Bill before us, which I had announced in the budget debate. To some extent, they are incentives but they are incentives with the view of enforcing compliance. One has to do with a documentation that is required by the Registrar General to charge a fee for all documents registered as a deed, or rather—let me go back.

Stamp duties were required by companies which were registered and many of them have not paid. And what we have introduced in the Bill is a waiver of such fee for a specified period of time, indicating a time limit after which we will be able to enforce it. We have also done that with respect to those who have contributed to the NIS pension. We are advised that 2, 000-plus contributors do not meet their obligations. Therefore, we have decided, in the Bill before us, to waive the penalty associated with such payments, but for a specified time, and increase the penalties beyond that special time. So, it is a measure by which we will create the incentive for people to comply, and then create the system by which compliance will become more possible in the long run.

In addition to that, Mr. President, with respect to the issue of assignment of rights for the Clico/BAT Pay-out Programme, there is a fee of \$100 that has to be paid, which the State has to pay. So, we have sought the approval of this Parliament for that to be waived because it amounts to the State paying it. It goes into the Consolidated account, and then the transfer takes place thereafter. So,

there is a provision to ensure that those assignment of rights and those fees, which would have cost us a cash outlay of \$2.42 million, will not be required. We have, of course, also introduced additional fees with respect to companies operating in the energy sector.

Mr. President, the end result of these measures, as I indicated to you, is aimed at three things. We are persistent in our pursuit to widen the space in which the economy works and the Inland Revenue receives its funds. We are committed to the principle that the Government must pay all those citizens it owes, but all those who owe the Government should also pay. And that is why, during the course of the last year, we were able to meet the commitment, substantially, of all the creditors that existed. I believe, as I speak, VAT refunds are now current. It is something never seen before in Trinidad and Tobago. [*Desk thumping*]

A large part of the contractors' claims has been settled and those that remain unsettled are being dealt with, but by proper verification processes. There is still some noise in that respect, but we have set up a system to verify these claims. Many of these claims were dealt with. I do not want to go into the small politics but many of these claims were given without proper authorization, et cetera. But, we, as a Government, had to honour all claims that were made by the previous government, whether we agreed with it or not, as a matter of financial principle.

Mr. President, we have also largely regularized the outstanding commitments that the Government had given with respect to guarantees and so forth. It is no wonder that in today's world, it has been recognized that when the balance sheet gets out of order, then the country will find itself in problems that are difficult to navigate. This clearly is what is happening worldwide. This clearly is what is happening in Europe. And, in spite of our desire to provide fiscal deficits to be able to support growth initiatives, it was necessary, first, to clean the balance sheets.

For that reason, Trinidad and Tobago has been recognized by all those commentators who look in detail at these things, as a country that has in fact been able to put its house in order. In fact, the most recent report that was circulated by one of the international firms said, when it comes to the balance sheet, Trinidad and Tobago is today, a clear winner. [*Desk thumping*] But getting the balance sheet in order was not enough; it was absolutely a necessary requirement to set the conditions for growth. And, therefore, those who were arguing that you had to create growth in an unbalanced financial situation, were wrong.

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I said it then and I say it again, we took an approach to dealing with the resumption of growth in this country by dealing with the core problems where it mattered, and we had to put the balance sheet—and there are three balance sheets: the balance sheet of the public sector; the balance sheet of the central government and the balance sheet of the national economy. We started our economic programming by trying to put these things in order because once they are in order then we can now move on to the resumption of growth—they are requirements to that.

We see what is happening worldwide. We see in the streets of London, public servants are facing a reduction in their pensions. In Trinidad and Tobago, we are sustaining and building more pension support in our Government. [*Desk thumping*]

We see, Mr. President, in Spain, the young people are demonstrating because almost 40 per cent have been classified as unemployed. While we continue to have challenges in this respect in Trinidad and Tobago, we have largely maintained our employment levels. We see that some countries, particularly in the Far East and in the East, are now facing the prospect of inflationary changes, which undermine a country's well-being. In Trinidad and Tobago, we have been able to maintain moderate levels of inflation.

We see, Mr. President, societies—wherever they are and more particularly in Europe—faced with their bonds, value being eroded. As we speak, in the discussions that are taking place in Europe today with respect to the Greek situation—which remains a very protracted one—the bonds that were issued, now would only be redeemed at a value of less than 50 per cent. Here in Trinidad and Tobago we were able to get into the private sector when there was market failure, redeem the bonds, and we shall be doing so at a level of around 90 per cent.

I say that, if only to say that the method by which we have been able to put things in order has been one that has created a systematic approach, but now we must move on to using that for the purposes of generating economic growth for the purposes of dealing with the issues of income inequality and for the purposes of ensuring that we can have a sustainable growth. Trinidad and Tobago remains a country with a relatively high per capita income. But, it has been difficult to be able to create the environment that would immediately bring about the investment.

I say, with some confidence now, that that is perhaps where we are. That is why in the last budget in which these measures were first enunciated, we had indicated then that the budget required a certain amount of investment: public investment,

private investment and energy investment. On all three fronts, we are beginning to see some results, sometimes a little slower than I would like, but some results. But, it is now necessary to put into the economy that investment in the public sector, in the energy sector and in the private sector.

What I can say now is that having put into place the policy framework, having set the compass right, the direction in which this country is moving is the right direction. [*Desk thumping*] And that will now require us to put the other pieces for the resumption of growth. I have no doubt that we will begin to see a growing confidence. We will begin to see that the excess liquidity in the banking system will find proper homes, and those homes will be in the business sector that will create jobs, and will be able to enhance the programme. This has been one of the challenges that we are faced with.

We are aware, Mr. President, that we must not look at the future on the assumption that our comfort today will be one that we will always have. The world is an uncertain world. In fact, what we have seen is that the uncertainties of the world have created many of the problems for us and for others. We know that the Caribbean countries are now involved in a major effort to regain their balance sheet stability.

12.30 p.m.

This weekend I was in Suriname attending a meeting of the Caribbean countries which were engaged in seeking support from the Inter-American Development Bank (IADB). It was very clear that they had to get their balance sheets in order and we intend to work with them. It is important to get the Caribbean economies back in order; that is a risk we face because much of our goods are, in fact, sold in these markets and, therefore, it is important for them to move forward. There is some light ahead. With respect to Guyana and Suriname, there appears to be a resurgence of sustainable growth, and the rest of the Caribbean is still to find the right place to deal with that. Beyond that there would be risks as to what would happen globally and how it would transit to us.

I say the picture today is one that we can feel comfortable about; I say so with the full knowledge that we have got to anticipate the risks ahead of us and navigate this economy, so that we can go around the clouds. What I can say, Mr. President, as I sit here as Minister of Finance—coming to the end of the second year in office in this Government—is that I know we are in a better place economically and financially than we were two years ago. [*Desk thumping*]

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I also know that we have got to build upon that quickly because the expectations of our people require quick and immediate results. Even the Opposition wants us to provide results for the things which they have done during their time in office. We understand that sense of expectancy and we recognize it. This would come, Mr. President, as we bring a sense of confidence back to Trinidad and Tobago, as we encourage the right investments to take place; as we mitigate on the risks ahead of us; and as we put these measures that we have outlined here in place.

You would notice that there was a lot of innovative thinking that went into the articulation of these measures—much legal work had to be done. I take the opportunity to say a special word of appreciation to the legal people, both in the Attorney General's Office and in the Ministry of Finance, for the work they have done to bring this Bill before us today. [*Desk thumping*]

We introduce in this Bill—and I see Sen. Helen Drayton is here at this point in time—two measures which she was very passionate about during the budget debate. I hope you would be very happy to see that we have honoured what we said about introducing the two measures; one with respect to the stay of proceedings and the other with respect to laying in Parliament the three-month report which would be in the courts. Both measures have been included in this Bill.

I want to thank Sen. Drayton and other Members of the Opposition who had made this point during the debate, in the late hours of the night. I remember they insisted that that should be so, and we agreed that it should be so. As we answer all your questions in Parliament, we also ensure that any obligation we make here, we honour in our subsequent—[*Desk thumping*] Those measures are in the Bill, and I look forward to the support of all the Members of this Senate as we come to the end of this legislative part of the budget process.

I want to make the point—I have made it twice before—that we need to review this process because I think it helps in delays, when it takes so long to convert budget proposals into law. It is required by law and procedures, and that itself is a source of delay of action. Apart from that we may find that we keep debating the same issues throughout the year. I would like to be in a Parliament that every time I come into it we discuss new issues, about a new future, and about a new Trinidad and Tobago.

I thank you. [*Desk thumping*]

Mr. President, I now beg to move.

Question proposed.

Sen. Dr. Lester Henry: Once again, Mr. President, thank you for allowing me to make a contribution on an issue, of course, that I am quite familiar with, in response to the hon. Minister of Finance and his continued positive talk about what the Government is planning to do, and the possibility that somehow the country is in such a wonderful and much improved financial and economic position, without providing any significant empirical evidence of such. [*Desk thumping*] And his continued insistence that he is laying the platform and we are still waiting for it a year and half now—that has to be a fairly significant platform. [*Desk thumping*] If the Minister could give us some indication as to when this foundation would finally be in place—[*Desk thumping*—it might be nice, because he cannot yet deliver on any positive economic growth, which is his main mantra.

Sen. Cudjoe: Blue skies.

Sen. Dr. L. Henry: And every time the Minister seems to talk about blue skies, rain starts falling shortly after. Yes, and I feel sometimes it actually falls directly upon the Minister. You see, we are facing a situation where the Minister is tinkering here and there with issues in the economy, and I want to congratulate him for finally introducing his first revenue generation measure. Remember what I said about the Minister in regard to that, and my now popular comment about nailing jello to a wall? Remember that? But the Minister has actually come with a revenue measure—[*Interruption*]

Sen. Al-Rawi: What is that?

Sen. Dr. L. Henry:—increasing fines and fees.

Hon. Senators: Aaaaaaaah!

Sen. Dr. L. Henry: Yes, that is the big measure. So the Minister is depending on persons to break the law to increase revenue. If we have a nice law-abiding situation—nobody steals the diesel, and so on—we get no additional revenue, that is the big plan; no other significant announcement in terms of any revenue generation once again. Much of the stuff, in terms of implementation that the Minister correctly said—I agree with him on this one, in terms of the delay, I understand that is a significant problem in the system that you have to deal with, but much of it is about more spending. They are just measures to actually give the green light to go ahead and spend some more. It is a commitment in the budget, so you have no choice, you have to implement it. No problem with that, but again we are left with a situation where we wonder when and where one, the economic growth would come from, and two, where the significant areas of revenue generation are in the future.

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Now, Mr. President, I would like to deal with some of the issues raised by the Minister, especially towards the end, where he deviated from the actual Bill and talked about our economic prospect. I would like to do so in the context of the statement of the IMF mission to Trinidad and Tobago that was put out just recently, in fact, it was dated February 10, 2012.

Sen. Cudjoe: Four days ago.

Sen. Dr. L. Henry: The IMF team was here last week, I met with them and as they do, they met with Government and the Opposition. It is quite interesting. One of the things I want to do today, and hopefully do it with some degree of certainty and finality, is to dismiss this notion that somehow these IMF persons have some kind of information, knowledge or wisdom that we do not have here, and we depend on them and quote them.

Sen. Ramnarine: “Whose notion is dat?”

Sen. Al-Rawi: Commonly held.

Sen. Dr. L. Henry: Commonly held.

Sen. Ramnarine: By whom?

Hon. Senator: PNM.

Sen. Dr. L. Henry: Ask your hon. Minister.

Sen. Cudjoe: Forget them, talk to the President.

Sen. Dr. L. Henry: Direct the question to the Minister, okay? First to begin, because much of the blue skies—the first thing in the brief summary report is that it is very, very complimentary to the Government and the economy. It is very, very complimentary; the report is generally positive, so I am not sure why you are getting discombobulated.

Sen. Cudjoe: Do not be distracted by seagulls.

Sen. Dr. L. Henry: “Yuh will get yuh chance.” The report is quite complimentary.

Hon. Senator: You are impressed. [*Desk thumping*]

Sen. Dr. L. Henry: Actually, no. Yes, I am impressed by the lack of information that it has—[*Interruption*]

Sen. Al-Rawi: “Ay-ay-ay!” [*Desk thumping*]

Sen. Dr. L. Henry:—and the completely dated—the report seems to be dated, written about a year ago, no up-to-date information, and these people clearly do not understand what is taking place in this economy. Clearly, because—
[*Interruption*]

Hon. Senator: Tell us why! Tell us why!

Hon. Senator: “Dey did not write what you say. Dey did not write wat you tell dem.” [*Laughter*]

Sen. Dr. L. Henry: When I finish you will know. [*Interruption*]

Sen. Ramnarine: “De man is attacking de IMF.”

Sen. Dr. L. Henry: “Yuh serious?” Okay. What is happening? The Minister talks about growth—first to begin in all seriousness, the IMF team was made up of some junior technocrats who did not know much about anything, okay? I am very serious.

Hon. Senators: Oooooooh!

Sen. Dr. L. Henry: Yes, some junior technocrats who they sent down here, very insulting.

Hon. Senators: Tell us! Tell us!

Sen. Dr. L. Henry: In fact, lack of statistics, very little knowledge and you have to remember that the IMF basically—those persons do not live here.

Sen. Al-Rawi: “Yuh cannot blame dem, they did not have the statistics.”

Sen. Dr. L. Henry: Their reports are only as good as the information they get from us—[*Interruption*]

Sen. Al-Rawi: GIGO—garbage in, garbage out.

Sen. Dr. L. Henry:—and these juniors actually tried to talk down to the people. [*Interruption and crosstalk*] I have no problem with that. Juniors who I would have probably taught in the University of Massachusetts, and all over the place.

Sen. Cudjoe: Yes, tell us why. Go ahead.

Sen. Dr. L. Henry: In fact, I had to deal with them. Once again the IMF has projected positive economic growth—let me just start with that, then I will move forward—of 1.2 per cent—I believe it is the future they have quoted, or—sorry, 1.7 per cent for 2012, that was what they quoted in the report. I asked, “What are you basing this generous prediction on?”

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I said, “For example, do you know there is potential unrest in the energy sector taking place right now?” Comrade Abdulah, I am sure, would be quite aware of this. The union is threatening to shut down Petrotrin for three months, which could affect significantly the output in the energy sector and diminish any prospect of serious—[*Interruption*].

They looked at me in shock, like, where did you get that? You did not read the newspapers this morning? [*Interruption*] And other projects—I will come back to that energy project after.

The summary report that they wrote after they left claims that growth is estimated to have contracted by 1.3 per cent in 2012. Again, that is not the final figure. That is still a provisional figure. When the final figure comes in, it may be a little more embarrassing.

Hon. Senator: Is that 2011 you are talking about?

Sen. Dr. L. Henry: 2011, yes. They always project positively. When the Minister first came in, in 2010, lest we forget, growth was projected to be positive 2.5. It is in the budget statement. He reduced it to zero and claimed that he was turning the economy around. He certainly did.

However, that is another revised number because as at November/December, the Central Bank was reporting 1.4 per cent negative growth and the Minister quoted that figure here in one of his earlier presentations. I am not sure how it reached to 1.3. Maybe we can clarify the difference. Maybe somebody has better information. This is a changed figure and by the time of the next presentation, they may have 1.1 per cent. They may shift. While unemployment has increased during the period, it has remained low, 5.8 per cent. That is the last official data available from CSO. It is on the Central Bank website and technically it is the only one that can be quoted legitimately.

We are into 2012, where is the data? The hon. Minister might provide a clear explanation when he makes his contribution—the Minister of Planning and the Economy.

This is pre-state of emergency data. No mention is made of the consequences in the latter half of the year, so you can walk away and say, a little bit of positive there, 5.8 per cent unemployment because the figure for the last quarter of 2010, the last quarter, was above 6 per cent; 5.8, but we all know what happened after.

So we have all the anecdotal evidence and preliminary ideas in terms of what we know happened since August of last year, with the cut in working hours all over the retail sector and, even in the energy sector, the number of work hours were down. We are hearing that, under the state of emergency, persons who would normally take one hour to get home were leaving three and four hours ahead because they did not want to risk being arrested, and so on.

We know that we cannot expect any dramatic increases in the second half of 2011. It would be very surprising if this unemployment data were to be sustained at that level. It is quoted in the article without any reference to the time frame. They are quoting the figure as if it is a “today figure”. Read it. They are not saying it is year-old data, almost.

The mission, in its statement about the economy agreed that the near-term focus of fiscal policy should be reviving economic activity and timely implementation of the investment programme. We have been saying this all along. All your bottlenecks; your haste in appointing state boards and, even when you appoint state boards, the number of incompetent people you put there, they cannot get the projects done. This should be a priority.

One of the problems, we understand, that keeps happening in certain state-run enterprises is that the professional people are evaluating bids, tenders and so on; the phone rings and they say, “Yo, you see bid number 5, that is the best one. I know that bid; that is the fellow for the job.” Phone goes down.

Chairman of the board: “You see bid number 4; that is the best bid; that is really technically sound.” This is what is happening in state enterprises and they cannot come to any decision as to which friend to award the contract. This is what is happening. *[Interruption]* Well, what is happening? Explain the delays. Even when the funds are allocated for the project, you find major delays with money actually in place to be spent and still nothing is happening.

Another issue that the report raises is something I mentioned before and is a very critical issue for the country. This is the issue of the increase in non-performing loans. They said that was an issue and I said: “since last year”.

The non-performing loans by themselves are not a major threat to the economy, with the slight increase to 7.5 per cent; that alone is not a threat. What is the big issue is the evidence of Government defaulting and Government guaranteed loans, which I raised before, and the Minister did not quite give me an accurate answer as to whether or not it was true. All available evidence points to the fact that the Government has defaulted on the eTecK loan and what is interesting and perhaps more detrimental to the financial system is:

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- (1) If there is a cross-default clause in the Government borrowing, what signal is that sending?
- (2) Potential investors .

I warned about the possibility of the ripple effect in the financial system, eventually leading to a downgrade.

If the Minister could clarify whether the Government has rectified that situation or never defaulted on any payment to e TecK on the e TecK loan or other Government guaranteed loans, then I wait to hear and I would be quite happy if I am wrong. This is a major issue but it has been out there. That is what we have to deal with.

Now, the issue of non-performing loans is also an indicator of continued problems in the real estate sector in some areas and the banks have to put aside money to cover these loans but, thankfully, they are awash with liquidity and they can handle these things. However, there are a few major banks with large exposures, which could be a threat to the financial system, even though it is not getting much public attention.

The report goes on to talk about the energy sector, briefly mentioning key challenges in the energy sector, a projected depletion of oil and gas reserves and uncertainty in the gas market as a result of shale gas. Again, nothing new that any of my students at UWI could not have said.

Notice that no mention was made of the potential industrial action that could take place and, to some extent, is already happening because workers have walked off the job. I am sure Comrade Abdulah can enlighten us more on that. He knows the industry much better than I do, and the union as well. His comrade, Ancil Roget, Bro. Roget, is quite boisterous in his attitude towards industrial action and particularly opposed to privatization, something the hon. Senator spent a great deal of his career fighting against, and threatening that they will not support any privatization of Petrotrin or Trinmar or sections of it.

The same union that produced two leading Government figures is taking on the Government now; at war with the Government on this issue. They are finding out, the hard way—just like the *Newsday* who played ball—that you must never play bite-for-bite with an alligator. The hard lesson is, once you are playing bite-for-bite with an alligator, you never give him the first bite. That is what they have done, so they are finding themselves short of a length. Once you give the alligator the first bite, that is it for you. Game over. We are facing a situation now where our energy sector could be severely undermined.

Further, we had declining projections for the production of oil. We have talked about that in this Chamber several times. If you look at the data for the first three quarters of 2011, the real economic sector, based on the monetary report of November 2011, the numbers were already not impressive for 2011.

- crude oil exports, 13 billion—January to September 2011;
- when we come to September 2011, the corresponding period, 10,705 million, a significant decline;
- natural gas production, 4,359 for January to September, 2010; 4,194 for January to September, 2011.
- LNG production—the units are not that important; it is the number to show that we were already on a declining trend—2,291, January to September 2010;
- January to September 2011—2,196;
- Fertilizer production, 4,712, January to September 2010;
- January to September 2011—4,439.9.

1.00 p.m.

Sen. Oudit: What unit of measurement is that, please?

Sen. Dr. L. Henry: Well, each one is different. It is MMBtus and some of them are in tonnes. I just want to save time. The point is to show that however you measure it, it has decreased. [*Crosstalk*] It does not matter. It is irrelevant. The point is it has declined. It is the quantity.

Fertilizer exports, 4,567 tonnes for January—September 2010. This is in tonnes, if that makes you happier. So, the trend is quite clear. That is for the first nine months; comparative from 2010 to 2011.

So, we see a situation that points to negative growth all the way. There is nothing really positive here. If you are without the numbers, then argue with the people who produce them, but this is what we have. And, of course, we had things like cement sales falling as well, but we had an expansion in new car sales.

When we get to private sector credit, a meagre expansion of .1 per cent. Consumer lending went up in the comparative period in 2011 as opposed to 2010—January to September—by 3 per cent, but consumer lending, of course, is not a conclusive sign of any positive economic news in the sense that people

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could be borrowing more from the banks, because they are optimistic, or they could be borrowing more because they are broken. They just do not have the income. So, that in itself is not a positive sign. You cannot take that in itself.

If you go to business lending, it continues to contract for the first nine months. Again, we are not even factoring the full effect of the state of emergency, because you cannot hide from it. So, you have business lending contracting by 5.1 per cent in 2010 from January to September, and also in the corresponding period for 2011, contracting by 1.4—negative again. So, this is what we are facing while the Minister continues to talk about laying the foundation and returning the country to positive economic growth. We are not necessarily seeing any empirical evidence, as I said, and I started to make my case at the start.

What is it based on? Now, one of the things that the Minister mentioned, as he usually does, is the Clico matter and the plan that is being implemented as we speak. I always touch on this in response to the Minister, because it is his main project as far as I am concerned, and his main boast of finding a solution to something. So, the Minister talks about the Clico project and the plan as is being implemented.

My understanding is that with the Clico plan—while it is being implemented and people are getting their bonds—the banks have already started to break the agreement. The Minister mentioned 90 cents or 90 per cent but, really, the agreement, based on what was mentioned by the Minister and what the bankers have said, was for 80 cents on the dollar, but what is happening now is that the banks are actually offering more.

The fact that the bank is offering more than 80 cents is not necessarily the problem. The question is, why? I am sure Independent Sen. Subhas Ramkhelawan has the answer to this. Why are they doing it? Why the banks said, “Well, what we could afford is something around 80 cents to 81 cents on the dollars to make money.” Why are they doing it? Have the market conditions suddenly changed that much?

There are a number of explanations, I will offer two. There might be a third one, and we might possibly hear it later, but I will offer two. One is the absolute fact that there is nothing to invest in. There is nothing happening in the economy, and there is nothing to invest in, so people are grabbing, and in the context of over \$5 billion in excess liquidity in the system, people are grabbing at any kind of investment instrument. They have to put the money somewhere.

So, there is no real economic activity going on to generate any kind of array of investment prospects; as the Minister himself said, “Well, the excess liquidity is there for the private sector to utilize.” Is it somehow by magic? The fact that they have failed to do so consistently over the years has to be a matter of concern. Really, there is nothing to invest in. So the big institutional investors have to buy something. They have to buy some kind of paper, because they are sitting on billions of dollars.

The second explanation that I would offer would be a little bit more controversial but, again, we have to face reality that this plan and the issuance of the bonds have opened the door for significant potential money laundering. This is something we have to face. In fact, the issuance of these bonds could basically have created a beehive of money laundering in the country. It is an issue we have had problems with over the years.

We understand our problems with the FIU and the point of being sanctioned and so on. We were not taking proper steps in these areas, and we stayed very late nights to give the Government the okay to go ahead and attend the meeting as Sen. The Hon. Brig. Sandy did, to straighten out issues with the FIU, and nothing is wrong with that.

Again, this bond issue may have had the consequence of bringing out all of this unsavoury activity in a massive way because, when people get their bonds and they say, “Well the commercial banks are supposed to paying 80 cents or 81 cents”, and somebody calls you up and says, “Well no, no, bring it to me, I will give you 88 cents or 90 cents on the dollar”— people who are not necessarily licensed financial institutions, what is happening there?

Now, the FIU comes into the picture again because when the hon. Leader of the Opposition raised the issue—not only raised it but insisted on keeping it alive—in the public domain, many people accused the hon. Leader of the Opposition of exaggerating and of making a big deal, but many persons missed the significance of what Dr. Rowley was trying to say, and that is the FIU is a critical institution. These transactions would or should, by law, generate suspicious-transactions reports. [*Desk thumping*] They were supposed to come back to us with the FIU since April last year.

So, these activities would have to generate suspicious-transactions reports. Under the law, if we are to be compliant with FATF and so on—and we have spent a lot of time talking in this Senate about that and the work of the Minister of National Security—these things should be generating these reports. At least, the banking sector should be filing something; the compliance officer in the bank. Where does it go? It has to go to the FIU.

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If we do not have confidence that there is somebody in the FIU or the FIU is functioning enough to a level that you could actually trigger, at least, an investigation, it might be difficult to take it all the way to a prosecution but, at least, generate some kind of investigation.

I am saying that when the time comes, down the road, we could find ourselves being threatened again sometime later this year. Just as we have slipped in the freedom of the press rankings, we might go down even further. So, there is more evidence of the country going in the exact opposite direction that the Minister is talking about. That is why I think I needed to clarify the point—a proper functioning FIU with someone who appears to be able to be serious about carrying out the job.

Again, I am certain Members on the Government side will jump up and say, “Well, you did not do this back in 2007 or whatever.” And, okay, even if you are right, are you going to keep on doing the same thing? Is that what you understand to be good governance? What we have here are a number of issues that deliberately contradict and expose the fallacy that the Minister is trying to convince us that we are heading in any positive direction.

Also, the CSO has put out data. I quoted data from the Central Bank for the first three quarters of 2011. If you look at the data, it is already bad enough, but I urge the Minister and the Government, in general, and for the benefit of the population, to look specifically at the third quarter data, and it is not a pretty picture. Of course, the third quarter, ended September, would have started to see the effects of the mismanagement of the economy, especially the destruction of any positive economic activity under that infamous state of emergency. So if you go back and look at the data, the changes in the third quarter in some areas are frightening. So, I am waiting to see what is going to happen with the fourth quarter.

Assembly-related products are down from the previous quarter. That is the manufacturing output index—significant changes, negative 494 per cent and so on. There are very, very, frightening numbers. I am not going to bother to go through all of them, but they are there. You can get the information right there at the CSO website—the production data for the third quarter of 2011—and you will see that, once again, as expected, we will not be looking at any rosy picture, and the Minister would be more circumspect in terms of his positive outlook.

1.15 p.m.

Mr. President, once again as I—[*Interruption*]

Hon. Senator: Wind up?

Hon. Dr. L. Henry: Yes. As I conclude, I want to assure the Minister that we are not here to play along with his flight of fancy, we are here to tell the population the truth. [*Desk thumping*]

Hon. Senator: “Yuh know he eh say nothing about de Bill as yet.”

Sen. Dr. L. Henry: We are here to set the record straight—[*Interruption*]

Sen. Cudjoe: That is right. [*Desk thumping*]

Sen. Dr. L. Henry: —and not fall for all kinds of gibberish. [*Interruption*]

Sen. Beckles: He is responding to what the Minister said.

Sen. Dr. L. Henry: I am responding to the Minister. [*Interruption*]

Sen. Beckles: Ooooooooooh! Well then the Minister did not speak on the Bill either.

Sen. Dr. Tewarie: You think you have set the records straight, Dr. Henry?

Sen. Dr. L. Henry: Yes. The point is, anytime you ask anybody in this Government if they know anything about anything they say, “No, nobody told us.” [*Interruption*]

Sen. Cudjoe: “Everybody doh know.”

Sen. Dr. L. Henry: “Everybody doh know.” [*Interruption*]

Sen. Cudjoe: When they were in Opposition they knew everything.

Sen. Dr. L. Henry: “We didn’t know that. We didn’t know that.” I want to remind hon.Members on the Government side that there is a saying in Washington: Never believe anything until it is officially denied. That is a standard rule in politics. We see it happening here, people saying one thing, talking about—[*Interruption*]

Sen. Moheni: [*Inaudible*]

Sen. Al-Rawi: “Yuh wake up?”

Sen. Cudjoe: “You now wake up, okay.”

Sen. Dr. L. Henry: I must say, I admire the fact that they all listen very attentively. [*Interruption*]

Sen. Cudjoe: Yes.

Sen. Beckles: Good contribution. [*Desk thumping*]

Sen. Dr. L. Henry: At least, I think they appreciate the fact that they could be told the truth and it is good, but I do not hold out much hope that they would change anytime soon. Because, what we have in terms of actual policy and what is not being implemented—I cannot say what is being implemented—is clear for everyone to see; that we are going nowhere economically. We continue to stagnate, and the Minister would come in his winding up and promise growth the next time he is here, and say, “Well, no, what Sen. Dr. Henry said was inaccurate and not quite solid because what he was just talking about was the foundation”—
[*Interruption*]

Sen. Beckles: The future.

Sen. Dr. L. Henry: —the future. “I am talking about laying the platform, so we could dismiss Sen. Dr. Henry’s negativism and noise”, as he calls it. But your noise is just as loud or even louder [*Desk thumping*] because you are the boss, you are the Minister, I am the Opposition. [*Interruption*]

Miss Cudjoe: He may drive a “C”.

Sen. Dr. L. Henry: It is your policies that have to get us out of the mess, and provide solid directions for the country and deliver concrete results. With those few words, I thank you. [*Desk thumping*]

Mr. President: Hon. Senators, it is now 1.18 p.m., I propose to take the lunch break at this point and we will resume at 2.20 p.m. This Senate is now suspended until 2.20 p.m.

1.18 p.m.: *Sitting suspended.*

2.20 p.m.: *Sitting resumed.*

Sen. Subhas Ramkhelawan: Thank you, Mr. President, for giving me the opportunity to contribute to the Finance Bill, 2012. The Bill, in my view, is fairly simple in what it sets out to do, which is to give legal effect to the policy initiatives as set out in the national budget. The question really is whether the legal drafting is of such order, that it properly represents the intent of the policy initiatives that have been articulated.

The Bill really seeks to address several areas which have already been discussed, and so I do not wish to spend too much time going back through those details, except to say that it addresses the question of an allowance for many

members of the protective services—the police, going back to October 2010, and other areas in terms of the prison officers and officers in the municipal corporations. There is not much to say or to add to that area. But I would like to address certain areas which have come forward in the Finance Bill, in particular the area of national insurance, as well as the area of the capital markets and the question of the SME-listed companies which have been addressed in this Bill.

Let me start by saying that the Minister of Finance and I have been friends for quite a long time, and usually when we are at odds he would use terms like “theatrics”, like he did in his winding up in the last Bill here, the Supplemental Appropriation Bill. I want to clarify for him that there would be times when, in my humble view, the interest of the country diverges from the Government and the Opposition, and when that is so I have a clear hierarchy of interest which is to support the interest of the country. If, of course, that is “theatrics” then so be it. I would prefer to be theatrical and support the interest of the country when there is a choice to be made, but if he says that I am one for theatrics, then so let it be.

I know that there are times when he suffers from serious anxiety because of the pressures of the job and, therefore, I forgive him fully for any such statements he would have made in terms of theatrics—we being long-standing friends. So let us leave it like that and move forward beyond any theatrics, whether his or mine.

Mr. President, secondly, no mention has been made of it before, but today is a very important day for lovers and those who are in love. I am sure you are one of those because if you were not, you would certainly be on the wrong end of the stick when you get home. I know that there are certain members of our community who do not accept the notion of Valentine’s Day, but all accept the notion of love and, therefore, I send out to the entire community, on behalf of the Independent Bench, our love and affection on this Valentine’s Day. [*Interruption*]

Sen. George: We give it right back to you.

Sen. S. Ramkhelawan: Mr. President, I want to speak to the question first of national insurance, and then go to the more substantive aspect of the capital markets, of which the SME is one of the areas that the hon. Minister would have touched on. He spoke to it in the context of seeking to build the stock market and the capital market. I will deal with those questions in that particular order.

The Minister spoke about the question of pensions at two levels. One was on the question in the Bill, of national insurance and raising pensions from \$2,000 to \$3,000. The second was the question of widening the net to cover pensions and contributions for pensions by the wider society, inclusive of those who were

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self-employed. One of the things that I am most concerned about, and I have raised it before in this honourable Senate, is that we do have a very significant liability as a nation that is ballooning on us, and continues to do so every single day. I raised it way back in 2010 in this very same Senate. The point was made by the then Minister in the Ministry of Finance that our value liabilities for pensions to the public sector at that time was over \$30 billion, and I expect that that figure would be increasing.

The fact is that we have not set aside funds to meet these obligations as they become due; we are actually paying for such obligations out of recurrent revenues. What is clear is that in a situation where the public sector actually continues to expand and more people get closer and closer to retirement—and this stems from way back in the 1990s and so on, when the public sector would have been expanded—we are going to come into a situation where we have to face these liabilities head-on—\$30 billion in present value terms.

While I am pleased by the evaluation that has been done by the IMF, there are blind spots that we as a nation need to address, and this matter of pension is one of them. When we look at that \$30 billion, it must be put in the context of our savings in other places. The Heritage and Stabilization Fund is something in the order of about \$26 billion as we speak now. So if even we were to transfer assets into some sort of fund to meet these obligations, we would still be short. That is the point that I am seeking to make. I think that the Government owes it to the nation, not only to speak in rather broad terms, but to bring this matter very frontally to all our citizens as to some of the obligations that we face, and to raise the issue of how we are going to address these obligations. So from the public sector end, there is much work to be done.

2.30 p.m.

I want to turn now to the question of the increase in pensions from \$2,200 to \$3,000. Not so long ago, it was tabled in the honourable Senate, a report to the National Insurance Board of Trinidad and Tobago, and it is entitled—“Special Actuarial Review Estimation as at June 30, 2005 of the Financial Impact of Changes on January 02, 2012”. This report was done by a group called CIPQPE Trinidad and Tobago Report and it is dated July 2011. What the report is saying in essence is that, of dint by this additional payment from \$2,000 to \$3,000—my understanding is that it creates a deficit in the National Insurance Fund. Of course, if that is the case, then how also is this aspect going to be made up, in terms of addressing such a deficit? One way, of course, is to increase contributions; increase the payments that we as citizens pay for the National Insurance Fund.

I want to quote this report lest I be accused of misinterpreting what is said here. In part, on page 9 of the Conclusions I quote:

“Despite the shortfall of \$3.2 billion on the total funds at 30 June, 2010, ”

It is an important statement.

“which will definitely have unfavourable consequences on the long-term financing of the system, the results obtained in this special valuation remain useful for the determination of the relative ... impact of the increase of the minimum retirement pension.”

Therefore, it seems that what we have done sets us on a path to a shortfall, in present value terms, of the fund that we have. I would like the hon. Minister, in addressing this particular matter in the Bill, to clarify as succinctly as he can, what needs to be done, and to simplify the explanation, as to what needs to be done to make up this shortfall—whether it be by way of additional contribution or otherwise. He owes it to the nation to be anything other than theatrical, to bring these facts, simplify and explain these matters to the national community. Some of us would understand it, but we do not—and we ought not—to glibly override the matter and get to the heart of the matter and address this issue frontally.

That is my concern, and I share the concern of the hon. Senator before me, not in all respects, but in respect that we are increasing expenses at a rate that is not related to or commensurate with the increases in revenues that we are generating as a nation, [*Desk thumping*] and that has great issues and consequences for us because we have not yet put forward a programme, clear and cogent, that shows that we are going to be on the path of economic growth any time soon.

We have to be a little bit careful of my friend, the hon. Minister. Any time he says we are going to get positive growth we end up in negative territory. I look forward to hearing him say that we are going to have negative growth, on the expectation that he is always wrong, because I am getting very worried.

You know, glib reports by the IMF—it is like an auditor coming to see you once in a while in a private company. He sees the balance sheet, he sees the P&L, but he does not see the rhythm of the company in terms of its ability to generate future cash flows. [*Desk thumping*] I am not going to be fooled by that, because I have often sat on the other side of auditors and know what their interpretation is, as opposed to my interpretation, understanding the ebb and flow and the rhythm of an institution.

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There is an ebb and flow and there is a rhythm in our nation, where we can boast about getting higher prices, but we have not been able to generate higher volumes of production. That is, notwithstanding all the issues of productivity or declines in productivity, declines in competitiveness. So, I do not want to be lulled. I do not want to find myself in a position of self-delusion, and then in being lulled, fall into that trap.

My friend, the hon. Minister, spoke about three balance sheets—of the economy, of central government and of the public sector—and I heard him today introduce an almost new notion, because he spoke to the private sector, and then he spoke to the energy sector, almost as though they were unrelated in any way, that it was an absolutely new sector. By that, I suppose, he meant that he was talking about the external private sector and the internal and local private sector.

When you speak to this energy sector, the external private sector, you are hearing some feedback that is worrying in some senses. One worry of course is: where is the additional gas going to come from to feed growth? I am sure my good friend, the Minister of Energy and Energy Affairs, will seek to address some of these issues, to allay the concerns of the national population, and indeed those concerns must be allayed at this point in time.

That is not the purpose of the Finance Bill. The purpose of the Finance Bill is to address and craft legislation to reflect policy, but if policy is deficient, no amount of legislation can resolve that. That is the first question I would like certainly, the hon. Minister, to address.

The second area really deals with the whole matter of building the capital market and, in particular, the stock exchange. I will address the specific clauses in the Bill with regard to, first, SME and then talk, as I said, about the wider capital market issues which the Minister has brought into the equation.

I think the intent of the policymakers—to be approved by this honourable Senate and, of course, the Parliament, as far as SME goes—is to promote smaller companies, such that they would be incentivized to list on the Trinidad and Tobago Stock Exchange, which would generate certain benefits. From the point of view of the company, it will give that company access to additional equity capital which is a source of capital for growth. That access, certainly on the Trinidad and Tobago Stock Exchange, will mean access to new equity, by accessing and building the share-base of the company. It can also mean in the new incarnation of the Trinidad and Tobago Stock Exchange, access to other capital such as bond financing, additional financing to help to grow the company.

The intent of the policymakers is laudable. The intent is one where we can get, essentially, a wider base of funding for our small to medium size companies which will give them the lifeline to grow through other instruments other than bank financing which, on its own, could lead to over leverage, and we know what happens when a company is far too borrowed—it finds itself in harm’s way, and the potential danger of being over-borrowed in a situation where markets are essentially quite volatile, and that sale levels could change on the drop of a hat.

Before I go into any more detail, let me declare my interest, in that I am also the Deputy Chairman of the Trinidad and Tobago Stock Exchange, in addition to being managing director of a securities company; so, I so declare, Mr. President, and move on. This is however, what gives me an insight as a practitioner to some of the issues that will have to be addressed in the legislation.

What is being done is that the Corporation Tax Act is being amended, such that taxation on such companies would fall from the normal 25 per cent to 10 per cent. This is the incentive that is being given to some of these small companies to list on the Trinidad and Tobago Stock Exchange.

The other factor that needs to be noted is, in order to promote wider shareholding, these companies would then be required to have a minimum number of shareholders, of at least 25. These companies, in order to benefit from the tax concession, if you will, or the tax incentive, would have to raise capital on the exchange, via initial public offering and, according to the draft legislation, to be followed by a listing on the Trinidad and Tobago Stock Exchange not less than 60 days after the allotment of the issue.

Basically, I think the intent of the policymakers is that the listing on the exchange must take place within a short period of time or, shall I say, within 60 days of the raising of such capital. I do not think that the drafting properly reflects that because, rather than saying, “not less than”, it should say “not more than 60 days”, if I understand it. I hope that the Minister would certainly consider this matter as to what is his intent. Is it that nobody should list within the 60 days and they should go out and list 30, 20, or 10 years from now? I do not mean to be theatrical, but that is what is being said here in the legislation.

I think that, if my interpretation is correct, this wording needs to be changed in order to reflect the intent of the policymakers and, by extension, when this matter is passed, the intent of the Parliament. That is the first point that I wanted to make with regard to that.

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The second point with regard to the SMEs is the whole question of share capital. The draft legislation speaks to the whole notion that such companies that will be benefiting from the tax incentive in clause 15(3) of the Bill, the, “SME listed company” is a company whose—

- “(a) minimum share capital is five million dollars;
- (b) maximum share capital is fifty million dollars; and
- (a) minimum number of shareholders is twenty-five...”

I want to make these points and put them here in the debate, because we will not have an opportunity to address these matters at the committee stage, since it is normal practice that there is no committee stage as far as these money Bills are concerned. Therefore, it is important to address it now, Mr. President.

Bear with me when I try to explain this matter of share capital. Those who would have crafted the Bill, and those who ought to know better, would know that there is a difference between share capital and capital base. If it is the intent to promote small to mid-size companies, we have to get a clear definition of share capital and capital base. You would be aware, Mr. President, that in the Financial Institutions Act, or I believe it is in the Central Bank Act, there is a definition of share capital.

2.45 p.m.

But on top of share capital there is retained earnings, and on top of retained earnings there might be the statutory reserve. What is it that we as a Parliament are being asked to accept and to approve? Let me explain a bit. You can have a situation where a company has share capital of, let us say, \$20 million, but would have retained earnings of \$100 million, so it is capital-based, that is its share capital plus the retained earnings could be far in excess of the \$50 million intended. What is the intent? I want the hon. Minister to say what the intent is? Is it that he is looking at share capital, what we used to call paid-up capital, or is it that he is seeking to promote companies with a certain capital base? I believe that the intent is to look at companies which have certain limited capital. Whether it is called share capital or anything otherwise, the intent is that if a company has \$50 million in capital overall or less than \$50 million it will qualify for this tax incentive.

I hope that those on the Government Bench understand the difference. I know that my good friend, Sen. Bharath, would understand that and I hope that he would explain it to his colleagues sitting or who ought to be sitting next to him, what the difference is.

Sen. Deyalsingh: Why Sen. Bharath?

Sen. S. Ramkhelawan: Because Sen. Bharath has great experience in agriculture—

Sen. Deyalsingh: He is the Minister of Agriculture.

Sen. S. Ramkhelawan:—and finance, both of them. So, if this matter is not properly dissected and resolved, you could have a situation—while the intent of the Parliament is to promote small and medium-sized companies, the effect is that you could be promoting far larger companies and the legislation itself could be abused. When I say “abused” I mean the legislation—the documentation and the drafting—falls far afoul of the intent of the policymakers.

So I want to bring that as frontally as possible so that we can resolve this matter before it goes forward. There are other aspects to the capital market that need to be addressed, and I raise it now, while we are at an early point in the year, because it could create dangers for us if we do not pay attention. One such piece of legislation that I would have mentioned before is the draft Securities Bill intended to replace the Securities Industry Act, 1995. On two occasions in the past two years, this Bill has come to Parliament and has gone to a joint select committee, and for various reasons—the year would have ended, the parliamentary term or year would have ended, administration would have changed—and that piece of legislation is yet to see the light of day. I raise it not because of the content of the legislation, but because there are dire implications for us if that legislation, in suitable form, is not passed before the end of this year.

I am advised that if we do not upgrade the legislation we are going to find ourselves on another blacklist, which is the blacklist of the International Organization of Securities Commissions. There are several things that have to be put into that legislation which must be in place before January 2013. So, I want to bring it very early to the attention of the Government because it has been a practice; it has been somewhat an accepted practice now that when we find ourselves in danger, we run to the Parliament and say, “Listen if we do not do this the country is going to be blacklisted and you owe it to the country to pass it and we would make the adjustments at some later stage”. I have been on the receiving end of that, and those who have been long enough in this Senate, whether they sit on the other side or not, have been on the receiving end of that. Yes, we say if we have to choose between country and any parochial side we would choose country. But we do not. We need to do the thing on time. That is what we need to do. Give ourselves sufficient time to get these matters passed. Address the matter of the legislative agenda if that be the case.

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But I put the country on notice that we have another blacklisting in the financial services sector which will come upon us if we do not move expeditiously to address the matter. And expeditiously in this Parliament could take as long as six to nine months. Because if you put a massive piece of legislation which, before, had to go to a joint select committee and had not seen the light of day coming back here, and you might have to put it again to a joint select committee, unless you rush and make the case that, the country will be blacklisted, bring that piece of legislation now put it into a joint select committee, let the matter be determined in detail so that we can get an elegant and workable piece of legislation, if we are serious about the capital market, and that is a very important factor.

But I want to make another point, which I think many practitioners and others have been deeply concerned about for quite a long time, and that is the Securities and Exchange Commission. It seems to be a turnstile for chairman and general manager. [*Desk thumping*] Every other day you look across there, somebody has gone, somebody has resigned, somebody has left to go to some other place—if we want to build capital markets there must be stability in the regulator, and there has never been stability in that regulator since the commission commenced in 1997. If we are serious we are going to have to do something about that, because we could craft any amount of legislation—we have said it over and over in other areas—if we do not have enforcement and regulatory oversight in a proper manner, “all fall down”.

So, what kind of country do we want to be? How serious do we want to be? How serious do we want to address the areas in which we have to pursue growth? Whether it be energy, whether it be capital markets, whether it be manufacturing, whatsoever, I am speaking to capital markets today. I bring it to the attention of the hon. Minister who would say that he is looking on, that this is one aspect of what further needs to be done. And I want to suggest for the consideration of the Government that there are models in other places for small nations such as ourselves, there is absolutely no need to have a separate commission.

If you look at the Irish model, if you look at the Singapore model, what you could see is all the areas of the financial services sector brought under one umbrella of supervision. In the case of Singapore you call it a monetary authority and they oversee the securities markets, they oversee the insurance market, they oversee the banking sector. In the case of Ireland you have a Central Bank which has oversight authority of all these various areas as well.

We can have securities legislation, yes, but the oversight authority can be one body. And I make that point for several reasons: one, the sharing of information can be more easily done so that where you have had—we have had breakdowns in our system, because one arm of the regulators does not know what the other arm is doing, and we have had debacles because of that. Whether it be from the 1980s where you had companies that were not licensed financial institutions and we ran to put in legislation to cover them and call them non-bank financial institutions, whether you have a far outdated Insurance Act, and because of that there was always this dancing and hiding and, if I may, ducking and running to all different places, such that at the end of the day, it is the taxpayer who is now picking up the bill of some \$12 billion because of shenanigans in various places.

Not only in insurance, but in terms of groups dancing from insurance to banking and so on, that is why it is very important that we resolve that. So, while you are talking about crafting legislation, start thinking about policy that would effect what we need to do in this country. So, I do not think that I am digressing too much from what the Bill seeks to do. I am saying that all of these strands are tied together, and if we do not look at them seriously with one oversight outlook, we are going to find ourselves in continued trouble. As the Minister is intent—and I support him—on developing the capital markets, apart from the insurance legislation, which I understand has already been tabled in the Lower House, and which again, I make a case, because of the voluminous nature of that legislation, bring it quickly to a Joint Select Committee rather than try to railroad it and ask everybody to read 200 pages of draft legislation in two or three days.

But there are other areas of concern which we have seen, Mr. President. Apart from insurance, the other area that was severely affected is the credit union or cooperative society sector. Now, in that case as well there has been some draft legislation, as far as the financial aspects and the investment aspects are concerned, which would allow for oversight by the Central Bank, and I agree with that because I think that under the Commissioner of Cooperatives, the extent of expertise that was necessary to look at an institutional sector which would have grown to about \$8 billion or \$9 billion, that there was not sufficient expertise to oversee that particular sector.

So, I call on the Minister to bring the legislation with regard to the credit union sector, update it, make sure that the people who are running those institutions—and many of them are so now, but who are not—make sure that they become fit and proper people to run financial institutions which a credit union is at this point in time. You know, the financial sector is not a place to make bacchanal with; that is for Carnival. It is a place for serious and sober reflection, policy-making legislation and enforcement.

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3.00 p.m.

Before I go off this particular area, I want to take the hon. Minister of Finance back into a little bit of history, as far as capital markets are concerned. Way back in 1994, pronouncements were made by the then Minister of Finance about bringing mutual fund legislation to this Senate. Up to today, no such mutual fund legislation has seen the light of day. I call on the hon. Minister to bring that legislation to the Senate, and put legislation in place that would create proper oversight for mutual funds. There is no legislation with regard to mutual funds. We can only establish something that is similar in substance, but not similar in law.

We can only establish Unit Trust in this country and that has implications, because some time ago if you wanted to go to Jamaica, and you wanted to take the funds that we have here, the Unit Trust that we have here, and market them in Jamaica, you could not, because the legislation in Jamaica prohibited you from going and marketing this vehicle. It allows you to market mutual funds, not Unit Trust. I do not want to go into the details of this, but I am saying that it is necessary that we put in place mutual fund legislation.

So my friend, the hon. Minister is only scratching the surface, and he might not even be doing that, because scratching suggests that you are getting into something. He might just be stroking the surface, which is just playing with the top. It is Valentine's Day, I am sure that there are various connotations for that explanation. [*Laughter*] But that is all he is doing, and he really needs to delve deeper into the matter, if I must say so. [*Crosstalk*] Let me move on.

I think Sen. Dr. Henry spoke for a while on the question of Clico bonds, interest rates and other matters. I would not want to take my seat unless I address some of those areas. When the Clico legislation was brought to the Parliament, we were aware that certain arrangements and agreements were made with the banking sector as to what minimum price they should pay and so on, and Sen. Dr. Henry raised that. I just want to basically update the national community. The thought was then that everybody who had bonds would rush to encash those bonds. The banking sector was looking at whether they would be able to take up all \$10.5 billion of these bonds.

The story is now, just about 55 per cent or so of persons who are eligible to take up these bonds, have taken them up. That is from the Clico side. Of the \$10.5 billion to be issued, just about \$3.3 billion have been accepted, and of that, half of it would go to NEL shares, and therefore about \$1.65 billion would be the one to 10-year bonds that are encashable.

So, when you think about it overall, the take-up rate in terms of these bonds, for those people who have actually traded their bonds, is about \$300 million or about 10 per cent of what has been issued. But the bottom line is, of the \$10.5 billion, only 3 per cent has been traded; \$300 million of close to \$10 billion to be issued. So why is that? Well the first reason is that investors—and I agree with Sen. Dr. Henry, in terms of investment there are not many new investment opportunities, and what will they do when they encash these bonds, put them into the bank at .1 per cent or less? That is part of the issue.

So, that when the hon. Minister speaks about the balance sheet, about the public sector balance sheet and the central government balance sheet and all of those kinds of things, I want to reiterate the point that what we need to do is simulate investment in all the sectors, not just the energy sector which he has now pronounced as a separate sector from the private sector. Not just the public sector which has been the one horse running in any event, because for the past year and a half or so the consumer sector, if measured in terms of credit to the consumer sector has been declining virtually dead, and now increasing a bit. The business sector, the private sector has been in decline if measured by credit in the banking system.

So, if you talk about the three horsemen and now we add the fourth, the local private sector is not borrowing much, and that is an indicator that not much activity is going on; people are not borrowing to invest. The consumer sector is quite muted. The public sector is now borrowing \$7 billion to invest, and I want to talk a little about that. With the energy sector, I hope that the Minister of Energy and Energy Affairs would amplify what is happening in that area, and not amplify what are some of the things that people have been saying and the memorandum of understanding and so on—what are the projects that are at the beginning of the pipeline? There is a big difference. There is a big difference between saying, “Yes we have a memorandum of understanding”, and I quite understand that there is a lag time in terms of discussing a deal and getting investment to flow. But my point is that until and unless you get investment to flow, you are not going to dynamize the economy or kick-start the economy or get growth. Talk is cheap; talk is very cheap. It is when you get to that action that you are going to get investment.

So, unlike the hon. Minister of Finance, I do not sleep as comfortable as him. I am not seeing necessarily as many green shoots as him. At the end of the day, we have to be very honest with ourselves, because if we are not, we enter into that realm of self-delusion which is a bottomless pit that keeps going down and down

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and down. We have to be honest, brutally honest with ourselves, and when we do so, it is only at that point in time we can kick ourselves in the “butt” and say, “We need to go there, we need to do that”, and actually get it done.

So I was making the point about the Clico bonds interest rates and so on. I have said repeatedly, it is not where interest rates are, because the Central Bank could speak from now until the “cows come home” about—[*Interruption*]

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

Motion made; That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. Dr. R. Balgobin*]

Question put and agreed to.

Sen. S. Ramkhelawan: Thank you, Mr. President, for allowing me to continue on this Valentine’s Day. I want to conclude my thoughts on this matter because, of course, we have serious business to do now in this Senate, and we probably have serious business to do later—[*Laughter*] but let me content myself with the business of the Senate.

I was speaking to interest, Mr. President, and low interest rates and the Central Bank speaking about accommodative policy and so on. The fact is that no investor—and we were talking about investment and economic growth; it really does not matter where interest rates are from an investment perspective. I have said it before. What matters is that if you borrow at 5 per cent you could make 7, 8 or 9 per cent to cover your risk. If the interest rate goes to 1 per cent and you as an investor cannot see yourself making money and earning a profit, you are not going to go there. So yes, interest rates are low, but no, the investment climate is not such that people believe that they can earn positive returns at this point in time. That is the fact. We can throw whatever spin we want on it, that is the fact. And therefore, we need to get the investment climate in a particular place. When that time comes I am sure we will see the green shoots that my hon. friend has been speaking about.

And really at the end of day it is not how the balance sheet looks you know, it is how the P&L looks, it is how the profit and loss statement and the income statement look. I think we need to know that in terms of Trinidad and Tobago, we are in an ongoing deficit situation for the past three years, which we cannot continue.

Just some concluding points. I think Sen. Dr. Henry spoke to the question of money laundering and what the Clico bonds could have brought through the back

door. And I think the records would show that when we were passing that bit of legislation, I did raise that we should screen all players:

- (1) in terms of money laundering requirements; and
- (2) in terms of ensuring that all those persons who the taxpayer would be paying should be screened in terms of whether or not they had paid all their taxes.

In the angst and anxiety to rush ahead, we did not do it. So, let us see what will come out as far as that is concerned.

Mr. President, in concluding, I would just like again to reiterate that there is need to explain how the increase in pension benefits from \$2,000 to \$3,000 is going to be funded especially in the context that the report to which I referred would have suggested that there was a deficit of some \$3 billion. Is it going to be by way of an additional contribution or otherwise?

I would like to reiterate further, the question of the drafting in particular of the SME clauses in the Finance Bill; one, with regard to the question of how many days after the raising of an IPO, where a company is entitled to receive a tax incentive, where it pays taxes down from 25 per cent to 10 per cent. The wording has to be “within or no more than 60 days after raising”, and this piece of legislation, as far as I understand it, is saying no less than 60 days. I hope that the hon. Minister would explain that.

I interpret the intent of the policy makers to mean that what we want to do as a nation is to incentivize the small to medium enterprises, and the definition of share capital or the capital which defines a small to medium enterprise must be more clearly and cogently defined. As I said, capital base in the Central Bank Act defines every part of the capital, from share to retained earnings to statutory reserves and otherwise.

3.15 p.m.

These are some of the thoughts I would like to share with my good friend, the hon. Minister of Finance—who, I am sure, would be listening wherever he is—and with the Government. But the wider context of capital market needs to be fulsomely addressed in a timely way lest we become known as the blacklisting country of the world. That is not a list we want to be on, and I want us to expunge ourselves from that list. Whether it be securities, whether it be FATF, whether it be otherwise—take our names from that financial blacklisting because citizens of this country are suffering, because they cannot go onto their computer now and

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order shares through E*TRADE or Ameritrade, since those institutions are no longer allowing that portal to citizens of Trinidad and Tobago for concerns, among other things, about the questionable situation, whether in terms of money laundering, the Financial Intelligence Unit, securities or otherwise.

So these are my thoughts and I bring it to the attention for what it is worth, and I hope that those on the Government Benches take note and make the necessary adjustment so that the intent of the legislation or the intent of the policy will be reflected in the legislation.

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

The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath): Thank you, Mr. President, for allowing me to join this unusually truncated debate on what is obviously a very important Bill that essentially gives legislative life to a number of budget pronouncements made by the Minister of Finance in the 2011 budget.

Although truncated, I would have thought that the Opposition would have sought to have had it reduced down to at least about five minutes each on their side, simply to be able to get up and congratulate the Government for having introduced these measures that they should have put in place over the last eight years that they were in government. [*Desk thumping*]

Nevertheless, I just wanted to address briefly a couple of matters that Sen. Ramkhelawan raised. The first is with regard to the intention with regard to the capital structure. One would expect—and I am not a part of the technical team, of course, and I would defer to the Minister when he comes, but one would assume that the legislative intent is to ensure that organizations of a certain size are incorporated in this SME definition and, therefore, by virtue of size it would incorporate everything that would normally be defined as share capital. So one would expect that, in totality, paid-up share capital reserves retained earnings is what the intention should be. I am agreeing with you that it is a bit loose in how it is defined and, therefore, I am sure it is something that we could look at, and the Minister would be happy to make clear to us when he returns.

The other issue was raised both by Sen. Ramkhelawan and also Sen. Dr. Henry, where they talked about why people are not encashing their bonds. I differ in my view with regard to the fact that they have got nowhere to put their moneys. There is always somewhere to put your money. Why would you leave it in a zero-rated bond earning zero per cent, essentially, rather than take it and put it somewhere else in the world, or put it somewhere else in Trinidad and Tobago;

put it in real estate? There is always a risk involved in every investment and, therefore, I do not buy the position that one would rather leave it in a zero-rated coupon bond where, essentially, you are earning zero interest on it.

Sen. Ramkhelawan: Just by way of clarification—and I thank the hon. Minister for giving way in his truncated contribution. Even though it is a zero coupon bond, the yields are based on what the bonds are bought or sold at, so that you are getting a better rate than .1 per cent. In fact, if you sold year one to 10—I would not want to take you through all the calculations—but you would get about 3.5 to 3.75 per cent. So I would want to dissuade you from going down that path.

Sen. The Hon. V. Bharath: The third point was that, of course, yes, the P&L is important but, of course, as you know, the P&L feeds into the balance sheet in the form of retained earnings and reserves.

I also wanted to address some of the issues that were made by Sen. Dr. Henry, the budding Nobel laureate, it appears—Sen. Dr. Lester Henry. He made, what I would call, some shocking predictions. One in particular was that it is very likely that the issue of the Clico bonds could lead to money laundering, and I assumed he was talking about the fact that you could bring people into the marketplace to purchase these bonds who potentially could be laundering money, using dirty money to purchase bonds and, therefore, launder money through the system. But, surely, as Sen. Ramkhelawan would know, and others would know, you have to be a licensed broker; you have to be authorized to be in a position to trade these bonds. You cannot just come off the street as an individual and trade bonds in any large quantities.

So it is unlikely that you are going to have somebody who is an individual trading in an illicit trade, being able to offer to purchase bonds in any large quantities from the man off the street. I mean, you could imagine the hilarity of a queue of people, queuing orderly in front of a drug dealer's house somewhere in Trinidad and Tobago, queuing up to encash their \$50,000, or \$70,000 or \$100,000 worth of bonds through an organized operation where you have a drug dealer operating. So it is something that, really, I am not sure if he was trying to be facetious or I am not sure if he was trying to postulate some sort of new economic theory that he would have hoped might find fertile ground. I think it is a good thing he may not be here this afternoon.

The other thing he talked about at length, ad nauseam, was the state of the economy, and the issue with regard to growth in the economy. He talked extensively, and very condescendingly, about the report—Article IV, Consultation Report issued by the IMF. He did not actually read it, but let me read what the IMF report said with regard to growth. It said:

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“A team from the International Monetary Fund has concluded its 2011 Article IV consultation on Trinidad and Tobago by issuing an assessment that there was ‘concrete evidence that the economy is turning the corner and that economic growth will resume in 2012’” .

And, of course, they predicted a growth rate of about 1.7 per cent in Trinidad and Tobago, where a number of developing and developed countries across the world are predicting, in fact, negative growth in their economies.

But let me also read for you a report by Oppenheimer, and those who follow the markets will know Oppenheimer—a report on emerging markets dated November 21, 2011, just a few months ago. It said:

We live in a world where strong balance sheets are all important. In this context, Trinidad appears to be a clear winner. Especially when measured against its Caribbean neighbours, while most of the Caribbean is suffering under low growth and bad balance sheet dynamics, Trinidad is doing relatively well. Although growth is slow and the fiscal deficit has spiked, the debt burden is low, the financial system is stable and the country’s ability to withstand further global economic weakness is, in our view, the best in the region. [*Desk thumping*]

But you see, it is very easy to cast aspersions, and it is very easy to make empty rhetorical statements, but one has to always understand, yes, we are here, but where did we come from? What has caused us always to be in this position? It is like if you purchase a business, Mr. President, and you now have to sit, assess, analyze and determine how you take it forward. But if you are saddled with a considerable amount of commitments, and if you are saddled with a considerable amount of debt, you have got to then determine carefully how you chart your future direction of your organization, and Sen. Dr. Henry studiously forgot to tell us about where we are and where we came from.

If one looks, just two short years ago, this country suffered for the first time in 17 years, negative growth. We had a spiralling debt problem—\$68 billion worth of debt; 51 per cent of our GDP was debt; contingent liabilities and letters of comfort amounted to close to \$20 billion—\$19.7 billion. We had debts by state enterprises that were not guaranteed by government, of close to \$12 billion that is not recorded as part of the public debt because it was not guaranteed.

That is the position from which we are coming—negative growth, major debt spiralling out of control. That is the position from which Minister Dookeran, the Minister of Finance, has had to take and cradle this economy to bring us to where we are, to get the kinds of reports that we see now, where large financial

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organizations are saying that in their view our balance sheet in Trinidad and Tobago is the best in the region, and I think the Minister of Finance should be congratulated. [*Desk thumping*]

What Sen. Dr. Henry also failed to tell us was that there are several commitments on the Government of Trinidad and Tobago that we inherited with regard to debts incurred by the previous government. So that when we are looking at investing in the economy, one always has to look at future investments as far as capital activities are concerned, but one also has to be very careful that you are putting aside certain amounts of funds to meet your daily commitments, whether or not you agree that those moneys were well spent.

So when you look at some of the commitments that we are having today to meet; when you look at the issue of the Tarouba stadium; when you look at the Waterfront project; when you look at the \$1 billion missing, apparently, in Tamana eTeck—not “missing”, but cannot be accounted for in terms of value for money—when you look at the Scarborough hospital; when you look at the church in Guanapo; you look at the scandalous work that was done at EMBD that had to be redone; the Minister talked about VAT refunds backed up for years that are now current; when one talks about the debt to the contractors that we had to fulfil, all those commitments take a toll on your ability to spend in a direction that would be best for the country. [*Desk thumping*] So, all of that in a time where we are suffering, and we have been suffering for many years with falling oil revenues, falling oil production, of course, as a direct result, and having to juggle continuously our capital expenditure against our revenue expenditure.

You know, I said to the Minister of Finance the other day that his first budget presentation to this country really should have been entitled: “Cleaning up the Mess”, because that is what it is. It is a messy situation that we have found ourselves in, having to continually juggle our capital versus our revenue expenditure.

3.30 p.m.

What Sen. Dr. Lester Henry also failed to tell us was about all of the broken promises that their government made, that we now have to fulfil, in every single category and in every single area of the economy. Whether it was crime—since 2004, they were going to build 18 police stations, and they named them every single year for six years; the same police stations. We now have to build those police stations.

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They talked, in 2005, about having computers in every single police station in Trinidad and Tobago. When we came into office a lot of police stations did not even have a pencil, let alone a computer. In every aspect of the economy, in every sector of this country, whether it was in agriculture—they talked about the Mamoral Dam for years. For 10 years, they spoke about the Mamoral Dam. They spoke about access roads. They spoke about ponds. They talked about irrigation, all broken promises.

They talked about pension reform. They have been talking about pension reform since 2002. It has been left to us now to undertake and revamp the pension system in Trinidad and Tobago. They talked, since 2002, about the portability of pensions—the ability for an employee, when he or she leaves a place of employment to take his or her pension, whether it is in Trinidad and Tobago, to another organization, or abroad. They spoke about that since 2002. It is left for us now to pick up the pieces and to continue with that.

They spoke about local government reform. We all know the story about local government reform, white paper, green paper and yellow paper. In fact, they ran out of paper, and local government reform never came to this Parliament. [*Desk thumping*]

Procurement legislation: they have now abandoned and abdicated their responsibility for bringing procurement legislation. But, do you know why? They have been speaking about it since 2003—procurement legislation to be brought to this Parliament up to today. Now that they have the opportunity to participate in drafting proper legislation to ensure that we have proper procurement rules and regulations in place, in Trinidad and Tobago they abdicate their responsibility and walk away from the table, like little boys and little girls. The country is watching. The country is looking on and seeing exactly what the other side is up to.

I sought to preface, essentially, what I wanted to say—by just creating the scene of where we are actually, how we got here and how much we have advanced from the position we inherited less than two years ago—that the measures that this Finance Bill looks to put in place really are a continuation of the commitment of this Government of Trinidad and Tobago, to the development of the citizens of Trinidad and Tobago. [*Desk thumping*]

Despite what those on the other side continue to mouth—because clearly it is an articulated position that they have caucused and they have come up with, but, it is an artificial one—that this Government, first of all, does not care, and this Government is not a Government that keeps its word. Let me put in context what we are bringing to this Senate today, which is the Finance Bill to give, as I say, legislative life to some budget pronouncements.

This Government made several commitments to the national population, both on its platform, as well as in the two budget presentations that have thus far gone. We have met our commitments as far as presenting laptops to over 20,000 students in this country. We have rescinded the onerous property tax, as we said we would. We have set up the Children's Life Fund which has saved already the lives of close to, I think, 15 children who would otherwise have died. We have established the Ministry of the People and Social Development, as we said we would. We have increased the minimum wage from \$9.00 to \$12.50. [*Desk thumping*] We have replaced the Senior Citizens Grant with an old-age pension and we have increased it to \$3,000. We have grappled with the Clico issue. We are grappling with the HCU issue to make sure that something that we have inherited, we are going to deal with.

We brought inflation down. Sen. Dr. Henry was talking about inflation. When we came into office, inflation was running at 17 per cent, Mr. President, 18 months ago. May 2010, inflation was running between 16 per cent and 17 per cent, check it. Inflation went as low as below 1 per cent during the last few months. It is now running at 5 per cent. [*Desk thumping*] Those are the things that we gave our word on and those are the things that we have kept.

The measures that are being brought into play by this Finance Bill really are a continuation of our commitment to ensuring that we look after the citizens of Trinidad and Tobago and we are committed to improving their lives.

I just want to touch on two or three of them because, of course, we do have a shortened debate today. The first really is the special tax allowance for the services, and that is the \$1,000 allowance. These are, as you know, for those who put their lives on the line to protect us the citizens of Trinidad and Tobago. They operate in a very high-risk/high-crime environment and they actually risk life and limb to do so. And, therefore, when this matter came to Cabinet, it was unanimously determined that these services—the police, the fire service, prison service and so on—which are essentially our first line of attack and our last line of defence, that they be given the \$1, 000, tax-free allowance.

But, I also want to say, for those who might say, why is it tax free? The fact is, there is precedent for it in the first Income Tax Act that was introduced in Trinidad and Tobago. There was a clause that allowed those who had served the country during World Wars I and II to be given a special allowance that would be free from tax. But, the fact is, Mr. President, they are the ones who put their life and limb on the line for us the citizens of Trinidad and Tobago and I think there is no one in Trinidad and Tobago who would grudge giving them their \$1,000 allowance, tax-free. [*Desk thumping*]

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The other issue I want to briefly speak about is the National Insurance Board pensions and the amnesty. The NIB pension really is one of those mechanisms for delivering some sort of social security to a vast number of people in Trinidad and Tobago who have been working for most of their lives. Unless you have a private pension in Trinidad and Tobago, unless you are attached to a pension as part of an organization for whom you have worked, essentially what happens is that you do not have, or it is very difficult in the autumn and winter of your life, to be able to cope with the meagre amount of money that you have. Therefore, this forms a critical part of Government's commitment to ensure that the elderly in our society are looked after. That is why we have increased the CDAP. We have provided of course, as you may know, free public transport for all our elderly citizens over the age of 60, amongst some of the other benefits.

But now, we have an anomaly in the law, where senior citizens pension provided for an amount of \$3,000. We are now bringing the NIB pensioners up also from \$2,000 to \$3,000, and I do not think, again, anyone can begrudge them that \$1,000 increase. It was a historian, Arnold Toynbee, who said that the quality and durability of a country can best be tested and measured by the respect that we have for our elderly and our elderly citizens. Therefore, that is why we have gone the extra mile. In today's world of inflation, \$3,000 does not seem like a lot. We know that we can do better, and we will continue to look at these measures to ensure that none of our citizens live below a line where they can afford it or where it is acceptable.

The third issue I want to briefly touch on is the stock exchange and the stimulation of the economy by allowing small and medium enterprises to join a junior stock exchange essentially. What that will do is it will deepen and widen the capital market in Trinidad, number one. And secondly, it would allow those citizens in Trinidad and Tobago, who generally, of course, do not invest in large organizations—because they may feel somewhat threatened—to invest in these smaller organizations. It would also allow these organizations to raise capital, which they may not normally have access to, through a bank. So, they can raise it on the stock market.

But, you know, when one looks at the track record of the existing stock exchange in Trinidad and Tobago, you will see that over the last five years it has been in significant decline. And, when one looks at their annual reports, you will see that they have described their performance as flat, challenging or just plain bad, in some cases. So, the listing of the SMEs on the stock exchange will allow a new cadre of companies to be allowed into the stock exchange. It will allow greater economic activity to take place on the stock exchange.

There are, of course, good examples all over the world. The AIM in London is now the fastest growing stock exchange for small and medium-sized companies. In fact, they have attracted over 3,000 companies internationally since they launched in 1995. The Mumbai Stock Exchange is now contemplating bringing on board a small and medium-sized enterprise on their stock exchange, and the Chinese Stock Exchange has introduced the Shenzhen Stock Exchange. They also introduced a small and medium size enterprise on their stock exchange. In fact, small and medium sized enterprises in China Accounts for 60 per cent of that country's GDP and 75 per cent of the nation's jobs in totality. And, of course, the employees of these organizations contribute 50 per cent of the income tax collected by the government in that country.

In Trinidad and Tobago, the Minister of Finance is on record as saying that there are 18,000 SMEs in Trinidad and Tobago, employing over 200,000 persons and contributing 20 per cent of the GDP. So, it is a significant number of people, it is significant opportunity for us to be in a position to generate economy activity in Trinidad and Tobago.

Just one small point and that is the administrative burden that will be relieved significantly by the increase in the ceiling of VAT on small companies, which is burdensome, to a large extent. The smaller the company the greater the compliance cost, as a percentage of the organization's turnover. So, it is quite a relief for a number of small companies.

Mr. President, I know I have just gone over my time. As I said, this is a very truncated debate. There is so much more that could have been discussed with regard to the Finance Bill and the context within which the Government has placed the measures that we are introducing in this Bill.

I want to conclude by saying that this is just part of the package that this Government is intent on bringing in future years, to be able to develop the people of Trinidad and Tobago. We know very clearly that priorities have changed. There is a development path that we have embarked upon that brings to the fore, new priorities of competitiveness, inclusiveness and expansionism, as has been described by the Minister of Finance, and the measures outlined in the Finance Bill, 2012 touch on all of those. I want to commend the Minister of Finance for bringing this and to commend this Bill to the Parliament. I thank you, very much.
[Desk thumping]

3.45 p.m.

Sen. Terrence Deyalsingh: Thank you, Mr. President, for allowing me the opportunity to contribute on the Finance Bill. Before I start, I notice roses all around the Chamber, and if I may extend Happy Valentine's Day to the population symbolically via the TV and the radio with this rose I have in my hand, Happy Valentine's Day to all.

Sen. Vasant Bharath, I always learn a lot from him, and it is a pleasure to see him back in voice, and his closing comment was that he exceeded his time. I do not think he had exceeded his time, maybe he has passed his time and maybe—I do not know.

Hon. Senators: Ooooooh! [*Desk thumping*]

Sen. T. Deyalsingh: UNC elections “coming up just now” so—[*Interruption*]

Sen. Hinds: Last time he supported his kind.

Sen. T. Deyalsingh: Yes, last time he did support the wrong horse, eh! That is why I think he was number 16 on the list for Senate.

Hon. Senators: “Yeah, yeah.”

Sen. T. Deyalsingh: Anyhow, I move on to the Bill.

Sen. Hinds: Number 16 is in the House. [*Laughter*]

Sen. T. Deyalsingh: Sen. Vasant Bharath made some very sweeping statements. He spoke about the IMF saying that we can withstand further financial erosion. He was asking where are we and where did we come from? And I will tell him why we are able to be in the position that we are in today.

Mr. President, Trinidad and Tobago does not exist in a closed system we are part of a global village; external factors would affect us. The fact that we have managed to successfully chart these troubled waters is in no large part due to the actions of the Government, but rather the policy decisions made by the last administration stretching back to 2008. The reason this country has been spared the full brunt of the global financial meltdown has to do with the energy policies formulated in 2008.

Sen. Al-Rawi: Absolutely!

Sen. T. Deyalsingh: It has to do with the fact that in early 2008, when there was a windfall due to high gas prices—very high gas prices—a great percentage of those revenues went into the Heritage and Stabilization Fund and into the

Central Bank balances. It is one of the reasons that we were able to finance two consecutive years of deficit budgets; that is the fact of the matter. [*Desk thumping*]

Sen. Al-Rawi: Convenient measures.

Sen. T. Deyalsingh: When gas prices collapsed in 2008, the Henry Hub price then was about \$4.00 or less. Now, it is about \$2.32. What did the last administration do? We saw the danger and we took immediate steps to demonopolize our supply of gas to the eastern seaboard of the United States. Back in those days, Trinidad and Tobago was ranked between number 1 and 3 of gas suppliers to the eastern seaboard of the United States. If we had not moved away from that overdependence on one market by seeking out new markets in Asia-Pacific, in South America, where the gas prices are more buoyant, that is the trouble that we would have been in today. But thankfully, under the former Minister of Energy, Mr. Conrad Enill, we saw that and we changed that, and one of the reasons is because of those policies, we have been able to withstand all the shocks of the global system. So, we have weathered those storms very well.

We moved away from Louisiana, from the Henry Hub pricing, we started to seek markets further up north in Boston where the prices are higher. And that is when—[*Interruption*—but you see Sen. Ramnarine is saying that he explained it, but what he did not say in his last contribution is that it started in 2008 under the last administration. [*Desk thumping*]

Sen. Hinds: He is a baby in energy; “doh worry”.

Sen. Ramnarine: The Government does not market LNG.

Sen. T. Deyalsingh: Sen. Bharath, in his closing, spoke about pensions and how old people should get pensions and I fully agree. But what I did not understand with the Government doublespeak—while we are giving higher pensions to one class of people, which I have absolutely no problem with, the question remains, in this Bill before us: Why, instead of a \$1,000 tax-free allowance, were the police officers not given a \$1,000 increase in salary so that when those same police officers leave the service, their pensionable allowances would go up, when they need it the most? [*Desk thumping*] The same people who they praised for putting their lives on the job, putting their lives at risk, this \$1,000 tax-free allowance is a short-term measure. What they would like to see is their pensions being positively affected. And then, what about the SRPs? Why are the SRPs excluded from this largesse? That is the question the hon. Minister did not address, and I hope someone else will see it fit to answer.

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The hon. Minister also spoke about procurement but I would let my colleague, Sen. Al-Rawi, deal with procurement. But, you see it is double-faced to speak about procurement when you have a Commissioner of Police who has a limit of \$1 million, buying a plane for \$999,999.99 that the hon. Minister of National Security does not know about. The same hon. Minister of National Security said that he should have been consulted because Cabinet was looking at something similar, but Sen. Al-Rawi would deal with procurement, not I.

The hon. Minister of Finance spoke about how late this Bill is coming and this is one of the reasons he cannot spend; and what this Bill seeks to do is to clothe the budget in legal certainty. My question is: why was it not brought sooner; so that the legal certainty that the hon. Minister of Finance so craves, he could have had months ago? This reminds me about the issue that Sen. Subhas Ramkhelawan spoke about, our continued blacklisting. The Government of 2012 can no longer blame the PNM for blacklisting because it is this Government, on April 08, when we debated the Financial Intelligence Unit Bill—for the second time—Sen. The Hon. Anand Ramlogan SC, the Attorney General, gave a solemn promise. He asked us, he beseeched us, to give him this Bill so that the Minister of National Security could have gone to a meeting and showed them that we had the Bill, and the hon. Attorney General gave this Senate—he did not give the PNM this oath—and by extension the people of Trinidad and Tobago, a solemn undertaking to bring the Bill back for the committee stage so it could be enacted in law. Mr. President, we are now 10 months later. The FIU Bill has not seen the light of day in this Senate since April 08, 2011.

When that Bill is brought back, are they now going to blame the PNM again? The same way Sen. Bharath blamed the PNM for the inflation of 17 per cent in 2010. May I remind the hon. Senator, who is now the Minister of Food Production, Land and Marine Affairs, one of the reasons was the severe dry season we had that year.

Sen. Dr. Tewarie: Matched by the 16 per cent flooding.

Sen. T. Deyalsingh: That was one of the reasons. But, when you are in office and inflation goes up to 16 per cent, it is because of rain. You know, I do not understand the connection but I leave that. [*Crosstalk*] You had your turn, relax. Drink some pani, relax.

Sen. Al-Rawi: “Yuh looking lil’ anxious.”

Sen. T. Deyalsingh: Mr. President, I move on. The industrial relations climate in this country you would think that a Government with three senior trade unionists—one in the Upper House, two in the Lower House and a party as part of the coalition—would have dealt with IR issues better, and the IR climate in this

country would have been more amenable and smoother. It seems that every single body of persons, down to the teachers in the Early Childhood Education Centres, as of yesterday, are protesting. You have people threatening to shut down Petrotrin, not for one, not for two, but for three months. Why is that threat there? What has so spoiled since May 24, 2010 with the Fyzabad Accord, with people walking hand in hand? We are one year later and the same Prime Minister cannot even go to Fyzabad in 2011. What has so rubbed the unions the wrong way from May 24, 2010 to now?

Sen. Al-Rawi: Surely it is not the state of emergency. Surely it is not that!

Sen. T. Deyalsingh: But the IR climate continues to affect the energy sector and I hope the hon. Minister of Energy and Energy Affairs would address some of my concerns that I have, as it deals with privatization. If this is the Government's policy for privatization, that is their choice. I could have no problem with that. I am just asking the hon. Minister of Energy and Energy Affairs, or someone, to tell the country what is the privatization policy? Do you have one? Articulate it. Bring it, but do not bring it the same way you have not brought a legislative agenda. Somebody had to talk about a legislative agenda today, well, I nearly died. There is no legislative agenda. What is the privatization agenda?

We have heard talk about Reliance coming in, we have heard talk about Cable and Wireless wanting to buy out TSTT. Is that true or not? Have the unions been consulted on the privatization issues? Because, you see, this affects the IR climate of the country and if privatization goes on, it moves the ownership from the hands of Trinidadians, Tobagonians, our credit unions, from the masses of people who earn their dividends, into the hands of a few who may be based abroad. So could someone tell me today: what is your policy on privatization? Are you privatizing or are you not? Are the unions on board with this or are they not? Please, tell us.

Mr. President, the hon. Minister of Energy and Energy Affairs, I hope in his contribution, would enlighten us as to what is the current stage of negotiations with all our major players in oil and gas—bpTT, BGTT—as it affects our gas contracts, many of which are going to be expiring soon, some by 2015. Are those talks ongoing? Because what is going to happen with those gas contracts is that as they come for renewal, we are moving from an era of low-cost production into an era of high-cost production. Are those contracts going to be viable with the new cost structure of gas production? If not, what are the consequences? Are those plants going to be mothballed? Would these partners look to move their plants overseas? We would like some answers on the state of negotiations on those gas contracts.

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Because what is going to happen and what is happening—as the USA becomes more and more energy sufficient, and we start to lose that market, and they become a net exporter of gas, our contracts are going to be affected here. So, the hon. Minister of Energy and Energy Affairs, in his contribution, could tell us how seriously he is taking these negotiations. What is the state of these negotiations and so on?

Mr. President, in this Bill, a great deal of the revenue has to go to paying pensions, free water and free electricity that is being given to the people over 60—[*Interruption*—]—who qualify; to make up for the failure to collect land and building taxes and so on.

4.00 p.m.

There has been a recent disruption of your supplies to the Point Lisas Industrial Estate. Could the Government tell us what was the impact of that disruption of gas supplies? I saw in the newspapers that they said 30-something per cent decline in production; I do not know if that is true or not. Maybe the hon. Minister could tell us what is the true state of that disruption? Why did the disruption take place?

What measures are being put in place to the deal with the disruption? Has a technical team been put in place to make sure it does not happen again? What this disruption has done is severely affect our revenue streams; it has severely affected production. It has led, Mr. President, to an issue which I will now come to. It has led to a loss of our creditability in the marketplace, and our international image has never suffered so much since May 24, 2010—[*Desk thumping*]—because of our association with a corrupt organization called FIFA.

Now we have our gas supply to Point Lisas being disrupted. Our international partners no longer see us as reliable. Our two major trading partners, the United Kingdom and the United States, have been offended by our association with FIFA. They have been offended by the cancellation of the OPV contracts, they have been offended by the cancellation of the aluminium smelter plant. Our international standing has taken a beating, Mr. President, so we need to know what the fix is for the disruption in gas supplies to Point Lisas.

I would also like the Minister of Energy and Energy Affairs to tell us about oil production and gas exploration. I think the Minister, very early in his tenure, said that our economy was 60 per cent oil based? Was that the figure you quoted, which I saw in the *Business Express*?

The fossil fuels that are used by the world: coal, oil, gas, et cetera— people do not like to use coal, it is the most hostile to the environment, oil is second, but Trinidad and Tobago needs to benefit from the buoyant oil prices even though prices are volatile. The Minister, early in his tenure, spoke about increasing oil production again. Could the Minister tell us what steps have been taken and what have been the results? Have you considered OWTU's proposals for reactivating those wells? Have you looked at their proposals? *[Interruption]*

Sen. Abdulah: Malcolm Jones closed them down.

Sen. T. Deyalsingh: Sen. Abdulah, you are quite free to make your own contributions.

Sen. Abdulah: I was reminding you that Malcolm Jones shut down the wells.

Sen. Al-Rawi: Whoever shut it down, what is the revenue side?

Sen. T. Deyalsingh: What is the position now? Have you looked at OWTU's proposals for oil production?

It comes to gas now, Mr. President. Trinidad and Tobago is sitting upon, I think, 2.5 to, a trillion cubic feet of gas in the Loran Manatee Field which we share with Venezuela.

Sen. Ramnarine: It is 1.8.

Sen. T. Deyalsingh: Great, 1.8, those negotiations were started by the last administration and I congratulate the former Minister of Energy and Energy Affairs, Carolyn Seepersad-Bachan, who carried through the negotiations and actually signed the monetization treaty. Would this Minister of Energy and Energy Affairs tell us what is the state of the negotiations with Venezuela as regards the Loran Manatee Field? This field has the ability to significantly impact on our revenue streams. We are hearing very little about the Loran Manatee Field. Could the hon. Minister or someone tell us what are the mechanisms to bring this gas into Petrotrin? What is the state of negotiations? Has a team been set up to look at it? Are we talking to Venezuela, are we not talking to Venezuela? And if we get the gas, what do we do with it? Are any projects in place to deal with it? For example, would a Train 5 be viable? Hopefully, the Minister of Energy and Energy Affairs could address those issues.

Mr. President, one of the Government speakers again spoke of procurement, and as I said earlier, I leave procurement for my colleague, Sen. Al-Rawi, to deal with. There is a procurement issue that has the capability of dragging Trinidad

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and Tobago's name through the mud, and that has do with the gas deal with *Sabic v. the United States of America*. Now, I am not batting for or against the United States, but I have to recognize that the United States is a global superpower. We have to recognize that the United States is one of our major trading partners. We have to recognize that most of our diaspora live in the United States, Canada and some in England.

I have to recognize that geopolitics demand that if we put up an RFP, and countries are going to submit proposals, the whole process has to be transparent, and gives everybody a chance. I am not batting for the United States on this, but I have to be aware that the United States is saying that that process was not above board, was not transparent. I would like someone on the Government side to deal with this, because geopolitics would tell me, if we are doing business with somebody, we had better be sure that that somebody we are doing business with is not viewed as hostile to other persons.

We are a small State, we do not have much weight to throw around. All I want to know, all the country wants to know, is whether that RFP—the request for proposals—for that plant was above board, could stand scrutiny and the United States is talking rubbish. That is all I want to know. I am not batting for or against Uncle Sam here. You see, it brings me back to an earlier point I mad—our international standing has taken a beating since May 24, 2010. We seem to have offended all of Caricom with insincere statements about ATM machines, the United States, Chuck Blazer and Concacaf and the United Kingdom, where we did not tell the truth to the Prince, the future King of England, quite amazing. I leave that for other people to deal with.

Mr. President, as I close, I want to remind the Government to deal with some issues: tell us your policy on privatization. Is it the Government's intent to privatize state organizations or not? What is the policy as far as Petrotrin is concerned, as far as TSTT is concerned? Tell us what is the state of negotiations over the Loran Manatee Field. Give some time frames if possible. Explain to us the impact of the disruption of gas supply to Point Lisas. Please, tell us that. Explain to us that the RFPs for that gas project were fair and transparent, and that our partners have nothing to be worried about. Tell us that please.

With those few words, I stick to my gentleman's agreement.

I thank you.

Sen. Helen Drayton: Thank you, Mr. President. I hope I would be under the half an hour. I want to open by commending the Minister for his approach with respect to the gas subsidy, specifically. That the Government is looking at options to

reduce the burden on the Treasury, other than a sudden removal of that subsidy, I think certainly it is the wise approach. I also want to commend it for settling the VAT refunds because that is critical to the cash flow of business. Thirdly, I want to extend appreciation to the Minister and the Government for keeping their word, in that, in this Finance Bill they have amended the Central Bank Act, and consequently the statute of limitations which would in effect allow aggrieved investors the right to access the judicial process, and take legal action against any party responsible for the Clico debacle, after the restructuring exercise.

We certainly await the report of the Central Bank which is long overdue. That report according to the Central Bank Act must be submitted quarterly to the High Court, with a copy sent simultaneously to Parliament. The Parliament aspect of it is not in the Act, but that was an undertaking by the Government, and that report should provide some level of transparency and oversight of the restructuring process.

There are three matters which I want to raise—new matters, since the Minister of Finance mentioned that hopefully new matters would be raised and not the matters which were debated when the budget was discussed. The first is one that is in the public domain and has to do with the salaries of primary school teachers. I say to the Senate today that it is a shame that primary school teachers are protesting to receive a salary that is more than \$2,600 a month; that has to be a serious injustice.

When you think that in this very Bill we are giving effect to increasing NIS pensions to \$3,000 a month, and there are thousands of persons who would not have contributed a cent to NIS over all their productive years, and teachers who are working hard every single day, and who in many instances are working over the eight hours, because parents would drop their children in time for when school opens, and then at three to four o'clock they are still there waiting for children to be picked up. This means they are actually being paid below the minimum wage, and they are teaching children at the most impressionable age in their lives.

I am aware that it is a protracted matter and that it has been treated, I think, in a very “vaille-que-vaille” and slipshod manner. I think it is time the issue of salaries for early childhood teachers, once they have met the qualifications and have the necessary skills, is dealt with and they ought to be paid more than the \$2,600. I think what they are looking for is somewhere between \$3,000 and \$5,000.

The second matter I wish to mention briefly is that nowhere in the budget did we see any mention of the Rapid Rail, although it is now called the Light Rail, and presumably that is because we are now hearing it is meant to be a private sector

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venture; at least I have not heard that it is a public private sector venture. I have no problem with that in principle, but I ask: what is the policy? I ask that because here you have a situation where you have reduced the threshold for second-hand cars and you have increased the level of public transportation service—that is, the buses along the East-West Corridor and elsewhere.

4.15 p.m.

There are plans to increase the water taxi service. Licences are being granted to taxi drivers or persons who want to drive taxis—and there is a whole fleet of maxi-taxis as well as other private cars and PH cars on the road—so that I ask myself: how would such a system of Rapid Rail be viable? I am not saying it cannot, but given our critical mass, given the levels of transportation that exist right now and the current efforts that are being made, as I said, with respect to the second-hand cars and also the bus service, what exactly is the policy? It certainly would mean that there would have to be generous tax concessions or subsidization and, I think, that becomes a matter in the context of public transparency.

In any event, I think that someone would suffer. It means that either your private taxi drivers would suffer income loss, obviously with the Rapid Rail along the East-West Corridor. It would mean the very public transport, in terms of the bus service, must suffer a reduction in whatever income it gets.

If we recall, after Independence, going right up to, I think, the late 1970s, we disbanded a public transport service that was a heavy cost to the taxpayer—huge deficits; no different from the Water and Sewerage Authority; no different from what was Caroni (1975) Limited at the time. So, I raise the issue: “Where is the transportation policy?”

The third has to do with the matter of the NIS pensions. When the budget was debated, I questioned the rationale for granting a 50 per cent increase. The report of the Special Actuarial Review substantiates the fact that there was need for serious caution. It states, quite clearly, that the increase in the maximum insurable earnings is not sufficient to compensate for the cost of the increase in the minimum pension and, further, if trends with regard to lower wage growth continues, and also price inflation—and it is hard to predict inflation two, three, four, five years from now—there would be a deterioration in the stability of the NIS fund.

We know that the global financial crisis has not been debated—in fact, it is still in full flight—and we know that investment rates are not likely to increase substantially. More than likely, they will remain very depressed and, if anything,

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very erratic. So it is evident that eventually NIS contributions would increase over and above the current projected increases. What has to be factored in is that we have high unemployment among our youth; we have an aging population; we have a middle class under extreme pressure and, at some point in time, they would have to bear an additional tax burden. I have to say it: the increase in pensions came about, not in the context of any economic situation; it came about in a political context.

In speaking about stability, Mr. President, I want to put what I have to say into the context of financial stability. We are dealing with a Finance Bill. Financial stability also depends on stability and preservation of our institutions of democracy. When independent institutions are eroded, our democracy is under threat. Consequently, overall economic and financial stability are at risk.

There has to be a serious issue of governance if every week we are mired in one controversy or the other. Whether it is real or whether it is perceived, I think it is debilitating. I think it generates a lack of confidence in the citizenry generally.

The freedom of the press—albeit not absolute—is enshrined in our Constitution; it is a pillar of our democracy. [*Desk thumping*] So, too, I recognize the need for an efficient police service that must be allowed to do its job. Confidence in the police force is essential to stability, which includes economic and financial stability. Hence, there is obvious need for wisdom in leadership; there is obvious need for training; there is obvious need for an orientation to a productive new paradigm.

I will not deal with the business of the police service. Suffice it to say, it has to be seen to do its job fairly. It must be seen to be treating any individual, person or corporate citizen as an individual and fairly. The Government, which has legitimate authority to govern, cannot behave like Pontius Pilate—after nearly two years of beaming in the limelight with the police in press conferences—[*Desk thumping*] and wash its hands of matters of great public concern.

In the context of governance, it too has to be consistent; it has to be fair. It cannot be emotional and erratic. We are talking about governance and leadership. The Anti-Corruption Investigations Bureau is a critical arm of national security. So too is the FIU; so too is Customs; so too is Immigration; and so too is something called the Data Commissioner with respect to the Data Protection Bill.

All these institutions have powers to get warrants to enter and search. So to jump up out of the blue, to wash your hands and say, “Remove it!”, I want to say that the Government needs to be coherent, and if it has a policy that it wants to move the Anti-Corruption Investigations Bureau, let it remove the FIU from the Prime

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Minister's Office, let it remove the data protection Commissioner from the Prime Minister Office because all those are quasi-judicial—at least the FIU—bodies like the Anti-Corruption Investigations Bureau, that have no place there.

I am saying stop this erratic and emotional behaviour—

Sen. Ramlogan SC: Mr. President—

Sen. H. Drayton: I am finishing now.

Sen. Ramlogan SC: I just want to point out that the FIU is not under the office of the Prime Minister, Senator.

Sen. H. Drayton: Wherever it is; it is Ministry of Finance, so it is in the political domain. So, the Government has to behave with some degree of coherence, be less emotional and begin to give us the leadership that we are looking for.

Before I close, let me get back to one matter. I would like to pick up from where Sen. Deyalsingh mentioned SRPs. The SRPs are the very people we are relying upon right now to protect us in this Parliament. [*Desk thumping*]

Again, it goes to the heart of incoherence; it goes to the heart of emotionalism; it goes to the heart where you cannot make a difference between politics and governance. Why would you now give \$1, 000 to every single arm: your police, your regiment, your fire services—and people who are protecting us right here, you will not give them \$1, 000 a month?

What you did in the first place was wrong and once you do something that is not based on objective criteria, when you base it on politics, when you base it on emotionalism, this is what happens. Now pay the SRPs the \$1, 000. [*Desk thumping*]

I thank you, Mr. President.

The Minister of Planning and the Economy (Sen. The Hon. Dr. Bhoendradatt Tewarie): Mr. President, hon. Senators, I thank you for the opportunity to say a few words on the Bill before this honourable House. That Bill is an Act to provide for the variation of certain duties and taxes, the introduction of other provisions of a fiscal nature and related matters.

We have had some good contributions today; some I like more than others, but we have had some good contributions. I want to say that when Sen. Drayton talked about institutions and the strength or weakness of institutions and their relation to democracy, economic and financial stability, this is something that

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always strikes a chord with me because it is an important issue. It strikes at the heart of the purpose for which most societies try to build themselves, and at the heart of many aspirations of democratic societies like ours and it is a hard thing.

When she talked about the aging population, the challenge of youth and the pressure on the middle class, it also struck a chord with me because I think that these are important challenges that we are wrestling with as a society. All these challenges that she identified and which we have to face are challenges, in my view, which cannot be faced in a purely partisan manner. They are not challenges which can be faced without a respect for the facts and data and a willingness to be reasonable about the challenges of the realities that we face and, therefore, to find solutions that are cogent enough to rally enough of the population forward to meet these challenges.

I say these things because, in order to address these issues of institutions that perhaps sometimes seem misaligned with the political directorate who govern the State at a particular point in time, or to strengthen institutions which have been made weak over years of erosion of authority and jurisdiction; when you come to a situation where the economic reality of the country was one basically driven by the power, the vulnerability and the rising and falling of prices in the oil and gas sector, you have to face those challenges in such a way that you negotiate now in the 21st Century to address all of these issues. It is not an easy thing to make the systematic, pointed decisions that have to be made without creating the conditions for a certain amount of ruckus.

4.30 p.m.

If you listen to some of the contributions today—I am thinking here of my good friend, Sen. Deyalsingh, his contribution and also Sen. Dr. Lester Henry's contribution—you would think that the society is just about falling apart; you would think that the economy is in shambles; and you would think that the economy, as a whole, was one in which the Government was offering no direction at all. I want to say that nothing could be further from the truth. The society is not in shambles, but the society is one in which, in the context of freedom of expression and high expectations, you have a cacophony of views and opinions in the society manifesting themselves almost every day from every quarter, and that is the nature of the society, which seems rowdy, but it is also symptomatic of a healthy, strong and vibrant democracy. [*Desk thumping*] The second thing is, the economy is not in shambles.

Sen. Deyalsingh: We never said that.

Sen. The Hon. Dr. B. Tewarie: As a matter of fact, what is happening is that from 2008—

Sen. Deyalsingh: The Government is in shambles.

Sen. The Hon. Dr. B. Tewarie: I will deal with the Government being in shambles in a moment. The economy is in fact moving from 2008, when we found ourselves in a situation hit by a range of issues internationally and locally, et cetera. Moving out of that gradually to the point where the IMF can come and say, “Look, we have turned the corner, and we begin to see that growth is achievable now in this particular year.” They have attached a figure to it, as we have in the budget and in the Medium-Term Policy Framework, but the figure does not matter too much. What does matter is that we are heading—as the hon. Minister of Finance indicated—in the right direction.

I do not think it is fair—I have no particular love for the multilateral institutions network nor do I have any particular preference for the IMF or any other institutions—that in a time of global interconnectedness where we have seen how financial systems impact one upon the other across borders, and where we have seen where economies impact one upon the other across regions, then these multilateral institutions, from our point of view and from the point of view of countries, have a very significant role to play.

What they bring to you is not so much what they know about you—you are right we do know more about ourselves than they know about us—what they bring to you are two things; they bring comparators. They are able to bring from their wealth of information, comparative indicators and data against which they measure you and compare you and, therefore, you are able to see on a factual basis: what it is, where you stand, where you are going, where you are heading and what are some of the things that you might compare yourself to in a reasonable and realistic way.

The second thing that they bring to you is an outsider’s eye, even if that might be jaundiced a little from the ideological perspective from which they come. They bring an outsider’s eye and you do not need to take everything they say to you, but you can take them in digestible doses and make sense of them by customizing the information that you receive for your purposes. [*Desk thumping*] That is the value of those things.

The other issue, which in my particular view is a strategy of the official Opposition, is to make the population think constantly that the Government cannot get its act together; it is in shambles; it does not know what it is doing; and

it has to policy. That is not true. I could reach down here in my bag and pull our seven or eight policy documents of this Government, from sustainable development to manifesto and everything else in-between. [*Desk thumping*]

I can also tell you that within the Government, last week, the Monitoring and Evaluation and National Transformation Unit of the Ministry of Planning and the Economy met with equivalent units across 26 Ministries of this Government, aligning the business of policy, strategy and plan of Ministries into some kind of coherent framework, built around the seven pillars and the five priorities of this Government, all articulated, and which we can articulate here right now. But that is not the point.

The point is that there is a concerted effort to do two things with the Government: damage the credibility of the Government and paralyze the Government from action. [*Desk thumping*] The point is, that is not going to happen, because we have a plan. [*Desk thumping*] We know where we are going and every Ministry has a plan. We have clustered Ministries around specific objectives and we are proceeding with our business.

Now, the process is slower than we want. It is slower than the expectations of the population; it is slower than we would like it to be, but the point is that it is happening and it is happening systematically. [*Desk thumping*] I am not going to go back into the past at all. Let me tell you what I mean by wanting to have the Government in paralysis.

Sen. Drayton, I think I identify most with some of your issues. In your articulation—we have had some private conversations which need not come into the discussion here—I think there is genuine sincerity of purpose in you wanting to see the Government strongly moving forward with the people in a coherent way so that we can, in fact, begin to achieve something at a faster pace, and I acknowledge that. I want to say that I appreciate that. Like her, I would like to see things happen at a faster pace and in a more coherent way as well, but this is a fractious society, and it is not easy even in the most coherent framework to work around the fractures in this society. Where there are no fractures, cracks would be made into fractures, and we need to understand that reality of Trinidad and Tobago.

This is something that has always been a source of concern for me from my youth, watching the society. In some ways, I have seen it gotten better because it is possible to do things in the society by bringing together people in a coherent way, but in some ways it has gotten worse because the fractures tend to splinter,

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and the splintering leads to even more fractures and, ultimately, what it leads to is a dissipation of energy in Trinidad and Tobago because you are always casting after shadows, and never focused on what is important and what is not. That is the dilemma of leadership in this society. [*Desk thumping*] The dilemma of leadership is how to not spend your energy chasing shadows and focus on what is important and in front of you, and this is where we have to focus.

Sen. Deyalsingh: Like Reshmi!

Sen. The Hon. Dr. B. Tewarie: Well, you know, I could talk about a thousand things about that. People make mistakes. [*Crosstalk*] The Prime Minister gave her own position to the population on that issue, but we are heading forward; we are going forward..

All the issues that were raised about the energy sector and so on, I hope it is not a source of worry that, perhaps, exploration is taking place; that a strategy is, in fact, being developed for increasing production in the oil sectors. Notwithstanding the challenges in the gas sector, there is a strategy for that including new investment; things are beginning to cohere and that energy sector which, in fact, presented certain challenges as we had the transition from one Government to another, within a framework of decline beginning in 2008—in a situation of global recession—that sector is beginning to see now additional interest, investor confidence and new initiatives being taken both internally and externally.

Sen. Deyalsingh: You all used to blame the PNM for that!

Sen. The Hon. Dr. B. Tewarie: We are not blaming the PNM for anything. We are moving in a certain direction in that sector. I am sure the Ministry of Energy and Energy Affairs will have a lot more to say quite specific. The point is that we are heading forward, and you can see buoyancy in that sector and it is going to make a difference to the country.

A number of international issues were raised having to do with the United States of America and Venezuela, et cetera: the sharing of gas in one instance and the challenge of an investor in the other. I want to say this, and it is very important to say this: do not try to create a controversy where there is none.

If there is an ambassador from another country in Trinidad and Tobago, and an investor from that ambassador's country wishes to make an investment in Trinidad and Tobago and has a problem or an issue, and raises the issue with the ambassador of the investor country, it is legitimate for the ambassador to raise

issue with the Government of the country in which the ambassador resides, and in which the company wishes to invest. That is part of her mandate. There is nothing wrong with that. It is equally legitimate for the Government of Trinidad and Tobago, through appropriate channels, to make its position clear and satisfy the questions that have been asked and proceed with its business as a Government [*Desk thumping*] and, in this particular case that is how we are proceeding.

On the business of gas—I do not want to get into the details of energy about which I know very little, but I do know a few things. One of the things, for instance, with respect to the shale gas that Trinidad and Tobago has to deal with is—you are right it is one of the better environmentally-friendly energy elements that you can use now to fuel anything. You are right, it is going to become abundant and with shale gas you are going to have great abundance and that may have implications and so on. With the shale gas, you also have environmental consideration and environmental lobbies. We do not know where that is going to go and how it is going to pan out.

You have Rio+20 coming up in June or July—I cannot remember it now—and there are going to be issues around this issue of shale gas. So you might have plenty in the ground, but whether or not you can get it has to do with the climate that evolves around this environmental issue. So that is one issue.

If the environmental lobby is powerful in this area, that shale gas will keep the gas we have in the ground here in Trinidad and Tobago pretty high. If, however, you have a situation in which that shale gas is exploited, and the business interests driving shale gas exploration win out the day, then you have another problem, which is that the chances are global prices are going to come down.

4.45 p.m.

If global prices come down in that way, then the question would be in that scenario, “what is the best strategy for Trinidad and Tobago, in terms of its natural gas?” Therefore, we have to be constantly thinking about the multiple scenarios that might emerge, and the multiple risk factors that will emerge with the possible options that you take, in terms of decisions. Therefore, those are the things that are now under consideration, because certain decisions that you could take can lead to the development of an entire manufacturing sector; a new manufacturing sector. Certain decisions that you take might force you to do other things and, therefore, that is how the Venezuelan partnership on the gas reserves that we share becomes important. I am not even bringing Caricom things about Petrocaribe, and so on, and the implications of decisions about that.

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So constantly, you have to be dealing with today, you have to be dealing with tomorrow, and you have to be dealing with 20—25 years down the road. That is how a government operates. It is the only way that a government must operate. I do not know if the Minister of Energy and Energy Affairs would want to say anything about this, but I just wanted to say that.

The point I want to make is that, it is not that we do not know what we are doing, it is not that we do not understand what the issues are, it is that we cannot come to the country and every day tell them what we are thinking. I mean, that is not the job of a government: to come every day and tell the population and tell the Opposition, on demand, what is in their head. I mean be reasonable. [*Desk thumping*] That is not governance.

I think I am going to take it out. This is the manifesto. [*Desk thumping*] It has a policy position with seven pillars. [*Interruption*]

Sen. Hinds: We are not seeing it in practice.

Sen. The Hon. Dr. B. Tewarie: [*Crosstalk*] I think I left it but I saw one of my colleagues with it. Any of you have the Medium Term Policy Framework? I do not have it with me I might have left it in my other bag. You are familiar with the Medium Term Policy Framework, “Innovation for Lasting Prosperity”. This is sustainable development strategy. We are still working on it—to finish it because this is going to be presented in Rio. [*Interruption*]

Sen. Deyalsingh: No, that is a magazine.

Sen. The Hon. Dr. B. Tewarie: This is not a magazine; it is our draft. This is the budget statement that the Minister of Finance—every Ministry has a plan like this. [*Interruption*]

Sen. Hinds: But how does it translate?

Sen. the Hon. Dr. B. Tewarie: It translates into action that affects and impacts on the people. [*Interruption*]

Sen. Hinds: Can I see it now?

Sen. Deyalsingh: “Doh” forget the budget have [*Inaudible*]—

Sen. The Hon. Dr. B. Tewarie: I want to say something to you all. The purpose of a government is not to make the Opposition happy. [*Desk thumping*] The purpose of a government is to govern well and impact positively on the people of this country. [*Desk thumping*] The purpose of a government— [*Interruption*]

Sen. Deyalsingh: “He doh even believe he own words.”

Sen. The Hon. Dr. B. Tewarie: Of course, I belief my words. The purpose of a government is to be reasonable with reasonable people in the society. Okay? [*Desk thumping*] I promised to be short and I am going to be short. In this presentation in this debate, I think it is important to—[*Interruption*]

Sen. Hinds: [*Inaudible*] to make the Government—

Sen. The Hon. B. Tewarie: No. It is important to insist on the reality. [*Interruption*]

Sen. Hinds: [*Inaudible*] Look, they now kill another man in Laventille. How is that? They now kill a next man in Laventille.

Sen. Karim: “De seagull meet de kangaroo.”

Sen. the Hon. Dr. B. Tewarie: You would have situations like that but the situation is not as bad as it was a year ago. [*Interruption*]

Sen. Hinds: The Prime Minister was partying last night.

Sen. The Hon. Dr. B. Tewarie: It is Carnival. [*Interruption*]

Sen. Hinds: Yes. Bacchanal! Bacchanal! Bacchanal!

Sen. The Hon. Dr. B. Tewarie: There is no bacchanal. That is what you want to create in the minds of people. There is no bacchanal. Yes, as I said, there are all kinds of fissions, fractures and eruptions, but there is no bacchanal. The Government is proceeding with its business. Anyway, I do not want to conclude without saying anything about the Bill, because it is important to do that. [*Interruption*] [*Laughter*]

Sen. Beckles: Relevance.

Sen. the Hon. Dr. B. Tewarie: No, it was not a question of relevance, I was responding to statements made by other Senators. I just want to say something—in a specific instance—to illustrate my point about this business of coherence, policy, and so on. I cannot use one example in order to make the entire point, but I do want to say a word or two about something.

For instance, in this particular Bill before us, what we have in paragraph 3 of the Bill are the amendments that must be made to implement certain necessary changes. For instance, having to do with the promotion of small and medium enterprises, certain amendments are made to make that possible. What is the policy measure that we are trying to implement there? First of all, for the first five

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years of operations, the corporation tax on profit for these SMEs that are listed is going to be 10 per cent, and that will continue for five consecutive years, after which they pay the normal 35 per cent for non-energy companies. They set out what we are talking about. The SMEs must have a share capital of \$5 million, and maximum share capital of \$50 million, 25 shareholders, and minority shareholders must own at least 30 per cent of the share capital. Why is that important? Because it means that at least 30 per cent of the share capital of the company must be put on the stock exchange.

I want to ask you something: how could that be a bad thing for Trinidad and Tobago, in terms of the promotion of small business, in terms of fuelling activity and growth in the stock exchange, in terms of increased economic participation for stakeholders and citizens in this society and in terms of the business growth possibilities for these companies that are now financed because they do not now have to go to the bank?

Then, a related measure is the business of VAT reform and what is attended there. What is being sought to achieve here? First of all, you want to increase the amount to \$360,000, so that you do not affect the small people down below. But secondly, you want to bring more and more people into the net so that, basically, you legitimize the system and refuel the system, so to speak, in terms of revenue collection; and those are related. The whole VAT issue and the small business issue are related. The strategy is linked to the concept of diversification, entrepreneurship and new business creation, and it means developing outside, by and large, the energy sector and many of these institutions are going to be in the services sector.

What I want to say to you is that, instead of simply trying to make the Government look bad, why do you not clinically assess what the Government is trying to do—the difference that is being made in terms of Trinidad and Tobago, the difference that is being made to the economy, the difference that is being made to people, the difference that is being made to the future, the difference that is being made to policy? Why do you not look at those things and recognize that what is happening is that there is a major policy shift taking place and a major, perhaps slower than we want, transformation taking place in the society? Mr. President, on that basis, I take my seat and allow other Senators to contribute. [*Desk thumping*]

Mr. President: It is now 4.55 p.m. I propose to take the tea break at this point and resume at 5.30 p.m. This Senate is now suspended until 5.30 p.m.

4.55 p.m.: *Sitting suspended.*

5.30 p.m. *Sitting resumed.*

Sen. Faris Al-Rawi: Thank you, Mr. President. I rise to join in contribution to this debate. We are here to discuss a Bill to provide for the variation of certain duties and taxes, the introduction of other provisions of a fiscal nature and related matters.

I have to say that this afternoon we were given a treat in having Sen. Vasant Bharath return to contribute to this Senate—it has been a while since he has contributed—and in seeing a very animated contribution on the part of Sen. The Hon. Dr. Tewarie, the Minister of Planning and the Economy.

The matter before the Senate is really something which occurs in every fiscal year. We are halfway into the year, in a budgetary sense—the budget was delivered in October—and we are dealing with the Finance Act.

Now, for those Members viewing in the national community, I think it is important to put this in perspective. We have before us what is called an omnibus legislation package. We are dealing with an amendment to 20 pieces of legislation under one Bill, and what we are seeking to do, from the Government's perspective, is to put in place the legislative measures to enact promises delivered in a budget presentation. This particular enactment in fact involves, one could say two budget presentations, because of the issue of promises articulated relative to the protective services. We are in fact reflecting upon two financial periods—delivered in 2010, and in 2011.

When I looked to see what we were actually discussing, it is noteworthy that we are here again on what we call a budget issue, and that in the period May to date, we have had, Mr. President, seven Bills brought to this Parliament of a financial nature, specifically dealing with the budget, and that has been supplemented by the addition of three Motions. Those three Motions, if you remember, had to do with the increase in borrowing limits and guarantees, et cetera.

We have sat here in the last 20 months on at least 10 occasions, in long debate as to what we are going to do as a country, and this sitting today represents a method of perfecting some of those issues. When you drill down into what the Bill actually says, the hon. Minister of Finance was correct in his summary that he is achieving three objectives. He called them objectives, of firstly, insuring that his compass was correct—as he called his broad objectives, what he called his economic compass. He provided, secondly, a statement that he was building the muscle for strengthening fiscal compliance, and lastly, he said that this Bill today would demonstrate a heart for social compassion.

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The debate today has taken on a somewhat broader perspective, as is common in budget debates. In particular they relate, in the wider articulation, to the issue of confidence, because ultimately, the hon. Minister of Finance has said that it is the intention of this debate and discussion—if I am correct—to say that he is increasing competitiveness; that he is looking at it in a wider process of social dialogue.

The first point I would like to make in the very short contribution that I do this afternoon is to raise the issue of what this Government is bringing before us. We must view it not only by its policy statements, the hon. Minister of Planning and the Economy, Dr. Tewarie, waved a document which causes my great discomfort, and that is the People's Partnership Manifesto. Not discomforted by the fact only of its presentation, but discomforting for me because the promises stated there are far apart from what I am seeing being delivered. But when you look to the issue of their policy, what concerns me is what we see. Let us measure them. A tool of management is that, if it cannot be measured, it cannot be performed. In measuring the People's Partnership, the first thing that I note is that the Order Paper—by which we sit every week—is nearly clear. Under Government Business we have a Motion relative to Standing Orders, and under Bills Second Reading we have a very familiar item on Order Papers coming forward—the Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons, something that has been there since last year.

I have no understanding, genuinely, of what this Government intends to do in terms of its coming legislation. Absolutely none! That causes difficulty when one reflects upon the fact that, in coming to this Senate, to the Parliament of Trinidad and Tobago in the period May to date, we have dealt with, I believe, 67 Bills, we have dealt with 30 Acts, and 17 Motions. So, there has been a lot of opportunity, but the reality is when you crystalize it, that 99 per cent of the legislation, save only the Children's Act, involve legislation which came from a previous government. Now, that has worked its way out I am yet to understand what the Government is coming with.

Mr. President, the arithmetic, one way or the other, in analyzing budget presentations is very much like the philosopher Mill's statement, it very much resembles natural law, which could be used one way or the other to identify any argument. I think that the description on the arithmetic takes us only so far.

I would remind and state for the record that the now Government, when in Opposition, used the arithmetic on a constant basis to beat the then PNM in government, a litany of woes and criticisms with every promise under the sun

why they could do it better, and now we have heard today in this very Senate the statement, “Do not judge us too harshly. Stop trying to make the Government look bad.” We have heard the statement, “In an open democracy things like this happened.” We have heard the statement, “Try to have some understanding, it takes long.” Well the story is no different now than it was previously.

Relative to the items raised in debate today, three things cause me great concern. Those three things anchor themselves into the rooting of confidence, because confidence is a factor which prevails in this debate. The three items are, relative to the head of procurement; secondly with respect to the head of equity; and thirdly, with respect to the head of national security confidence. All items set open in our debate at present.

Relative to the issue of equity, I wish to dive, first, into that which I have named second. I have heard from the Hon. Vasant Bharath, and indeed, Sen. The Hon. Bhoendradatt Tewarie, who has just concluded, that the purpose of the Government is not to make the Opposition happy. He says the purpose is to be reasonable. He says the purpose is to govern well, to stop trying to make the Government look bad. He says that we ought to be able to identify by their actions a major policy shift. He says that it is apparent.

Mr. President, I must beg to differ strenuously with my learned colleague, for whom I have great respect, because if we were to look at the very aspect of revenue generation—something which this Government is notoriously silent on continuously in the 10 debates we have had to date, relative to budgets and the Motions on limits of borrowing and guarantees—the revenue item we have said repeatedly is silent. So what is the Government currently doing relative to the revenue?

I wish to point you to the fact of something which is seen in our newspapers almost every day. The Water and Sewerage Authority advertised, seven days ago, “disconnection drive begins to recover \$.5 billion in rates”. There is with your permission, a news release, on a WASA letterhead; it is under the hand of one Ellen Lewis, General Manager, Corporate Communications dated February 08, 2012. In that, with your permission, the Water and Sewerage Authority says;

“Water and Sewerage Authority today embarked on the disconnection phase of its Revenue Collection Drive to recover \$506 million owing to the utility outstanding rates by domestic and commercial customers. Rates owing by domestic customers account for \$356 million of that amount.

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As part of the nationwide campaign, the service connections of several customers were disconnected today for non-payment of rates.

A customer located at #11...”

so and so street and address—

“...San Fernando has accumulated arrears totaling \$68, 352.45 over a 13 year period;”

It then goes on to say that:

“another customer was disconnected for sums in excess of \$16, 000.00...bills remained unpaid for ten years”

Then we note in the newspapers, articles such as that appearing in the *Trinidad Guardian* of Saturday, February 11, 2012. With your permission, the headline at page A14 reads:

“Long lines at payment centres as WASA’s ‘name and shame’ drive continues”.

Mr. President, what does this mean? WASA has published in its own statements that it is naming, shaming and disconnecting people, 14 and 15 years. I read in one newspaper 33 years; smaller sums.

This thing piqued my curiosity in looking at this as an attorney. First thing I said to myself is, where does this authority come from? Why is it that WASA is now embarking upon this course? In my research I came across the contribution of the now CEO of WASA, when he then sat as Minister, and that was in the House of Representatives on December 08, 1995. The Minister, then, had to say at page 49—in dealing with the WASA private sector participation issue—the hon. Minister Hon. Ganga Singh went on to discuss since inception WASA’s difficulties with rates and tariffs. He then went on to discuss a number of issues that arose in the then privatization discussions which were afoot as he put, from the last government, and at page 53 he says:

“Mr. Speaker, since assuming office we have been inundated with cries for assistance from the poor and the downtrodden, the pensioners and the forgotten ones, for a solution in dealing with the manner in which their water supplies have been disconnected for non-payment. Having reviewed WASA’s policy, it is clear that a more sensitive, humane and customer friendly policy is urgently required. In the immediate situation the following will apply:

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No disconnection of domestic consumers from December 8, 1995 to March 31, 1996 inclusive. Water is essential; water is life. However, I implore all patriotic citizens to assist WASA by paying their bills on time.”

It appears to me, subject to clarification by the hon. Minister of Public Utilities, that WASA in 1995, under the mandate of the then Minister, now CEO of WASA, made a policy prescription to WASA that disconnections were not to happen. In fact, in speaking with the RIC, and with PUC prior to that in bringing their records forward, I could find no revocation of this position.

What struck me then next as a demonstration of this caring Government’s ability, of its heart and love for the citizens, as the hon. Ministers try to encourage us that they are doing, what appeared to me was, how on God’s earth are they proposing to get around the operation of the Water and Sewerage Act, as a matter of first priority, and secondly, the Rates and Recoveries Act, and thirdly, the Limitation of Certain Actions Act. Those three pieces of legislation are the tools that must guide us on an issue like this, because these are revenue generating issues for a government trying to collect \$.5 billion of revenue, particularly when they have given up \$.5 billion of revenue per year which they could have collected on land and building taxes. That being the case only because of the shame in admitting that the “axe the tax” was the wrong approach.

5.45 p.m.

So, Mr. President, the Water and Sewerage Act, Chap. 54:40, in fact, deals with the issue of revenue collection and how its rates are to be collected, specifically in Part V sections 74 to 77 of the Act. In that section 74 deals with the liability for and recovery of water rates and sewerage rates. What do those sections say in summary? They say in summary that, water rates and sewerage rates payable by any person may, after demand, be recovered from a person liable therefore by the authority either summarily as a civil debt or as a simple contract debt. It then goes on to say that the Rates and Charges Recovery Act applies, and basically, that you may mix and match, you may disconnect, you may take the civil debt to the court—in the Magistrates’ Court or in the High Court—and you may move under the Rates and Charges Recovery Act, the latter one being the power to sell your property.

Now, when you look at the disconnection aspects contained at subsection (7) of section 74 of the WASA Act, it is clear that the authority shall not cut off the supply of water until a dispute, if raised, has on the application of either party been settled by a court of summary jurisdiction, but only if a payment is made on

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a without prejudice basis. So, a person, upon whom a demand is made by WASA or a disconnection notice is given, gets to go to WASA and say, “listen, I have a problem with your assessment of my rate, here is my money which I am paying without prejudice to all of my rights, you can’t disconnect me.”

But what has the caring People’s Partnership Government done? In its media release under the hand of the CEO’s department, they have said, “we are gonna disconnect you, Mr. President”, and they are proud to put on WASA letterhead, “disconnection for 13 years plus”. When you look to the Limitation of Certain Actions Act, Chap 7:09 of the laws of Trinidad and Tobago, we see at section 3 of that Act, a very important point, and that is:

“The following actions shall not be brought after the expiry of four years from the date on which the cause of action accrued —

(a) actions founded on contract”—Part A—“on quasi-contract or in tort;

(c) actions to recover any sum...by virtue of any enactment.”

So, what I wish to have by way of an open straightforward answer from the hon. Minister of Public Utilities, today, is whether the Limitation of Certain Actions Act applies in this instance? He needs to tell us. He needs to tell us in the context of Ganga Singh, then Minister of Works in the Parliament in 1995, saying do not recover, the inequity that is apparent in running behind people 13 years and 33 years, et cetera, needs to be explained, and I need to have, for the benefit of citizens all, an immediate explanation as to how WASA intends to pursue actions beyond a four-year period? And that is, where they have elected not to go under the Conveyance and Law and Property Ordinance which the Rates and Charges Recovery Act would have allowed if you are selling the property.

So, if you are dealing with land, there is potentially a 12-year period of limitation. If you are dealing with a contract or an amount via an enactment, you are dealing with four years. The nation deserves an explanation as to how this caring Government is not including in their public releases, information as to their rights not to be disconnected, the rights to have, potentially a statutory period of limitation applied—

Sen. Abdulah: Mr. President, a point of order, Standing Order 35(1); I am not sure how all of this detail relates to the Motion before us.

Mr. President: I would allow, within limits of course, Sen. Al-Rawi to continue.

Sen. F. Al-Rawi: You see I am not surprised my learned colleague would raise that order, because, clearly he does not understand that revenue and rates are connected to budget debates. I have laid the foundation, as we say in law, as to relevance, so, either he is asleep or simply does not understand the law, with the greatest of respect.

Mr. President: [*Inaudible*]

Sen. F. Al-Rawi: Okay, I will be guided, I do not wish to be too uncharitable, but I take these issues on behalf of citizens very seriously. I think the Government is obliged to give a clear and comprehensive explanation as to what they are doing. That explanation yet to come, I would turn to the second issue, which is the issue of procurement.

My learned colleague, Sen. Dr. Tewarie is the Minister of Planning, Economic and Social Restructuring, he is also the chairman of a particular Joint Select Committee on Public Procurement—the hon. Minister, Vasant Bharath, said that the Opposition ran away from procurement. Procurement has been raised in this debate and I wish to raise the issue squarely now. On January 25, 2012 when the learned Sen. Dr. Tewarie was most tragically experiencing the death of his father and, in fact, his father’s cremation on that day, he was not present in the Senate, but I had set out on the record and had asked, through you, Mr. President, the Government to convey my specific problem with the lack of explanation in relation to procurement as it related to the Invaders Bay project.

I went into long detail, as to my view that explanation needed to be given as to the applicability of the Central Tenders Board Act, and why, in my view, the Central Tenders Board Act needed to be applied in the instance of the Schedule thereto, being Legal Notice 179 of 1997, which said that at section 2:

“The functions and duties of Central Tenders Board are hereby extended to include the authority to act for, in the name...of the Government to dispose of real property owned by the Government...”

And in the context of that Act and of the Central Tenders Board rules and booklet, on their website for anyone to receive, how was it is that with land vested in the State at Invaders Bay we had an RFP running in an extremely truncated manner for private investment which involved the disposition of nearly \$1 billion worth of land developed by the State, why was that not falling under the Central Tenders Board legislation? No answer has come. The Government is—

Sen. Dr. Tewarie: Mr. President, will the hon. Senator give way? The hon. Senator knows very well that a question has been filed and that the question would be answered on the date set for the question to be answered.

Mr. President: To the extent therefore, Senator, that the question has been asked, then, of course, we cannot anticipate the answer, and therefore, you may not be permitted to go extensively into that area, though I understand reference being applicable to revenue.

Sen. F. Al-Rawi: Thank you, Mr. President. I had not planned to. A question has been asked subsequent to my request at the presentation, not by me, but I have said that the procurement issue is an issue which needs to be answered forthwith, because it is something that has also been asked by members of the private community.

Mr. President: Senator, I really believe that the question having been asked before the Senate—*[Interruption]*—that you cannot, therefore, continue to pursue the matter in anticipation of that.

Sen. F. Al-Rawi: Thank you, Mr. President. *[Desk thumping]* Secondly, on procurement—it is nothing to celebrate hiding an answer, you know, it could be given in the public domain. *[Interruption]* Yes, it can be.

Sen. Ramlogan SC: Look at your party—*[Inaudible]*—hiding answers.

Sen. F. Al-Rawi: I need to say why it can be answered in the public domain. It can be answered because the issue—

Mr. President: Senator! Senator, we are pursuing outside of the parameters of what this debate is about.

Sen. F. Al-Rawi: How?

Mr. President: We indicated that the question has been asked relative to procurement and that there will be an answer given to it, but we cannot prolong the issue about answers in the public domain or otherwise relative to that issue.

Sen. F. Al-Rawi: Thank you, Mr. President. *[Desk thumping]* Mr. President, do not let these people agitate you, I had moved on to a separate issue and you are anticipating where I am not going. I was on about the issue of public procurement as it relates to the light rail, another issue which has come into the public domain; they sit very uneasily opposite, because these are answers that they have not given.

When we deal with the issue of the light rail, the question again arises as to the applicability of central tenders procedures. Now, in the public domain we have had an open statement that the Opposition has withdrawn from public procurement discussion and without going into the business of the committee the position is quite simple—this Government has, for 20 months, failed to advise as to what its policy is with respect to public procurement. [*Desk thumping*] Whilst it is doing that it is hot on the trot, seemingly to break every rule, because if you look at the central tenders potential application in the light rail scenario, and also with respect to the Invaders Bay project, you must ask yourself why the haste? Then added on to the coordination aspect of procurement through sub-agencies, the same sub-agencies that this Government is famous to say has abused processes.

Sen. Dr. Tewarie: Mr. President, on a point of order—

Sen. F. Al-Rawi: Which is?

Sen. Dr. Tewarie: The hon. Senator is being—

Sen. F. Al-Rawi: You have to quote the point of order.

Sen. Dr. Tewarie: I am sorry.

Sen. F. Al-Rawi: There is no point of order apparently.

Sen. Dr. Tewarie: There is a point of order, I would get to it.

Sen. F. Al-Rawi: Well, look for it. Mr. President, the next issue that arises is the issue of security, and in dealing with the issue of security as it is pegged to the Bill, in providing an incentive, as the hon. Minister of Finance calls it, for protective services minus SRPs, in providing a form of incentive, “fiscal muscling” he called it as well in some other parts in this Bill, we have dealt with the issue of how our security network operates.

We heard Sen. Drayton this afternoon speak about how unpalatable it is for the titular head of the Bar, the hon. Attorney General, to be seen running quickly away from the issue of the Anti-Corruption Investigation Bureau. In fact, the hon. Prime Minister was in public media saying, “I have instructed the Attorney General to bring a note to Cabinet on Thursday to get rid of it”. What arises in that scenario pegged inside of the incentivization to security services is an important issue. This Government does not seem to understand that it is responsible for coordinating all aspects of security of mind, conscience and person for the citizens of Trinidad and Tobago, and this Government seems to be resolute to flip-flop on its issues.

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It says it does not wish to be involved in the pervasion of the course of justice. It says so because it runs away from anti-gang arrests, it says police do that, but then you notice that legislation comes to this Parliament in the form of things like the Data Protection Act, in the form of the Financial Intelligence Unit. Legislation comes to this Parliament in the form of an attempt to deface the Constitution of the type seen in the allegation that hangings cannot be carried out, totally against the policies that they propose to articulate.

That is so because, when you look at the issue of hanging, the Attorney General has not yet, in providing the security confidence to this population, explained why he cannot do as his predecessor, Ramesh Lawrence Maharaj SC did, implement a specialist institution in the Ministry of the Attorney General to track cases from the Assizes come forward to the Privy Council, knowing that, in fact, right now it is only the international commission that appeals are going to and he has not explained why that cannot work, and why he must persist in an attempt to deface the Constitution of Trinidad and Tobago by introducing legislative measures which have no merit.

Sen. Ramlogan SC: Did you all ever hang any one?

Sen. F. Al-Rawi: We did not and and I will tell you why.

Sen. Ramlogan SC: “Aaaaah”.

Sen. F. Al-Rawi: After *Pratt and Morgan* came about the jail cells were cleared. After the five-year period went—

Sen. Ramlogan SC: “Ha, ha, ha”.

Sen. F. Al-Rawi: The reason why the Attorney General’s Government cannot hang is that there is no one to hang.

Mr. President: Senator, you appear to be taking a different path from the debate.

Sen. Ramlogan SC: Yes, a little emotional, tone it down.

Sen. F. Al-Rawi: Mr. President, the Bill refers to the Prison Service Act, the Police Service Act, et cetera. I am not out of bounds with this Bill; I am squarely in this Bill, with the greatest of respect. I would try to make it more apparent, however, but the point is that the hon. Attorney General, my learned senior now as he is, the titular head of the Bar, is feeding this country with a diatribe of rhetoric. The cacophony, in fact, comes from the Government because it is completely unarticulated in respect of its coordination, and now we are seeing that when the fire is coming down, the attempt to run away from the issue is there, run away from the ACIB.

6.00 p.m.

When, Mr. President, we saw the Data Protection Bill coming here and we saw a long fight over the DNA Bill last week, we noticed that we were still allowing an insistence upon the use of search warrants—I am not going into previous debates—[*Interruption*]

Sen. Oudit: Mr. President, Standing Order 41 and subsequent to that, Standing Order 43(3) and (4).

Sen. F. Al-Rawi: I will wait for your rulings, Mr. President.

Mr. President: What was the other one?

Sen. Oudit: Standing Order 43(3) and (4).

Mr. President: I do not think the occasion has arisen for me to invoke either of those Standing Orders. Sen. Al-Rawi would you continue please.

Sen. F. Al-Rawi: Thank you, Mr. President. I do not propose to be much longer, we have given a gentleman's agreement. I have used only the injury time for allowing clarifications by my learned colleagues.

The point is, Mr. President, that this is a Government of words. It is a Government of "ol' talk", when you look to analyze their actions as we have done repeatedly in 10 debates, at least relative to budgets. And regrettably, words mean anything that they intend them to mean. They have got to step up to the plate and coordinate issues appropriate to the obligations vested in them. The people of this country voted for them, and it is incumbent upon them to do their duties. With those few words, I thank you.

Sen. Shamfa Cudjoe: Thank you very much, Mr. President, for the opportunity to offer—[*Interruption and crosstalk*]

Sen. Ramlogan SC: That is all right man. It is a beautiful [*Inaudible and laughter*]

Sen. S. Cudjoe: Thank you, Mr. President, for this opportunity to speak. I am speaking directly after Sen. Al-Rawi because we had an agreement. I just want to use about 10 minutes or so, so I could try to make it back to Tobago. We do not have to vote on this Bill. [*Interruption*]

Sen. Beckles: To be with your valentine?

Sen. S. Cudjoe: To be with my valentine. [*Laughter*]

Sen. Ramlogan SC: Tobago valentine.

Sen. S. Cudjoe: Yes, I am glad that I got to speak at this time. I see the Minister of Finance is looking pleased. I want to speak directly to the Minister of Finance through you, please.

Mr. President, I want to just address the issue of water. Now, we tend to focus a lot on water supply, but in today's society and in the mix of an international global financial meltdown or a double-dip recession, we depend in the Caribbean even more heavily on tourism to bail us out, and water plays a very crucial role in our tourism industry.

Today, I do not want to speak on water supply, which we tend to focus on so often. I want to speak on wastewater management. The Caribbean region and we in Tobago depend very heavily on the tourism industry; and the degradation of our marine resources caused by the discharge of the untreated wastewater into our coastal area is a serious concern. Mr. President, over 15 to 20 years or so, I know for us in Tobago, we have been doing research since 1992 and working on the issue since then. We have been doing research on wastewater management and the quality of the water in the sea, and we have come to the conclusion that sewage pollution from land-based sources and from cruise ships have been the most pervasive form of contamination for our coastal environment. So I want to call on the Government to pay some attention to the environmental issues because this issue of wastewater management is not just a problem to the environment, but it is also causing problems as it relates to the economics. We depend heavily on the ocean as it relates to tourism and, for the most part, Tobago is surrounded by water just like Trinidad. We are surrounded by fishing villages throughout Tobago and we depend heavily on fishing for food and for basic livelihood. I know that the previous administration and also this administration have placed some focus and priority on treating with wastewater management. I want to call on the Government to continue in that effort.

Now, Mr. President, last week I had the opportunity to attend a conference in Jamaica. It was a conference held by the IADB regard to a project they called CREW, the Caribbean Regional Fund for Wastewater Management. In 2008, the IADB requested funding for wastewater management projects throughout the region, and they had been in consultation and negotiation with the Government of Trinidad and Tobago since 2008/2009. We have gotten to the point where the IADB has agreed to fund a project in Tobago, based on the Scarborough Wastewater Treatment Plant.

Most of our wastewater problems in Tobago are basically in the south-west region, but that is a fairly expensive project and it has to be taken in steps for the kind of work that is necessary. The IADB is offering funds for a pilot project. You want to do the first project in Scarborough, where the IADB is going to assist with enhancing our technical capacity, in hooking up over 500 households and business places to the wastewater treatment plant in Scarborough.

In one of our debates on water, I think it had to do with desalination, I remember Sen. George making the announcement that the Ministry of Public Utilities and WASA were going to do metering in Tobago and so forth. All that is related to the CREW Project.

Mr. President, while I was at that meeting I got to find out some critical information. The IADB had to choose four countries to execute this project. They had chosen Jamaica, Belize, Guyana and the Scarborough project in Tobago, so that would have been under the Government of Trinidad and Tobago. And the IADB had been in consultation with us since 2008/2009 and had gotten agreement from the Government of Trinidad and Tobago that we wished to proceed.

It is time for disbursement of funds to have the projects started, but Trinidad and Tobago is the only country holding up the whole process. The executives at the IADB claimed that they have been in constant communication with the present Government of Trinidad and Tobago, and there is the promise that, "Yes we do intend to access these funds", but there is no commitment. And I must say I was particularly embarrassed to be the person representing Trinidad and Tobago at that meeting. I think that was the very first time I was somewhat embarrassed to represent Trinidad and Tobago, and I will tell you why. It was because all the other countries were so excited, they were ready to access these funds and our Government had not made a proper commitment. There are letters going back and forth saying that we are still interested. I know that the Tobago House of Assembly, if we had the ability and the authority to sign on to this agreement on our own, we would definitely go ahead and do that.

I have correspondence that I got from the IADB, between the Chief Secretary and the Minister of Finance, asking to execute this project. In November of 2010, the Ministry of Public Utilities said that they did not wish to partake in the project, but after that you see letters between WASA and the CEO of WASA, Mr. Ganga Singh, still showing interest. I understand that there were tenders in the newspapers relating to this project, but our country has not made a serious commitment. We have not signed the papers. We have not met with the IADB to say, "Okay, these are the interest rates that we are going to agree upon," and so

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forth. So at the committee meeting after the workshop itself, the other Caribbean countries were trying to implement a measure so that they could vote out Trinidad and Tobago because Trinidad and Tobago is the only country keeping back the project right now. Countries like Antigua and St. Vincent, they asked to have—
[*Interruption*]

Sen. George: Could you give way?

Sen. S. Cudjoe: Sure.

Sen. George: Mr. President, Sen. Cudjoe is conveying ruinous information to the population. The funding agreement in respect to this project was signed with the IADB a couple of weeks ago. I think she needs to check on her information before she comes to the Parliament and misleads the Parliament and the population of Trinidad and Tobago regarding the signing of this arrangement with the IADB. [*Desk thumping*]

Sen. S. Cudjoe: Mr. President, I would like for the Minister himself to do his research and find out what was going on. I was there in living flesh. I was there in the negotiations, in the consultation. If I lie or if I have my information twisted it is from the project coordinator, it is from the executive at the IADB.

Mr. President, this is an email I received yesterday from the IADB saying, “Speak to the Minister and see what you can do”. [*Desk thumping*] “We are willing to come to Trinidad and Tobago to meet with the Minister and to meet with the relevant authorities”. Right now Trinidad and Tobago is the only country holding back this project. One of the persons within that meeting who was trying to save us was the Project Coordinator, Ms. Denise Forrest of Jamaica, because the other countries were asking that instead of reaching agreement by consensus, for us to vote. If they had only gotten their way the other Caribbean countries were prepared to vote out Trinidad and Tobago. There were only two of us there, myself and Mr. Jason Ganpat, a young professional from the EMA, fighting on behalf of Trinidad and Tobago.

If you read the minutes of the meeting, I spoke, Mr. President, and I might have probably put my foot in my mouth, but I said, “I know my Minister is going to sign on”. I had not even spoken to the Minister, but you know what? They had shown interest before, and I do not expect this Government to say, “Okay, I am not going to do anymore”. And in order for us to be able to still participate in this project, I said, “I am going to see my Minister, I am going to speak to him, I am going to talk to the relevant authorities so that we sign on”. Right there and then in the meeting they gave us 15 days to sign on or else we would lose it.

Barbados is ready to take the money. It is US \$2 million for the first phase of the project and Barbados is in line. Antigua and Barbuda are also in line, and were at the head of the call to vote Trinidad and Tobago out. St. Vincent and the Grenadines were next.

So, Mr. President, they gave us 15 days. I asked, "Can you push it to the end of the month?" Because in my mind I said it was Carnival, and I hope we would get around to getting this thing worked out before 15 days. I mean, the end of the month is only three or four days more, but whatever time we could get so that the Minister of Finance and the relevant authorities could this thing out with the IADB, I will greatly appreciate it.

This project is important, not just for Tobago, but for Trinidad and Tobago. If the Government could accept a US \$50 million loan for wastewater treatment in Trinidad, why is it so hard to accept a \$2 million grant for Tobago? I know for sure that they did not sign it because I spoke to the relevant authorities. I have the documents. I have printed the documents, Mr. President. I have them in soft copy and hard copy. Anybody who wants to see I can forward the email. I can forward these documents.

6.15 p.m.

As I said, the IADB is willing to come and meet with us. I think we need to let them know: Are we going to go ahead with this project or not? This is the last letter between Minister Dookeran and the IADB, dated February 01, saying that:

The Government of Trinidad and Tobago is interested in accessing the grant for the Caribbean Regional Fund for wastewater management RGX/1011 to assist with enhancing the Government's overall strategy for the wastewater sector. Further consideration will be given to financing arrangements following development for the project detail.

So it is just more and more of these letters saying, "We are still interested; we are still interested; we are still interested." As Sen. Al-Rawi said, a government of words, but these words cannot keep us much longer. If we do not go ahead and sign on, we would lose it.

Some of the documents even go ahead to say that there is a lack of political will. In the inception report, when you read the section for Trinidad and Tobago, it says that "Trinidad and Tobago had an election and since the change of government we have not been able to get a commitment from them." That looks bad on us. I can present copies of the report for those who want. I am just asking

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for us to give the IADB a response, or if you want them to come and talk to straighten things out, the IADB is ready and willing to make the trip here to meet with you. People from Tobago voted for you too, so we expect goods and services just like those in Trinidad.

So with those few words, Mr. President, I thank you. [*Desk thumping*]

Sen. Dr. Rolph Balgobin: Thank you, Mr. President, for allowing me to rise and to make a contribution on this Bill. I have listened to the debate with interest and I would say, in thinking about the context within which this Bill comes before us, it is very difficult not to feel a great deal of sympathy for the Government, and I say that because I think it is a very difficult time for anyone to be in government at this point in time, given the local context, the regional economic context and the global economic context.

But I was pleased to see this Bill come before us because I thought that, in a way, it seeks to address a number of important aspects that have been hanging loose, like loose threads that were in need of snipping away or tying up. And so I was particularly heartened to see very early in the Bill the resolution of some of the open issues relating to allowances for police, prison and fire services personnel. I think that that is very, very important that we resolve definitely and once and for all.

I would like just to speak to—I will not allow myself the latitude of some of the other contributors and would like to stay reasonably close to the Bill, or as close as possible, and just speak to some of the specific clauses put forward in the Bill. I would like to begin with clause 7 which addresses the question of municipal corporations, and I think this allows us to ask one important question and raise one issue that has troubled me for some time.

The mischief this arrangement attempts to resolve is, very clearly, an unfair set of circumstances that overtakes any hapless individual who has the misfortune of being placed to act and then retires while he or she is acting. But I would invite the Government to think critically about why people are allowed to act in so many of these positions for so long. I think it is extremely unfair to any and all concerned, both to people who are acting for a time and would naturally feeling they deserve to be appointed, as well as to those who are behind them feel that they want to take an opportunity or get a shot.

So I think that while this addresses the issue of acting, I am a little concerned that we are, in fact, putting lipstick on a bulldog and what we really need to do is also address the question of where these acting arrangements are or where they

are meant to go. And there really ought to be a limitation for how long someone is allowed to act in a position in a municipal corporation, for example. But it raises a secondary and very important question, I think, that we as a society—

PROCEDURAL MOTION.

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I beg to move that this Senate do sit until the conclusion of this debate this evening.

Question put and agreed to.

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Sen. Dr. R. Balgobin. Thank you, Mr. President. What I was asking was: what is the relevance of local government? I do not think that we have really, comprehensively, determined the answer to that question one way or the other. This is a very small island, and we are probably removed from each other by two degrees of separation, if so much, and you look at how many municipal corporation we have—14 or thereabouts, and you have two city corporations—and the rules within each of those are very different for different things. There is a pointless duplication of administrations, and in the end people who need to get things done still have to go to a Ministry or a Minister or an official somewhere in the national government as often as not. So I think that this reminds me to ask the question: what are we doing about local government? When are we going to have local government elections and should we have a local government at all? Or what should be the role and function of a local government?

In clause 8 we were treating with national insurance, and I only had one question to ask, and that is: can we afford this? I ask this in light of the document that was tabled here a week ago that seemed to suggest that even with the most benign set of circumstances, the NIB would have a great deal of difficulty meeting its future obligations, in terms of pensions. I am not, for one minute, advocating that we roll back this arrangement, but I am sounding a warning that our pension system, the structure of it, the way that we manage these funds, grow them, invest them, how we are planning for the payment of pensions, need to be very urgently reviewed and repaired if we are to avoid finding ourselves in problems later on.

In terms of clause 10, the only thing I would ask or suggest to the Government is that they be extremely circumspect when defining, at the end of clause 10(b) what “medical purposes” would be, because we can inadvertently find ourselves—we can open ourselves up to significant cost that the working

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population is going to have to create economic value to allow us to bear. And there is an example of something similar to this happening some years ago with the returning resident duty-free concession for motor vehicles, which was quite wrongly abused. So I think that the definition of what “for medical purposes” means, in terms of explaining one’s absence from Trinidad and Tobago, becomes very important because if it is just that you get a doctor’s letter saying so, then that is very easy to manufacture or to fabricate.

In clause 12, the two questions I had would have been: For the Council of Legal Education to get tax-free motor vehicles, which public bodies other than this one enjoy that facility? And what is the criteria for any council or body to be accorded this accommodation? It should be transparent, open and fair and not be the gift of a politician or a government.

In terms of clause 15, there are a couple of things here, and in looking at it I thought that I found a solution to the drug trade, actually—an economic solution—so I thought that I stumbled upon something very powerful there, and I will work my way very quickly to that.

What I would say is, in terms of corporation tax I would encourage the Government—I salute the Government, first of all, for thinking about capital market expansion, and when we are thinking about capital market expansion we should not just be inviting the SMEs to come onto the exchange, but we really should look critically at those enterprises owned by the State which, really, it has no business being involved in anymore, and I can think of a number of them, where the State has no need to be involved in these businesses anymore and they can be spun out fully and properly onto the stock exchange.

But I would say also to the Government that we need to be careful not to create scenarios where small investors invest their money in these SME-listed companies which remain under the influence and control of significant shareholders. I am coming to the view that the system of public company governance is flawed, and that the owners of companies really do not get an appropriate opportunity to interrogate the management about what is really happening inside of the business, save and except for once a year. And, of course, there is very little incentive for anyone to point this out to the population, but I think we should tell the public that a great many, if not the majority, of companies on our stock exchange are, in fact, under the dominance or the control or the ownership of very small groups of shareholders.

So when you are thinking about making an investment into a company, you need to understand that you are not just buying a share and you have a voice, same as everybody else. It is not so. And so we need to be mindful that even as we expand the capital markets, we do not create further opportunities for less discerning investors to lose their money, and there are examples of that on our stock exchange happening right now where managements can take shareholders' capital captive and decide what to do with it thereafter.

If the purpose of the SME-listed company arrangements, as laudable as it is, is to increase—as I heard someone suggest, I cannot remember who—access to capital, then I think we should also, as a country, confront the banking sector, and what appears, to my mind, to be something as close to a cartel as anything you would see anywhere. I looked at the financial statements of a couple of commercial banks and what I found was of great concern to me, in that on revenues, for example—and I will just use an example of one—where you have revenues of \$3 billion, you have net profit of more than \$1 billion. I do not know of any other business in any other industry that is making those kinds of returns, except perhaps the NGC.

6.30 p.m.

So, I think that even as we encourage businesses to list, we ought to look at the banking sector and try to understand why. And, it is not just in Trinidad. If you do a study of it throughout the Caribbean, for example, it also prevails in Jamaica. The spreads are very wide and the cost of capital for investors, for business people, is way too high. And, there is no reason for it because the competition is artificial. There appears to be some sort of coordinated movement with banking institutions about the rates that they charge. They are milking the ordinary man or the person who has an ambition to start a business. So, if you do look at, for example, the profitability of the value chain of the drug trade, you would find that banking, at least in this country, compares rather well.

With regard to value added tax, I would say one thing about that. I am glad that the Minister of Finance has sped up the refund arrangement, but I have an internal debate about whether he should be congratulated for that. He is supposed to do that. That is his job. That is the law. You are obligated to do that. I should not have to congratulate you for doing what you are supposed to do. The fact that we have to do that, tells us how bad things were.

What is tragic about that is the people who need VAT refunds are precisely the people that you want to encourage in the economy. Because, the people who need VAT refunds are start-up companies, who are not yet earning the kind of cash flow

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that would allow them to earn VAT in excess of what they are paying out, and exporters who would, more often than not, be in a VAT refundable position. So, if you slow up, frustrate, hinder and obstruct VAT refunds from flowing back to these companies, you are in fact strangling the same kind of economic activity you say you want to build. So, I would congratulate the Minister and encourage him, though, to institutionalize those changes, so that we do not have to beg a further Minister somewhere down the road to speed up VAT refunds again. That system needs to be institutionalized and held there.

With regard to the Note on the Central Bank in clause 19, I think that this is a most welcome fix. This was promised and now delivered, that we freeze time and we preserve the right of the people who wish to take legal action to do so if they want to, when the time is expired.

In clause 20—I have said here before, and would say again, that I think our method for treating with the Companies Registry is antiquated, it is “Jurassic.” You are saying that people need to go and file there, but filing there is an adventure because when you go, you are told, “You did not fill out the form right. Fill it out so.” There is no sample form filled out anywhere on the wall. “Fill it out so.” So, you go back. You fill it out so. You come back the next time, you meet a different person who says, “Ooh the form is now wrong.” You need fill it out so. And you say, “This is what I had last week.” And they say, “Well, can’t help yuh.” And, you just keep pinballing back and forth. You could only do this in Port of Spain. If you have a business in San Fernando or in some other—Princes Town or Rio Claro, what is your situation? [*Interruption*][*Inaudible*]

So this is laudable but there are things inside of places like these that need to be changed. This does not resolve the issue because it is extremely frustrating to deal with agencies like the Registrar of Companies, extremely frustrating. If the Government wants to increase productivity, one of the first things that we should really endeavour to do is respect citizens’ time. So, if you want to renew your licence, or get a passport or go file something, some document somewhere or the other, it should be a lot easier to do. That is what I would say with that, I support it. I would encourage them to setup other satellite offices that allow people to file more easily, and more conveniently.

I also support the changes to the Fiscal Incentives Act as put forward in clause 21. I think these are laudable and make sense. I would, however, encourage the Government at some point or the other to define the role of manufacturing. What is the role of manufacturing in this country’s economic development? We are talking about services, yes. But, if services mean that you should be looking to

give a tourist a fruit punch, while he is being entertained by a parrot and eating a banana—I would like to know what services mean. What services are we going to provide and to whom? Because, the rest of world is very slowly coming back to a basic understanding, which is that services without goods really is untenable, except in a few extreme cases, like the economy of the city of London, for example. So you need to produce goods to survive. Manufacturing is central to our future and to our future economic development.

I just have a few more observations to make which I will do very quickly. The first is, I think we ought to again, as often as we can, confront the culture of entitlement that envelops us. And, tell people, look you know, as hard as things are, you do not pay the true cost of electricity, your phone, water, healthcare, education, gas and diesel. There are lots of things that you actually get for free here, that you would have to pay through the nose for in other countries. And still, we demand more. We demand the expansion of social programmes. We demand more from the Government. Everybody expects the Government to do something for them.

We must confront the population and say, “Hey, do you know what? You need to do more too.” And, I will tell you why I say that, Mr. President. I am not persuaded by the argument that we have by now are been led into a realm of economic recovery. I am not convinced by that. I think that talk of economic recovery is premature. I think that we should be very careful. The best that has occurred, so far to my mind, is stabilization. We have stabilized, yes. We are no longer sliding down a slippery slope, but we are not out of the woods yet. Not by any means.

We have not diversified the economy. And, in any event it would be very difficult for us to do. And, we are doing this while the rest of the world in is crisis, all of Europe. They used to say PIGS, for Portugal, Italy, Greece and Spain. You add Ireland in there now, so it is like PIIGS. And, look at Asia. China is slowing down. The rest of Asia is not doing particularly well. Western Europe is in crisis and the United States has slowed down. Where is growth coming from in the rest of the world? So, we should not tell our population here that things are hunky-dory when they are not. We need more productivity from our people. We need them to get up and not dance, but work.

With all due respect, the manifesto is not a plan. The Medium-Term Policy Framework is not a plan. There are elements that remain to be included inside there. We are perhaps facing in a positive direction, but that is not enough. We have a lot of work to do. We are in deficit. We are still running a deficit. And so,

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we have to confront the society. I will tell you, this is what the Greek government did. They kept telling the people everything would be okay, and everything was okay, until one day it was not. And so, we create the conditions for social instability when we do not tell the people that we need more out of them.

But you know what occupies our time? KI almost got robbed. That is the fella's name, KI or is it Key? [*Interruption*]

Hon. Senator: KI.

Sen. Dr. R. Balgobin: “Is KI”? He almost got robbed. The Government has apparently sent the anti-corruption police to intimidate the *Newsday*—I do not believe that. [*Interruption*]

Hon. Senator: [*Inaudible*]

Sen. Dr. R. Balgobin:—I said apparently. I do not believe those things, you know. The Anti-Corruption Unit of the police has been terrifically slow. It is the one arm of the police that I would be very happy to have investigate me if I did something corrupt, because they are not really—look what has happened with Calder Hart. Calder Hart occupied the imagination of this country for so long, and where is he? Where is he? Where is Juliana Pena? You know, there are a lot of things about HDC, URP all sorts of things.

We have a lot of questions to answer. The only thing I would say is I have no idea where the origin of that ACIB thing came from. I would say that the media should not be assaulted and we should be careful about launching potshots at the media. I saw one Minister do that recently with Judy Raymond and I did not understand why. I do not think it goes down well to attack the media, or reporters, publicly. But, the media must show respect too. Liberty is not licences. Mr. President, who is Kamla? I do not know anybody named Kamla. Who is Kamla? I am not on a first-name basis with anybody named Kamla. I have an aunt named Kamla. I would not call her Kamla. So, if the Prime Minister of the Republic of Trinidad and Tobago's name is Kamla, why is the media referring to her like that, and not as the Prime Minister. And—

Sen. Al-Rawi: “Patos.”

Sen. Dr. R. Balgobin:—“Patos” and—

Sen. Al-Rawi: “Max”

Sen. Dr. R. Balgobin:—“Max.”! “Max”! Who is Max? This is the President of the Republic of Trinidad and Tobago and you have to have some respect. The way I grew up, you do not watch someone who is older than you are and call them

anything other than uncle and aunty or “tanty and mamoo,” or Mr. or Mrs. You do not do that. So, I am appalled every day when I look at the newspaper and I see the way that we relate to each other, and refer to each other. The media is also championing that kind of eroding respect, and then very quick to cry out, if someone says, “Hey you cannot do that.” So all of the sides here, I think we need to pay attention to each other, and we need to have respect in our language, as we relate to each other and as we refer to each other.

I want to encourage the Government to think of one thing that I have heard of late from them, in my closing. I think they should pay attention to it because I heard it again today. I think it was the hon. Minister Vasant Bharath that used this argument, which I have been hearing for the last several weeks. It is really not tenable for a Government to say, “You did it, so we are doing it,” and if you have a problem—“But, you used to do it, why do you have a problem now if we are doing it?” Or “You took long, so we can take long.” The whole point of the Government being there is, maybe we did not like the fact that it was done before, so we do not want you to do it.

6.45 p.m.

So, do not do it if you know you should not do it, whatever it is. It is not a tenable explanation or excuse for me to listen to a Minister of Government say, “well, you did not do anything with this, so now if we do not do anything, that is okay.” That does not make it okay. That is why you are here, and not, I suppose, keeping me closer company.

Mr. President, that would be the crux of what I want to say, and I would like to close by saying that I think this is worthy in that it treats with a number of loose threads that needed to be addressed. I commend the hon. Minister for bringing it forward and encouraging us to give it positive and favourable consideration. Thank you as always.
[Desk thumping]

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Thank you very much, Mr. President and I would be very brief. I rise simply to answer Sen. Al-Rawi’s concern regarding the disconnection drive that WASA is on, and the issue of the statute of limitations and the four-year limit.

Before I go there, I want to just again mention that it is my information, in respect of Sen. Cudjoe’s issue and her concern about the signing of this IADB funding that, as far as I am aware, the signing took place a couple of weeks ago. And I think the hon. Minister of Finance, when he is wrapping up, will give further details on that. To address Sen. Al-Rawi’s contribution where he indicated that the then Minister, in 1995, spoke to the issue of disconnection saying that there would be no disconnections—[Interruption]

Sen. Al-Rawi: For one year.

Sen. The Hon. E. George: —but I want to put that in context. The hon. Minister was referring to that policy in the context that a disconnection drive by WASA, in those circumstances, would involve the disconnection of very poor people who could not afford it and would be disadvantaged, and perhaps it would result in having a certain amount of threat to their health situation. So that what the hon. Minister was saying was that until we could protect those poor people, we should not go on a disconnection drive. People who could afford and should be paying, we would disconnect them then once you have put that arrangement in place.

I want to say that the arrangement that was put in place at the time was called the Hardship Relief Programme, where the government undertook to provide funding to reimburse WASA, or to pay WASA, on behalf of those persons who fell below a certain income bracket. Once that was put in place—I think it was put in place around 1997—then WASA could have gone on any disconnection drive it wanted because then those people would have been protected.

That Hardship Relief Programme was changed the year before last year in December—it was introduced December 2010—when it was changed from the Hardship Relief Programme to what we now call the Utilities Assistance Programme where persons are now assisted in terms of the electricity supply too. So that whereas the Hardship Relief Programme, introduced in 1997, helped with respect to water, it has been expanded to include support for electricity.

So, I want to say that once you put the protection in there by subsidizing persons who are on the lower end of the economic ladder—those in receipt of Government pensions and who are on a public assistance programme in which you have protected them by putting in this Hardship Relief Programme, which as I said has now been changed to the Utilities Assistance Programme, you now have a basis upon which you can disconnect others.

On the other point of the statute of limitations, I simply read my advice on this matter. The issue of whether the statute of limitations for the four-year period applies is a question of law. The issue has to be raised as a preliminary point in the court, the power has to be challenged before a court for WASA to be denied the right to claim its outstanding rates for delinquent customers receiving a service and not paying for sale.

I simply wanted to clarify those two issues, and with that brief intervention, Mr. President, I take my seat because I really had agreed that Sen. The Hon. Kevin Ramnarine would be the next speaker. I thank you. [*Desk thumping*]

The Minister of Energy and Energy Affairs (Sen. The Hon. Kevin Ramnarine): Thank you very much, Mr. President. Happy Valentine’s Day to all the Members of the Senate Chamber, and by extension, I extend Valentine’s Day greetings to the wider country. I do not subscribe to the philosophy as espoused by one KI who wants to be single forever. I have to go home and meet my wife and celebrate Valentine’s Day. So I would try as much as possible to be brief while addressing some critical issues.

Mr. President, I think a great deal has been said about the state of the world economy, and I did some reading over the weekend. Over the weekend, last week, the Greek parliament debated for a 10-hour period and passed an austerity Bill that would result in cuts in salaries, pensions and so on. That Bill was required as part of 130 billion euro bailout to basically save the Greek economy—and the consequence of that is what we see on the news now, tremendous unrest and so on, in a country which is often regarded as the birthplace of western democracy.

Then there is the Hungarian-born American billionaire George Soros, who said at the World Economic Forum, in an interview with CNN’s Fareed Zakaria, that this decade—the decade 2010 to 2020—would be a lost decade for Europe. And then, we would have read in the news over the weekend too, that in Q4—the fourth quarter of 2011—the Japanese economy shrank by 2.3 per cent. So there is a tremendous amount of uncertainty, turmoil and turbulence in the world economy. Yet, within all of that, the Trinidad and Tobago economy holds firm, and I think that is certainly something for which we have to credit the astute fiscal management of the hon. Minister of Finance. [*Desk thumping*]

Mr. President, a great deal has been said about the IMF report. The IMF was here, I think, during the period February 01—10, and they interacted with the senior technocrats and public servants at the Ministry of Energy and Energy Affairs. We openly supplied them with any data that they requested, whether it is data on gas reserves, data on footage drilled and data on upcoming projects. The IMF is of the view, and I quote directly from the IMF mission’s press release of February 10:

“There is concrete evidence that the economy is turning the corner and that economic growth will resume in 2012 notwithstanding...technical disruptions in the energy sector.”

—which I would talk about as we move on. According to the IMF, and I quote:

“Real economic activity is projected to increase by 1.7 per cent in 2012.”

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That view is also supported by Standard & Poor's, the credit rating agency, and they published a report on January 26, 2012. According to that report—and they are speaking about Trinidad and Tobago—we expect that higher investment in capital projects, renewed dynamism in the energy sector and a further pick-up in non-energy private sector activity would support recovery. [*Interruption*]

Sen. Deyalsingh: Hon. Minister, would you give way please? Thank you, Mr. President, just for clarification. You said the IMF team was here and they met with your technocrats and so on. Did you personally meet with them or did your technocrats only meet with them? Thank you.

Sen. The Hon. K. Ramnarine: No, the meetings were between the technocrats, the public servants and the IMF team.

Sen. Deyalsingh: You did not meet with them?

Sen. The Hon. K. Ramnarine: No, I did not meet with them. But, Standard & Poor's goes on to say, in their January 26, 2012 report, under political risk, and I am assuming of course that they are referring to the People's Partnership Government.

“...the new Government is addressing inherited problems while trying to diversify the economy.”

So even Standard & Poor's acknowledges that what we have inherited was not a perfect situation but whatever we have inherited, we treat with it and we deal with it. What are the inherited problems?

The inherited problems, and Sen. Vasant Bharath dealt with some of them—the Clico issue which was something that we grappled with very vigorously over the last 21 months, and something which is arriving now at a resolution where, before, there had been great uncertainty. One of the other problems that we grappled with was the Gas-to-Liquid project at Petrotrin which has caused Petrotrin, regrettably, \$2.7 billion, and the company has not realized a single drop of diesel from that project. There are many other issues, and I will address some of the concerns on the energy sector from Sen. Deyalsingh.

So, Mr. President, as I said in the previous debate—the Finance (Supplementation and Variation of Appropriation) Bill 2012 would be a very active year for the energy sector. According to the Energy Chamber in its January 12, 2012 *Business Guardian* column, and I quote:

“Levels of optimism in the energy services sector increased significantly in the final quarter of 2011, to levels not seen since mid-2007. The increase in optimism reflects, in particular, an upswing in activity in the upstream exploration and production sectors and positive indications of significant investor interest in new downstream projects.”

That is not an opinion coming from the hon. Minister of Finance; it is not an opinion coming from the hon. Minister of Planning and the Economy; it is not an opinion coming from me, it is an opinion coming from the highly regarded and respected Energy Chamber of Trinidad and Tobago.

Mr. President, as I said in the last debate, this is a very busy year for exploration. There are 15 exploration wells that are planned to be drilled this year. That is a record, I do not recall when last there were 15 exploration wells that were drilled in one year, and that compares to six exploration wells drilled in 2011; two exploration wells drilled 2010 and a paltry one exploration well drilled in the year 2009. So, if anything is evidence that the upstream oil and gas sector is showing life, it is that.

In addition to which, this year, 2012, we would either continue or start a total of six major seismic programmes—some of them offshore, some of them on land—in a search for oil and gas to prove up our reserves.

Mr. President, coming specifically to the Bill before us which deals with the whole issue of illegal bunkering, if I were to give it a name, specifically clause 13 of the Bill deals with the whole issue of Petroleum Production Levy and Subsidy Act, Chap. 62:2, which, from my recollection was passed in the Parliament in 1974—a very long time ago. And what this amendment to the Petroleum Production Levy and Subsidy Act seeks to do is to increase the penalties for persons found to be conducting this illegal activity.

I would just give a background, Mr. President. The Act itself speaks to two things: a production levy and a subsidy. Up to 1992, the subsidization of fuel in Trinidad and Tobago to the population was covered by the levy which is a levy that oil companies pay, and currently it is 4 per cent of their gross revenue. What we found is that over time, that was capped in the law, and the Government began to contribute to the subsidy to the point where, in fiscal 2011, the total subsidy claimed was TT \$4.23 billion; and these are now figures which we have some degree of accuracy around because we closed off the fiscal year on September 30, 2011. So the total subsidy claimed in fiscal 2011 was TT \$4.23 billion.

7.00 p.m.

Only 15 per cent of that, or \$645 million, was covered by the levy, that was moneys paid by oil companies under the Act, which is 4 per cent of their gross revenue. The vast majority of the subsidy claim, or roughly \$3.58 billion, was met by the Government of the Republic of Trinidad and Tobago. I say this to give some idea of the extent to which the Government and the State subsidize gasoline, dieseline, et cetera. From a historical point of view, for the entire period 2000—2011, the total subsidy claim was \$19.7 billion. What we found was that the size of the subsidy, when we looked at the table in the year 2000, was \$403 million. In the year 2011, it was \$4.23 billion. So you have an almost 10-fold increase in the subsidy over a 12-year period. The subsidy, of course, is driven by two things: by oil price and by the volume of fuel consumed.

What we have had in that 12-year period, Mr. President, is a number of variables, a number of moving parts impinging on the subsidy. One of them being the increase in oil price which, in the year 2000, would have been somewhere in the region of \$17—Sen. Ramkhelawan probably would remember those years when the oil price would have been \$15/\$16 per barrel. Around the year 2005, the oil price started to kick off.

The other factor is the consumption of fuel by the population in Trinidad and Tobago because we obviously have more cars on the roads than we did back in the year 2000. The rough figures which I have been getting from the New Car Dealers Association and the foreign-used car dealers show that in 2011, 25,000 new vehicles came onto the roads in Trinidad and Tobago. Not only is the oil price increasing, but we also have an increase in the number of cars on the roads in Trinidad and Tobago.

The other factor, which is obviously a more nefarious dimension to this entire issue, is the issue of illegal bunkering. Of course, those of us who go to gas stations would know that diesel in Trinidad and Tobago is TT \$1.50 per litre. Unless you have an idea of what that means in terms of comparison to other countries, then it probably would not mean much. Mr. President, \$1.50 per litre for diesel in Trinidad and Tobago means that we have some of the cheapest diesel in the world. I will give you an idea of what the equivalent price is in TT dollars per litre to the equivalent unit in other countries, so we could have an appreciation for the variance between the price here and the price in other countries.

In the USA the average price of diesel at this point in time is TT \$6.43 per litre. If we go to the United Kingdom, it is TT \$7.44 per litre—that compares to \$1.50 in Trinidad and Tobago. Coming closer to home, in Jamaica diesel would be TT \$8.79 per litre. In Barbados, not too far from us, diesel would be TT \$7.81 per

litre. In Guyana, not very far from us again, diesel is currently approximately TT \$6.79 per litre. When we look at the prices in the entire Caribbean region, the average retail price of diesel during the period January to December 2011 was TT \$7.56 per litre. The price in Trinidad and Tobago is \$1.50. What that means is that that variance in the Caribbean region has set the stage for persons who want to enter into this illegal business and, of course, it must be a very lucrative business.

This situation is not unique to Trinidad and Tobago, this situation is not unique to the region. It is something which is happening all over the world. Quite recently there was a delegation from Nigeria that visited with my colleague, the Minister of Science, Technology and Tertiary Education, and myself. They spoke about the challenges which the Nigerian Government has had in terms of managing their subsidy, and why they did what they had to do in Nigeria.

We also have a situation right next door in Venezuela. They have the cheapest gasoline in the world; I think it works out to approximately US 7.5 cents per litre. What that does is set up a hugely lucrative illegal trade between Venezuela and Colombia. I understand that in the border region between Colombia and Venezuela it is an accepted business, and that everybody is into this business of transporting fuel from Venezuela into Colombia. So it is not something which is unique to Trinidad and Tobago.

Having said that, in the period September to December 2011, this was during the state of emergency, there was a tremendous amount of work which was done by the Ministry of Energy and Energy Affairs, Fisheries Division, and by various agencies to curb the trade in illegal bunkering. I just want to give some figures from the Ministry of Energy and Energy Affairs. Mr. President, for the period September to December 2011, we had, in terms of millions of litres, a total sale of 176 million litres of diesel in that four-month period; that compares to the same period in 2010 of 227 million litres.

An almost 23 per cent reduction in the demand for diesel took place between September 2011 and December 2011. That was as a result of a coordinated set of activities between different government agencies starting with the Ministry of Energy and Energy Affairs, Customs and Exercise, coast guard, the Ministry of National Security, Fisheries Division, et cetera. We believe that we have been able to make a dent in this trade. The exact size of the trade still remains to be uncovered, but persons at the Ministry of Energy and Energy Affairs estimate that as much as 30 per cent of the volume of diesel sold at the refinery could be ending up in other islands throughout the Caribbean. It is indeed a very troubling issue.

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When we looked at the law, the Petroleum Production Levy and Subsidy Act, 1974, we saw that the penalties for persons caught in this trade were basically very minor, given that it was a 1974 law. So what we have done in this Finance Bill, Mr. President, is to greatly increase the penalties for persons who are found conducting this illegal trade. This is something I am very proud to say that the Ministry of Energy and Energy Affairs was part of and supported.

I know we have a gentleman's agreement, and it is now 7.08 p.m., but I just wanted to respond to a couple of the concerns and I want to say—[*Interruption*]

Sen. Al-Rawi: Why?

Sen. The Hon. K. Ramnarine: I might be subscribing tonight to the philosophy as espoused by KI. [*Laughter and desk thumping*] I just quickly want to wrap up one issue. Sen. Deyalsingh raised a number of issues which—in the course of time in a debate where we have more latitude for time—I would address. There is one issue of gas supply to Point Lisas which is a very serious matter. There was an editorial in the *Express* of last week, February 06, entitled: “Energy Minister must rescue Point Lisas.” The Ministry of Energy and Energy Affairs appreciates the views of the *Express*, and we responded yesterday in the *Express*: “Better Gas Supply for Point Lisas in 2012.”

I would quickly acknowledge that there is a shortfall in supply to the Point Lisas Estate, but it is not 30 per cent as reported in a certain newspaper. I am advised by the NGC that it is in the vicinity of 8 per cent to 10 per cent for 2011. That problem will receive some assistance in 2012 because the EOG Resources Toucan Platform came online last week and would bring an additional 250 million standard cubic feet of gas into the domestic grid, thus bringing some relief to the Point Lisas Industrial Estate in the year 2012. [*Desk thumping*] I would end on that point, given the constraints of time.

I would say that the Ministry's role as regulator is critical to the success of the energy sector in Trinidad and Tobago. What we have done to ensure that this does not happen again, is that we have put in place a coordinating committee that coordinates supply and demand every two months at the Ministry of Energy and Energy Affairs, to ensure that we always match supply with demand, and that we never have a situation where one is lagging behind the other.

With those few words, Mr. President, and given the gravity of the day, I end my contribution and thank the Senate for its time. [*Desk thumping*]

Sen. Penelope Beckles: Thank you very much, Mr. President. I am very happy to join this debate on a Bill to provide for the variation of certain duties and taxes in the introduction of other provisions of a fiscal nature and related matters.

I must say that the Minister of Energy and Energy Affairs caught me there, you know; I am trying to figure out the gravity of this day. I hope the Leader of Government Business would take a roll call and ensure that all his male colleagues, who seem to be so eager to go home, are here. Because today is Valentine's Day, Sen. George, I think you have to take a roll call to ensure that they are actually going home right after. [*Desk thumping*]

Sen. George: "Buh ah could take ah roll call here; ah cyah take ah roll call home." [*Laughter*]

Sen. Abdullah: Sometimes you have had some bad experiences—[*Laughter and desk thumping*]

Sen. P. Beckles: Not at all. Not at all. I was hoping that I would get some reaction, but some people are not saying anything. It means that some people are keeping very quiet.

Let me quickly just wish Valentine's greetings to all my colleagues and to you, Mr. President. I know it is late in the day, so I wish everyone the best. [*Interruption*]

Hon. Senator: "Dey eh give yuh no rose."

Sen. P. Beckles: No, no my rose is here.

Sen. Deyalsingh: "Yuh walk into dat one."

Sen. P. Beckles: I have a couple of points I would like to raise. First of all, the Minister of Energy and Energy Affairs is boasting about the IMF and Standard Poor's, talking about turning the corner and economic growth, and basically using those two organizations as an indication that the Government is performing well. I just want to remind him that neither the IMF nor Standard & Poor's voted for the People's Partnership Government, and the real issue is how the people of Trinidad and Tobago feel about this economic growth and whether or not we, in truth and in fact, have turned the corner. I think if you took a poll, you might get a totally different answer from Standard & Poor's and the IMF.

Well, having said that, there are a couple of things I am happy with. I just want to mention those two things before I go into some of those things which I am not happy with. One of the two things is the public assistance mentioned in

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clause 10 of the Bill. Hon. Minister of Finance, I am sure that as you have been going around, probably not just in this incarnation, but even before that, it is a section which people have been asking for, for a long time. That issue of 10(b) which states:

Notwithstanding, section 1(b)(2) the board may consider and approve an application for disability assistance where the applicant had been absent from Trinidad and Tobago for a period exceeding six months in the aggregate for medical purposes.

Some persons would like to see some addition, because your restriction here is strictly for medical purposes. But in any event, I am just saying it is a good start. As a former Minister of Social Development, I know that this is a matter that has been ongoing; many persons go to the Ministry all the time requesting that.

7.15 p.m.

The reason I say it is a good start and it is something you would probably look at for other areas, is that there are a number of people who go to the United States, over 65, sometimes before that period, because they have children there. Sometimes housewives, people who really do not work, they go and spend time there for a number of reasons. Sometimes they help babysit and do a number of other things as well. They, of course, save us money in Trinidad as well and sometimes the legislation is extremely punitive. In any event, I want to join with the many persons who would be very happy for that particular clause.

The other clause, of course, in the same public assistance would be the issue of clause 9, which speaks to amending the senior citizen's pension and inserting a new section to allow certain persons to be paid a senior citizen's pension that would ensure that their net income would not be less than the net income that they were in receipt of prior to February 01, 2012.

The other area that I thought was very good was the area of clause 18 of the Bill, which deals with the amendment of the Miscellaneous Taxes Act, Chap. 77:01, by inserting the words "environmental education and public awareness of environmental issues", so as to broaden the scope of activities and persons who would be eligible for access to the Green Fund and also to expand the criteria for the qualifications of members who would be considered eligible for selection to the Green Fund Advisory Committee.

I say that is very important because the issue of environmental education and public awareness of environmental issues is an area in which Trinidad and Tobago has, I think, fallen short. I still maintain that, as Trinidadians and Tobagonians, we have

choices as they relate to the environment. Some people do not agree. Some people argue that we should increase the penalties for people who are throwing things out of windows, we should put fines in place, but I believe—and I will maintain—that we all have personal responsibility in terms of maintaining a clean environment. At the end of the day, if money is spent on environmental education and public awareness, that is all to our credit.

I want to talk a little about the hon. Minister of Public Utilities, in relation to the issue of the collection drive as raised by my colleague, Sen. Faris Al-Rawi and the response by the Minister. In essence, he is saying that you have to go to court to find out whether the statute of limitations applies and whether, in truth and in fact, WASA is breaking any law by simply calculating all these multiplicity of years that persons may not have paid for and go to court and find out if WASA is wrong and if you are right.

I would like to think that WASA has, at its disposal, attorneys and they should seek to get legal advice on this matter and not simply take the position that it is up to the customer or the Opposition to find out whether they are breaking the law.

It is a serious matter and I want to make it abundantly clear that I support any drive that the Government is undertaking. I congratulated the Minister of Finance on his collection drive as it relates to taxes and I was one of the persons who have been almost agitating for him to treat with the billions of dollars that people owe. The fact is that he started and he did pretty well.

I just want to say that revenue collection, whether it be the payment of WASA bill; whether it be T&TEC; whatever it is, I support that. I support people paying their property taxes. I am really hoping that since this is the third year that the Government has not collected any land and building taxes, they would find some way to deal with the issue. Granted they talk about “axe the tax”, but at this point in time—three years no revenue—people want to pay their land and building taxes. It is one of the measures that will create discipline in our society and let us hope that, certainly by the end of the year, the Government will find some solution to what seems to be a really big challenge.

The Minister of Planning and the Economy spoke about the fact that they are fulfilling all their promises and he showed the manifesto. One of the policies in the manifesto is to axe the tax, but they have now found out that they have probably lost billions of dollars in terms of this decision which really was quite questionable. When the new valuations come in—we all await with great anxiety how the Government will solve that problem.

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The other issue I want to raise is the issue of Clico. Both the Minister of Finance and my friend recently, the Minister of Energy, spoke in glowing terms, patting themselves on the back, in essence, for resolving the Clico issue. I think we all must be truthful that that is a matter that affected the entire country—as a matter of fact it affected the Caribbean; from Guyana, way up to Jamaica, Suriname, Belize and even some other people in the United States, those who clearly had family here. We understand that that was a massive issue and any government that has been able to solve this problem deserves the credit.

I would say what my concern is and I would like the Minister to give some sort of explanation as it relates to that. We recall that there is a process. The process is that you have your zero-coupon bonds with maturity ranging from one year to 20 years and the Minister of Finance said, in relation to the EFPA, that you had this second tranche, which was in relation to 11 years to 20 years.

The Minister of Finance spoke about the financial institutions discounting Tranche 1 bonds up to a figure of 80 cents on the dollar, and there is a deadline of March 31, 2012 in relation to persons accepting this first tranche.

My concern is in relation to Tranche 2. What is the position as it relates to Tranche 2? The Ministry of Finance states that the zero-coupon bonds with maturities from 11 years to 20 years may be exchanged dollar for dollar at the sole discretion of the investor in an entity—currently known as NEL. This entity is to be established within the next year as an investment vehicle, which will have as its primary assets Clico shareholdings in Republic Bank Limited. Mr. President, subject to correction, when last I checked, there was no National Enterprises (2012) Limited registered in the company section, but I am willing to be corrected on that issue.

Whilst you find that there is a situation where the EFPA holders are basically being asked to assign their beneficial interest and entitlement to this statutory trust, to the Government of the Republic of Trinidad and Tobago in exchange for an interest in, clearly, a non-existent entity, when you sign your agreement, you are actually being bound by the agreement and agreeing to some kind of entity that does not exist. The question I ask myself is: what is the Government's position as it relates to NEL?

I think that this is not a difficult matter to settle. I understand that in terms of dealing with the first tranche, it clearly required a lot of work; a lot of bringing together of resources. We see that the Government has made some amendments here; some legislation in terms of protection of people's rights and that some of

the concerns that were raised in the budget debate have actually been dealt with here. At the end of the day, I think that the policyholders have a right, even at this stage, to find out what their situation is as it relates to NEL.

I think that the matter can be solved in a very simple way and that is to incorporate NEL, vest your Republic Bank shares and, at least, give the EFPA holders the comfort that that second tranche of 11 years to 20 years, that the Government is now moving towards that.

As I said, it may be that the Minister of Finance is treating with it, but I believe that, having regard to the fact that to capitalize on the first tranche, you have also to sign up for the second tranche. In truth and in fact, you are actually entering a contract—you are dealing with your first and second tranches at the same time, yet still on the second tranche, the policies and programmes are not yet implemented to put people in a certain comfort level. I would like the Minister to address that issue and give the EFPA holders some kind of comfort.

I dare say that when I spoke in the budget debate, I indicated that I am an EFPA holder and a proud one at that. I sat here and listened to the Attorney General literally belittle a lot of people who were members of the EFPA, calling them greedy and all sorts of things. I maintain the fact that as a Trinidadian, I was very proud to invest in a local institution, which somewhere along the line may have made some serious errors, but at the end of the day, Clico was a company that many of us felt proud about as a local institution that built and became a conglomerate, both locally and internationally. At the same time, this is a matter that this Minister of Finance had to treat with. You cannot please everybody, but I know a considerable number of people are quite happy because some people did not expect at all that they might have received anything.

When you look at what has happened in Antigua with Stanford, we know that some policyholders in Trinidad and Tobago could have been worse off than they are today. So the question is whether or not you are going to get 90 cents on the dollar or is it a question where you will get 90 cents on the first 50 cents only. That is something that we would want cleared up.

I join with all my colleagues who have raised the issue of the consideration of the \$1,000 for the SRPs. It is a matter I raised in the budget, so I would simply endorse it. It is a matter I dealt with extensively at that time.

Sen. Dr. Tewarie, normally when he is debating, takes a different slant from a number of his colleagues. I have every reason to believe, from his utterances, that he is preoccupied with good governance. I wrote down something that he said that

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I was intrigued about, but I cannot seem to find it. Maybe I can paraphrase it. If I am wrong, he can correct me. In essence, he was saying—yes, I found it—that the purpose of governance is not to make the Opposition happy, but to govern well and to impact positively on the people.

Minister of Planning and the Economy, did I précis well?

Sen. Dr. Tewarie: I think so.

Sen. P. Beckles: Good. At the end of the day, I do not know if it is a question of making the Opposition happy or unhappy. At the end of the day, the population looks very closely at what are your deliverables; what are your targets; what have been your promises, and the extent to which you have found a way where they can mark you as having successfully governed the country. I do not think it is the Opposition alone that you target.

7.30 p.m.

Whilst you have given us this philosophy here, I would imagine that what you are doing very closely as the Minister of Planning and the Economy is to see how the population feel about whether or not you are actually fulfilling this purpose of governing and, in truth and in fact, whether they are satisfied that this People's Partnership Government is running the country in the way in which they expected.

I could say it is not difficult to answer that question. You see polls in the newspapers every single day—whether it is the *Newsday*, the *Express* or the *Guardian*. We have 30-plus radio stations. If the Government either read any of the dailies or the weeklies or listen to any of those 30-plus radio stations, I think that the question of whether or not they have turned the corner, and they are actually governing the country in the way in which the people are comfortable, the answer to that would be a simple, “no”.

Now, Mr. President, we have spent a lot of time today, in the case of the Government, probably fulfilling some of their promises, but also dealing with some long-outstanding issues like the NIS, the pension and the promise of paying the police, the defence force and the prison officers this additional \$1,000—minus the SRPs.

Now, having regard to a particular incident that has taken place over the last couple of days, I want to make a very strong recommendation. I have been looking at the allocation to the Office of the President over the last couple of years—Mr. President, I do not want to pull you into this debate because I know

you act as the President—but in the recent matter mentioned by a number of persons here in relation to the *Newsday*, I listened to the reason given by the Office of the President as to why the fax was sent to the Ministry of Information for distribution, and it had to do with the fact that the Office of the President asks for help, from time to time, because the President's office does not have sufficient resources. Now, I find that very unfortunate—let me say—if that is the case.

We have spent the last eight and a half hours dealing with this Finance Bill where we are basically improving the lives and putting additional money into the pockets of a number of citizens. If we, as legislators, accept the existence of the separation of powers, then I think it is our duty to ensure that the Office of the President is sufficiently resourced so that he does not have to depend on any Ministry—whether it is the Ministry of Information or the Ministry of Foreign Affairs. I think it was the Ministry of Foreign Affairs and not the Ministry of Information, which houses information. It does not matter which Ministry it is; the point is, I want to recommend that we ensure that the Office of the President is properly resourced so we reduce the likelihood of any similar incident where the President does not have resources.

I do not know what happened—whether the fax machine was not working or he did not have the resources—but the bottom line is that he had to ask for help. I do not think it sounds good for us as legislators—and having recently passed a budget of \$50 billion and then an additional \$4 billion—that we cannot as a country see it fit to ensure that the Office of the President is properly resourced, so that we can certainly not participate in a kind of a decision-making process where he has to ask for help.

Mr. President, with those few words, I would like to end my contribution. [*Desk thumping*]

Sen. Dr. James Armstrong: Thank you very much, Mr. President. I am very pleased to join this debate. I know that we are all anxious to get home to our loved ones, so I would not be too long. Mr. President, I do not have any particular problems with the Bill itself, but during the debate today a number of things came up that I think I need to address.

It was a very spirited debate that we had at times. Even my colleague, Minister Dr. Tewarie, who is usually very calm, got very animated, very excited, and I became a little concerned when I saw him reaching for his bag. [*Laughter*] I was wondering whether I should take cover. [*Laughter*] I became even more concerned when he could not find what he was looking for, but I was extremely pleased when he explained that he was actually looking for some reading material—the Medium-Term Policy Framework.

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He also made reference to seven policy documents, and I was very pleased to hear that. At the same time, I think that is part of the problem. While I was pleased to hear that you have those policy documents in your briefcase, I think it would be very helpful if we are aware of it. If even we are aware of what you are working on maybe we can even assist you in doing what you have to do.

The point is a lot of people really do not know. You hear bits and pieces and you hear sound bites—we are doing this and we are doing that. I am particularly interested in what is happening in the country, and I must admit that I really do not know. I have an idea of what is happening in some Ministries. I think Minister Karim's Ministry—I have an idea because there is some documentation that I can read.

Quite apart from that, I then need to follow the implementation of it, and that is where I think we are having some serious problems. I think that one of the things I would like to suggest really is, perhaps, the Government should release some of this documentation. There seems to be a publicity campaign that really does not have much to do with developmental issues, but more with the political and the party thing, and I am not really interested in that. I am very happy to hear about those documents, and I look forward to seeing them at some time.

I want to comment briefly also on the business of value for money. We have spoken a lot today about a significant amount of money that we are going to be spending to ratify a number of expenditures and so on, but I kept wondering whether we are getting value for the amount of money that we are spending in this country. I am not sure. Again, I want to be able to monitor that. I want to cite just a few examples of something that came to mind yesterday while reading the newspapers. I think it was yesterday's newspapers.

Again, the Minister of Planning and the Economy indicated that they wanted to move 6,000 people a year out of poverty. That is what you said—2 per cent per year, and you also mentioned that there are 5,000 people graduating from the university and so on. That is fine, that is a very noble undertaking. How do I know that you are succeeding in doing that? That is what I am interested in.

I turned the page and I saw those guys in the cubicles up at the savannah complaining that their cubicles are too small, too dark and they need wider doors. What struck me is the fact that they actually have an association of leather crafts, and I found that very interesting that there is such an association. What came to mind is to what extent are they really able to participate? To what extent—the planning that is being done, the development considerations are their plight and

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their situation is really being taken into consideration? I could not see the connection there because I do not know that there is any plan or any strategy or anything that I can look at, or anything that they can look at and sense, “Well, yes, this Government is really sort of looking out for me.” For instance, we are using a lot of space for development. Does anyone say, “Look, there is a leather craft association; if we are going to develop this site, let us take them into consideration, and let us have a strategy that would address their particular needs”? Because, they are at the bottom.

We talked a lot today about people who have a vast amount of money—those who are maybe in the middle class and so on, and those who have invested in Clico. Those people have not invested any money in Clico; not a single cent, none, and those are the people that I am particularly interested in and who I would like to see included in the documents that you have.

So, I know where you want to go. I understand the medium-term plan, but the point I keep making is that if you leave here and you say you want to drive down to San Fernando, and you have company in the car and you pass the junction at Grand Bazaar, and you are going straight and somebody says, “Hey, listen, hold up, where are you going?”

This is what I cannot understand—I understand where you are saying you want to go, but how you are getting there is not very clear to me, and I do not think it is clear to the population, and you may very well be off course, and by the time we realize it, it is too late.

I cited the case of this very building that we are in. It annoys me to no end. Mr. President, I do not know where your office is. If it is on the southern side, when you look outside, there is a deep-water harbour right there. How many ships do you see coming in there? And, therefore, the question is, is this the appropriate use for an adjacent piece of land where you already have vast investments in a port? Should we be coming here to hear—what is his name? Sen. Dr. Balgobin spoke about him a while ago. Is it KI? KI should be singing here every night. You come off the ship and you come to hear KI, and you come to buy the same things that those guys are selling up at the savannah, that they are not there for 10 days, a year, one month during Carnival time—they must be here. [*Crosstalk*]

I turned the page again, and I saw your predecessor, former Minister King, talking about diversification. Again, I am saying where is this going? That is what is confusing me.

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Just briefly, to touch on Invaders Bay: if Invaders Bay says, “Look, this is what we are doing, and we are not going to be using foreign exchange, movies, imports, fridges and so and so”, but our production, what we are producing, will be given a significant amount of that space, and the investment is structured in that way, I will be very happy.

Specifically with respect to the Bill, I was a little disappointed that the Minister of Finance did not address something that I spoke to him about some time ago. In my contribution on September 16, 2011, I specifically raised the issue of the stay of action which we passed at that time with respect to investors and so on. The concern that I had was, if one is an employee with Clico—a window cleaner or a clerk or maybe an insurance salesman—and you have an issue with the company, the legislation that we brought at that time excluded those people.

7.45 p.m.

I sent today to get the *Hansard*—what I spoke about and what I raised with the Minister. The suggestion I made was that we should have made some sort of amendment whereby if one was an employee of Clico—not a creditor, not an investor—and you had reason to take some action against the company, that you should have been excluded from the legislation we passed at that time. This is because the small guy who is now working there who has some issue really cannot take any action because of the blanket nature of that legislation, which I did not like in the first place, but I understood why we had to do it.

I am very, very concerned for the employees of the company, that no redress has been given to them in the legislation. I appreciate the amendments made in clause 19 of the Bill before us now, based on some of the issues that were raised by my colleague, Sen. Helen Drayton. I was hoping that we would have been able to make some amendments today. I have circulated some amendments but it is my understanding that perhaps this cannot be entertained.

I do not know what we can do about it, but I would like to go on record as indicating that it is something I raised on September 16, 2011, and it is something I am raising again today. I am extremely concerned about the blanket nature of that legislation we passed, and the fact that it would exclude people who are not investors, you know, poor people who are working in the company and have some issue with the company. They now have to also wait until whenever the Central Bank decides that, “Okay, you can proceed.”

Mr. President, I think those are the points that I would like to raise today, and I thank you very much.

The Attorney General (Sen. The Hon. Anand Ramlogan SC): Thank you very much, Mr. President. This is an important Finance Bill which seeks to amend several pieces of legislation that would give effect to a multitude of measures, which would see citizens attain the benefits outlined by the hon. Minister of Finance.

When we took the reins of leadership, we found an ailing patient in terms of the economy and its state of health. I suppose it was necessary to bring some immediate relief, which is what the hon. Minister of Finance did in the first two budget presentations. Those measures were really designed to ameliorate the patient's condition and to ensure that there was some degree—to stabilize the patient, as it were. I do not want to go too much into what we inherited; I prefer to focus on the present.

And what is the present? We have had recently, not one but two major reviews of the economy by international organizations with reputations worldwide, and it is a matter of immense pride—at a time when economies are collapsing and the international economic order is redefining and revising itself—that Trinidad and Tobago has been able to maintain an even keel and hold its own, amidst the choppy economic waters.

Permit me, of course, to remind this honourable Senate of the Standard & Poor's rating. That Standard & Poor's rating has been read into the records already, and it commended the hon. Minister of Finance for the state of ship. But more recently, at the end of a two-week visit, the head of the IMF mission to Trinidad and Tobago, Ms. Judith Gold, issued a statement. And I think it is important, as Sen. Dr. Tewarie mentioned the doom-and-gloom scenario, that we perhaps inject a measure of reality into the debate, because this is what Ms. Gold had to say, and I quote:

“There is concrete evidence that the economy is turning the corner and that economic growth will resume in 2012 notwithstanding the ongoing technical disruptions in the energy sector. Real economic activity is projected to increase by 1.7 per cent in 2012 as private sector credit expansion gains momentum, the resolution of a large failed insurance company (Clico) proceeds, the faster pace of government investment continues and energy production returns to normal as the maintenance work is completed while energy prices remain high.”

She concluded, significantly, by pointing out:

“Inflation, despite its recent resurgence due to volatility in food prices, also remains moderate at 5.3 per cent.”

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This is not the Government speaking, this is not the Minister of Finance. It comes on the heels of the positive rating given by Standard & Poor's, and now this is the head of the mission from the IMF doing a review on the economy. So I dare say, the prescriptive measures outlined for the ailing patient we inherited have been working and have been working quite well.

There is a saying in Trinidad and Tobago, on the ground, that the PNM has only lost elections when economic times are tough. And the idea was put out by someone that, you know, when there is money in the economy it is easy to spend it, but when there is a crunch and you need stringent fiscal management, prudent fiscal management, that you see persons stepping in, like Minister Dookeran, to take charge of the ship and steer it in the right direction. [*Desk thumping*]

He is perhaps not as theatrical and given to the flights of rhetoric that some of us in the Senate, on the other side, might be accustomed to. [*Desk thumping*] But the reality is that when we look around us—for all the expectations that people are calling about, “What is happening, the economy is sluggish” and so on—to maintain economic and social equilibrium, given what is taking place in the world right now, is in itself a success. In the eurozone we have the Greek sovereign debt crisis. In tandem with that we have the Italian economic crisis, major systematic failures, and major financial fiascos constantly assailing global economic stability and world order. We see the protests on the streets in Greece, we see the biting fiscal measures that they want to take to their Parliament, wage freeze, cutbacks in almost every area.

We have our major trading partner, the United State of America. Trinidad and Tobago is positioned, geopolitically, on the cusp of economic transition because of our historical ties with the United States. When one looks at the United States' economy, which has for many years served as the umbilical cord for Trinidad and Tobago's economy, what do we see? We see high unemployment rates, sluggish and negative economic growth, a large deficit financing of the budget and, of course, perhaps more on the ground, the home foreclosures—ghost towns have become a reality. We see many of our citizens who had migrated wanting to come back to Trinidad and Tobago because they cannot afford to pay their rent.

In Trinidad and Tobago, it is said there is no cost to survival—“A man in the countryside could pelt ah mango and he could get ah meal, ah food. It eh ha no mango tree in the United States to pelt nobody mango.” You have to find money to pay your rent, you have to find money to just exist—there is a cost. And what is happening right now is that some economists are speaking about the dystopian

future, that in the coming years the world economic order would see a kind of unemployment that we did not see before; that would bring the kind of social ills that we are seeing in countries such as Greece, Italy and France.

These measures that have come in this Bill will give effect to—in Trinidad and Tobago, at a time where there is a recession elsewhere, we are still giving, and we are still actually keeping our head and neck above the water.

Let us turn to the Bill and examine it briefly. Clause 2 of that Bill would amend the Retiring Allowances (Legislative Service) Act, to increase the minimum retiring allowance payable to legislators as well as widows to \$3,000 per month. With the National Insurance Scheme, making contributions via monthly deductions from their salaries, the minimum had remained unchanged in the sum of \$2,000, and as the Minister of Finance said, in order to bring equity to the system, we had proposed a minimum retirement pension of \$3,000 per month.

You do not hear much about the fact that from \$2,000, persons, including a lot of retired public servants, would now get an extra \$1,000 in their pocket, but you hear some people urging, “Well what about the SRPs?” I do not mind focusing on those who may have been left out, but you cannot give everybody everything they want. I ask simply that there be a measure of pragmatism in the debate and that we also focus on those who are getting, because that is equally important. That measure has improved the lives, immediately, of thousands of retired public officials and thousands of workers who are relying on that NIS, and will now get the same \$3,000.

We had, of course, clause 3 of the Bill, the Gaming and Betting Act, which would be amended to increase penalties for unlicensed betting activity and under-reporting of income tax. This is a major policy shift. We have had casinos and illegal gambling houses that have sprung up all over the place in Trinidad, and there was no attempt by the former administration to regulate that industry. That industry is a very lucrative industry. What we have done is take advantage of the opportunity to regulate it, plug the loopholes, and in consultation with the Betting Levy Board, stop the loss of valuable tax revenue that would have been escaping through that medium.

The current arrangement with the Betting Levy Board allows the board to retain one-half of the taxes to support developmental needs, for example, the horse racing industry, and the other half goes to the Consolidated Fund which would benefit citizens in a direct way. I do not think the loss of revenue has ever been properly quantified as a result of that mushrooming burgeoning industry, but it is quite significant.

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A number of measures targeting the poor were announced, and this Bill would give effect and meaning to them. Clause 10, for example, would amend the Public Assistance Act to remove the upper age limit to qualify for the Disability Assistance Grant. I do not think that people realize—because these are the people without a voice in our society—that many persons who in fact need that public assistance when they reach 65 they do not get it anymore; they are not qualified for it. They really slipped off the radar, and nothing much really happened.

Whilst all of that was taking place, and whilst we were being quite understandably assailed for saying, “Well, look, more should be done about the economy”, and while we were trying to deal with that, we mentioned in the past having to deal with the Clico fiasco, and so on. Among the many fiascos that we have had to deal with, which all have had a crippling effect on the economy, has to be the Broadgate scandal. I would say more about it later, but suffice it to say that the former administration inexplicably entered into a lease arrangement with a private developer, which handcuffed the hands of the State behind its back and asked them to race against Usain Bolt in a 100-metre dash.

The arrangement was ridiculous. It paralyzed the Government. What they did was to almost virtually enter into a watertight arrangement, so whatever the circumstance that led to Broadgate’s breach of its obligations, the State was guaranteeing the entire arrangement and the State would have to pay. More will be said about that in due course.

8.00 p.m.

I heard my learned friend, Sen. Al-Rawi, raise a number of issues and, of course, featuring in the public discussion, the issue of the Anti-Corruption Investigations Bureau came up a few times, and I want to say a few words on that. It is ironic that it is a case of, “damned if you do, damned if you don’t”, but the cloak-and-dagger approach to governance has not really been a feature of the Kamla Persad-Bissessar-led administration in this People’s Partnership Government.

The first thing that we did was to expose the illegal spying and wiretapping that was taking place on several high public office holders, and to bring legislation in the form of the Interception of “Private” Communications Act, to regulate the interception of private communications. If we wanted to be Machiavellian, we could have simply left that and maintained the status quo, and we could have used that to spy the way others were spying, and you can have that kind of cloak-and-dagger approach to governance. We did not do that. We

brought legislation to Parliament, which it went to a joint select committee, and we all agreed on that. That legislation is now governing the interception of private communications for crime fighting, not for political ends, not for blackmailing ends, nothing but crime fighting, and the Government does not have anything to do with that.

The next matter had to do with SAUTT. SAUTT, in many respects, was felt to be a private, political police service. The intention may have been good, but the manifestation, from conception to reality, the gap there, it was lost in translation. So, what you found is that SAUTT was created, and with immense capabilities and almost \$2 billion, you had less than one-third in operational command fighting crime, and on administratively top-heavy organization with no legislative framework, just like with the spying.

What did we do with SAUTT? We could have kept SAUTT, we could have strengthened it, we could have even put our own people in it, and we could have used it and the spying agency to govern and rule with an iron fist. But that is not the style of the hon. Prime Minister, Kamla Persad-Bissessar SC. Her immediate instruction, consistent with her position when she was on the Opposition Bench, was “SAUTT is illegal, we would dismantle it, and we would return its assets to the police service where it was appropriate”, so that there could only be one police service in the Republic of Trinidad and Tobago, governed by the Police Service Act.

We rationalized the spying, we dismantled SAUTT, and we are in the process now of allocating and distributing the assets; and the last of the Mohicans, was the anti-corruption bureau. The genesis of the anti-corruption bureau was that a former Attorney General, in the person of Mr. Ramesh Lawrence Maharaj SC, had brought a note to Cabinet that said that this bureau should come under the Office of the Attorney General. There was much consternation about that, and it was a very contentious move at the time, I recall. Many subsequently felt that the anti-corruption bureau was abused and misused by Mr. Maharaj SC, to build files on his own political colleagues in his own Cabinet. Many still say that was why the airport corruption matter was eventually came about. But the point about it is that the direct nexus between the Attorney General and the Anti-Corruption Investigations Bureau has always been a matter of unease, and public disquiet and discomfort.

When I was appointed Attorney General, early on in the game, I told the Anti-Corruption Investigation Bureau, “Well, tell me what you all need, and my job is to try and see if I could get it from the Cabinet, as the administrative conduit”—as the Attorney General is for the Judiciary, the DPP and many other independent bodies under the Constitution.

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I have never once had any operational type meeting with the Anti-Corruption Investigation Bureau. In fact, as soon as Commissioner Dwayne Gibbs was appointed, all my dealings with the Anti-Corruption Investigation Bureau would normally go through him because he made it quite clear and quite properly so, and I confirmed that the operational jurisdiction and command for the anti-corruption bureau lie with the office of the Commissioner of Police. I have no say in what they do. I have no control, no influence, no legal business with them. They do not seek any legal advice from the Office of the Attorney General, and they do not report to me about their operational duties and how they perform them. I was really, quite frankly, shocked when I received a text message from one of the reporters from *Newsday*, accusing me of authorizing the raid on the *Newsday*. At the time, Cabinet had just finished, and we were awaiting the commencement of a National Security Council meeting, but I had no knowledge about it.

Then I saw, on various talk shows the Government being blamed for it. Now, ultimately the buck stops with the Government when anything goes wrong in the huge apparatus of the State's machinery, which includes everything—and that is fine—but we must also inject some measure of good sense into these debates, because the reality is that this Government, unlike previous administrations in the past, has taken a very hands-off approach to the police service. The first demonstration of that was the acceptance of individuals who the Police Service Commission recommended, at the end of a process that was initiated under the former administration.

What did we do? We met acting appointees and we had Acting Commissioner Philbert. We had two acting deputies, I think, at the time, and what we did was the Penn State University system that was so costly, that process that coughed up people, we did not say, "We want we own people". We brought a Motion to get Mr. Stephen Williams, the Opposition objected, Mr. Williams was not appointed, and now they are the same ones who are calling and saying, "Send Gibbs home. Mind you, when Stephen Williams came up, they objected. And until today, nobody knows why the PNM objected to Stephen Williams, and I want to issue an appeal to them to tell the country, why they objected to Stephen Williams being the Commissioner of Police in this country.

We went along with the Penn State University and the whole process they had—a very costly, lengthy and complicated process. And that is how we brought the names: Commissioner Dwayne Gibbs, Jack Ewatski and Mervyn Richardson. Those were the three individuals, in accordance with the descending order on the merit list that were eligible to be considered and they were appointed, not appointed to act—confirmed.

Once you appoint those persons to an independent organization, you let them run the organization, then their evaluation comes through the Police Service Commission. This is the architecture of our Constitutional arrangements and it must be respected. If we do not respect it and we compromise it, we do so at our own peril, but it cannot be right for us to criticize the Government and blame it for these matters, without accepting that this is in fact how it is meant to operate.

Now, the anti-corruption bureau in my respectful view—I have been at pains to impress upon the Commissioner of Police that there is a lack of progress in the investigations there. I say so publicly because I am fed up of trying to impress upon them, the need to get along with these investigations. Up to now the country does not know whether they interviewed Rev. Juliana Pena to find out “whey she get de money to build dee church? Who it belong to? Not even ah stick ah iron.” We do not know where the money came from. We do not know whether they interviewed Calder Hart, the street-lighting programme in T&TEC, the corruption in the HDC, corruption in the URP, and the list goes on and on.

I raised these matters consistently with the Commissioner of Police, and I asked even that he take a look at the officers, to do a hard performance appraisal, to see what needs to be done, if needs be. The reality is there was no meaningful progress as far as I was concerned. I am therefore, quite happy to announce that a Note has been drafted which would be taken to the Cabinet this Thursday to remove the ACIB from a place where it ought not to have been put in the first place, which was under the Attorney General.

If the Government wanted to adopt a Machiavellian cloak-and-dagger approach to governance, I could interfere in the ACIB, keep it under me, put who I want, manipulate the system, and apply political pressure. “Yuh really think dat dis Government doh not want tuh have ah police officer sit down and interview Miss Pena? Yuh really think dis Government doh want tuh have ah police officer sit down and interview Mr. Calder Hart? If I could do it, as Attorney General, I would do it myself. But all I could do as Attorney General, and all this Government could do—is under the Constitution, all that we are permitted to do, is civil. We can look at the civil side of things. And that is why, without any precedent, unprecedented novel claims, civil fraud claims, have been filed. For the first time, in our country’s legal history, civil fraud claims have been filed against Mr. Calder Hart. Arising out of the UTT fiasco, we have the former e Teck board for the failed bamboo investment, and we have the former Petrotrin board with the GTL project, and others are in the pipeline.

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I want to make it clear because people keep asking me, “All yuh eh lock up nobody? We cyah lockup nobody. De police have to dey wok. It is the police, in law, who must investigate. They are responsible for the detection of crime and investigation of crime. After that, it goes to the DPP, and if there is sufficient evidence, he decides if to charge or not. But, the Government “cyah lock up nobody”. But, what the Government has done is all that it can do, in accordance with law, which is to initiate civil fraud claims, and those matters are all before the court. It is not that we have done nothing, but we must have a certain measure of accountability. Now the Police Service Commission will have to do its job in conducting its own performance appraisal of those who are responsible for the management of the police service, and I say nothing further on that because that process is one that we would not wish to prejudge.

I heard a lot from Sen. Al-Rawi, as well, about hiding answers. He indicated that the Government—I believe, Mr. President, you indicated that on the Invader’s Bay Project, that a question had been filed on the Order Paper, and we will answer it. The commitment was given by hon. Minister of Planning and the Economy. I was taken aback to hear Sen. Al-Rawi say that we were hiding answers. What are the facts? People sometimes say that we are a Government of change. What are the facts? For the Tenth Parliament, from June 18, 2010 to June 17, 2011, there were 107 questions filed by the Opposition, 98 oral and 9 written. The People’s Partnership Government answered 93 of those questions, 14 were allowed to lapse—[*Desk thumping*] 87 per cent answered; that was in the lower House.

In the Senate, a total of 85 questions were filed by the Opposition and Independent Senators, and of that figure, we answered 81 out of 85 [*Desk thumping*] three were withdrawn and two questions lapsed. We have had in this Senate the spectre of Sen. Hinds on more than one occasion, the Leader of Government business would say, “We are ready to answer”, and they were not actually ready to proceed with their own questions while we were here waiting with the answer, poised and ready to provide the answer. [*Desk thumping*]

So, whilst you have that on the one hand—81 out of 85—in the House of Representatives, for the Third Session of the Ninth Parliament, by way of comparison, there were 25 questions filed. Do you know how many were answered by the People’s National Movement? Three! And they have the unmitigated gall and temerity to come here to say we are not answering questions, and have things to hide? The record speaks for itself. We have done as a Government, at the forefront of transparency in governance, not on a single

occasion, without good reason, do we say, we will defer a question. I remember in those days, questions were deferred Session after Session, month after month they were deferred. Even the President of the Senate, sometimes, would have to intervene and complain. When the accusation is made that we are hiding answers, I find it an astonishing, astounding accusation, and it really is incredible, given their own track record. Judge us not by your own standards, I say.

8.15 p.m.

You see, Mr. President, when we have to look at the economy and we see the kind of mismanagement that took place before, I want to tell you, Mr. President, when I read some of the details of the legal advice that was given in the Broadgate matter, it is mind-boggling to know that the former administration could have entered into such an arrangement and crippled this Government. We have legal fires every single day that are now igniting. It is like bush fire, you are driving down the road and you think, okay, I could pass by here safely, and then you pass and as you reach lower down the road a fire starts out of nowhere. I feel like I am the chief legal fire officer, always having to put out fires, because everywhere I turn there is a fire.

Now the bank in the Broadgate matter is coming down on the Government to say, “you have to pay that Bill”, and that, in a situation where the Chief State Solicitor, the Solicitor General and the legal advisors to the Ministry of Public Administration, they all spoke with one voice to say, the Government cannot guarantee a private developer’s debt in the manner that they did. We were tying in ourselves, no matter what the default, to accept it, and the language used was so strong—public servants normally speak in a very neutral voice—and so explicit, it would have been difficult to miss it.

In one instance the legal advisors for the State warned that: as it is now, this agreement does not reflect the arrangement and in no way does it protect the interest of the Government. In another instance, it says there is no way of knowing that the funds given to Broadgate will be applied in the manner that it is intended for. What would happen, pray tell, if Broadgate refuses to pay their loan installment?

Sen. Dr. Tewarie: Which is what they have done.

Sen. The Hon. A. Ramlogan SC: Which is what they have done. US \$20 million has been given to Broadgate and the State is now being asked to pick up the tab, with interest. As Lord Kitchener said: “whey de money gone?” We do not know.

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The legal advisors described it as an oppressive legal arrangement on the State. So, when we speak about these matters—and I heard my learned friends speak about public procurement; they are the ones who resiled from the opportunity to serve this country on the joint select committee to deal with procurement. It has led to a virtual stultification of the work of that joint select committee, because we are not quorate—we do not have a quorum without a Member from the Opposition.

They attended the sessions all the time, they had no problem; but when they saw things going good and we were about to reach a stage where, perhaps, we could actually reach the finish line and legislation would come, they backed out and they completely nullified and rendered nugatory, all the good work that went in under the chairmanship of Dr. Tim Gopeesingh and Sen. Dr. Bhoendradatt Tewarie. It is almost as if they did not want us to bring legislation on procurement, because one has to ask the question: if they are serious about procurement legislation, for the eight years that they were there, why did they not bring it? [*Interruption*]

And the political hypocrisy now is for you to complain and ask us, “well, why it dey? Why it dey?” When you were part of the process upon an invitation from the Government to let us do this together—procurement is not about the Government’s business, it is not about the Opposition’s business, it is about the people’s business—[*Desk thumping*—and by withdrawing from that joint select committee and stultifying the work of that joint select committee, all that you have done is to succeed in bringing public disgrace to your own political party and eroding the political credibility of your organization. [*Interruption*] It is an abdication of your responsibility to the public. That is what it is. So, when I hear—they have mentioned the words “public procurement”, they have lost all moral and political authority to talk about public procurement. All! [*Desk thumping*]

Sen. Al-Rawi could have raised and dealt with the Invaders Bay project by sitting at the joint select committee and making his contribution. Instead, they put their tails between their legs and they all run and “dus it”. Why? Because meaningful progress was being made. You know how many times we reached a meeting and we waited. In one instance I remember waiting an hour and a half, sitting there. An hour and a half to wait for an Opposition Member to arrive so we could attain a quorum to sit as a joint select committee. “I leave south, come up de road, Sen. Dr. Tewarie there”; we are all there waiting, we waited an hour and a half; such was our commitment to get in that Joint Select Committee on Public

Procurement and, by the time an hour and a half “reach”, the Member turns up from the Opposition and says he has to go out in half an hour. That was what we were subjected to. The records are there.

So, the reality, Mr. President, whilst it is all well and good to bandy these things about and it may be a nice political ping-pong ball, the record must speak for itself and the Government must be treated with a measure of equity and fairness in these matters. We are committed to public procurement, we are committed to good governance, we are committed to an efficient and effective police service and we would do what is necessary, but there must be respect for the rule of law in how we go about it. We would not disrespect or compromise any of the independent institutions of the State in our quest for better governance because we understand those institutions are there to facilitate good governance, and that is what would happen under the People’s Partnership.

I thank you very much. [*Desk thumping*]

Sen. Elton Prescott SC: Thank you very much, Mr. President. I promise to be reasonably brief given the concerns of those who have committed themselves elsewhere. [*Laughter*] I myself did not have the temerity to find a young wife. [*Laughter*] [*Crosstalk*]

I wish to start, virtually, at the beginning and to make certain observations for the benefit or for a response from the Minister of Finance; so I would like to begin with clause 2 of the Bill if you please. Clause 2 deals with retiring allowances for legislators and their widows or widowers as the case may be, and it increases the allowances payable to those persons, and that is an admirable step for the Government to take at this time. One would note that in the very legislation that deals with retiring allowances for legislative service, next to it is the President’s emolument and slightly further down is pension for the Prime Minister and his or her widow or widower and children, and I make an appeal that I had made sometime before to the Minister to tell us why he has not yet given that kind of consideration or benefit to retired judges?

I read recently that a retired judge had once again come out into the public domain, virtually begging that some time should be spent on providing for them because they had been reduced to mendicancy much too often, and foresaw that the judicial benches would be starved of valuable resources over the years if something is not done about it. So, although one may say that it is not quite captured within what is being presented for us to debate on today, I should like the Minister of Finance to give some thought, if he has not yet done so, to the plight of retired judges, members of the Judiciary and their widows or widowers, and children as the case may be.

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The second area that I wish to address is in Part XVI of the Bill, the Value Added Tax Act. It is clear what the Bill has set out to do, but there are some concerns that I have and I thought I should raise them here. The first of those is that there appears to be a provision in clause 16(c) which increases fines from \$30,000 to \$50,000 and term of imprisonment from two years to three years. When you look at the substantive provision in the Act you would find that what it deals with and what it said about the purpose of the Bill in the notes to the Bill do not appear consistent.

In the notes to the Bill it is said that clause 16, which seeks to amend section 23(2), increases the penalty for the offence committed by unregistered persons who collect moneys under the guise of VAT collection and do not remit those sums to the relevant authority. So, I went to section 23(2) to ensure that—well, in the first place—the correct section has been addressed, and I found that it was written in language that did not quite say what the author of the note to the Bill thinks it says. The author of the note to the Bill thinks that an offence has been created which would penalize a person who collects moneys under the guise of VAT collection, a person who commits a fraud, such person being an unregistered person—that is, one who is not registered for VAT. But section 23 speaks of:

“...a person who makes a commercial supply”—who—“is, at the time the supply takes place, registered”—and allows that person to—“recover from the person to whom the supply is made”—

the VAT, together with any other relevant consideration.

Subsection (2) simply says this:

“A person who, other than in accordance with subsection (1)”—to which I have just referred—“recovers or seeks to recover from any other person an amount represented to be in respect of tax commits an offence.”

Legislation for criminal offences is written in much more plain and less opaque language, and I am concerned that what clause 16 is doing, although it seeks to increase the penalty, is not addressing the pith and substance of what the author seeks to be doing.

The author, really, should be asked to look at it again and determine whether we should not create a very clear and specific offence that says, “if you are not registered for VAT you cannot collect VAT.” Until we do that, section 23(2) might well be incapable of being enforced, and I throw that out for the consideration of those who have the authority to address those things.

Mr. President, I wish to move next to the provisions under clause 16(j). This too has to do with the Value Added Tax Act, and I am afraid I must read the entire provision so that what I say about it would make sense. It says:

“Any proceedings under a law establishing summary jurisdiction which may be taken against any person in respect of any offence punishable under this Act, may, notwithstanding anything to the contrary in that law, be taken at any time within three years from the date of the commission of the offence or within twelve months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings come to the knowledge of the Board.”

So, summary jurisdiction refers to complaints which must be brought within a period of six months from the date of commission of the offence.

Section 58 is being repealed and replaced by a clause that says you may take as much as three years to bring a complaint in respect of a VAT offence. And what is worse, it goes on to say, not only that, but if in the opinion of the board evidence has come to it which justifies proceeding at any time within 12 months from the date on which the evidence arises, the board may proceed.

8.30 p.m.

That is to say, the board may in its own discretion determine that what it has before it now is called evidence, whether it has any value or whether it is credible or not, or whether it constitutes evidence or not. It may in its own mind say, “I am satisfied that this thing I have is evidence of a commission of an offence and I may proceed at any time, 12 months from today, to bring action against the person who is alleged to have committed it.”

So it provides in the hands of the board a whip or weapon or mechanism, if you wish to proceed against some hapless supplier of a commodity commercially anytime that they wish. The only thing that they need to do is to tell the public that they feel justified, that they have found evidence against this person and the person can do nothing, because subsection (2) goes on to say:

“For the purposes of this section a certificate of the Board as to the date on which such evidence comes to the knowledge of the Board shall be conclusive evidence thereof.”

So once you decide to proceed against some hapless merchant, all you need to do is to certify that in your opinion, evidence has come to you. When you have fixed the date on which you wish to make that great trust, nobody, according to this piece of legislation, should be able to challenge it because your statement is conclusive evidence of the date on which you got it.

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It ought not to be like that. Judicial discretion is being proscribed very simply here. This is what subsection (2) is saying: no judge could say that this is not evidence or that you did not get it on that date. And that strikes wrong on the ear of somebody who, (a) practises law or (b) understand the relationship between the Judiciary and the legislature.

So the best I can do is to say, let us look at this again, because it could not be that the validity of the thing which they call evidence is not being questioned by anyone, or the sufficiency of it, or worse, the legality of its obtention and the date on which you get it. If I am permitted to say by a simple statement, "I received the evidence today" and nobody can challenge it, it permits abuse, which we probably do not want in a society that is concerned about appearing reasonable and transparent in the way that it governs.

Mr. President, I wish to move now to the Central Bank Act, insofar it is intended to be amended by clause 19. There are a number of things that I wish to address. One of them was raised by Sen. Beckles, and that is the status of what is being called NEL 2. I had the impression from reading the Newspapers and hearing the debates about it, that a person who had invested in excess of \$75,000 in one of these so-called short-term investment products would be invited to accept some part of it, I think \$75,000. As to the remainder of his investments, he or she could expect that a statutory trust would be created and this new investment option would be offered to the person.

I am almost certain that I am not understanding this correctly. But in the event that I am, until NEL 2 has been established, there are persons out there who may beguiled into thinking that they are safe to go out and accept the invitation of the authorities, that they can simply sign something, collect \$75,000 and later on, things are going to fall into place. But I understand that such persons are invited to sign a document that takes away their right to pursue the remainder of the money.

Please correct me as soon as the opportunity arises, because there is a degree of uncertainty out there and there are people who believe what they hear, being said in the Parliament by Government officials, and they may well think that it is right for them to accept and to sign whatever is given to them. There needs to be a more transparent statement of what is really going to transpire.

I come back to the initial point which is, you need to establish NEL 2, because it is left undetermined as to what are the time periods within which we are going to see this institution being established. People are depending on it for the certainty what their future would look like, investment-wise.

There is another aspect of clause 19 that I wish to raise in this Chamber. In section 44(E), which is what clause 19 is seeking to amend, there is a provision for reporting to the High Court—the Central Bank. It is framed in an environment which says that proceedings against an institution under its supervision are stayed. They are stayed until a notification is given by the bank that it is no longer necessary to take control of the institution. That in itself is an oppressive kind of situation to be in, and I imagine that is why this subsection was introduced. It says there will be a reporting to the court. One could glibly gloss over it and say, “Well okay, yeah, if the institution is reporting to the court, the court has an eye on it”, so the court knows that people may resume pursuing the legitimate claims against the institution.

But the truth really is, if we start with the use of language, to whom does one report in the court? It could not be the Chief Justice because his functions are clearly set out somewhere. It could not be his clerk or his secretary. It could not be the Registrar because the Registrar deals with cases that are filed in the court. And perish the thought, it could not be that for each case against the institution, the institution is expected to report in relation to each of those cases on a quarterly basis to the High Court. To do it that way is merely to expand on, and to entrench what we already know to be the Bailey Bridge syndrome here that we will wait and wait and wait for that temporary bridge to be removed.

You would forgive the analogy, it may be totally inappropriate, but people would think that because there is a provision in the legislation which says the institution will report to the High Court, that there is somebody who is in authority going to say, “Okay, you have had a long enough period of stasis or stay of the proceedings, I am going to get it working.” The High Court does not operate that way, and so this section is entirely misleading in its capacity to bring about a solution.

If the Central Bank is intending to provide reports to the High Court, I imagine the best it can do is to enter the Hall of Justice and leave it downstairs. It would not reach the administrators of the High Court because there is no way known to us now which allows for that. So please look at it again. Please give an assurance to those investors who think that they are protected by the warm embrace of the High Court. Give them an assurance it is not so and that it would be addressed and changes would be made.

Mr. President, section 44(E) also goes on to deal with something that troubles me. My colleague, Sen. Dr. Armstrong, dealt with it. It is clear from section 44(E) that it proposes to prevent everyone from proceeding with any claim for recovery of money and any other liability. It means that if you slip and fall in the foyer of an institution that is under control, you cannot bring an action against the people.

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Now, tell me something, is that what we intended—any other liability? Why was it not addressed in this? Did somebody not raise it with the persons who drafted the new amendment? The fact that one could say to an employee—and I think it is important that we say it—“You shall not pursue any claim that you have against your employer in respect of the wages which you are paid” cannot be right. And it cannot be right when there is no limit placed on how long this thing is going to remain in a state of stasis. Far worse, are those people who are doing small businesses, if you provide a little graphics to some company, you want your \$2,000. But you cannot bring a claim against them because we have legislation which says—and I have a feeling that we really took a sledgehammer to a nut. Not wittingly, maybe unwittingly, but we eventually ended up doing just that, that little people are not permitted to proceed against the institution. In a situation where what really was running—the environment in which this piece of legislation came about had nothing to do with those people at all. [*Crosstalk*]

So I urge that some consideration be given to reconstructing the language of section 44(E), so that it permits at least a judicial discretion to determine which claims may be brought. It is not going to change the way, Minister of Finance, in which you are addressing the greater problems that are created by the collapse of Clico, CIB and those others.

Having said that, it appears that what is now being addressed in clause 19(c) is the introduction of a reference to the Limitation of Certain Actions Act. Prior to this, no effort had been made to determine when and for how long this stay of proceedings was going to endure, and how it was going to affect persons who are proscribed by the provisions of the Limitation Act. The Limitation Act as you know say that you must bring certain actions within four years of their occurring except in some situations where you could not have known, and there is a 12-year provision as well, but let us limit ourselves to four because that is what is going to happen here.

So if you had commenced proceedings against an institution which is brought under control, and the stay of proceedings had taken effect as it had done, and you say three years from the date of the action having occurred, time would by now have run out on you and you would be a bit anxious as to whether you would ever be able to proceed with your action against such a person. I put that badly, because I said, “if you had commenced an action”. If you had a cause of action which should have been filed, three years have passed you are go in to the fourth year, and you were busy getting yourself ready to file before the fourth year had expired, this stay of proceedings that had been created by the amended Bill, the Central Bank (Amdt.) Act, would have prevented you from proceeding.

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So quite properly, the Government has brought before us an amendment that allows for time not to run. I would have preferred the language “time to be postponed” during the period that the Governor takes his time to publish a notification. But at the end of the day those very people I was speaking about—the small businessman, the employee—do not get High Court High Court High Court any relief in clause 19(c). It does not provide him any relief to know that time ceases to run or is postponed during that period because we all know that if it takes 12 years to put the institution right, he is going to have to wait for 12 years to get his \$2,000 with, at most, 12 per cent interest.

8.45 p.m.

He might have been probably reduced to penury by the first year, so he will only be 12 times poorer when the thing is finished. So, rethink about whether we really need to do that. There could be other ways to deal with it, and I recommend that we go out there and demonstrate to the citizenry that we are still concerned about those who are barely able to stand on their own feet.

A simple question for the Attorney General or whomsoever guides your legislative business on the Government side: When I read clause 19(c), which seeks to introduce subsection (9), there is a word there that does not seem to fit. Are we going into committee session here?

Sen. Al-Rawi: Yes.

Sen. E. Prescott SC: We are? Maybe I should leave that so that we can deal with it at committee stage.

So without endeavouring to rehash all that I have said, I have offered some suggestions for the thinking, the contemplation, of those who govern us, and if there is any chance that these amendments could be looked at again, I would be very grateful.

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

The Minister of Finance (Hon. Winston Dookeran): [*Desk thumping*] Mr. President, let me first of all say to Sen. Elton Prescott SC that the views that he has expressed here at this time are important views which we do not wish to discard. I have had some very preliminary discussions with the legal people on this matter, and they would like to take note of them and advise at an appropriate time whether or not some of the views, particularly the one with respect to the contradiction between clause 16(c) in this Bill and the parent Act, 23(c). So we would look into that.

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With respect to the other issue that you have concurred with Sen. Armstrong, by introducing a category of employee as having the right to take action against the company, I am advised that this matter was fully articulated by the Central Bank and the Ministry of Finance at the time in which the Bill was being drafted, subsequent to the proposals that were made by Sen. Armstrong on the last occasion, and they were of the view that it would be improper at this stage to include that, for it introduces some loopholes that can be used by others in order to deal and, to some extent, undo the purpose of the Bill.

This is the advice I have on the matter. But I will give you the assurance that the positions raised here by Sen. Prescott SC and, indeed, by Sen. Armstrong, are not going to be ignored in any review of the Central Bank Act because all that you have said, at least in this respect—you are dealing with the amendment to the Central Bank Act. So that is the position as at this point in time on those two very important contributions that were made.

Mr. President, there are a number of issues that were raised that I think we need to put the record straight. A very simple one, but one on which Sen. Cudjoe spent a fair amount of her contribution, in which she indicated that this Government was somewhat lax in not acceding to a request by the Inter-American Development Bank to agree on a Wastewater Infrastructure Rehabilitation Programme. And although the hon. Minister of Public Utilities had indicated that that was not quite correct, from Sen. Cudjoe's information she was of the view that, in fact, it was not correct—that is, the Minister was not correct.

But I have before me a loan contract that was actually signed between the Republic of Trinidad and Tobago and the Inter-American Development Bank. It was signed on November 30, 2011, and the subject of this loan contract is: WASA Modernization and Wastewater Infrastructure Rehabilitation. It included precisely the broad subject that Sen. Cudjoe was raising.

May I also inform the hon. Members of this Senate that this loan document was indeed laid in this Parliament about a week or so ago, and therefore the information is available to the Senate. [*Desk thumping*] What perhaps has confused Sen. Cudjoe was that this loan document was for a loan of \$30 million for the purposes which have been outlined, the main one being Wastewater Infrastructure Rehabilitation. In addition, we have given a letter of commitment to access a grant from the Inter-American Development Bank, of \$2.5 million on this issue, but with specific reference to the activation of the Scarborough Wastewater Plant.

The information I have is that that plant was, in fact, done in the 1990s and only 430 people were connected to it and, therefore, they were not able to access the plant. And in that sense we have agreed in a letter of commitment with the Inter-American Development Bank to access that grant facility that will allow between 1,100 and 1,400 new customers to access that facility in Scarborough. That is the information I have, and the letter of commitment will convert itself into a signing ceremony at the March meeting of the Inter-American Development Bank.

So I do not know if there was some confusion in her mind as to this grant as opposed to the loan document that was there. Suffice for me to say that we had, indeed, signed such an agreement with the bank and laid the document before this Parliament, and we will be going further in accessing the grant facility that is associated with this.

So, Sen. Cudjoe—I am sorry she is not here. When I was about to try and investigate her claims, she asked me not to leave and I did not leave, but now she is not here to listen to the answer. Whatever it is, we will deal with it, but the most important thing—and the Minister of Public Utilities said it well, that we had, in fact, done it and that the Scarborough residents will now, for the first time since 1990, have the opportunity to access that facility that was lying idle all these years. [*Desk thumping*]

So, Mr. President, another issue that I think I should deal with has to do with what I believe was a rather dangerous statement made by Sen. Dr. Lester Henry. His contribution today was really a reflection of him being somewhat flat-footed at this stage, especially when he made reference to the quality of competence of the officials of the IMF, but I would not go into that debate.

I think what he said that requires some response was the issue as to whether or not the Clico bonds would lend themselves to some kind of money laundering activity. And it was pointed out by the hon. Minister of Food Production, Land and Marine Affairs, hon. Vasant Bharath, that those who can access those bonds are indeed licensed institutions, brokers as well as banks, and therefore the laws in the country must be enforced, and such enforcement depends now on the institutions that are set up for those purposes. In this respect, the FIU, which he seemed to belittle in terms of its operations, is the responsible institution to look into these matters.

Well, after the sound and fury about the Financial Intelligence Unit about which we had a prolonged debate in this Parliament, and all the accusations that were levied with respect to the process and content, it was recognized that this country had not complied with some of the major requirements in this particular field, and with particular reference here to the Financial Task Force. Since then, for yet another

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time, since 2005, these complying issues remained. It was only when this Government came into office that we began to deal with these compliance issues frontally. [*Desk thumping*] We came into the Parliament and sought an amendment to the FIU Act to comply with the requirements, which was granted by the Parliament, and it was meant to increase the enforcement capability of the FIU, as opposed to having the legal responsibility alone.

But beyond that, although there are still challenges with respect to getting the right staff for this unit, we laid in this Parliament two reports on the FIU. The first annual report of 2010 and the second annual report of 2011 were laid in this Parliament to provide the information which was being sought, and the inferences that were being made without the facts.

When you look at the report, you will see the scope of work that has been undertaken, and the scope of work goes beyond the establishment of the intelligence unit itself, into the question of the process by which suspicious transactions and activities are reported. I believe it was Sen. Ramkhelawan who said that he had made the suggestion that we should have put these particular transactions to be subject to measures to prevent money laundering from being used as a window for that purpose, or tax evasion. The truth of that matter is, in our institutional set-up, it is the FIU that is responsible by law to deal with these matters, and so too is the Board of Inland Revenue responsible by law. They do have provisions in their mandate to deal with that, and the report that you had before gave you some facts, which I will not prolong the debate here tonight, as a number of transactions that were so reported and are at various stages of investigation.

In other words, there was no need to have special legislation or a special effort when you have these institutions. The truth is, these institutions were not functioning in the past, and today, under this Government, I can assure you that they are functioning. [*Desk thumping*] I would invite Senators to read the reports which were also laid in Parliament, in the context of full transparency, even on issues that might be sensitive and delicate. But we have to deal with it as we have dealt with it.

Therefore, there is no need to follow that suggestion of Sen. Ramkhelawan, or indeed to be alarmist, as Sen. Dr. Henry was, in saying that these transactions are perhaps part of a money laundering deal. I thought that was an alarmist statement to be made by a professor of the university sitting in the Parliament of Trinidad and Tobago. [*Desk thumping*]

9.00 p.m.

But, I want to assure you why I say that there are institutions in place with the specific mandate to deal with these things, and they have reported to Parliament as they are expected to do. We would hope that they would continue their work in an arm's length relationship to the political directorate. This was one of the issues that emerged in the debate, that we did not want to have an institution that was going to be subject to the political directorate's wishes or desires, but that it must have a kind of independence of operation, and the preservation of the rights of people must never be trampled in our term of office. I believe that point was somewhat echoed by the Attorney General, when he was speaking on matters pertaining to his portfolio.

I thought I should clear that up for two reasons: that the information is here; the process is in place. But, more important is the view that was raised at some time that we were now open to being blacklisted. I think that Sen. Ramkhelawan somewhat surprised me, in what was really, in my view, a very measured contribution, contrary to what he has been accustomed doing. [*Desk thumping*] When the Senator said that we were being blacklisted all about, we were being blacklisted in the Financial Action Task Force and he did not mention the others but I think he was talking about the Global Forum, in which we have agreed to provide information with respect to taxation.

You would recollect some time ago, the chairman of the G20 countries raised at a meeting in Paris the issue that Trinidad and Tobago did not comply with certain regulations. These are matters that are ongoing. And, I want to make two points on that.

The first is we immediately responded and said that he was improper in making such a suggestion, and it was premature. What is happening with respect to the Global Forum and the sharing of tax information—there are issues that are being dealt with as we speak, and therefore, to suggest that Trinidad and Tobago was in that category was, technically, not correct. And, we sought and received from the Global Forum a comment saying that that is not so, that we were in fact not blacklisted, but we are undergoing the necessary test to ensure that the tax information treaties are upheld. And, we got a formal request to that effect.

We did not do much more on that, except, I met with the chairman of the Global Forum at some meeting I attended and had a discussion with him, and he too expressed some dismay that in the realm of the G20 countries they could have raised that matter. But, they could not hold themselves responsible for what

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happened at the political level; they only knew what happened at the technical level. So, it is another case where Trinidad and Tobago was in fact listed, so to speak, prematurely. That matter is being considered.

The other matter I want to raise on this issue: The world is faced now with the emergence of a number of these self-serving institutions, which ascribe unto themselves the role of trying to get countries in the world to comply either in tax information or in money laundering, or indeed, in securities and exchange matters. And, I believe, Sen. Ramkhelawan went along and said that we are now at risk of being blacklisted in the international association for securities and exchange. I believe it is an issue that should be dealt with in global diplomacy now because these institutions ascribe onto themselves a certain amount of responsibility, which they can use by creating public perception. At this point we want to ensure that we comply with all the requirements that are consistent with our own laws, because if they are not consistent with our laws we will say so, and the laws will have to be backed by our values. At that stage we would have to discuss this issue at the global level.

That is why I had raised in the International Monetary Fund meeting—the last time I went—the whole issue of the political presence of small states in the governance of these institutions, because they are now prescribing onto small countries rules and regulations, that we have to comply with, and against that, they hold the possibility of creating public perception in which small states have no part to play in the determination of those rules and regulations in the first place. [*Interruption*]

Sen. Brig. Sandy: Terrorist activity.

Hon. W. Dookeran: —Terrorist activity, the Minister of National Security said. So, it is a larger issue. And for us to succumb—to say that if they disagree with us they will blacklist us, therefore we must run the course and try to follow all those rules which we have not participated in—is wrong. In fact, what I am talking about in terms of the Global Forum, emanated from the OECD—that is the group that at one time was attempting to blacklist, to use the word, most of the Caribbean countries. And, I do not know how many of us here might remember the massive diplomatic response that had to be taken by the region, led by Barbados at the time, to put that to rest. What they did subsequently is—the OECD having failed in that attempt to try to put a stop to the growth of the financial sectors in the region—they came back under a different guise.

The first question I raised with the executive chairman when I met him was, where is his power coming from? Is it from the OECD or is it from another source? And, frankly, he was not able to answer me. These are bodies that are now developing, they are the new bodies that tend to control world development in commerce, but they have one power. As a small country, if they speak against you, you are in more trouble. And therefore, you have to ensure at the same time that we will support all efforts to deal with money laundering and terrorism. We will support all measures to ensure transparency. That is why we introduced here in the budget debate, a provision to adopt what we call, transfer pricing, which is being worked on, because that is all part of the game.

But, I am not going to sit here as a member of a sovereign government in independent Trinidad and Tobago and simply say, I must follow their rules without telling them what I want to do with their own rules. And, that is a diplomatic initiative we have already begun to take in the IMF. Right now in the World Bank, we are doing the same in calling for the establishment of an independent commission to look at these issues as they pertain to small states, not only Caribbean states, but small states in the world.

In other words, sovereignty is fine; sharing sovereignty is good—there is no question about that in today's world. We have to deal with that, but to abdicate sovereignty to these groups, without participating in the rules in which we want to participate, is in fact something that we should not as a sovereign nation agree to. [*Desk thumping*] I say that so that Sen. Ramkhelawan could understand that this is not a case that we simply comply. But, we will comply, as we have done with respect to the Financial Task Force. The Minister of National Security knows it very well and we have been talking a lot.

There are some ticklish issues that we have to resolve. If our Public Service Commission much make the appointment, we cannot tell them that we would make the appointment. We have to wait for the Public Service Commission to make the appointment as to respect the independence of the commission. They are not concerned about that. They said, no, you must make the appointment. Well, we say, our regulations and our system of Government do not allow that at this stage. But we dialogue, we meet, we discuss it. I believe that all that we have been able to receive upon office we are dealing with. [*Interruption*] Yes—

Sen. Ramkhelawan: Thank you, Minister of Finance for giving way. Just as a point of clarification: while it is laudable, the efforts that you might be making with regard to establishing beyond a doubt our sovereignty, there are treaties, there are conventions, and there are protocols, to which we must adhere. I did not

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refer at all to the Global Forum, but certainly for matters where we are interacting with the world, international organizations require certain standards to which we must adhere.

So, I take your point, but I am saying that it must be balanced. On one hand, sovereignty; but, on the other hand, we live in a world of connectivity, for which we must be part of the rules, regulations and agreements on the private side, not only just in terms of sovereignty. Institutions here that are privately run have to deal with institutions across the world that are also privately run. The sharing of tax information, not only small states—Switzerland, right now, has to deal with that, as indeed every other country. So, I am just raising that point because I do not want you to slip away into a particular area and get past the issue of us as small-island players or even large institutions having to deal with the requirements of the world—just for clarification.

Hon. W. Dookeran: The hon. Senator can be assured that I will not slip away, as he always does even in this issue. [*Desk thumping*] If there is a treaty, we would honour it. The question is when these institutions are being set up without an appropriate treaty—the OECD, we have no treaty with them but, we still comply. But, that is the only point you were making. And, in some cases even the SEC, which you spoke about—it was laid in this Parliament, the revisions of the Securities and Exchange Commission, it has never got off the ground. You are right that there is an international body that has established certain criteria. And, we are working with them in order to meet these criteria that have been established.

So, let it not be said that we would not in any event abide by any treaty arrangement. Let it not be said that we would not honour these particular requirements because we do become members of them. But, let it also be said that we are not going to slavishly work with these rules, if they are going to contradict what we know we can achieve in the goals that have been established. And, therefore this loose talk about blacklisting does much more to create a problem in the country and in the environment, so we should be very careful when using that phrase in our discussion. Get to the facts! The Minister of Planning and the Economy said that is exactly what is required. [*Interruption*]

Sen. Dr. Tewarie: That is what they want.

Hon. W. Dookeran: But, I would not go there yet. I would just say that we must be careful in getting the facts. So, Sen. Henry, let us get the facts. These were laid in this Parliament before. I wanted to clear that off.

I think there was some suggestion about the loopholes in the regulatory system and insurance, and that matter was in fact laid in Parliament, and whether or not we should put it to a joint select committee was raised—this is a matter that we would consider. But, there is some urgency because for eight years that particular piece of legislation was being developed.

We finally were able, over the last year, with a lot of consultation, to come to a position. There is always some interest group that will be opposed to the legislation. We recognized that. And, very recently, some groups have raised some concerns. But, our job is to make it happen, because it is the absence of such regulatory capability that has led to the legal emergence of the problems in the Clico situation.

9.15 p.m.

And regulatory arbitrage, as someone raised, is part of the game today. I only raised that to let you know that this Government has taken on the regulatory functions of our institutions to deal with money laundering, to deal with terrorism, to deal with the exchange of information and to deal with the operations of international standards.

There used to be a time when they used to talk about best standards and they used to say the best standards were the right standards. But, it was the best standards that failed the entire world in the financial decline of 2008. When I go to these meetings, I say “not best standards, new standards”, and new standards must be done jointly with what we are—because small countries today can affect the financial world as you see what is happening in a small country like Greece, affecting the entire viability of Europe. So the world, the geo-political situation has changed, and in that respect, we must stand up and play our part in the new changing dynamics in the world. [*Desk thumping*]

Mr. President, the other issue that was raised had to do with the pension programme. Let me try and put this into perspective. I had received a letter on January 12, 2012 from the Government Daily Rated Retirees Association of Trinidad and Tobago. They made the point that the majority of their members worked with the government for 30 years and over, and were paying NIS, HSC and income tax from then, and then they went on to claim that they are unable to meet the cost of living today. This is just one group. They went on to speak about all their efforts that they have made in the past to have their plight dealt with.

Well, I requested the National Insurance Board to look into this matter, and they provided me with some information which, in fact, said that what we are doing today would immediately bring benefit to the Government Daily Rated Retirees Association members. So therefore, this is the practical manifestation of what we

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are doing. When I said that we want to look at the social programmes in the country, this is what I meant, but there is more that needs to be done. I am advised that we need to go further in dealing with this matter because this would be the new entitlement, which would at least alleviate some of the pressures of today, but will not give them a sustained way to handle it. I thought that I should put that on the record because there are hundreds of groups that would so benefit by this increase.

You see, when we say what we are able to achieve in a short space of time, the Opposition turns around and says, we are boasting, and when they ask a question and I say, “this is the answer”, they say, “You are still boasting.” The truth is that they cannot digest what they are hearing, and therefore, they turn around and says we are boasting. [*Desk thumping*] But I have never attempted to do that. I, more often than not, simply provide information.

Sen. Beckles raised—I have always felt that Sen. Beckles, in a very quiet way, is so seductive in her approach. [*Desk thumping and laughter*] And it is very difficult for me to really resist that. She raised an important issue which we should clarify, and I think she is right about that issue with the Clico bailout. [*Interruption*] I am not boasting, Sen. Dr. Henry, I am giving you the facts, the public needs to know. I think Sen. Dr. Armstrong said that he does not know what is going on, and we have to correct that; and one way to do that is in Parliament.

She asked the question, whether or not the NEL 2 was, in fact, registered. I did announce, sometime earlier, that we would not be using that name anymore, and that we would be using the Clico Investment Trust, and that was based on technical advice. I wish to just let you know that that matter is coming to a closure, hopefully, from discussions with the Central Bank, the Ministry of Finance and Clico; and very shortly, they would outline the details of that programme which would deal with the years 11 to 20.

With respect to the question you asked, whether the 90 per cent or the 80 per cent was relevant for the first 10 years. We had given an undertaking that we had discussed with the commercial banks, to honour up to \$0.80, but for a time frame. I want to say it for yet another time, that it is for up to the end of March 2012. Thereafter, it may be more or it may be less, but there was an undertaking to at least do that. I am happy to hear that the commercial banking sector, in their competitive mode, is offering rates higher than \$0.80. So it is even better than I expected and I would leave that to the banks to decide.

So when you add that and you add the Clico Investment Trust, you end up with an average of near to \$0.90 and that is how it is. And that must be compared to what is happening, as I said earlier on, in other countries where people who invested in their bonds are now being required to pay—the newspaper said \$0.30, and I asked the Central Bank to advise me on what the true situation is, and they told me at least \$0.50, and that is one example of it. But, we are not boasting; I am giving you the facts. You see, I have to tell you, because for 14 months—between January 2009 and May 2010—Government stood there not knowing what to do with Clico. It is only when we came on the scene that we decided to take on this trouble, and take it on head-on. [*Desk thumping*] And if we had not done so, I do not know what would have happened to our situation. So to say that we are boasting is really against the inaction for the 14 months that they stood there; and at least offered to spend \$7 billion in that process. We have used that and we have gone beyond that. I hope that I have clarified that point.

With respect to pension, I think Sen. Ramkhelawan raised some very valid concerns here. He raised the issue as to the deficit that exists in the document that was laid before this Parliament based on a special actuarial review that was done in relation to the proposals that we had put forward, and suggested that there must be an implied increased contribution that would have to be used to pay for it.

Let me say—for the sake of clarifying the situation—according to the traditions in the past, an actuarial review was done every five years and was laid in the Parliament, and the last one was done in 2007. At that time, the review suggested that there should be an increase in contributions to meet the requirements of changing the pension from \$1,000 to \$2,000. The rates that were being suggested were 10.5 per cent in 2008; 10.8 per cent in 2010, and 11.4 per cent in 2012. So as from the first of January 2012, those rates were put into effect with respect to 2012 and before, based on the 2005 Actuarial Review. Notwithstanding that, it was felt that those rates are perhaps not sufficient to meet the increase in the cost, and therefore, the issue of the investment policy was raised. It was pointed out that a new strategy for investment must now take place and a 1 per cent increase in the investment return would be able to reduce the rate substantially.

Beyond that, it was suggested that the rate structure itself should, in fact, be changed, and instead of dealing with all these bands that are being put into place, it was perhaps more prudent to deal with a percentage formula—I would not go into the details of its outline—and that matter would be dealt with at the Eighth Actuarial Review which would be completed in May 2012.

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So they would be looking at a number of ways by which they would be able to keep the fund in what they had referred to as “revenue neutral”. The board of the NIB looked into this matter, and they recommended that they can meet this, and at the end of the Eighth Actuarial Review in May 2012, we would see what measures they are likely to propose. But, as of now, they are comfortable with us meeting these requirements, and from the first of February effective, the new pension arrangement, under NIS, would move from \$2, 000 to \$3,000 for all citizens who are contributors to that scheme.

I think there is one final point that was raised by Sen. Ramkhelawan which—and I must thank him for so doing—has to do with the clarification that is required, with respect to the capital-based argument that he raised on the question of SMEs. I think we have looked into this matter and we have said that there is an issue here that could be ambiguous—it is not that it is wrong, it could be ambiguous—and if it is interpreted differently, it may end up opening itself to litigation.

The essential point that he was making is that the words that we have used in the legislation before us could be interpreted to allow companies who have more than \$50 million to access this new tax rate. We do not think it is, but out of an abundance of assurance, we thought that we should clarify that issue so that it would not be, at least, legally possible. I will propose, at the committee stage, some amendments to accommodate the very valid suggestion made by Sen. Ramkhelawan in his very measured approach here today.

Sen. Deyalsingh: What about the privatization issues?

Hon. W. Dookeran: Well, until I get something specific from you, I could not answer you. You see, I have a specific matter. What I could tell you is that the Government has committed itself to working out a programme of public offerings, and that programme has three objectives. One is to ensure that we can rationalize the public sector/state enterprise sector. Two, that we should bring about more distribution of the benefits to the people, and thirdly, that we should be able to improve and deepen the capital market.

Someone raised the issue, and I thought you gave me an opportunity there. The measures here that have been announced are done in a context. If you look at the budget presentation and the measures that we have adopted in 2011 and now, 2012, they are done in a context. So that is why it is now pretty easy to know what we would do. Improving activity in the capital markets was one of the contexts. The Public Offerings Programme was aimed at achieving that, and we are currently working out the details of that programme. But, also what we did today with the SMEs.

Let me just—because my time is running out—point out here that we would be making amendments to remove all doubt with respect to the interpretation which he has raised that could happen in clause 15. With respect to clause 9, there is also an issue here that could be wrongly interpreted, and I am advised that we should clarify it, and instead of using the words “net income”, we should have really used the words “total income”.

9.30 p.m.

There was somewhere else where it was pointed out and it might have been a slip: the words “not less” should be changed to “no more”. It was an important observation, and we want to thank the hon. Senator for pointing it out to us. We have looked at them, and we will be raising them. Those particular amendments, Mr. President, will be moved.

I do not wish to claim victory because there is still much to be done. I want to say that victory is not where we are; the work is not over, the work has now started. In that sense, the country must now be mobilized to move forward with a new sense of confidence. What was clear is that we could not move forward unless we had organized ourselves to do so, but that was done in a context. Therefore, to suggest that our prescriptions are merely to create stability, is not quite correct. They are to create a sense of stability in the context of trying to create a new direction. What is clear to me now in the measures that have been outlined, and we are giving legal life to those measures here today, is that there is no doubt of the financial direction in which this country is moving.

The compass has been set, but there is the work and the journey to be undertaken. The journey would not be undertaken by subscribing to the politics of blame or subscribing to the voices of discontent, or indeed, in subscribing to the view of the divine right to rule. The politics would only allow what has to take place, to take place, if we agree that we must adopt the politics of construction, the politics of building and the politics of advancement of the society. [*Desk thumping*]

It is in that context, we invite hon. Senators to abandon the politics and the noises of protests, to stop the politics of blame. We agree that what we are doing today comes from policy continuity; I have no problem with that. We should be encouraged, and instead of being blamed for it, it should be said that it was good that you have continued certain policies.

We have also discontinued many of the policies which would have taken us down the hill, had we continued with them. Mr. President, this is a time for the politics of building to take place. I welcome all the views that were expressed, we take them seriously and we will continue to do so. We have come to the last innings of this

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test match on financial affairs. I know Sen. Al-Rawi tried to create his own pitch to play the game. [*Desk thumping and laughter*] I know Sen. Deyalsingh decided that he was not going out to bat in this game at all. He started to talk to the Minister of Energy and Energy Affairs, who dealt with him in his own way. [*Laughter and desk thumping*] But we always have 12th and 13th men in any one team.

Sen. Ramlogan SC: “He did respond, dat is why he had nutting to respond.”

Hon. W. Dookeran: Mr. President, I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in Committee.

Clause 1.

Question proposed, That clause 1 stand part of the Bill.

Mr. Dookeran: Mr. Chairman, I beg to move that clause 1 be amended as follows:

A. In subclause (2), insert before the words “Part VIII”, the words “Section 8(b) of”.

B. Delete subclause (3) and substitute the following:

“(3) Part IV (Prison Service) and Part XI (Fire Service) of the Act have effect from October 01, 2011.

(4) Part V (Police Service) of the Act has effect from October 01, 2010.”

Question put and agreed to.

Clause 1, as amended, ordered to stand part of the Bill.

Clauses 2 and 3 ordered to stand part of the Bill.

Sen. Al-Rawi: Mr. Chairman, I am wondering insofar as we have amendments circulated which only deal with a few issues, perhaps in the interest of time whether you wish to take them collectively?

Hon. Senator: What!

Mr. Chairman: All right, I am very glad to do so. We will go to clause 8. [*Desk thumping and crosstalk*]

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Clauses 4 to 8 ordered to stand part of the Bill.

Clause 9.

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

Mr. Dookeran: Mr. Chairman, I beg to move that clause 9 be amended as follows:

- A. Delete the words “shall continue to be paid such pension” and substitute the words “shall be paid so much of his pension”.
- B. Delete the words “net income” and substitute the words “total income”, wherever they occur.

Question put and agreed to.

Clause 9, as amended, ordered to stand part of the Bill.

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

Clause 13.

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

Mr. Dookeran: Mr. Chairman, I beg to move that clause 13 be amended as follows:

In the paragraph (b)(i), insert after the word “volumes”, the word “no.”

Sen. Moheni: Mr. Chairman, with reference to clause 13(b)(i):

“for volumes greater than 40,000 litres”

I was wondering whether it should be:

“for volumes not greater than 40,000 litres”

Sen. Al-Rawi: “no greater than”

Sen. Ramlogan SC: Hold that microphone towards you, please.

Sen. Moheni: “For volumes no greater than 40,000 litres”, part (i) and part (ii) would be:

“for volumes greater than 40,000 litres and no more than 160,000 litres”

Sen. Ramlogan SC: I think he is right. [*Desk thumping*]

Mr. Dookeran: Mr. Chairman, in this document there is a misprint from what was in the original document.

Sen. Ramlogan SC: The original one is correct.

Mr. Dookeran: The suggestion made by the hon. Senator to include "...no greater than 40,000 litres..." is now being proposed. And so is "for volumes greater than 40,000 and no more than 160,000 litres."

Sen. Ramlogan SC: Mr. Chairman, I think the original has it correct, it is a misprint in the version which was circulated, there is no need for amendment, it is just for us to note that it as per the original draft. Make sure that the Chairman has the correct copy.

Mr. Chairman: I have it marked, so we will have it right.

Question put and agreed to.

Clause 13, as amended, ordered to stand part of the Bill.

Clause 14 ordered to stand part of the Bill.

Clause 15.

Question proposed, That clause 15 stand part of the Bill.

Mr. Dookeran: Mr. Chairman, I beg to move that clause 15 be amended as follows:

A. In the proposed section 3(2)(b)—

- (i) delete the words "shall be" and substitute the word "is"; and
- (ii) delete the words "not less" and substitute the words "no more".

B. In the proposed section 3(3)—

- (i) in paragraph (a), delete the words "minimum share capital" and substitute the words "minimum capital base comprising its issued share capital, retained earnings and amounts transferred from such issued share capital or retained earnings to a reserve account"; and
- In paragraph (b), delete the words "maximum share capital" and substitute the words "maximum capital base comprising its issued share capital, retained earnings and amounts transferred from such issued share capital or retained earnings to a reserve account".

Question put and agreed to.

Clause 15, as amended, ordered to stand part of the Bill.

Clauses 16.

Question proposed, That clauses 16 stand part of the Bill.

Sen. Prescott SC: Mr. Chairman, may I in relation to clause 16 make some observations, please? A reading of 16(j), I have difficulty with the words about five lines from the end:

“...at the date last mentioned...”

It is not clear which date is being referred to. It is either the date three years from the date of the commission of the offence, or—and I imagine it cannot be that—that within 12 months, provision there; if the Attorney General will like to look at it again. It says:

“...where the person in question was outside Trinidad and Tobago at the date last mentioned...”

I do not imagine it could mean a date commencing 12 months after the Board has found evidence. The question is what date were you referring to?

Sen. Ramlogan SC: [*Inaudible*]

Sen. Prescott SC: I do not think that would address it. All you need to do is to tell me which date. So if you wanted to say:

“...three years from the date of the commission or at the date 12 months after the finding...”

9.45 p.m.

Mr. Chairman: It goes on to say within 12 months from the date in which the person first arrives in Trinidad and Tobago, which seems to explain what it was intended to accomplish.

Sen. Ramlogan SC: That is the marker that they are using.

Sen. Prescott SC: You start proceedings “within three years from the date of commission of the offence” —that is clear to me—“or within twelve months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings come to the knowledge of the Board”.

Now that is the later date to which you are referring, a date 12 months after the Board has found something which they feel justifies them in bringing action. So, if the person in question was outside Trinidad and Tobago at that date, the date they found out about it?

Mr. Chairman: I see what you mean. Then you get an extra 12 months.

Sen. Prescott SC: I do not know if that is what is really meant. If that is what is meant, fine. The criminal lawyers will deal with it.

Mr. Chairman: The last mentioned date is 12 months.

Sen. Al-Rawi: If you look at it by the insertion of Roman numerals, just in breaking the paragraph up, it may provide for greater clarity in disaggregating it.

So the first Roman numeral will come in eight lines from the beginning of section 58 as set there, after the word “time”, Roman numeral (i), “within three years from the date of the commission of the offence”, or Roman numeral (ii), “within twelve months from the date on which the evidence sufficient in the opinion of the Board to justify proceedings come to the knowledge of the Board, whichever period”, and here is where we go, “last expires or”. So you have two uses of “or” there, and we may be importing the so-called ubiquitous semi-colons that Sen. Prescott has difficulty with.

Sen. Moheni: I think the question here is with regard to the last date that expires.

Sen. Prescott SC: Which date is that?

Sen. Moheni: There are two dates here. One is within three years and the other is dependent upon when sufficient evidence has been gathered.

Sen. Prescott SC: Is that what they really mean, is my question.

Sen. Moheni: Whichever is the last date here.

Sen. Prescott SC: But is that what they really mean?

Sen. Moheni: If the person is out of the country when that date expires, then you are going to check 12 months after the return.

Sen. Prescott SC: Yes, that is very clear, but is that what they really mean, two periods of 12 months?

Sen. Moheni: That is what is being said.

Sen. Prescott SC: We seem to have a little difficulty.

Sen. Moheni: To me it is clear.

Sen. Dr. Balgobin: It is extremely confusing.

Sen. Moheni:—“be taken in at any time within three years from the date of the commission of the offence; or within twelve months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings”. So that evidence could come after two years and nine months, which could be extended by 12 months.

Sen. Dr. Balgobin: This is what goes wrong when you have bad or erroneous drafting. If we are having confusion with it here, imagine the difficulty it imposes on someone who has to interpret it outside, where they actually have to try to understand what is the intent of the Parliament. It is better for us to make this simple.

Sen. Moheni: The important thing is intent. I agree with you.

Sen. Dr. Balgobin: We ought to break this up in a way—

Sen. Moheni: What is written here is clear.

Sen. Dr. Balgobin: It is as clear as mud.

Sen. Prescott SC: It is ponderous.

Sen. Moheni: You are talking about three years, which is the first criterion; three years after the offence has been committed. Then, that can be extended by 12 months.

Sen. Dr. Balgobin: This is obviously above my IQ level because I do not understand it at all.

Sen. Prescott SC: You are right, you know.

Sen. Moheni: The offence can be committed today and the evidence is only gathered—

Sen. Prescott SC: On January 03, 2011.

Sen. Moheni: That is the point about it.

Sen. Prescott SC: So you say, where were you on January 03, 2011? I was away. So I have 12 months from that date to bring the action. But why use all this confusing language to say it?

Mr. Chairman: Can we defer it and come back to it?

Sen. Prescott SC: I was suggesting that some time ago.

Mr. Chairman: We will try to do some massaging in the meantime.

Clause 16 deferred.

Clauses 17 and 18 ordered to stand part of the Bill.

Clause 19.

Question proposed, That clause 19 stand part of the Bill.

Sen. Dr. Armstrong: Mr. Chairman, am I to understand, from what the Minister said, that the issues that I raised with respect to the plight of employees would be looked at so that whatever loopholes the lawyers felt might be present would be addressed in due course? Is there such an undertaking?

Mr. Dookeran: I was advised that the Central Bank and others have looked at it and they said that including it would create some loopholes. However, the points associated with what Sen. Prescott SC said, we would take note of and try to look at it again with the officials. It will be an amendment to the Central Bank Act.

Sen. Prescott SC: Mr. Chairman, I have a minor point in the architecture. In subclause (c), with reference to the new subsection (9), I wonder if the word “or” three lines from the end should not be “for”.

Mr. Chairman: It would seem so to me.

Sen. Prescott SC: So “any other written law or relating to the limitation of actions, proceedings for the enforcement of any judgment or order”.

Mr. Chairman: That appears to be correct. We are suggesting that in subclause (9), seven lines down, it should read “for the enforcement of any judgment” rather than “or”. There is a typo there.

Question put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Clauses 20 and 21 ordered to stand part of the Bill.

Clause 16 revisited.

Question again proposed, That clause 16 stand part of the Bill.

Sen. Al-Rawi: Mr. Chairman, in clause 16(j), are we intending, if we can just clarify the intention, in the issue where we have problems being the words “at the date last mentioned”, would it suffice simply to eliminate those words entirely? If it is the intention to catch someone, if they have been out of the country, when they re-enter, within 12 months of their re-entry. If that is the intention we could perhaps solve this difficulty by eliminating the words “at the date last mentioned”.

Mr. Chairman: I suspect that you might re-enter, but the Board might not yet have discovered the facts which would lead to the offence. You even want it beyond that.

Sen. Moheni: If I can make a comment because the question of the date last mentioned is important because there are two scenarios here. One is “to be taken at a time within three years of the date of the commission of the offence;” or within 12 months from the date on which the evidence, sufficient in the opinion of the Board.” That evidence could have been within the first month of that three year period, which means that in such a case the end of the three-year period would be the last date.

Sen. Prescott SC: No, I have a different view.

Sen. Moheni: Yes, yes, yes.

Mr. Chairman: Okay, gentlemen, you want some time?

Sen. Prescott SC: You have two scenarios.

Sen. Moheni: It is either be taken at a time within three years from the date of the commission of the offence or within 12 months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings. If that evidence was gathered—

Sen. Prescott SC: You are missing the verb. The verb is “come to the knowledge”.

Sen. Moheni: You said “come to the knowledge. If that occurs within the first month of the offence being committed, then that 12-month period becomes irrelevant. You would have up to the end of the three-year period which would be longer.

Sen. Prescott SC: I do not read it so.

Sen. Moheni: Yes. Let us go it over.

Sen. Moheni:—“be taken at a time within three years from the date of the commission of the offence.” So, if you commit the offence today, and you gather sufficient evidence tomorrow, that 12-month period would be less than the three years. If you only gather sufficient evidence two years and 11 months afterwards, then that 12-month period becomes relevant.

Mr. Chairman: If I may suggest, the technical officers are working towards an amendment. Perhaps we could await their outcome. [*Laughter*]

Sen. Prescott SC: In silence.

10.00 p.m.

Mr. Chairman: Sen. Prescott, I am just going to pass this by you for the moment. I am suggesting that it reads: “to be taken at any time:

- (a) within three years from the date of the commission of the offence; or
- (b) within twelve months from the date on which evidence sufficient in the opinion of the board to justify the proceedings come to the knowledge of the board.”

And, graphically, whichever period last expires governs both “(a)” and “(b)”. Do you understand, Sir? Graphically it needs to come back out, and then read on, or:

“(c)where the person in question was outside Trinidad and Tobago at the later of the two periods mentioned within twelve months from the date on which the person arrives in Trinidad and Tobago thereafter.”

Sen. Prescott SC: Thank you very much, Mr. Chairman. I think that is how I understood it, but I could not imagine that is what they meant, because in practical terms it means that, at any time in the next decade, that the board is of the view that it has evidence, they must first find the miscreant and enquire of him: where were you 12 months ago? And then proceed to indict him within 12 months of him having arrived. They have chosen a date, and remember in clause 17(2) they can choose any date. So, they need not first ask him where he was on a certain date, but they would say, “Where were you last month?” And then you say, “Right, we are fixing that date.” I am saying criminal lawyers will enjoy this, but I do not know whether we want to be seen to be providing them with fodder. Mr. Chairman, if that is the intention then you have it right to break it down in that fashion.

Mr. Chairman: That is what they want to achieve.

Sen. Dr. Balgobin: Mr. Chairman, I thought we were going well with your version right up until, “within 12 months of the date on which the person arrives in Trinidad and Tobago or thereafter”. So I thought “(1) (2)” and then “(c)—(a), (b), (c)” was fine. I thought we would have been able to stop right there.

Sen. Al-Rawi: Mr. Chairman, if I could enquire, just to assist hopefully, why in today’s world when we have reciprocity of judgments, extradition treaties and mutual assistance we are providing a clause for prosecution ostensibly for someone who has flown the coop? It seems to me that the mischief that the now

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proposed “(c)” seeks to address is the fact of someone who is now returning and we want to catch him, but there is nothing to stop us per se if it is an issue of fraud or otherwise. There is no period of limitation that runs there. Why do we want to treat this person differently?

Sen. Dr. Balgobin: Mr. Chairman, “(c)” captures that. If you stop at “(c)” then you should be all right.

Sen. Al-Rawi: If we could understand what the intention is, we could find the correct words.

Sen. Ramlogan SC: The intention I am advised really is to link the 12 months from the date on which the evidence sufficient in the opinion of the Board to justify the proceedings; the latter of the two in part (a) really. I am advised that is the intention.

Mr. Chairman: So it is at the date under “(b)” then if you put the subdivision “(b)”?

Sen. Ramlogan SC: Yes.

Mr. Chairman: You see, the way I was expressing it is, the part which says, “...whichever period last expires” does not form part of either “(a)” or “(b)”. It governs both “(a)” and “(b)”. So, if you make reference to the date mentioned in “(b)” then surely that is the 12-month period.

Sen. Dr. Balgobin: That is perfectly fine.

Sen. Prescott SC: If it fits with the intention that we do “(a)” and “(b)” and “(c)” should read;

“or where the person in question was outside Trinidad and Tobago at the date of commission of the offence within the 12 months from the date on which he arrives.”

Sen. Ramlogan SC: No, no.

Mr. Chairman: In Trinidad and Tobago at the time of commission.

Sen. Prescott SC: If it is necessary to make any reference to him being away, I do not know that it is necessary.

Sen. Dr. Balgobin: Attorney General, you can stop at “(b)”; you can stop at “(b)”. I would just keep saying it until somebody takes me on. You can stop at “(b)”.

Mr. Chairman: We hear you, Senator.

Sen. Dr. Balgobin: Attorney General, I think I understand now what mischief “(c)” is meant to remedy. Mr. Chairman, “(c)” is meant to remedy the mischief that can be potentially created by the limitation of time created in “(a)” and “(b)” because “(a)” says three years. So, if you are away for more than three years—and there are numerous examples of that happening—you are not covered by “(a)” and “(b)”, and “(c)” is really intended to remedy that mischief. It sort of gives you a boomerang catch-all opportunity as the backing.

Sen. Ramlogan SC: Well, the date last mentioned then?

Sen. Dr. Balgobin: Well, the other thing is you can expand “(a)” beyond three years and, for example, you could have no time limit at all, and if that is the case then you do not need a “(c)”.

Sen. Prescott SC: Mr. Chairman, if the Attorney General was going to agree with you, if you remove, “at the date last mentioned” and instead say, “at the date of commission of the offence”, you will now have three categories: those who are caught within three years; those who are caught within 12 months of the board having come to its own view about the evidence; and that other group who has not been here, but as soon as he gets back in, you pounce. [*Crosstalk and laughter*]

Sen. Dr. Balgobin: What “(c)” is attempting to do is to allow you to catch him if you did not catch him under “(a)” and “(b)”, but if you just take away the time limit in “(a)”, you could catch him whenever you want.

Sen. Dr. Tewarie: The wording is nebulous. It is hard.

Sen. Dr. Balgobin: Is there a limitation of time for a summary offence?

Hon. Senator: Six months.

Sen. Dr. Balgobin: So we are expanding it in law? [*Crosstalk*]

Sen. Dr. Tewarie: You see, the fact the person has to be dealt with on Trinidad and Tobago soil, does that interfere with the issue of extradition? In other words, if you make it in the law that you have to be here to be prosecuted—

Sen. Dr. Balgobin: Then extradition would cover it.

Sen. Dr. Tewarie: —then extradition is eliminated, and that is what I was asking the AG.

Sen. Dr. Prescott: Sen. Prof. Ramkissoon asked, so what if we have no extradition treaty? He is hanging around in—[*Crosstalk and laughter*]

Sen. Ramlogan SC: I think we have come up with the resolution.

Mr. Chairman: The proposal is: after “be taken at any time” in the eighth line, we have a colon, and then:

- (a) within three years from the date of the commission of the offence or within twelve months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings come to the knowledge of the Board whichever period last expires or;
- (a) where the person in question was outside Trinidad and Tobago at the end of the twelve month period referred to at (a) above, within twelve months from the date on which the person first arrives in Trinidad and Tobago thereafter.”

Sen. Prescott, are you satisfied with that?

Sen. Prescott SC: I am ruminating, Sir. [*Laughter*]

Sen. Ramlogan SC: So, the 12-month period being referred to is the date on which evidence sufficient in the opinion of the Board to justify the proceedings came to the knowledge of the Board, so it is a knowledge-based provision.

Mr. Chairman: And it is the end of it?

Sen. Ramlogan SC: And it is the end of it, yes.

10.15 p.m.

Sen. Al-Rawi: I think that is certain and that achieves it.

Sen. Ramlogan SC: It gives them a lot of latitude.

Mr. Chairman: Are you satisfied, Sen. Prescott?

Sen. Prescott SC: Oh indeed, Sir.

Mr. Chairman: Thank you. So the question is that clause 16 with the amendment at subsection (j), beginning at 58(1), we insert a dash after “be taken at any time” in the eighth line. Graphically, we will split it up, so that you see it more definitively:

- “(a) within three years from the date of the commission of the offence or within twelve months from the date on which evidence sufficient in the opinion of the Board to justify the proceedings come to the knowledge of the Board, whichever period last expires; or

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(b) where the person in question was outside Trinidad and Tobago at the end of the twelve-month period referred to at (a) above, within 12 months from the date on which the person first arrives in Trinidad and Tobago, thereafter.”

I am told this follows, in fact, the Income Tax legislation, which is why we were so anxious to keep some of the same language.

Sen. Moheni: One question. If the 12-month period is within the first 12-months of the three-year period, what happens?

Mr. Chairman: It is whichever is the later—[*Interruption*]

Sen. Ramlogan SC: It is the later of the two.

Sen. Moheni: All right. Okay.

Question put and agreed to.

Clause 16, as amended, ordered to stand part of the Bill.

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

Senate resumed.

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

ADJOURNMENT

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Thank you, Mr. President. I beg to move that this Senate do now adjourn to February 28, 2012 at 1.30 p.m., when debate will continue on Sen. Hinds’ Motion on the strengths and deficiencies of the police service.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.21 p.m.