

SENATE

Thursday, April 28, 2016

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

CONDOLENCES

(MR. DANIEL REID)

Madam President: Hon. Senators, as you are aware, former Senator Daniel Ashley Reid passed April 21, 2016. I now invite you to offer tributes.

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, it is a privilege and an honour for me to recognize one of the People's National Movement's stalwarts, former Senator Daniel Reid, who died on April 21st at the Eric Williams Medical Sciences Complex at Mount Hope, a mere two days after his 88th birthday. Not very well known nationally, but however he was still a great servant of the people.

Mr. Reid served in the Senate during the period 1981 to 1986. He also served as Parliamentary Secretary in the office of then Prime Minister, the hon. George Chambers. He was very well known in the political arena as humble man who was extremely passionate about the welfare of his community and the country as a whole. At the party level, Mr. Reid served as Chairman of the St. Ann's East constituency for over a decade. It was under his leadership that the St. Ann's East constituency spearheaded the movement in 1973 towards Trinidad and Tobago gaining republican status. The country eventually obtained republican status in 1976.

Mr. Reid was also in the forefront of numerous community activities in the St. Ann's constituency because he had an excellent working relationship with his

Member of Parliament Mr. George Michael Chambers, who went on to become the country's second Prime Minister. A dedicated and loyal party member, no assignment was difficult for him. He was a member of the campaign team for ANR Robinson when he contested the Scarborough, Roxborough area for the PNM in 1956. He also served most significantly, Madam President, as President of the Seamen and Waterfront Workers Trade Union, the SWWTU.

I want to remind this Senate that in the memorable 1981 general election when the PNM won a resounding 26 seats including Caroni East won by Mr. Manic Ramsaran, Princes Town by Mrs. Amoy Mohammed and Fyzabad by Dr. Winston Williams, Mr. Reid was the campaign manager for the party's political leader, the late George Chambers. He will be remembered as a disciplined individual who was always available to assist the young parliamentarians and the party members in several areas.

Following the 1986 general election, Mr. Reid followed his very close friend Mr. Chambers and retired from active politics. At the time of his death he was 88 years old. He was the father of six children, three boys and three girls. Madam President, may his soul rest in eternal peace. [*Desk thumping*]

Sen. Wade Mark: Thank you very much, Madam President. We would like to join with the hon. Leader of the Senate in extending our profound condolences to the family, to the friends of the late Mr. Daniel Reid, former Senator. From the records we have seen that Mr. Reid served in this honourable Senate for the period 1981 to 1986 and was a member of several important House committees during that period of service to Trinidad and Tobago.

What I understand, Madam President, is that when he became a Member of the Senate, immediately he became an advisor to the then Prime Minister, Mr. George Michael Chambers, who he had a very excellent relationship with, prior to him

coming into this Parliament. And as the hon. Leader of Government Business said he worked very tirelessly in the St. Ann's East constituency.

He was a very ordinary individual and he was a dock worker. He was a forklift driver and he was, as was indicated to you earlier, a president general of that powerful trade union called the Seamen and Waterfront Workers Trade Union.

We on this side mourn his passing and we would like to join with members of the union and Members of this honourable House in extending our heartfelt condolences to his family. And wherever he may be may his soul have eternal peace and rest. I thank you, Madam President. [*Desk thumping*]

Sen. Dr. Dhanayshar Mahabir: Thank you, Madam President. On behalf of the Independent Bench, I too would like to express my deepest condolences to the family of our former colleague Sen. Daniel Reid. To his wife and his children, we on the Independent Bench would extend our deep condolences.

I personally did not know of Mr. Reid, him having served in the second Republican Parliament a while back, 1981 to 1986, but sitting in the Chair now, so many years later, I can only understand the contribution he would have made during that period of time. There are so many similarities, Madam President, between then and now when Mr. Reid would have been a member of the governing party having to navigate through very, very difficult economic times. It would have been challenging, it would have been disappointing, it would have been at times very worrying for Mr. Reid and his senatorial colleagues to administer the country during that very difficult period. So we understand the contribution that he would have made in ensuring that there was peace, harmony, stability and good governance in the Republic of Trinidad and Tobago.

The fact that he was a workingman in the trade union movement who represented the workingman's interests, would have been for him even more

challenging period seeing that we were heading into a period of protracted recession where there was a rise in unemployment and him being a part of the Government having to find and craft solutions. We recognize and we applaud the contribution that he would have made in public service. There is always a choice, Madam President, and the choice is that people can look after their private affairs only and they can allocate a significant portion of their time to the service to the general public, using their experience, their aptitude for organization and their interest in the social welfare.

Mr. Reid was one of those and for his contribution to public service and for the years of his life that he was dedicated in the pre-independence period and in the post republican period, ensuring that the democratic traditions in Trinidad and Tobago were always enhanced and improved upon, I would like to say on behalf of the bench, we are extremely grateful. And to his family who would experience his loss, on behalf of the bench again I would say they should be comforted by the fact that his contribution has left a lasting legacy. The institution of the Parliament is stronger on account of his presence and for that we are grateful and for that memory, I hope they should be comforted. Thank you, Madam President. [*Desk thumping*]

Madam President: Hon. Senators, I too will join with all who have spoken in expressing my condolences to the family of former Senator, Daniel Reid. Clearly from what has been said, Sen. Reid achieved the highest distinction that one can achieve in one's life which was in serving others. He served his party, he served his country, and he served his family. And therefore, I will instruct the Clerk to convey to his family the sentiments expressed today and our gratitude for the life of former Senator Daniel Reid.

Hon. Senators, I now invite everyone to stand and observe a minute silence.

Condolences (Mr. Daniel Reid)
Madam President (cont'd)

2016.04.28

The Senate stood.

Madam President: Thank you, please be seated.

ELECTRONIC DEVICES IN THIS CHAMBER

(USE OF)

Madam President: Hon. Senators, you will observe that I have caused to be circulated to each Member some guidelines on the use of electronic devices in this Chamber and within the precincts of Parliament. So I hope that everyone will take note of what is set out in that bulletin.

PAPERS LAID

1. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the year ended July 31, 1998. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the year ended July 31, 1999. [*Hon. C. Imbert*]
Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the fourteen months ended September 30, 2000. [*Hon. C. Imbert*]
3. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the year ended September 30, 2001. [*Hon. C. Imbert*]
4. Third Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of

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- Trinidad and Tobago for the year ended September 30, 2002. [*Hon. C. Imbert*]
5. Third Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the year ended September 30, 2003. [*Hon. C. Imbert*]
 6. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Carnival Commission of Trinidad and Tobago for the year ended September 30, 2004. [*Hon. C. Imbert*]
 7. Audited Financial Statements of Evolving TecKnologies and Enterprise Development Company Limited (eTeck) for the financial year ended September 30, 2011. [*Hon. C. Imbert*]
 8. Audited Financial Statements of Evolving TeckKnologies and Enterprise Development Company Limited (eTeck) for the financial year ended September 30, 2012. [*Hon. C. Imbert*]
 9. Annual Audited Financial Statements of Trinidad Nitrogen Company Limited for the financial year ended December 31, 2015. [*Hon. C. Imbert*]
 10. 28th Annual Report of the Integrity Commission of Trinidad and Tobago for the year 2015. [*The Vice-President (Sen. Nigel De Freitas)*]
 11. Administrative Report of the Mayaro/Rio Claro Regional Corporation for the period October 2012 to September 2013. [*The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan)*]

JOINT SELECT COMMITTEES

(Presentation)

Whistleblower Protection Bill, 2015

Sen. Michael Coppin: Madam President, I have the honour to present the

following reports as listed on the Supplemental Order Paper in my name:

Third Interim Report of the Joint Select Committee appointed to consider and report on the Whistleblower Protection Bill, 2015.

Family and Children Division Bill, 2016

Report of the Joint Select Committee on the Family and Children Division Bill, 2016.

URGENT QUESTIONS

“Accidental Discharge” of Police Officer’s Firearm

(Investigation into)

Sen. Wade Mark: Thank you, Madam President. To the hon. Minister of National Security, could the Minister state whether a full investigation will be launched into the death of an 80-year-old woman due to an alleged “accidental discharge” of a police officer’s firearm?

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): Thank you very much, Madam President. A full investigation has in fact commenced. While the initial investigation started under ASP Jackman of the South-Western Division, the Commissioner of Police has chosen a senior officer external to South-Western Division, Assistant Superintendent Samaroo, to lead this investigation. Assistant Superintendent Samaroo will be supported by the Professional Standards Bureau to ensure transparency.

Sen. Mark: Madam President, may I ask the hon. Minister of National Security whether, arising out of what he has said, there are any guidelines or mechanisms in existence within the police service to deal with these kinds of incidents when they occur?

Hon. Maj. Gen. E. Dillon: Madam President, there are standard operating procedures with the police service that are being followed by the Commissioner of

Police and the investigator.

Scorpion Stings

(Availability of Antivenom Drugs at Public Hospitals)

Sen. Wade Mark: To the Minister of Health. In light of the recent incident in which a three-year-old infant was stung by a scorpion, could the Minister state why there is not an available supply of antivenom drugs at all public hospitals?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you. Madam President, figures coming out of the Eastern RHA tell us that since October 2014 to September 2015, there have been 52 incidents of scorpion stings with no fatalities. We have had no fatalities due to scorpion stings in Trinidad and Tobago since 2006 once treatment starts early.

The consulting physician at yesterday's case who treats scorpion stings both in India and Trinidad, having treated 40 such, no fatalities. The treatment protocol being used in Trinidad to treat scorpion stings is symptomatic and supportive. Therefore, you use vasodilators, fluids and analgesics, oxygen.

We have been following the 1982 protocols in the use of a drug called Prazosin which is vasodilator which has reduced the fatality rates due to scorpion stings from 13 per cent to 1 per cent. Trinidad and Tobago, we have had none since 2006. As far as the antivenom is concerned, we have never had any antivenom in Trinidad and Tobago for scorpion stings. Recently, globally antivenoms have been developed around 2011, 2012 but not without concerns. There is a 2012 report from somebody called Donald Barceloux and it is on the Internet. I recommend its reading. Local expert tells us that even the current antivenom being developed is not without its own problems even causing death in persons, especially children, who are given it. They suffer from anaphylactic shock where their blood pressure plummets drastically and could die.

Madam President, there are over 17,000 species of scorpions in the world not all venomous, and the antivenom is highly specific. So there is a polyvalent variety available for the Middle East and North Africa geared towards the type of scorpions they have there. The Ministry of Health—[*Interruption*]

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

Hon. T. Deyalsingh: Thank you.

Sen. Mark: Could the hon. Minister explain to this House when we were told that there was absence or a lack of supply of antivenom drugs and given what he has just said, is antivenom drug or drugs necessary to treat a patient whether it is a child when being stung by a scorpion?

Hon. T. Deyalsingh: Excellent question. And the answer to that is, no. Because the supportive treatment being used in Trinidad and globally reduces the fatalities down to less than 1 per cent. In the case of Trinidad and Tobago—and we have never had antivenom in Trinidad and Tobago, let me make that clear. So there cannot be a shortage of something that we never had.

The Ministry of Health and NIPDEC over the past few months prior to yesterday have been working with the Costa Ricans because they have an antivenom which is more in tune with our *Tityus trinitatis* species of deadly scorpions in Trinidad. So we are trying to source that prior to yesterday from Costa Rica. But as Minister of Health having explained before that not all antivenoms are perfectly safe, we will have to be convinced that this particular antivenom is perfectly safe and safer than the protocols we are using now which gives us no fatalities. So thank you very much.

Sen. Mark: Madam President, could the hon. Minister indicate at this time whether the three-year-old infant from your enquiries is out of danger and on her way or his way to recovery?

Hon. T. Deyalsingh: Thank you, Madam President. I can report happily that the three-year-old infant having been treated with the existing protocols is clearly out of danger and is expected to a very make a very full recovery. [*Desk thumping*]

But, Madam President, if I may just to give one other bit of information. The reason why we have to be careful bringing in these new antivenoms is that vaccines on the whole, whether they have been used for many years, pose problems unforeseen during trial stages. Recently there was a global switchover of the polio vaccine which has been in use for decades because it has recently been found that the attenuated polio strain when ingested actually springs to life in the gut of people and actually causes polio. In 2009 for the flu pandemic, a vaccine which was used for decades had to be withdrawn because of new information coming out of it.

So I am cautioning the country not to necessarily look to a new scorpion antivenom vaccine when our protocols are working well, but if there is one available from Costa Rica we will certainly look at it once the safety profile demands that we could bring it in. Thank you very much. [*Desk thumping*]

ORAL ANSWERS TO QUESTIONS

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): We are answering all three questions today, Madam President.

Determination of US Currency to the TT Dollar

(Details of)

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

In light of the nation's current economic and financial circumstances, could the Minister state whether it is the policy of the Government to allow the price of the US currency vis-a-vis the TT dollar to be determined solely by market forces or by demand and supply?

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. With regard to the exchange rate between the United States dollar and the Trinidad and Tobago dollar, the exchange rate policy of the Central Bank dictates that the bank considers, among other things, prevailing demand and supply conditions, as well as past and prospective foreign exchange flows while aiming to limit exchange rate volatility.

Trinidad and Tobago operates a managed float system of foreign exchange. The Central Bank therefore, in consultation with the Government, intervenes in the foreign exchange market from time to time and establishes the range of ForEx rates by way of a formula which fixes the maximum selling rate.

Sen. Mark: Madam President, could the hon. Minister indicate, in light of what he has said, whether the recent decision announced by himself to ensure that the exchange rate does not go beyond \$6.81 whether that contradicts that policy that he has just outlined?

Hon. C. Imbert: No. It does not, because I indicated that the Central Bank in consultation with the Government intervenes in the market from time to time. So there is no contradiction.

Sen. Mark: Question 39 to the hon. Minister of Health.

Madam President: Question 38.

Sen. Mark: Oh. Sorry. I went ahead. Sorry, Madam President.

Eastern and North-West Regional Health Authorities

(Board Details)

38. Sen. Wade Mark asked the hon. Minister of Health:

- A. Are the Boards of the Eastern Regional Health Authority and the North West Regional Health Authority properly constituted?

- B. If the answer to (A) is in the negative, is this affecting the procurement of pharmaceuticals?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you very much, Madam President. The answer to part A is, yes. And as the answer to part A is yes, part B does not apply.

**Eastern Regional Health Authority Board
(Officials Appointed to)**

39. Sen. Wade Mark asked the hon. Minister of Health:

- A. Are there any public officials from the Ministry of Health appointed to the Board of the Eastern Regional Health Authority?
- B. If the answer to (A) is in the affirmative, is any such official serving both as a Vice-Chairman of the Board and the Chairman of the Tenders Committee?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you, Madam President. Dr. Brian Armour, County Medical Officer of Health is appointed to the board of the Eastern Regional Health Authority.

Part B, Dr. Brian Armour is the Deputy Chairman of Eastern Regional Health Authority and is serving as the chairman of the tenders committee.

Sen. Mark: Could the hon. Minister of Health explain to the Parliament whether this appointment of Dr. Armour, Chief County Medical Officer of Health runs afoul of the Regional Health Authorities Act of the Republic of T&T.

Hon. T. Deyalsingh: Thank you. Let me just correct two things. He is not the Chief County Medical of health. He is the County Medical Officer of Health and there is no eastern RHA Act, there is the RHA Act. Whether this appointment runs afoul? To the best of my knowledge it does not, but having heard your question, I will surely double-check. Thank you very much.

Sen. Mark: Madam President, can I also ask the hon. Minister of Health whether the members of the board of directors of that authority, whether he as Minister of Health is aware that such a person ought not to be sitting on such a board?

Hon. T. Deyalsingh: Thank you, Madam President. As I indicated, I will certainly check your concerns and if there are any corrections to be made, I will certainly make it, but I give you the assurance we will check your concerns.

JOINT SELECT COMMITTEE

Whistleblower Protection Bill, 2015

(Extension of Time)

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, having regard to the Third Interim Report of the Joint Select Committee appointed to consider and report on the Whistleblower Protection Bill, 2015, I beg to move that the Committee be allowed an extension of seven weeks until June 17, 2016 in order to submit a final report.

Question put and agreed to.

2.00 p.m.

Madam Speaker: Minister of Finance. [*Desk thumping*]

RELATED MOTIONS

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President, I beg to move Motion No. 1 standing in my name, and in moving this Motion I seek the leave of the Senate to debate, along with this matter, Motion No. 2 on the Order Paper which relates to the same subject.

Madam President: Is this the wish of the Senate?

[Assent indicated]

**MOTOR VEHICLES AND ROAD TRAFFIC
(AMDT.)(NO 2) ORDER, 2016
(CONFIRMATION OF)**

Hon. C. Imbert: Thank you very much, Madam President, and I wish to thank all Members opposite, on both benches for agreeing to us debating these two together, because they really are quite connected and the issues are the same.

Madam President, I beg to move the following Motion standing in my name.

Whereas it is provided by section 14(5) of the Motor Vehicles and Road Traffic Act, Chap. 48:50 that the President may by Order amend the Fourth Schedule of the said Act:

And whereas it is provided by subsection (6) of the said section that every Order made under subsection (5) shall have effect from the date of publication of such Order in the *Gazette* and shall, after four days and within twenty-one days from the date of such publication, be submitted to Parliament and Parliament may by resolution confirm, amend or revoke the Order:

And whereas the Motor Vehicles and Road Traffic (Amendment) (No. 2) Order, 2016 was made under section 14(5) of the Motor Vehicles and Road Traffic Act and published in the *Gazette* as Legal Notice No. 47 on the 8th day of April, 2016.

And whereas it is expedient to confirm the said Order:

Be it resolved that the Motor Vehicles and Road Traffic (Amendment) (No. 2) Order, 2016, the contents of which are set out below, be confirmed:

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| LN No. 47 of 2016 | 1. Part 1 of Appendix A to the Fourth Schedule to the Motor Vehicles and Road |
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Traffic Act is amended in Item (1) by deleting paragraphs (d) to (g) and substituting the following paragraphs:

“(d) Engine size exceeding 1999 cc but not exceeding 2499 cc 37.50 per cc

(e) Engine size exceeding 2499 cc but not exceeding 2999 cc 45.00 per cc

(f) Engine size exceeding 2999 cc but not exceeding 3499 cc 52.50 per cc

(g) Engine size exceeding 3499 cc ... 75.00 per cc”.

Madam President, the other Legal Notice No. 48, having received the agreement of the Senate to take both of them together. The other Order deals with amendments to the Customs Act, and it is Legal Notice No. 48, Customs (Amendment to the First Schedule) Order, 2016, and it refers to certain classifications of motor vehicles—Customs classifications that is—and it says:

- “(a) under the headings 8703.23.50 and 8703.23.60, by deleting in the third column the words ‘40 per cent’ and substituting the words ‘60 per cent’;
- (b) under the heading 8703.24.90, by deleting in the third column the words ‘45 per cent’ and substituting the words ‘67.5 per cent’;
- (c) under the heading 8703.32.50, by deleting in the third column the words ‘40 per cent’ and substituting the words ‘60 per cent’; and
- (d) under the heading 8703.33.90, by deleting in the third column the words ‘45 per cent’ and substituting the words ‘67.5 per cent’”.

And the effect of all of this is to increase the customs duty and the motor vehicle tax on passenger cars by 50 per cent once the engine size of these passenger cars exceeds 1999 ccs. And, Madam President, I wish to point out that maxi-taxis, taxis, goods vehicles, trucks, buses and all of these other types of vehicles are not affected by this measure. This measure targets only passenger cars that have an engine size exceeding 1999 ccs.

Now, Madam President, we have many reasons, there are many reasons, the rationale behind this matter and these two Orders, and this Motion is multi-fold. One of the policy prescriptions is:

- To influence public behaviour towards vehicles with a smaller engine size;
- To reduce fuel consumption;
- To reduce pollution; to reduce Trinidad and Tobago's carbon footprint;
- To encourage people essentially to drive cars with smaller engines.

And, I want to stress at the outset that this is not intended primarily to be a revenue generating device. Because that issue came up in the other place and this is not intended to raise additional revenue. It is intended to influence public behaviour, and I will give some of the learning on that matter in due course, but let me just deal with the science of this matter.

I have in my possession a document published by the Sustainable Energy Authority of Ireland that studied the average fuel consumption for private cars by engine capacity and so on, and found that for vehicles with an engine capacity 1501cc to 1600cc, the average fuel consumption was approximately six litres per 100 kilometres. The authority in Ireland then went on to look at vehicles from 1600 to 1700; 1700 to 1800; to 1900; all the way up to 3000 ccs. And, from the information available to me the vehicles with the highest fuel consumption were vehicles between 2501 and 2600 ccs, which had a fuel consumption of 9.4 litres per 100 kilometres, and if I go back to the smaller vehicles, the one 1600cc and below, that was actually 6.12 litres. So that the 2.5 litre vehicle, in fact, consumes 50 per cent more petrol than the vehicle with the 1600cc engine.

Now, of course, this is simply an average. They would have looked at all the different types of cars, fuel consumption is affected by all sorts of things; by efficiency of the engine; by the weight of the vehicle; by the number of passengers in the vehicle; by the terrain; by how modern the engine is; how it converts the fuel

into power and so. So, there are all sorts of underlying factors looked at, but what the Sustainable Energy Authority of Ireland did, is looked at an average. So, you see on average based on the information that this document gives me, is that a 2.5 litre vehicle consumes 50 per cent more fuel on average as a 1600cc vehicle.

Additionally, Madam President, I wish to report that—there he is [*Points to Minister*]*—*the Sen. The Hon. Dennis Moses, on behalf of Trinidad and Tobago, joined representatives of more than 170 other countries in the world to endorse the Paris Agreement to cut carbon emissions. And, I believe Sen. Moses, the hon. Minister of Foreign and Caricom Affairs was in New York at the United Nations headquarters last Friday—am I correct—where he participated with representatives of more than 170 other countries to endorse this agreement, which, it is called the Paris Agreement, but it was signed in the UN in New York. [*Desk thumping*] I say that this was the largest ever single day turn out for a signing ceremony, and all the major countries in the world were there as well as a vast majority of developing countries, middle income countries, lower income countries. As I said, over 170 countries signed this agreement which is designed to end the fossil fuel era, eventually, and also to reduce the carbon footprint and the damage to the environment, to the ozone layer, and so on. And I am very proud to be part of a Government that was signatory to this agreement just about a week ago. [*Desk thumping*]

What we are doing today is all part of that. I can tell you myself, Madam President, having owned vehicles of different sizes. The first car I ever had, I think was 1100cc. This would be a long time ago, you would realize that, about 40 years ago, I was 17. [*Laughter*] Forty years ago, the first vehicle I ever had, I think was 1100cc, and then over the time I have owned vehicles 1500, 1600, 2000, 2.4, 3

litre, 3.4 litre, and I currently drive a vehicle which I purchased one year ago when I was in Opposition that has a cubic capacity of 1998cc. So, based on my own experiences I can say factually that the fuel consumption of the larger engine sizes is significantly more than the fuel consumption of the smaller engine sizes. I do not think there is any debate over that. I am currently driving a vehicle that is below 2000cc. My fuel bill has certainly—well, the consumption of gasoline has certainly gone down.

Now, Madam President, I want to stress again that this measure is designed to influence social behaviour, and I want to refer to a document, I believe it is put out by the IRS in the United States, and it is called How Taxes Influence Behaviour, and it lists three taxes designed to influence behaviour of taxpayers. First tax is called a sin tax, and it taxes products or services considered unhealthy. It is used to discourage the use of products that pose a health risk such as tobacco and alcohol. So, that is a sin tax, and there are countries all over the world that have these types of taxes; taxes on alcohol and tobacco. You then have taxes such as a gasoline excise tax, and that particular tax is not specifically meant to discourage the use of gasoline, although it does, but it is designed to raise revenue to maintain and build roads. We do not have any such thing in this country at this time. Long ago, I remember as Minister of Works, back in 1993, introducing a 5 per cent tax on fuel. That was used to create the first structural road improvement programme. That tax was subsequently abolished many years later, and is no longer in effect. But, those types of taxes are designed to put money into a fund to be used for a specific purpose. We have taxes like that here, like the oil levy, for example, which is used to deal with unemployment.

Then we have luxury taxes, a tax on expensive non-essential items such as

luxury cars, and this tax is considered to be progressive, because, you know, the cost of the item goes up, and, you know, people in the upper income brackets purchase a particular item, the tax is directed at people at that level, so it is considered to be progressive, as the cost of the item goes up. And I want to say, the other thing we wish to do as a Government is to spread the burden of adjustment equitably across all levels of the society. In other words we do not wish the burden of adjustment in this time of very challenging revenues to be focused on any one particular group. We wish to spread it across the society. And, that is another purpose of the measure before the Senate.

Let me give you the effect of some of them on some vehicles. Let us take the Audi Q7; the previous cost of an Audi Q7 was \$701,640, and with the new taxes it will now be \$829,504. So, the Audi Q7 which is the large Audi SUV, which has a cc rating of 2967cc, the price will go up by about \$128,000. We have the Mercedes Benz S Class 2987cc, three litres; that previously cost \$1,333,000, will now go to \$1,547,000—sorry, \$1,199,000; my apologies, it will now go to \$1,392,000; that is the Mercedes S Class 2987. Then you have the Jaguar 3.0 Super Charged XG that currently cost \$1,099,000 that will now go to \$1,279,852. So, you see the kind of cost we are dealing with. Certainly people in the upper income bracket will be affected by this tax.

I now want to refer Members to the fact that this is not unique to Trinidad and Tobago. In Australia, for example, there is a tax and it is actually called Luxury Car Tax, and the acronym is LCT, believe it or not. And in Australia the Luxury Car Tax is an addition to all the other taxes on motor vehicles which include customs duty and other typical taxes, and the luxury tax applies at a rate of 33 per cent added on to all of the other taxes that are imposed on vehicles in

Australia. And it applies as a threshold, they do not use engine capacity, they use price, and their price threshold is now Australian \$57,000, which is about TT \$250,000. So, in Australia once the cost of the vehicle crosses \$250,000 more or less, there is an additional luxury tax of 33 per cent of the value.

So, I thought I would let people know that this tax does apply in Australia. It also applies in India, and in India all of the various states have taken decisions to apply a luxury tax. I was looking at one last night, and in India in that particular state, the luxury tax kicked in at 1600cc, not the 1999 that we have. Actually, it was a "lil" below, 1599 in that figure had state; the luxury tax in India kicked in at that level. And this thing is widespread.

I would refer hon. Senators to the United States, they actually have a tax called the gas guzzle tax, believe it or not, which applies to the sale of vehicles with EPA estimated gas mileage below certain levels. So, in the United States they use the actual estimated fuel consumption of the vehicle, because there are different ways you can do this. You can go with engine size, as we are proposing, as is done in India and many other countries, or you can go with the cost of the vehicle, which is what Australia does, or you can go with the mileage, the fuel consumption of the vehicles. So, in the United States as part of the Energy Tax Act, they created the Gas Guzzle Tax in the United States.

So that what we are doing here is very, very similar to what the rest of the world does. In Grenada, for example, they have an Environmental Tax, and that is tied to the age of the vehicle. So, when a foreign used vehicle comes into Grenada the taxes can go up to as high as 157 per cent of the cost, the landed cost of the vehicle, and in Grenada that is in recognition of the fact that older vehicles create more pollution and are more harmful to the environment. So, if you want to bring

in an older vehicle you are going to have to pay these enormous taxes.

In Barbados the typical tax on combined aggregate is about 80, 85 per cent; similarly in Jamaica, the combine aggregate of all taxes on your typical vehicle is about 80, 85 per cent. So that we in Trinidad and Tobago have enjoyed for many, many years the privilege to purchase vehicles at fairly low rates of taxation, and that is because, you know, we are an oil-based economy. We had the money, and that it was not necessary, or it was deemed not necessary at the time to use taxation to influence behaviour. But, with this Government's commitment to the environment, and with all the suite of measures we have in our manifesto encouraging the use of solar energy, encouraging the use of wind energy, setting a target of 10 per cent of power to be produced from renewable energy sources by the year 2021, and also the other measures that I announced in the midyear review with respect to vehicles are powered by alternative sources such as electric cars, CNG powered cars, hybrid cars and so on. It is the policy of this Government to encourage the reduction in fuel consumption, to encourage a lowering of our carbon footprint, to encourage people to use alternative sources of energy to power vehicles. May I just ask how much more time I have, Madam President?

Madam President: You actually have until 2.44 p.m.

Hon. C. Imbert: So, I have quite some time. Thank you very much, Madam President, sometimes I lose track of time.

Now, I would want to refer hon. Members opposite to a paper published by the Harvard Kennedy School, John F. Kennedy School of Government, published in 2012, entitled "Gasoline Taxes and Consumer Behaviour", and it is a faculty research working paper, the authors are Shanjun Li; Joshua Linn and Erich Muehlegger, and this paper looked at how taxation on transportation in general—

but it was specific here to gasoline—influences behaviour. And I would refer the reading of this paper to hon. Members if they have the time.

But, I have also a review of that article published in 2012 by Jenny Li Fowler, also from the Harvard Kennedy School, and the review summarizes the paper, and I will read in summary.

“The researchers...analysed the short-run impacts of gasoline taxes on driver decisions—gasoline consumption, vehicle miles travelled...vehicle choices—and the ways in which those impacts...differ from...changes in the price of gasoline...

The purpose of our paper is to test the...assumption that consumers respond to gasoline tax...in the same way...Our analysis directly estimates consumer responses to gasoline taxes by...”—looking at prices and behaviour, and they reached three primary conclusions:

- “...taxes”—of this nature—“may be a more effective means for reducing gasoline consumption and/or inducing consumers to adopt more fuel-efficient vehicles than previously”—being used.

And, it goes on to indicate as far as the researcher is concerned, conclusive evidence that taxes of this nature do influence public behaviour, and there are many studies on this, Madam President. There are books, there are professorships, people have obtained chairs in prestigious universities dealing with the use of taxation and how it is used to influence public behaviour. As I said at the outset, there are generally two purposes for taxation: one is to raise revenue and the other is to influence behaviour, and I refer to the cigarette tax and the alcohol tax. Now, the intent and policy behind this tax is to influence behaviour and to spread the burden of adjustment across to everyone in the society. Now, I would hope that

hon. Members would understand what we are trying to do.

I would also say, Madam President, although this is not primarily designed to be a revenue generating device, it will raise revenue, of course. The quantum is difficult to estimate, because we are dealing with behavioural change. You know, those of us who study the effect of taxation on behaviour, there is a paradox with cigarette taxes. There is a belief that if you continuously increase the taxes on cigarettes people will stop smoking. They do not. But the reason is, it is addictive. So, you can understand that kind of behaviour with respect to cigarettes and tobacco products. You can understand that whatever price you put it at people will still smoke, because they are addicted to nicotine. So to a lesser extent there is a relationship with alcohol, that no matter what price you put it at there are still going to be people who will buy alcohol. But other consumer products, luxury items, and there are countries in the world that target other types of luxury items—perfumes and things like that—there is correlation between taxation and consumption. But it is difficult for us to model it at this point in time. I think we will have to wait and see how consumers in Trinidad and Tobago in the upper income bracket respond to this measure in terms of actually defining and calculating the effect on revenue generation. I just wanted to make that point. So, that I do not wish to come to this Senate and mislead anybody and say, this will raise another \$20 million or \$30 million. It may not. It may balance. It may be revenue neutral, less people may purchase cars, or because of the higher taxation it may all balance out. I think it will be unscientific for me to make a firm prediction at this point in time.

I would also like to say, Madam Speaker, that—President, I do not know why I keep saying Madam Speaker. I would also like to say, Madam President,

that this has to be looked at in the context of what we are doing with the other types of vehicles. I hope to come to this place sometime in next month barring unforeseen circumstances, because you never know things come out of nowhere at you in terms of crises and so on.

But, it is my plan to come to the Senate and also the other place to put in place a number of measures that, again, are designed similarly to influence public behaviour. And this would include the exemptions on taxes for agricultural equipment and agricultural vehicles, because that is part of a manifesto promise, [*Desk thumping*] and also part of the policy intent that was outlined in the Budget Statement of October 2015. And while there are exemptions in place right now, there are some exemptions in place with respect to rebates on taxation with respect to agricultural vehicles and so on. We are of the view that these exemptions are not satisfactory in term of influencing behaviour to get more and more people involved in agriculture. For example, with respect to motor vehicles, it is my understanding that the tax is not waived, the tax has to be paid and then over a three-year period—I believe, Minister of Agriculture?—the tax is recovered. I think that is the Value Added Tax.

Sen. Rambharat: Yes.

Hon. C. Imbert: Yes, the tax is recovered over a three year period. We are of the view that we should outright exempt tractors, vehicles used for agriculture, engines used for fishing and so on, completely from taxation in order to encourage people to become farmers, to become fishermen, to get involved in agriculture. [*Desk thumping*] Part of a compendium. It is a policy framework, and we are very cognizant of the fact that there are people with boats who use these boats for pleasure, but they register themselves as fishermen and thereby avail themselves of

the incentives that are available.

So, when this new regime is implemented next month, or concluded next month it will be the duty of the Ministry of Agriculture, Land and Fisheries to determine whether these individuals are active fishermen, or, as in the case of vehicles, some people buy vehicles and say that they are farmers; they have a “lil” plot of land somewhere, but they are not really farmers, and they enjoy tax relief on vehicles and so on. So, it would now be the duty of the Ministry of Agriculture, Land and Fisheries to make sure that—now we are going to widen and broaden the exemptions from taxation on agricultural equipment and agricultural vehicles and so on, it is the duty of the Ministry of Agriculture, Land and Fisheries, and I can say that we will be keeping an eye to make sure that active farmers and active fishermen and so on, benefit from these measures, rather than persons masquerading as fishermen and so on. But, that is the negative side. The positive side is, we really want to encourage people to get involved in fishing, in farming, and many forms of agriculture, and we felt one of the ways to go is exempt all of the equipment from all taxes, Madam President.

And, then I go now to the CNG and electric vehicles and so on. When I was in Washington recently, I passed by a showroom—I said this in the other place—and I saw a car, an unusual looking car, I went into the showroom and it was an electric car, and it was manufactured by Tesla. And this was a big car. This one was a big car. And the salesman told me that it had a warranty of 750,000 miles. I cannot imagine who would drive a car for 750,000 miles. That would take your entire lifetime and probably your children’s lifetime as well. And it had no drive shaft, there was an electric motor in the front, an electric motor in the back, and there was no requirement for a drive shaft, there was no gear box, it has one gear,

and the speed of the vehicle is simply obtained by increasing the RPN of the engines and so on, and it was very modern, very high-tech, everything was electronic and so on.

2.30 p.m.

But what interested me was that they told me—that was the luxury model—they are bringing out a model 3. I think that was a model “S” I was looking at—a model 3, a smaller, midsized kind of sedan type that would cost approximately US \$35,000 and would have all the features of these much larger and more expensive vehicles. And if you do the math, you are talking about maybe \$220,000 which is comparable with any of the smaller SUVs that we have right now.

So I think it is a tremendous opportunity going forward for Trinidadians and Tobagonians to consider, not just Tesla—I mean, that is just one car. I am hoping that more and more people in the world—more and more manufacturers—would get involved in the construction of these types of vehicles because it was truly fantastic when I looked at it.

Hon. Member: In 2017 it would be ready.

Hon. C. Imbert: Yes, and actually I think you pay a down payment of US \$1,000 and you make an order and 2017 or whatever, the vehicle will be delivered to you.

So that fits very nicely with the Government’s plan to exempt from all taxation, electric vehicles. And, of course, there are going to be infrastructure requirements because these things have to be plugged in and therefore we, as a Government, since we are encouraging all of this, we are going to have to look at a plan to roll out charging stations at appropriate [*Desk thumping*] locations across Trinidad and Tobago. So I just wanted to let the Senate know this. And, of course, we are pushing the CNG-powered vehicles as well. It is a fossil fuel, but it is a

clean fuel. The emissions from CNG-powered vehicles are far less than your ordinary diesel and gasoline and so on. And then, of course, we are also promoting hybrids. And what we will be doing is tweaking the current arrangements with respect to hybrids because the former administration made some policy decisions with respect to hybrids. A hybrid is a vehicle that is powered by an internal combustion engine and another power source, such as electricity.

They introduced some measures where they limited the engine size of the hybrid, I believe to 1799cc, and this has had a negative effect on the importation of hybrids. Hybrids are coming in, it is true. There are several. I have been looking at the numbers—very small numbers of hybrids coming in. But I am told—and I have done my own research—that the engine size has to be looked at because many hybrids have a larger engine size—1900cc and so on.

So that is something we would be looking at, to match the measures to what is available outside there in the world because we do not make cars in Trinidad and Tobago. So if you are making a measure, it has to fit what is going on outside there, otherwise the measure does not make any sense. So we are going to be making some adjustments there so that the hybrids that are coming in will be consistent with the taxation measures.

Let me also speak about the proposed moratorium. I consulted widely and I was reliably advised that the ship coming from Japan, which is the furthest point that vehicles come from, to Trinidad and Tobago, takes approximately four weeks to get here. So that since the decision was that if a vehicle was in transit on a ship or at the port being loaded on a vessel to come here, that we would want to give some relief to those people because they were caught by surprise. We took that four-week transit time on, then added a week to get the vehicle offloaded and

cleared out of the port, and then another week for the vehicle to be registered. So the current policy decision is to allow registration of vehicles that have an engine size exceeding 1999cc, who were caught by this, to be registered with the tax being remitted, which is the legal term for waiver exemption, until May 20, 2016, which is exactly six weeks from April 08th. [*Desk thumping*]

Since I made that announcement in the other place I have had representation made to me by an individual, because it was in my discussions with used car dealers—and might I also say that the measures with respect to CNG, electric cars, hybrid cars, will apply to used cars as well, but with the four-year age limitation as well. So we are not—that is another misconception outside there, that these measures—exemptions of all taxes for these alternative powered vehicles—would only apply to new cars. That is not so. They will also apply to foreign-used, [*Desk thumping*] but with the same four-year limitation that the foreign-used have. Okay? So I just want to clear that up.

I got an email yesterday from someone who spoke about ordering the car in Japan and that it takes a period of time for the order to get to the supplier and another period of time for the vehicle to be paid for, and then another period of time for the vehicle to get to the port, and then come to Trinidad and Tobago, and then come. And that person actually asked me to extend the time to the end of June. I have looked at it very carefully. I have sought advice—I did not want to advise myself—and I thought that was one of those arguments that could apply to anything. Because if you start that, well people will say, “Well, look, I did not get my car on the ship because there was a problem. I was wiring the money from Trinidad to Japan and the bank did not get it and then the letter of credit did not kick in and the car could not get to the boat for another two weeks”. I thought if I

opened that door that would open a Pandora's Box and allow everybody to say, "Well, you know, I was thinking about ordering a vehicle" and so on.

So what I have done instead, there is a provision in the law that allows the Cabinet to remit taxes on motor vehicles. It is based on an application to the Budget Division of the Ministry of Finance. There is a committee comprised of public servants who consider these applications on a case-by-case basis and really look at hardship as the defining factor. So for anybody who is outside of the May 20th timeline, I will recommend to them they make an application to the committee in the Budget Division and seek relief so that the public servants can look at it dispassionately and compare it; look at the circumstances, see if, in fact, there was some unforeseen event that caused them to have a problem, and remove myself from this matter and remove the Cabinet.

So that the decision that is going to be taken is that the cut-off is May 20th and anybody after that would apply on a case-by-case basis, make their case and we will see whether they have a case and whether there were unforeseen circumstances that caused them to be unable to register their vehicle after May 20th.

So with those few words, Madam President, I beg to move. [*Desk thumping*]

Question proposed.

Madam President: Those in favour say aye. [*Hon. Senators say "Aye"*] Oh, I am sorry. I now invite Senators. [*Laughter*] I am jumping the gun here. I apologize. I now invite Senators to join the debate.

[*Sen. Wade Mark stands*]

May I just remind you, Sen. Mark, that there was agreement that both Motions will be heard together so that you are free to speak on both Motions. Thank you. [*Desk*]

thumping]

Sen. Wade Mark: Thank you very much, Madam President. I am very happy to rise and contribute to these two Motions which are designed, according to the Minister, to influence social behaviour—public behaviour—primarily, and not necessarily as a revenue-raising measure. Madam President, you know, somewhere I read where somebody almost described the Minister of Finance as a singer because he has a tendency to change his tunes, and he should be described as a singer.

You know, I do not know if the Minister believes that Trinidad and Tobago, and the people of this country, are not conscious of what they read. Madam President, if you will allow me, on the website of the Ministry of Finance—and it was the same speech that was read in the Parliament and the *Hansard*, on page 15, Madam President—I quote:

“Returning to our overall revenue situation, we must now find ways and means of creating new revenue streams. To bolster the revenue picture and support ongoing efforts to conserve foreign exchange, the Government intends to introduce the following measures”—to create new revenue streams.

“(ii) An increase of 50 per cent in customs duty and motor vehicle tax on luxury vehicles, starting with private motor vehicles with an engine size exceeding 1999cc. This measure will take effect immediately;”

Madam President, we have two Legal Notices: Legal Notice No. 47 and Legal Notice No. 48, to give effect to this revenue-raising measure. And as the hon. Minister muttered a short while ago, it is also designed to conserve foreign exchange. But today, the Minister comes to this Senate and says it is not really a

revenue-raising measure or mechanism, but it is really designed to change public behaviour.

Now, Madam President, at the same time the Minister tells us that, he says that the aim of this measure is to ensure that the burden of adjustment is evenly shared in Trinidad and Tobago so that the poor and the vulnerable would not feel that they are being taken advantage of. The rich will now have to carry their share of the burden. So, we on this side, would like to ask the Minister: what is the real story? What are we really to believe? Is this a revenue-raising measure or not? Because if it is not a revenue-raising measure, why are we here? Why did you bring the Senate here today, Madam President? [*Desk thumping*]

The Minister could have easily issued a statement on the whole question about influencing public behaviour so we can become more conscious of the environment, so we can reduce our consumption of fossil fuels, go to solar power, wind power, other renewable sources of energy. You did not have to bring the Senate to talk about these things, Madam President. But I believe that the Minister has realized, belatedly, that this revenue measure will not be able to generate the kind of revenue stream that he had anticipated. [*Desk thumping*] So, Madam President, the Minister does not give us any idea of how much revenue he is expected to raise as a result of this measure. Is it going to be miniscule? Is it going to be \$30 million? We do not know. He has not told us.

Hon. Senator: He explained that.

Sen. W. Mark: He said elsewhere that he had tasked the customs division to provide him with information as to how much money, how much revenue, this measure will generate. Madam President, I would like to ask the Minister of Finance whether he has received the information.

Hon. Imbert: “Yuh wah meh tuh answer yuh?”

Sen. W. Mark: No, in your winding up. [*Laughter*] So, Madam President, we would like to say that the Minister is really tinkering with the system. The Minister also comes and tells us that he has instituted a moratorium for the importation of vehicles that have left their ports, wherever those ports may be, and he has given May 20th as the deadline for registration of vehicles. The Minister has not given this House how many vehicles, how many individuals will benefit from this waiver or this moratorium—no information whatsoever—but he had held consultations with the stakeholders and we, who are asked to approve these Motions, do not have a clue as to how many citizens will benefit from the waiver or the moratorium. And, Madam President, how much revenue will the country forego as a result of that arrangement, or that waiver, or that moratorium?

Madam President, I would like to ask the Minister of Finance whether the Cabinet of Trinidad and Tobago can simply ignore these Legal Notices. Legal Notices were published giving effect to the measures that we are debating today. We are now being told by the Minister that the Cabinet has the authority to waive customs duties and motor vehicle taxes and he is proposing to use a mechanism called remit, I suspect on an individual basis. But we do not know, Madam President, how many people are going to benefit from this waiver. How many citizens are going to benefit from this moratorium? And I want to ask the Minister whether it would not have been much more clean; whether it would not have been much more smooth for him to amend the Legal Notices, rather than going the route that he has decided to go.

Did the Minister consult with the Customs and Excise officers or division on this matter? Did the Minister discuss with his officials in the Ministry of Finance

on this particular waiver and moratorium? And if he did, what were the advices given to him on this matter? We find the proposal being advanced by the Minister to be very convoluted, unwieldy and unnecessary.

Madam President, I am advised that that mechanism that the Minister is seeking to employ to allow scores of people to benefit from this waiver is normally used for one, two or three, maybe four cases, but not 20, not 30, not 40, not 50. It would have been easier, Madam President, for the Minister to alter and amend the Legal Notice to give effect to the measure re the moratorium. [*Desk thumping*] Why do we have a moratorium, a Legal Notice, and the Cabinet chooses to go on another course of direction?

The Minister will have to answer. I understand that members of the customs division, the officers are confused. What are they to do? When this becomes law, Madam President, in terms of the debate being concluded this evening, and even before the debate is concluded but more so when the debate is concluded, what are Customs officers to do in matters of the nature that we are discussing? Are they to follow the Minister of Finance's directive when they have in their possession a Legal Notice?

So, Madam President, I find it very interesting that the Minister of Finance has chosen to go a route that is very cumbersome, convoluted and unwieldy rather than simply bringing an amendment to the Legal Notices. That is the point. [*Desk thumping*] But I want to tell the Minister—I want to put it to him—that these are cosmetic changes. [*Desk thumping*] To come and tell the country in 2016 that you are going to impose a 50 per cent customs duties and motor vehicle taxes on luxury end vehicles 1999cc and above, and not tell us how much revenues you intend to realize and generate, and now you have exemptions in the midst of that, I would

say, Madam President, to be kind, I think it is bit disingenuous—to be kind—[*Desk thumping*]*]*—very disingenuous.

I want to tell, Madam President, your good self, through you, to the Minister of Finance, that he will not be able to use this measure to bring about an equitable or a sharing of the burdens of distribution among the poor people and the various classes in this instance, in our country. In other words, Madam President, there will be no sharing of the burdens of adjustments by this measure that the Minister has brought here. [*Desk thumping*]

3.00 p.m.

Madam President, I have been doing some research and I looked at some research coming out of the United States, on the distribution of wealth as at the end of 2005, in this country, and also the distribution of income in this country as at the end of 2005. The literature is revealing that 2 per cent of the population of this country controls 70 per cent of the national wealth of this nation. Two per cent controls 70 per cent of the national wealth, and there is a concept in economics called, the Gini coefficient that is used to measure income equality in any society, Madam President. Zero is perfect income equality, 100 is the worst that you can have. Trinidad and Tobago, as at the end of 2005, recorded a Gini coefficient of 43 per cent. So income inequality in TT is at the same level of the United States as at the end of 2005.

So, when you are coming in 2016 with these measures to fool or attempt to mamaguy the population that a 50 per cent increase in motor vehicle taxes and customs duties, will allow the rich and the wealthy to pay their portion of the burdens of adjustment, you are just fooling yourself. You are mamaguying yourself. You are not serious.

I want to tell you that it is laudable for us as a nation to have signed the agreement that came out of Paris in December, and for us to commit ourselves to controlling emissions, the use of fossil fuels, the reduction, as the Minister said, of carbon footprints. That is an excellent direction that we have chosen, and we have joined many other countries in being part of that international and global drive. That is good.

And the Government talks about bringing hybrid electric, improving on the CNG drive, so that people can switch. These things are—we did it. We started it rather; the previous PNM regime before us, they had started it as well, and then this one is going to continue the CNG drive, and now, they are going a step further, hybrid-electric vehicles. All these things are positive but, Madam President, do these things affect and interfere with what is happening on the ground, with the increasing hardships being brought about by measures that the Government have introduced without any consultation?

Madam President, I want to refer to an article in the *Trinidad and Tobago Newsday*, page 14, Saturday, April 9th, and it is headlined, “\$50,000 more for luxury cars”. There is a gentleman by the name of Mr. Jerome Borde and he is reported to have said in this article, that—and I quote:

“What will happen is that...”

Let me repeat:

“What will happen is that the marginal cost between what has been paid for on the ground on inventory now, and what is coming will be significant. It would be a \$50,000 plus increase in prices,”

He went on further to say that:

“I’m not sure if the Government’s approach was”—whether it was—“to

create revenue for the state but I'm not sure if that will work because"—he expects that they the dealers—"would get less sales and therefore pay less taxes."

And:

"If the strategy is to reduce the number of vehicles on the road, that would also not work because the (luxury) segment is relatively small compared to the others." [*Desk thumping*]

He went on to say that:

"Consultation might have been the better approach..."

So, it meant that this hon. Minister introduced a measure without any consultation, according to the President of the Automotive Dealers Association, but that is not all. The Minister in this presentation, emphasized, that as far as he is concerned, I guess he probably would agree with me, that there are other objectives.

He said taxation, one of the objectives of taxation is to raise revenue or goals. Another, Madam President, he emphasized, is to change public behaviour and those are two important functions of taxation. He did not tell us that there are others. What about the redistribution function of taxation? That does not interest you, Madam President? All that you are concerned about is raising revenue, and altering people's behaviour? What about redistribution?

Today, salaried and wage workers are prisoners in their own land, because they are the ones who are easily captured by the taxation system in our country. They must pay P-A-Y-E, pay as you earn, and whilst the salaried and the wage worker are paying as he or she earns, the corporate citizens in this country, they are avoiding and evading taxes as never before. So the rich, the mighty and the

powerful who are supposed to be paying their fair share of taxes in this country, Madam President, the Minister of Finance will tell you, they set up shell companies in tax havens, where the corporation tax is low, and they transfer their profits outside of Trinidad and Tobago, [*Desk thumping*] to those tax havens. You think salaried workers can transfer their salary and wages out of the Trinidad and Tobago? It is pay as you earn.

So they are taking advantage of the salaried and the wage worker, and those corporate giants, both domestics giants and the multinational giants— [*Interruption*] they are engaged in a campaign of tax evasion, tax avoidance and transfer mispricing, amounting to tens of billions of dollars that we are losing as a nation every year. [*Desk thumping*] Every year. Madam President, look how they take advantage of the poor and the vulnerable and the few, and the many “rag up”.

The Minister comes with a measures to reduce VAT from 15 per cent to 12.5 per cent, and then he went and he spread the net so that people in Trinidad and Tobago have to pay 12.5 per cent on almost everything that have to get in this country. [*Desk thumping*]

Madam President, I am told that when you went in the grocery in February or January of this year, you may have gone with \$3,000, and you will get a certain amount of goods to take home. Today, today, today, you have to walk with at least \$1,500 more to take home almost the same basket of goods. [*Desk thumping*] Who is getting pressure?

Today, I heard on the news that the Chaguanas to Port of Spain taxi drivers, they increased their fares or they are proposing to increase their fares from \$9 to \$11. Who is going to pay that? It is the ordinary salaried worker. [*Desk thumping*] It is the wage earners, Madam President.

And the Government is not doing anything about getting at those fiscal termites. [*Laughter*] The fiscal termites—[*Interruption*]*—*that are eroding [*Desk thumping*] our tax base in Trinidad and Tobago. The fiscal termites, and what are we doing about them? And this Minister, with the best of his intention—I read somewhere, where somebody described him as “ah OJT”. I read somewhere and “dey say he playing doctor on ah wounded economy, when he supposed to stabilize de patient, he operating on the patient”. [*Laughter and desk thumping*] I read that somewhere. Somewhere I read that. I do not know who said it.

Sen. Baptiste-Primus: It might be the original OJT who said that. [*Laughter*]

Sen. W. Mark: So, Madam President, you know what I find strange? It seems that sounds have a strange way of travelling in Trinidad and Tobago. [*Laughter*] When poor people appeal to the Minister, “Please, Mr. Minister, put back VAT on books. Please, Mr. Minister, put back VAT”—[*Interruption*]

Sen. Solomon: Take it away.

Sen. W. Mark: No, no, reduce, exempt rather, my mistake. Thank you. “Reduce, exempt rather, exempt from books, the VAT, 12.5 per cent; exempt from computers, the 12.5 per cent; exempt from sporting goods, 12.5 per cent”. The Minister comes to this Parliament and when we ask him to do that, “Would you do that, Mr. Minister?” In his arrogant, haughty—[*Interruption*]

Madam President: Sen. Mark, please.

Sen. W. Mark: All right, sorry, sorry. I withdraw that. He is not arrogant.

Madam President: Thank you. No, Sen. Mark, no. Let us not use those descriptions for any Member of the Chamber.

Sen. W. Mark: Okay. All right, cool, cool. He is good. I will deal with him on the platform. [*Laughter and crosstalk*]

Madam President: Sen. Mark, five more minutes.

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

He will not give the poor an ease, is pressure for the poor, but when the dealers of cars come to him and they say, “Moratorium?” He say, “Yes, Massa”. [Desk thumping] No support for the poor. No support for the ordinary people. We came here, we put questions, asking, begging, pleading and asking the Minister to reconsider the VAT imposition on books, on computer good, on sporting goods. What was the Minister’s response? “No, no”, Madam President.

Sen. Hadeed: Not today.

Sen. W. Mark: “Not today”, but he is now prepared to allow millions and millions and millions of taxpayers’ dollars—[Interruption]

Sen. Hadeed: To go to the rich.

Sen. W. Mark:—to go to the rich, [Desk thumping] and the mighty and the powerful. And what caused it, Madam President? The moratorium. He said it is “ah moratorium, is ah waiver”. Well, “ah want yuh wave for de poor. Wave for de poor. [Desk thumping] Ah want yuh have ah moratorium” for the poor on food [Desk thumping] they be exempt, 12.5 per cent on certain food items for the poor as well. Why?

So, Madam President, I am saying to the hon. Minister of Finance that he has a duty and a responsibility in his tax reform measures, to be a little more progressive in his taxation policy. Put more progressive taxation on those who are able to carry it. The principle is the ability to pay. The more you earn, the more taxes one should pay, but in Trinidad and Tobago, that is not so.

So I am waiting with bated breath for his new advisors seeing that he has

dumped his old. I understand he had “ah fella” called Ewart Williams in finance. “Ah fella” called Uric Bobb in finance. He has dumped these and he has new experts, new friends from the International Monetary Fund, [*Laughter and desk thumping*] and the World Bank. They are his new advisors, and they are telling him how to operate. I have no faith in this Minister of Finance. I think the time is coming when the country will have to call for his removal. He is unfit. He is incapable, and he has not been doing a good job in taking [*Desk thumping*] this country forward.

Madam President, I can tell you that when we were in office, we knew what our priorities were. We knew when we raised revenue, where those revenues were going. They were going to create employment. They were going to create jobs. They were going to create hospitals, infrastructure, innovation, competitiveness. These were some of our priorities. What are the priorities of this Government? What are their priorities? We do not know.

I heard the Minister of Trade and Industry say recently, if I am not mistaken, and it is a very serious matter, that in Jamaica, they have begun to remove from the shelves of the supermarkets and the groceries our products. That is a serious matter, [*Desk thumping*] and the Prime Minister, on his way to Washington, should go to Jamaica and settle this matter, because Jamaica is a very important market for the manufacturing sector in Trinidad and Tobago, and they have a lot of jobs [*Desk thumping*] dependent on the manufacturing sector.

So, Madam President—we need to revisit speaking time. [*Laughter*] Forty minutes is totally inadequate. I need an hour. [*Desk thumping and laughter*] No, no, I was not there. [*Interruption*] He said it. But anyway, I think I will ask my friend Danny to allow me to sit with you on the Standing Orders Committee,

[Laughter and continuous desk thumping] so we can sit together and dialogue because we need to have more speaking time. Forty minutes is too short for Members of this honourable House. It must be at least the same level as our friends in the other please, 45 minutes as a minimum.

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

Sen. Dr. Dhanayshar Mahabir: *[Desk thumping]* Thank you very much, Madam President. In this spirit of camaraderie, let me say—*[Interruption]*

Hon. Senator: Camaraderie!

Sen. Dr. D. Mahabir: It is a spirit of camaraderie. Let me say that I agree with Sen. Mark with respect to speaking time. I will try my best to influence it as well in the Standing Orders Committee. And in the spirit of camaraderie, let me also indicate that I support the Motion of the Minister of Finance. Not that we on the Independent Bench sit on the fence, where we are friends with everybody, but we are enemies to none, Madam President. So we do have an excellent working relationship.

On behalf of the Independent Bench, let me thank Sen. Mark publicly, for giving way on the last occasion that we met, so that a Member of my bench would have been able to proceed with her Motion. *[Desk thumping]* It shows the courtesies which are extended amongst all Members of the Senate.

Madam President, as I said, I stand in support of the two Motions moved by the hon. Minister of Finance. *[Desk thumping]* And as I support the Minister, I would raise some issues which I hope he would be persuaded to consider seriously.

The Minister indicated that we need to look at our system of taxation, and especially our taxation with respect to luxury items. No doubt, on account of the fact that the financial environment facing the Ministry of Finance is such that we

need to review our entire system of taxation. Petroleum taxation, I am sure his technical officers are examining that. The concessions to the corporate sector, I am sure his corporate advisors are looking into those concessions which can be removed, so that he can earn more revenue.

And we are now looking at our system of taxation on individuals and corporations. He will be looking at the corporate tax, the personal income tax rates. I think we are at the stage where we need to be looking at our entire tax structure to determine, Madam President, whether the tax structure that we have is one that conforms to an efficient and equitable system of taxation. We need taxes to be simple to collect. We need taxes to be fair so that individuals will not be seriously disadvantaged when they pay the taxes. We need tax avoidance or tax evasion to be minimized. We do not want our tax structure to interfere with incentives. So that we do not raise the income tax rates to such a level that individuals are dissuaded from work. It is in this context that we are addressing the issue of the luxury tax.

Why a tax on luxury items? And the Minister, of course, is quite correct when he indicated that there are professorial chairs with respect to tax policy in the world. In fact, in an old incarnation one of my own specialties was a subject called public finance, where you had to study not taxation, but the philosophy of taxation. And if I may be permitted, and I am focusing on the Motion, because I am going somewhere I can assure this honourable Senate, there are really, Madam President, two bases to impose a tax—two justifications and two rationales.

The first is the benefit criterion, and the second is the ability to pay criterion that Sen. Mark alluded to. Benefit criterion, there is a position that all of us in the society must pay if we benefit from the provision of goods and services supplied

by some arm of the State. The most effective benefit taxes are really, the local taxes: Property taxes are levied in locales where because people live in a particular area, and they benefit from the goods and services of the local government corporation, their properties are subject to that tax, and it is used to finance the expenditures of local government. In the North Atlantic usually it is education, but we now have centralized education. So our benefits tax here will be largely a local government tax.

Our luxury tax, is really based on an ability to pay. What is this ability to pay all about? It says that there are certain people in our society, for whatever reason, can pay this tax and there are others who cannot. Who are the people who cannot? The people who cannot are the people who live at a particular level in the income stratum, and they must cover their basic needs, and the type of goods that they consume are not really luxury goods—defined as goods that you consume when your income level rises. So that the poorer citizens in our society, the Government will normally give consideration to the type of goods that they consume. So you will tax smoked salmon, but you will look favourably at smoked herring.

When you look at the food item, because that is a kind of a tax which is going to affect more the rich than the poor. And we can look at a number of luxury taxes not only in the sphere of food, but we can look at luxury taxes in the area such as alcohol. Not all alcohol items are luxury items. There are some items like champagne, scotch, and expensive wines, I would imagine, where as your income rises, you tend to consume more of it, and if your income falls, you will then consume more things like, stout and beer and rum, so that not all alcohol is made equal.

Some alcoholic drinks are consumed more by the lower income members of our society, and some alcoholic products by the higher—by the wealthier persons, and we levy a tax on champagne, that may be greater than a tax on beer, because we say, the wealthier person can afford to pay because after he has paid this tax on champagne, he still has a considerable amount of funds left for his basic needs: food, clothing, housing and shelter. If we levy a huge tax on a basic necessity, then less money would be available for the individual to finance his basic needs. So that there are basic criteria that we use in designing an efficient and equitable tax structure.

When we come to luxury cars, I think we need to be very clear with respect to what we would like do. The luxury car is a car that, according to the Minister, according to the Motion, has a cc rating in excess, let us say, of 2000cc. It is a larger machine, and it is a larger machine with maybe more features, so it is a different specification altogether, than a smaller car which is used basically for transport. Normally in this country it is a 1299—1300cc cars, the Tiida and the Yaris and so on, that are the more standard vehicles. The larger vehicles are going to be the 1999 and above.

Why do we levy taxes on these types of cars? Is it for environmental reasons? That could be one, but really to my mind, it has to be that we are seeing an opportunity to raise revenue in an area, where previously, the revenue may have escaped the Minister of Finance. I think it would have been valuable if the hon. Minister had indicated, for the last registration series, I think each series has something like 10,000 cars. How many of these—*[Interruption]* I think it is 10,000 on a series. How many of these were 1999 cc and above? On average we have had many series over the last 10 years. It would have been beneficial in

looking at the data, to find out, say, since the year 2000, how many of the 10,000 series, what percentage—[*Interruption*]

Hon. Imbert: May I?

Sen. Dr. D. Mahabir: Yes.

Hon. Imbert: Thank you. One of the things I was going to say in my winding-up, when I attempted to get that exact information, it shows how bad data collection is in this country, because the Customs does not collect data in that way, and they lump everything together. So you have trucks, you know, maxi-taxis and cars, all comingled. And even now, after several days, I am struggling with them to pull it out for me, how many passenger cars. Okay? I just thought you should know.

3.30 p.m.

Sen. Dr. D. Mahabir: Thank you, hon. Minister. I am flabbergasted. Madam President, the hon. Minister just indicated that from the official statistics he cannot obtain of all the cars—10,000 cars in a series registration. Over the last few years, we have had about two of these series running in a year, basically two. It should have been possible, in my mind, to find out of the 10,000, how many of these were passenger cars with 1999cc ratings and above? In that way, we would have been able to know the numbers. We would have been able to identify the revenue that he will collect, given the fact that the demand for these automobiles—and this is where we need data.

What is the state of demand for these luxury cars? It is called, in the field in which I belong, an inelastic demand. What does that mean? It means that if you raise the price by 10 per cent demand may fall by 2 per cent. It is a case where it is like cigarettes or some other product where you can raise the price to a particular level, and the demand would not fall proportionately. If that is the case, it means

that the Minister can levy these taxes, expect that the same or only a smaller amount of cars will be sold, and that he could then multiply the amount of cars expected to be sold at the new tax rate by the new tax formula to know how much will come to the Ministry of Finance. So I am hoping that we do get the figures.

At least, I would have liked to know from the dealers themselves, the luxury dealers in this country—the Mercedes, the Audis, the BMWs, et cetera—how many did they sell over the last year and collect the data from that source as opposed to the official statistics. I am seeing an opportunity for revenue raising that once we have the data it should be able to give us an indication of how much the hon. Minister will be able to collect in the next year. In that way, we are saying that the “welfare” individual, he or she is the person who would buy the Jaguar, and that person who would buy the luxury vehicle has a greater ability to pay. My own position is there really should be no moratorium, because if you can afford to pay a million dollars and raise the credit for a million dollars for one of these luxury items—and the Minister is increasing his taxes by an extra \$100,000—then your financial institution should be quite willing to grant you the extra credit, and you should be able then to say: “Well, okay, let me make a deal with the dealer so that we can divide this cost.” Why should the Minister sacrifice the revenue?

Madam President, I recall way back in 1985 when, consequent upon our first devaluation there were students abroad studying. We had a rate of exchange pegged TT \$2.40 to US \$1 and the devaluation in December of 1985 moved the currency to \$3.60. There were students studying abroad who were stuck now with the fees, which were going to be paid at a \$3.60 rate. There were pleadings to the then Minister of Finance to offer these particular foreign students the \$2.40 rate. It did not happen. That was the risk. So that if the students—at that time I was one

of those, I remember—if the students at that time did not get the concession, I think certainly the wealthier persons should be able to raise the extra money which belongs to the Minister of Finance. But, anyway, that is his particular call to make.

The problem for me, Madam President, is this, with respect to the luxury tax. Whenever a tax is levied it modifies behaviour. The Minister is correct. It modifies the behaviour in the following way: one, you could look for substitutes, and it is the Minister's hope that with these higher taxes, the consumers of the luxury cars will then be influenced to purchase basically more midsize cars or smaller cars. That is a hope that in order to avoid the tax, you do not purchase the larger vehicle, luxury vehicle, you purchase a midsize sedan or even a smaller car.

The Minister has the view that in order to change behaviour, people may shift towards other types of cars, other types of transport, but the problem is, Madam President, we are dealing with a peculiar group. The peculiar group is a group of individuals who have a million dollars to spend on a car. Whenever I hear a million dollars I think about property, I think about a retirement fund, I think about the Lotto, but there are people apparently who can easily raise a million dollars for a Jaguar, for a Mercedes, for an Audi and for one of these things. The question we need to ask is whether raising these taxes will dissuade them from buying.

In my mind, the answer is no. That is why I would have liked to see the data in the past, see what had happened to demand in the past when taxes were raised, because taxes would have been raised in the past on these vehicles. We could have looked at the historical data to see how behaviour changed. But my suspicion in the absence of data is that I think the same amount of cars will continue to be sold or maybe a little. But I hear that there is a concession on hybrid vehicles. I would

plead with the Minister to offer a concession on vehicles rather, which are equipped with CNG at source. Let me focus on the hybrid vehicles.

Hybrid vehicles, Madam President, are interesting devices. We have seen an example in Trinidad and Tobago, I think called the Honda Fit, which is a small hybrid, relatively small cc rating. I think the Government has a policy where that will be imported free of duty. There are pure electric vehicles, as the Minister indicated, which will be produced by Tesla and there are pure electric vehicles produced by a Chinese company called BYD, pure electric produced by Chevrolet I think called the Volt. So there are small pure electric. Tesla is coming out with a pure electric that is really high-end, and then there is the hybrid.

We have always known of the Toyota Prius as the hybrid, Toyota midsize sedan. The problem with the Prius was that it was more expensive than the Toyota Corolla—same size, same space and everything—it was a bit more expensive. And, there is the midsize hybrid. The Minister, I think, has a view that maybe more hybrids will be better for Trinidad and Tobago, but I am seeing a potential problem, hon. Minister, for these high-end buyers and the problem is this: If the duty on a Mercedes Benz is increased or since, according to the Order, the duties on any of these luxury vehicles will increase significantly, there is now an incentive for the high-end buyer to find another luxury vehicle, which can somehow escape these taxes.

Let us look at the luxury vehicles, from what I have been hearing, can furnish a loophole that individuals can exploit, and it deals with hybrids. You see, if there is a policy that all hybrids are going to be escaping the tax, then we will have to consider the following hybrids: the BMW i8 hybrid, currently US \$135,700, luxury hybrid. I am sure—I want the Minister to give me the assurance

that these luxury hybrids—[*Interruption*]

Mr. Imbert: Can I answer your question?

Sen. Dr. D. Mahabir: Sure.

Mr. Imbert: In your documentation, do you have the horsepower?

Sen. Dr. D. Mahabir: I was looking at horsepower yes, but I am coming, we are coming to that. All of these—and I actually tried to get the cc ratings between. We will get those. BMW i8 sports car, US \$135,700. It is all online. Then we have the Mercedes Benz. So that if the Mercedes Benz regular S-Class is now going to be levied with this luxury tax, and I would like to drive a Mercedes and I have a million dollars to spend, I am not going for the Toyota Corolla. I will ask Sterling Services to order for me a Mercedes Benz e 40 sport, price unknown, or I will ask the Audi company to order an Audi Q5 hybrid, US \$51,900, data on the net. I will ask—well there is no Lexus in this country, I imagine. Lexus LS 600, US \$120,000 or just suppose I am really insistent on having this luxury car—the quality of my life is going to be empty, meaningless, if I do not drive one of these fancy machines. I will have money, I will have resources, but unless I sit behind one of these cars, take for example the following: take for example the Porsche Cayenne S E-hybrid, US \$76,400. I might feel a little better. So to avoid the Minister's tax, I can simply order a Porsche Cayenne S E-hybrid if the policy of the Government is that all hybrids are going to be exempt from taxes.

And, finally, I have a list here I would forward to the Minister, so many of these luxury cars with cc ratings in excess, yes. And, finally, I could not believe this, Madam President. I checked three times. There is a Porsche 918 Spyder, and I thought it was US \$84,500. This thing is costing \$845,000 that could come into this country duty free if all hybrids are exempt. I would like to see one of these. It

is a Porsche 918 Spyder hybrid.

Madam President, I do not have much time, but we have the Audi, we have the Acura, we have the BMW, we have the Infiniti, we have the Lexus, we have the Nissan Pathfinder, we have the Subaru, we have one that is familiar, Toyota Highlander which is in hybrid, the Volkswagen Touareg, the Cadillac Escalade and I go on and on. These are not, Mr. Minister, Volts, these are not the Chinese BYD and these are not the Prius.

It used to be, in 2010, when we spoke about a hybrid, we spoke about a little car that was a bit beyond a golf cart, now every single luxury maker—I checked because I am “into car”, like the Minister. I have a car since 1979. My car is still running.

Hon. Senator: What is the number?

Sen. Dr. D, Mahabir:—1299, Mazda 323. I am sure the Minister had an Austin 1100, because the Austins came in 1100 in those days. It was not an Austin 850, it had to be another little Austin. But, yes we have these cars, so I take an interest in the machines. Over the last five years what we have seen is the major carmakers, seeing that there is a market for the hybrids, placed on the market the Porsche Cayenne. I was told it is one of the fastest in SUVs. One of the fastest cars you will get. So that the cc ratings are way in excess of the 1999. There is a loophole there that I think that the luxury car buyer may very well want to exploit if, in fact, all of these hybrids are going to be exempt.

So my recommendation is that we look at the hybrids which are equivalent to the Toyota hybrid, the Chevrolet Volt or the Chinese BYD. We do have these smaller hybrids equivalent of a 1299cc car. We look at those and we provide to them the exemption and all the luxury hybrids I have mentioned, the 20 or so. The

list is growing. All of these luxury hybrids should be liable to the same taxes, Mr. Minister. We are facing a financial crunch. You know that more than I do. I can only speculate.

Insofar as the demand for the luxury cars tends to be inelastic, that is, people have a lot of money and they are not going to shift from the BMW to the Nissan Tiida. They are going to shift most likely from a BMW to a BMW hybrid free of tax. So that is where I think we need to close that particular gap. Madam President, the car dealers may not tell us. You see, the car dealers, the luxury dealers may not tell us. They may give us the impression that once you go hybrid, you go the Honda little Fit hybrid without telling us that these hybrids come in luxury lines to fit a particular niche

There is the problem of hybrids, which arises abroad but does not arise in Trinidad and Tobago, and the problem with them is that they are plug-ins. You have to plug into the electricity grid. In the United States, at least, they do very little for the carbon footprint and the environment, because they plugin into a power source that is generated from coal burning. So in any event, while you are replacing petroleum with really coal, the carbon sulphur emissions would basically be unchanged. In Trinidad we use natural gas and that issue does not arise.

It is in this context I would like to recommend to the hon. Minister that we focus more on the CNG, the fuel that we have in abundance, so that if cars are equipped at source—in fact, may I recommend, as we move towards more and more CNG fuels as our fleet needs to be replaced, every PTSC bus, every police car, every state vehicle, I think every car that is imported for a Member of Parliament, let us lead the way. I would not buy one.

The car I drive to Parliament is a PBY Yaris, because I really do not like to

spend large sums of money on assets which are depreciating. I refuse, Madam President, to buy one of those things. [*Laughter*] But, really, if the Minister can provide the incentive to people who are having their cars equipped at source, that is, let the factory—wherever, in Japan, wherever—equip the car with CNG, then he can provide the concession when it lands here. In that way, I think we will be doing more for the carbon footprint and we will be doing more to convert our fleet.

We need, hon. Minister, through you, Madam President, to really set a target on, say the next five years, because a car can now last up to 10 years. But over the next 10 years, what percentage of our vehicle fleet could we have converted into CNG? The Minister of Energy and Energy Industries I know will have to do things for the service stations, but we do need to provide the concessions there.

I think the country will understand if these luxury vehicles are equipped with CNG at source, and we provide some concession to them, they might say, we understand he is giving a concession because we are converting to CNG. So that if we move away from hybrids and into CNG, and provide the concessions there, we will be going some way towards ensuring that we reduce the carbon footprint and, at the same time, we can close the potential loophole if we treat all hybrids equally.

The measures imposed by the Minister, I think, are measures which are necessary at this time. We do need to look at all luxury items. We need to understand that the philosophy of the taxes is that the luxury tax is really placed upon an individual who has an ability to pay, the ability to pay because of a higher level of income. It will address the concerns of Sen. Mark that a tax structure is favouring the well-off. A tax structure has to be fair, and it is in this context I would want the Minister to reconsider his position on the moratorium, because the legitimate concerns of the regular person out in the society would be: why should

the luxury buyer, the buyer of the luxury Jaguar be given a moratorium? Let him take the consequences, especially when on budget day, the Minister says that the price of super is going to rise from what it was \$2.75 to \$3.60 and it will take effect immediately. There is no moratorium for the ordinary person. With respect to the fuel, I think really he needs to look simply to send the message [*Desk thumping*] that there is a measure of fairness.

When we are adjusting in the society, there is reality and there is perception. We need not only to adjust fairly in reality, but at the level of the Government and the State, we need to send the correct message as well that all of us will share in the burdens, all of us will have to make the necessary adjustments.

I do not know how many cars or how many passenger vehicles are involved with respect to the moratorium, but it could not be a large amount. It would be I suspect the order for a particular month. I am of the view that once you have ordered one of these, you have a line of credit, you should be able to pay simply to send a signal that all of us will be subject to this particular tax.

Madam President, I think that as we look at our tax structure across the board, we look at our concessions, more and more we need to be guided by the principle of fairness and equity. Our tax system must be efficient and we are moving there. Luxury taxes are taxes that I support, and the reason I support them, Madam President, as opposed to taxes on basic commodities is simple: A luxury tax is a tax on an item for which a substitute exists. Once a substitute exists, the individual has an option to consume the cheaper substitute, but if he or she insists on purchasing one of these high-end items then I think the person must pay the taxes and we must, at all times, understand the incentive effect at work.

Taxes are a powerful incentive, one is to find a way to escape it, and we

need to close if we identify loopholes any loopholes which can be exploited so that individuals will continue to enjoy the benefits and escape the tax and, in this context, I would like to reiterate my position. On these hybrid vehicles, let us just put a cc rating on them, 1299, everything else subject to the normal tax structure as imposed by the Minister. Madam President, I thank you. [*Desk thumping*]

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, it is an honour to join this debate on the amendment of the Fourth Schedule of the Motor Vehicles and Road Traffic Act and to amend the Customs Act. These two amendments have the effect of increasing taxes, both customs duty and motor vehicle tax on vehicles engine size in excess of 1999cc.

As was clearly articulated in the other place, and to some extent today also, the hon. Minister of Finance indicated there are two basic reasons for the adjustments, the minor reason being it could be and now he is saying “could be” a source of revenue and not necessarily a source of revenue, because you do not have the data, you know, if people would stop importing large vehicles, and then the reduction of the import and the increase of the taxes might equate into a zero position. But, more particularly, it would affect the behaviour pattern and what we call conspicuous consumption.

But, more importantly, he dealt with the long-term goal of this administration which is really to deal with environmental issues as it relates to fossil fuels, greenhouse gases, global warming and sea level rise, the use of CNG and hybrid vehicles and what have you. I would want to deal with the environmental aspect in a little more detail, but before I do that let me just rebut a couple issues that were raised by Sen. Mark in particular. You know it is “damn if

you do or damn if you don't". Sen. Mark—[*Interruption*]

Madam President: Let us try and modify the language.

Sen. The Hon. F. Khan: Oh, I am sorry. Okay. I thought that was a standard parlance, but I withdraw Madam. He spoke about leakages with transfer pricing. The Minister of Finance raised that in the budget debate that this administration plans to tackle head-on transfer pricing. [*Desk thumping*] Okay? We have to deal head-on with issues of petroleum taxation vis-à-vis how do you balance the scenario of providing incentive for investment which is highly capital intensive and very risky in terms of probabilities of success and, yet, at the same time dealing with a wasting asset where the Government has to seek maximum economic rent. It is a balancing act and, especially, with terms of transfer pricing. These are critical situations that we have to deal with.

In terms of transfer pricing, in particular, there is very limited indigenous resources that have experience in that area. So here the Minister of Finance goes to Washington, brings back a team of experts from the World Bank and the IMF, and he is being criticized by Sen. Mark, and then in the same breath he is saying we have to do something about transfer pricing. It is totally inconsistent in logic. It is inconsistent in intent and, in a sense, it reeks of dishonesty.

So the IFM team is here to provide technical advice on specific issues, in particular, oil and gas taxation, transfer pricing and where leakage occurs if at all. That is it. That is the long and short of it. It has nothing to do with standby arrangement with the IMF and whether they tell you to cut social services and increase taxation. It has absolutely nothing to do with that.

The issue of Jamaica, I was just advised by the Minister of Trade and Industry that she has met with Minister Samuda, he is her equivalent in Jamaica, and what you

are saying about they are taking down Trinidad and Tobago goods from the Jamaican supermarket is absolutely not true. There are sensitive issues that the Jamaicans have always been sensitive about and it is being handled at the diplomatic level with the Minister of Foreign and Caricom Affairs in terms of the immigration side and the Minister of Trade and Industry on the trade side. So let me put that to rest. But, the burden of adjustment is what is the principle governing these Orders. It was Winston Churchill who said a nation cannot try to tax itself into prosperity and we believe that. However, taxation revenue is important in running a country.

The Minister of Finance has been accused of, “all he going after is taxes, taxes, taxes”. I want to put on the record of this Parliament that it is the PNM administration—and everybody forgets that in the last budget and saying how the burden of adjustment is not shared equally—who increased the chargeable income from \$60,000 to \$72,000. [*Desk thumping*] So that now instead of \$5,000 being non-taxable per month, it has now increased to \$6,000. That is a tremendous benefit for the low income.

It is under the Patrick Manning administration that corporation tax went to its lowest ever, and it is still at its lowest ever, 30 per cent. We probably have the lowest corporation tax in the Western Hemisphere. [*Desk thumping*]

Personnel income tax under the Manning administration, again, went from marginal rates as high as 70 per cent in the early 80s to a minuscule amount of 25 per cent marginal rate on personal income tax, and all these are taxation benefits, because there is the concept that the lower you tax it is the more disposable income that is made available to people, and with the more disposable income it is the more consumption and, more particular, it is more capital that is available for

investment. Am I right, Mr. Mahabir? So that is exactly what we have been doing.

We have adjusted the tax burden significantly and we could have afforded it because there were major revenue streams coming out of petroleum. However, that revenue stream is fast dwindling and we have to now try to balance the situation in a very prudent way, and in that context I want to again compliment the Minister of Finance for the tremendous job he has been doing.

With regard to the taxation on vehicles, he mentioned some Caricom countries that have similar regime, and let me just go through it very quickly, because I have some research information on it.

4.00 p.m.

In Barbados the VAT is 17.5 per cent, import duty of 45 per cent on all cars, excise duty of 120 per cent for cars exceeding 1800cc, and chargeable value of more than 45,000.

Hon. Imbert: Where is this?

Sen. The Hon. F. Khan: Barbados. The effective tax rate—you see, you ever see a Prado in Barbados? You ever see a Mercedes or a BMW, SUV, S-Class? You do not see those vehicles, you know why? The effective tax rate on a 2000 cc vehicle and above is 375 per cent. [*Interruption*]

Hon. Imbert: What, 375 per cent?

Sen. The Hon. F. Khan: But that is why, even the Prime Minister of Barbados has to be careful what he drives. In Jamaica the aggregate duty of a 2000 to 3500 cc is 82 per cent, and in diesel is 68 per cent. In St. Lucia the effective rate for 1800 to 2000cc is 118.5 per cent, and from 2000 to 3000cc it is 147.25 per cent.

So, Madam President, we are doing what we have to do. The Minister of

Finance has indicated it is not *sensu stricto* a revenue stream item, or a revenue earning item, but it is more to affect behaviour patterns. So now, Madam President, the behaviour pattern is really on the fossil fuel side. You know, I have been in the oil industry for many years, from since 1980 till today, and I never felt I would have reached the day when I would have stand up and say what I saying today, that the world, for the first time, based on the Paris Accord that was signed in New York by the hon. Minister of Foreign and Caricom Affairs, is speaking about a post fossil fuel world. Because let us face it, since the advent of fire, planet earth has been a fossil fuel planet, you know, because fire is fossil fuel, you are burning carbons. Then when fire became efficient and they started to cut down too many forest trees they looked for paleontological fuel, which is coal, and then the era of coal was exhausted during the Middle Ages, and the days of the Bessemer converter in Europe, which used to make all the steel, fuelled by coal, and they went into oil and gas exploration, oil in particular. Gas was a nuisance by-product of the production of liquid petroleum. Today, gas is thought about to be the clean fuel, and then we are even going post gas, which is the classic renewables. Okay? So it is a whole evolutionary process that has been taking place.

But let me just backtrack into the historical context of this fossil fuel thing, and this climate change issue. Most of you, probably some of you would not remember this, but if you read the literature the pre-1973 era, in 1973 had the Arab oil embargo, the formation of OPEC, and petroleum prices went up 400 per cent within a couple of months. Take your mind back to the pre-1973 era in the United States. The Minister of Finance spoke about the gas guzzler tax, that was the era of the gas guzzler, the Chevy, the Buick, the Oldsmobile, the big long cars—I am

sure Sen. Hadeed had one—massive long vehicles, guzzling gas, something like six miles per gallon, and that was the great 1960s and '70s of America. It was the golden era of American prosperity. It was epitomized by the topless sports vehicle, and you see the movies about them. Added to which, it was also, what we call the smokestack era, with these big silos pumping carbon dioxide and sulphur dioxide into the atmosphere, and then it was also what we call the fuel oil era in electricity generation.

I spoke, at the last time I spoke here, about the refineries that we had in the Caribbean, Curacao, Aruba, St. Croix, and Pointe-a-Pierre, that were designed to refine fuel oil to fire the turbines of the north-east coast of the United States. What happened after the 1973 era is the United States became very fuel efficient conscious so they started to deal with fuel efficiency, smaller vehicles, and what have you. The speed limit they changed for that. The smokestack era came to an end, in a sense, with the, what was called the Clean Air Act of the United States of America, which was federal legislation, and there were a series of amendments in 1970, 1977, and 1990 all that indicated that you have to reduce your carbon, your Co₂ emission, to reduce your sulphur dioxide emission, to have filters at the top of your stack to take out particulate matters that were going into the atmosphere. And, by and large, the major aspect of it, because even with all the smokestack industry the biggest pollutant was really the generation of electricity from fuel oil.

America had a major transformation over the last two decades in terms of controlling their smokestack; in particular, most of the electricity generation now in the United States comes from gas-driven turbines, and, to some extent, nuclear, but coal is probably used in certain parts of the Midwest, they still use coal. But the transformation is taking place, because, remember, they did not have the

quantum of gas, and gas was not transportable. There was not an LNG industry, and then they could not ship gas because Canada did not have much gas fields, it was mostly oil field, but they are making a major transition into gas-driven turbines.

So all these factors have contributed to our administration taking the position that we have to go green, we have to deal frontally with the issue of climate change, of global warming, of the carbon footprint, all these are terminologies that have become in vogue, sea level rises, and all these are interrelated. I can recall the global warming issue really took a quantum leap from Al Gore, in particular. He has been one of the champions. I remember listening to a lecture from him, on the Net not physically, where he introduces himself as saying, “My name is Al Gore, I used to be the next President of the United States”, [*Laughter*] but he has been one of the main champions in getting the scientific world to accept—it is the way he made his presentation, he was not a scientist per se, but he compiled the data, and the Al Gore foundation, or whatever he represented did in fact make a major claim into this global warming. Today, 80 per cent of all the scientists who are dealing with this matter have concluded that global warming is a manmade issue, and there is enough evidence because there are now satellite images from outer space that shows you how water vapour, carbon dioxide and sulphur dioxide trap the heat because the heat cannot radiate in the night coming out of the planet.

So it is a real issue. As a geologist, myself, I was not totally sold out of global warming initially, because when you study the Quaternary, which is the latest epoch in the history of the earth, the Quaternary Period was characterized by glaciation and warm periods. So every three or four hundred years you have a period of glaciation, and then you have a retreat of the glaciers with warming. So

there is a cyclicity of global temperature through historic time. Okay? So cold spells, warm spells, cold spells, warm spells, so if we put the current situation into that level of cyclicity you may want to conclude as a scientist that nothing is manmade about it.

But, today, I have now reconsidered that position, and I am totally convinced as a scientist that global warming is real, global warming is manmade, and global warming can only be solved by the intervention of humanity to save its own self and to save the planet. In that sense, I compliment the Paris Agreement and the signing of the documents in New York by our hon. Minister of Foreign and Caricom Affairs, and the world has now bought in for the first time, they have set new guidelines and new criteria that global warming should not increase by more than 1.5 per cent of the pre-industrial temperature, and I think if there is buy-in to that, I think it will happen.

I will spend a couple of minutes now on CNG. Madam President, somebody quoted the Minister of Finance, in a previous incarnation, saying that CNG would not work, but the reason that was said was because it was taken out of context. CNG could never have worked in Trinidad and Tobago if diesel prices remained at TT \$1.50 per litre, because there would have been no incentive to change. How can you compete with diesel at TT \$1.50 per litre, with a conversion cost, and with a greater expense to even know you are ordering a CNG vehicle new than a normal vehicle, and plus—well I will deal with that later on, but let me just look at—I have a printout here of diesel prices in the world. Trinidad and Tobago has the tenth cheapest diesel price in the world as we speak, even with the 15 per cent increase, you know, I am telling you. Okay? The tenth cheapest diesel price in the world even after it was increased to TT \$2 with the 15 per cent increase.

I regretfully say, the cheapest diesel in the world, and, again, I am very careful about speaking about other countries because there is diplomacy, and we have to realize that we are a sitting Government so we have to be careful what we say. The cheapest diesel in the world, Madam President, is Venezuela. You know what is the price of a litre in US dollars? Well, it is US cents, \$0.01, which is US \$0.01 per litre, TT six cents—TT 6.5 cents per litre. No wonder Venezuela is in the problem they are in, but I say nothing about a sovereign State.

And to show you what is development and what is underdevelopment, I want to draw your attention to who has the most expensive diesel in the world, and none of you will believe this piece of information. At US \$1.60 per litre is Norway. Norway has hydrocarbons, you know, but Norway has taken the decision to tax, not to subsidize, to tax diesel, and Norway, with US \$850 billion in their sovereign fund, is talking about life post fossil fuel. And as the Minister of Finance said in the House, Saudi Arabia, the great Saudi Arabia, is starting to speak that language. Madam President, it is high time that Trinidad and Tobago starts to speak the language of post fossil fuel. [*Desk thumping*]

So you have the price of diesel as a deterrent to the use of CNG. The cost of conversion was a deterrent, the service station grid was a deterrent, and, in fact, one of the major deterrents, because why should you buy a CNG vehicle, or convert to CNG, “and if you have to go to Mayaro and yuh CNG run out, it ent have no place to fill”. Or if you have to go to Point Fortin there is no place to fill, so commensurate with the conversion has to become the establishment of the service station grid to support the system.

Another major constraint was the efficiency of the compressors themselves in terms of the filling station, because it took an inordinately long time to fill with

CNG. I remember going at Rushworth Street gas station where they had a compressor and these old 280C who had converted to CNG, most of them taxis, I used to feel sorry for them, because they will wait an hour in the line because it was taking on an average 10 to 15 minutes for one vehicle to fill up. Now with new technology NP has gotten, and the CNG Company of NGC, which is NGC CNG, they have no more efficient compressors so the filling time is less.

4.15 p.m.

So what we have here now—I just want to share some statistics with you coming out of the CNG/NGC company that really and truly justifies the claim for CNG. As we speak CNG is the cleanest fossil fuel available. So while it is fossil fuel, it is the cleanest fossil fuel, so it is a step in the right direction. That is in terms of the carbon footprint.

In Trinidad now, based on the increase in the price of diesel, CNG is now 50 per cent less expensive than diesel. I assume when the total reduction of the subsidy comes in the coming year or two, that percentage would be significantly increased in terms of how less expensive it would be than diesel. It is 72 per cent cheaper than super and 82 per cent cheaper than premium, so that in itself is a financial and economic justification.

There are some statistics here that I want to also share. A maxi-taxi driver using an average of 20,000 litres of diesel per year—which is the average for a maxi-taxi—on switching to CNG will save \$20,000 annually. In addition they should save approximately \$65,000 on the purchase price of a new small CNG maxi or \$150,000 on a large CNG maxi. On the capital side they have significant savings. On the CNG side they have significant savings. So if these savings become a reality in the coming year or two, I do not foresee a significant increase

in transportation cost in Trinidad and Tobago. The issue of transportation cost, it should actually go down. So this fear in the population that the cost of transportation will go up, and go up significantly because of the reduction of the subsidy of the diesel fuel, is a fallacy. So I want to put that to rest.

Finally, Madam President, the issue which I think is the most challenging really, is that of the service station network, because nobody will convert to CNG unless there is a reliable, well-distributed nationally CNG grid of stations. Let me just go on the record and say this: even the service station network for liquid fuel is terrible in Trinidad and Tobago. It is bad; it is horrible; it is poor. It is so frustrating. We have built the Solomon Hochoy Highway and the Uriah Butler Highway to San Fernando since the 1970s. As we speak, you would leave the lighthouse in Port of Spain and travel straight down to Debe, and outside of Medford gas station that turns off at Edinburgh 500, there is absolutely no gas station. [*Interruption*] I said apart from Brentwood. But one gas station on your longest highway in Trinidad? Well Medford is in Chaguanas; I am talking about Brentwood.

The Churchill Roosevelt Highway is the same. The one in Tacarigua was recently opened. Nobody is here from Sangre Grande. Sangre Grande is the most terrible place to look for gas. Apart from the Valencia gas station, there is one gas station operating in Guaico that vehicles are on the road blocking traffic all the time, and then in the heart of Sangre Grande is a small Unipet station that blocks the traffic. There are long lines awaiting. I call on NP and the retail sector that we have some work to do there.

Having said that, NGC in conjunction with NP has to expand the network and expand it fast. My information here is that Government has approved the

construction of 22 new CNG stations. They plan to open nine new stations: St. Christopher's, Wrightson Road, which was opened recently; Ramco, Orange Grove, carded for opening on June 27th; O'Meara, Arima, carded for opening on August 31st; Tumpuna Road, Arima, September 15th; Starlight, Diego Martin, 21st; Santa Flora, 26th; Macbean, Couva, December 4th; Cove in Tobago very well done, because there is a gas line in the Cove Industrial Estate as we speak.

Sen. Dr. Mahabir: Hon. Minister, will you give way? Thank you very much. I just need some clarification with respect to Government's policy. We understand the need to expand the service station network, but with respect to Government's policy itself, does the Government of Trinidad and Tobago have a policy of ensuring that over the next three years, say, all the vehicles used by various arms of the State will be CNG vehicles?

Sen. The Hon. F. Khan: The matter is up for discussion. We have not taken an official policy that comes through the Cabinet, but it is under active consideration and we are getting closer and closer to a decision on that. But the network now has to do with where you have gas lines running, because the technology for portable CNG is still out for grabs. I know there is CNG technology now coming out of Brazil that has the portability in terms of moving with trucks and filling up the compressor station. But as we speak, most of our service stations are from actual NGC pipelines that run in close vicinity to the service station.

So, Madam President, while the two Motions before us is really a small step; it is really putting taxes on vehicles in excess of 2000cc and in a sense to stop the rampant use of large vehicles that burn more fuel and burns more liquid fuel in essence, I think it is the start of a journey for Trinidad and Tobago as we become conscious of our present circumstance, both in terms of oil and gas prices, the

long-term future of the fossil fuel sector, the whole issue of the environment, global warming, sea level changes, sea level rising, and the whole concept of bringing sustainable energy, bringing environmentally friendly policy in a 21st Century world.

With these comments I propose and ask this honourable House to support the Motion of the Minister of Finance because I think it is rooted in good policy and it is rooted in the best interest of Trinidad and Tobago.

Madam President, I thank you.

Sen. Gerald Hadeed: Thank you very much, Madam President. I am happy to be able to speak today on the Motor Vehicles and Road Traffic Act and also on the Motor Vehicles and Road Traffic amendment.

Let me address the first speaker, the hon. Minister of Finance, only to explain that luxury vehicles, Sir, are not only Porsches, Mercedes, Jaguars, Toyota Prados, but in the context of utilization of the cc ratings, there are vehicles such as the Hyundai Sonata, the Nissan Almera, the Kia Sorento and a few more. These are vehicles that would be purchased by middle class people in Trinidad and Tobago, and these new taxes would, in fact, hit the middle class very, very hard.

People aspire to raise themselves and get better as they progress in life, and to create a hardship for the middle class to be able to rise and go up as their life improves, by having to pay more for these vehicles, I think it is unfair at this present time.

As Minister Franklin Khan intimated, in the 1960s the big guzzlers, as he called them—I did not have one in the 1960s incidentally. In the 1960s I was driving a Volkswagen Beetle. I paid \$600 for it, so I was not one of those fortunate people then. But in my case I worked hard to try to come from where I

was at the time. I was a customs clerk at the time. I worked for Standard Distributors. I was a salesman, I was a bill collector. So people work to get themselves a better standard of life, a higher quality of life for themselves and their families. By introducing measures to stymie that love to want to be better, at this present time—these other vehicles are not luxury vehicles. They are vehicles that would accommodate families to be happy and comfortable. Not everybody wants to buy a vehicle, a Tiida or whatever. Not everybody wants to drive a Tiida, but, again, give consideration please to the middle class in our society, for a lot of people are middle class still. Let us not carry them downwards. Let us help them to come up, to get a higher standard of life. [*Desk thumping*]

Madam President, we must compare apples with apples, and I refer again to hon. Franklin Khan's contribution where he intimated that in Norway the citizens pay the highest price in the world for fuel oil. Well, the citizens of Norway pay exorbitant taxes; they pay a lot of taxes. However, with the taxes that they pay, they have a high quality of living, and the services that are given to those citizens are astronomically better than anything that we are experiencing here with the taxes that we are paying.

We talk about Grenada, they are paying so much of money; Barbados, they do not have a BMW or a Mercedes Benz; Jamaica. Those countries depend solely on the tourism industry—solely. They are by nature a taxed society. They have to pay taxes. Trinidad and Tobago is different. We have an economy that is both based on oil and based on gas and, to some extent, we do have manufacturing.

In an article today, I would just like to quote a little bit out of it, by Mariano Browne, former Minister in the Ministry of Finance, he talked about increasing

export potential. One would have expected that we would have heard today that whilst we are phasing out fossil fuels, what alternatives would we have or would we be able to get investments in. Have we identified those areas that we can attract investment? As we all know LNG is a diminishing export that sooner or later we would have no gas for. [*Interruption*]

Madam President: Thank you, Sen. Hadeed. At this time we will take the tea break. So this sitting is suspended until 5.00p.m.

4.30p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam Speaker: Sen. Hadeed, and you have 33 more minutes. [*Desk thumping*]

Sen. G. Hadeed: Again, thank you, again, Madam President. Post fossil fuel world, it has come to past finally. It has been spoken about 20, 25 years now. We in Trinidad and Tobago have not even—we do not have a plan. When oil and gas reserves are no longer available and that the world has changed their economic policies to “more greener” areas for motor vehicles, electricity, et cetera, what do we do? What do we do at this time? Our main contributor to our economy comes, as you know Minister, from oil and gas, more from gas than oil. What is our main exporter to earn revenues? It is LNG. What is LNG? LNG is a gas. Want to look at an LNG plant like a massive vacuum cleaner just sucking the gas out of the ground, sucking it out and it goes into processors and it goes into tankers and off it goes.

Why do we not think of, in the near future, stop Train 1. The contract is almost at an end. Utilize the gas that was going to Train 1 into downstreaming and adding value to this gas. You get a better rate of return on the gas. And as the trains come up, do the same thing. If we are to look at the future, if we are to look

at—what is there that can replace what we have today and will not have tomorrow? We must do that and we should have done it years ago.

There was somewhere, I believe, eight or 10 years ago an idea to create at the Point Lisas Industrial Estate the photogenic cells that you bring—that you can use our energy here and bring the sand from Guyana and create the big glass mirrors that you can harness your energy with. We must plan to take the steps that are necessary to safeguard the citizens of Trinidad and Tobago with proper planning. And I ask the Minister to take into consideration any opportunity to encourage investments in green energy, to give us that opportunity here, utilizing our gas as the main resource for the conversion to get better benefits of your own natural resource.

I would like to just go back and quote from former Minister in Government Mariano Browne:

“More conversations need to be held on how this country can increase its exports...”—[*Interruption*]

Madam President: Sen. Hadeed, could you just identify which newspaper and the date?

Sen. G. Hadeed: Certainly. It is the *Business Express* of today's date. What he is saying is exactly what I am saying. [*Crosstalk*] No. You all read it. Let us look and let us be serious about where we are heading.

Hon. Imbert: I did not read it.

Sen. G. Hadeed: May I just pass it to him if he cannot reach? Yeah. So I am saying again that we need to look seriously at what we are about and why we should do the necessary things to change the economy from where it is today.

Madam President, the Minister talked about a sin tax; say there were taxes,

sin tax, et cetera, et cetera. You know what is a sin? A sin is allowing the business community advance notice that in May they are going to be increasing cigarettes and alcohol taxes. So he is giving them two months to stock up, to fill the warehouses at the lower price, but as soon as the taxes come in, additional profits for the businessmen. [*Desk thumping*] That is sin tax. That, Madam President, is what I call a sin tax. A sin tax is taking away the opportunity for the middle class to enjoy the luxuries of a middle class considered car and not put those cars also into the bracket of a luxurious car. That is wrong. We need to be able to really share the burden of adjustments as both Ministers spoke about.

I would like to raise just a few issues and this is taken from the global issue, www.globalissues.org. It was published on March 24, 2013 and it is by Anup Shah. And they talk about sharing the burden of adjustments. Here is what is said and I quote:

“Debt is an efficient tool. It ensure access to other people’s raw material and infrastructure on the cheapest possible terms. Dozens of countries must compete for shrinking export markets and can export only a limited range of products because of Northern protectionism and their lack of cash to invest in diversification. Market saturation ensues, reducing exporters’ income to a bare minimum while the North enjoys huge savings. The IMF cannot seem to understand that investing in ... [a] healthy, well-fed, literate population ... is the most intelligent economic choice a country can make.”

It goes on.

“Following an ideology known as neoliberalism, and spearheaded by these and other institutions known as the “Washington Consensus”...Structural Adjustment Policies...have been imposed to ensure debt repayment and

economic restructuring. But the way it has happened has required poor countries to reduce spending on things like health, education and development, while debt repayment and other economic policies have been made the priority. In effect, the IMF and World Bank have demanded that poor nations lower the standard of living of their people.”

Lowering the standard of living of their people. Take away any and all good health facilities is wrong. Education, lowering the standards of education by the removal of books and computers and putting them on a VAT-increased regimen is wrong. [*Desk thumping*] Structural adjustment is not only for the poor and it is not only for the middle class.

Sen. Wade Mark has intimated and indicated that reducing and—my friend Sen. Dr. Mahabir—they have indicated that—they have insisted actually that giving a moratorium to the rich is wrong. You cannot punish the poor and the middle class and leave the rich unaffected. The adjustment policies they claim:

“They prescribe cutbacks, ‘liberalization’ of the economy and resource extraction/export-oriented open markets as part of their structural adjustment.”

It went on here to say that reducing your standard of living, your standard of living is reduced when you impose taxation on the poor and the middle class. It is wrong. It is wrong to do this. Why must the poor always pay for the rich? It is wrong. We must always consider the poor and the vulnerable and that is the duty of a government. The duty of a government it to protect its citizens, Madam President, in every way possible. Those who cannot get themselves up, they must have a social net to help them up. The mothers who need milk and diapers for the children, they need to be helped because they do not have the wherewithal to get

the necessary funds to take care of the children.

Our problem in our society today, Madam President, did not start today. It started many years ago. And the problem then, as I see it, was the introduction of the competition for places in schools. That is where the problem started, eh. The competition for places in the prestige schools. The poor did not have a chance against the middle class and the rich to have their children get into the prestige schools. Why? There were so many places. The poor had no opportunity to send the children to have private lessons and be trained to compete for those places. So they were left behind.

If we were a government and we really meant to help the poor and get those children up to the standards, we would have created institutions for them to go to, like the early childhood centres that were built during the 2010/2015 period. [*Desk thumping*] Early childhood centres, the centre of learning. These children needed that then. Where was our government when all the money was coming in? Never did they look to introduce early childhood centres during the period of time of plenty money. They did at one time. They gave \$30 million to a Korean company. They built one school and they disappeared. I think the name is Haji. If my mind serves me, it was Haji. One school, \$30 million and they disappeared. They “cyar” find where Haji is. I thought it was Ali Baba or “haji baba”, disappear. Wrong. We must at all times look at education to take us and take the children out of poverty. Education, the number one; everybody tells you that, Madam President.

5.15 p.m.

We must be serious about it. It is hurtful. It is hurtful not to be seen as a caring Government. Putting licks on the poor will only make the poor rebel. We

must take care of the old, the sick, the infirmed; we must do it dispassionately, without fear without favour. There are so many old people that would love to have a beautiful last days on this earth where people will take care of them, see about their medicine, see about their care, give them good proper meals, so when they die they could say to themselves, at least, my Government took care of me when I needed it. [*Interruption*]

Madam President, they can say what they want, you know. They could say what they want. They were put there mostly by the poor, they are turning their backs on the poor. [*Desk thumping*] The poor will revolt on them. The poor will revolt on them. It will be a doomsday for them one day when they continue to be arrogant with the poor. To burden the poor with all sorts of taxes and then say that is structural adjustment.

Madam President, I would not stay long, because I just wanted to say my piece on this Government's position when it comes to taxation and the distribution, and the adjustment. But more, hitting the poor, and the middle class, and anybody else. Thank you very much.

Sen. Taurel Shrikissoo: Thank you, Madam President. In giving consideration as to whether or not I should be contributing to this debate, I thank you for allowing me to enter into this debate after having heard the presentation of the hon. Minister, who I think I have cordial relations with, and used my car as the example. [*Laughter*] And then I am saying, okay, if I did not offend this gentleman, my goodly coordinator, also used the same vehicle as the example. So I am saying, do I have any defenders in the House. But I must say it is an interesting debate, and having been able to be sitting on the receiving end of it, I hope that my perspective is appreciated and well received with no ill intent.

[*Laughter*]

But in reading the Bill that is before us, I realized that there are two components, as the goodly Minister has indicated to us, of the intention of the Bill. The first he spoke of is that of the change in behaviour that he is trying to bring about in our country with respect to the use of energy and alternative energy sources. The second, although he said that it does not have a revenue motive, I think that there is some element of it that needs to be considered, because it is a taxation measure and, as Sen. Mark said in his contribution, it is a taxation measure that will bring revenue to the Government, and therefore, we must be careful in how we expend this revenue to be earned. So, I would like to know, and as the Minister rightly pointed out, there was some element of difficulty in collecting the data and analysing the data, because the data was just not available in terms of engine sizes and the number of vehicles. One source that probably gave me more accurate information would be the Trinidad and Tobago Automotive Dealers Association, and they gave an average, rather than an exact number, but I still thought that it would have been able to help guide.

So, in this I would like to ask, and I am saying this in the context of—although you pointed out, Mr. Minister, through you, Madam President, that it is not a revenue measure, I would still like to know, as other speakers would have spoken and asked, what is the level of revenue to be derived from this measure? And, I am saying this in the context of where a budget has been presented where current expenditure exceeds current revenue, and there is a deficit to be closed. And a measure that could be used to close that deficit is that of taxation, and now we are seeing with respect to that taxation that revenue can be sourced from this tax measure that is being introduced.

The problem I am having as a citizen of this country, with revenue derived from taxation, is the use of which this revenue has been ascribed to. [*Desk thumping*] And there is where my concern is. So, if there is value for money in the revenue derived, then we can support the measure. But, if there is an indication that the revenue to be derived will not be properly executed or used in terms of the development of the people of Trinidad and Tobago, I would have some concerns with that. And the background of making this point is to say, and I am quoting an article from Wednesday, March 16, 2016, it is an online article, “The future of Trinidad and Tobago”, and it highlighted several projects in Trinidad and Tobago where there were cost overruns. And I am saying it is the Chaguanas Corporation Administrative Complex, \$10 million over—and I am only calling the figures that are over budget—PM’s Residence and Diplomatic Centre, \$70 million; Beverly Hills Housing Project, \$106 million.

I am just going to list a few; Government Campus, \$300 million; International Waterfront Project, \$1,340 million, and these are projects for which revenue of the taxes of people of Trinidad and Tobago have been used to fund, and it is not to say that our country has been accustomed to this by one regime, because if I could quote Sen. Khan in his last contribution, he did say that the highway from San Fernando to Point Fortin has been embattled, and he quoted from addendum two, is it, where he sighted that there is some element of legal protection from the companies that were involved in this, signed just before the election, so that made it difficult for the country to recover, if any at all, any revenue that could have been derived from that misuse of funds. So, I am saying here at this point, if we are going to increase a measure, via taxation, to earn the country revenue therefore let the revenue be properly expended on the people of

Trinidad and Tobago. That is my point with respect to that.

The second point that I want to raise today is the fact that we are hearing about to ease the burden on the public, or to balance it, and I am particularly concerned about that measure. The reason why I am concerned about that measure is that we are saying to this country we are in a deficit position and we are asking the people of Trinidad and Tobago to find different ways and to help provide the revenue to close the gap of expenditure versus revenue. Here it is we are seeing a taxation measure that has the potential to increase the cost of a vehicle by up to 20 per cent, but Government has indicated that they are going to cut their expenditure by 7 per cent. How is there equity and parity in a situation where there is a particular sector of society, or citizens of Trinidad and Tobago taking on a burden of a 20 per cent increase, when the Government has signalled their intention to reduce expenditure, expenditure that they have control over by 7 per cent? Is there really equity in the measure?

And to bring some element or to address one of Sen. Mahabir's points with respect to this luxury tax, I am saying today that a luxury tax on this class of vehicle is not new. Currently, if you are to evaluate the pricing of these vehicles and you would realize that the cost of a vehicle with a showroom price of about \$600,000 really materializes into a \$1.1 million. So, you already have a luxury tax on these vehicles at an average of between 90 and 100 per cent. So a luxury tax is not new in this area. So therefore, with respect to easing the burden of adjustment we are saying, is there equity in easing the burden? And a luxury tax has been imposed on these vehicles before, so what we are seeing here is an extension on increase in these taxes.

Further, I would like to say that let us evaluate the classes of society or the

sector in society, I should say, to which they are going to be more severely affected by this measure. And I would like to say, and I stand corrected if I am wrong, it would be those who are in middle and upper level management, those who are shareholders, directors and owners of enterprise; those who are self-employed, and some professionals in their capacity. This sector really forms the private sector of Trinidad and Tobago, and so we are seeing or we are asking here today, the private sector, or those employed, to have an additional expenditure should they require to pursue or purchase a vehicle of a certain engine size. Why is it that at a time like this, when a country needs private sector investment, this is the same sector that we are going after to increase the level of taxation that they would have to pay? Taxation in any form, or in this form can be a disincentive to investment. And if we require the support of the sector, then we should be considering how we can incentivize investment rather than tax so as to withdraw money from the economy. And I am concerned, because this is the sector that is supposed to be developed to drive the development of Trinidad and Tobago, yet we are seeing a disincentive in the form of increased taxation.

So, could we really consider what is going on here in this sector? And if you consider any element, or any motivational theory with respect to organizational behaviour, you would realize that people are driven by their performance based on the reward that they can get. And as Sen. Hadeed was saying in his contribution, are we creating a situation where people are not motivated to achieve a certain level of income, because once they get there the benefit that could be [*Desk thumping*] derived by the use of that income is being taken away from them? And is the taxation measure that is before us, is it a motivator or is it a “demotivator”? And, if it is a “demotivator”, we are in more

problems, because we are in a situation where we would like the GDP of our country to increase, and if the private sector is to drive the GDP of this country in this capacity by taxing the private sector additionally, it will retard investment as well as production. [*Desk thumping*]

[*Sen. Khan stands*]

Sen. T. Shrikissoo: Let me finish. Please, after. I just do not want to get thrown off on the point.

So, with respect to many different theories we can refer to those theories and recognize that to keep the private sector productive, you must keep the private sector motivated, and that I am very much concerned as to whether or not the measure would be a motivator or a “demotivator”? Sen. Khan, Ma’am.

Sen. Khan: You need to reconcile your logic. Because, how do you reconcile what you have said here, where we are putting increased taxes on luxury vehicles, where we have corporation tax at a mere 30 per cent, and personal income tax marginal rate at 25 per cent.

Hon. Imbert: Corporation is 25.

Sen. Khan: Corporation is 25 and personal is also 25.

Sen. T. Shrikissoo: Thank you, Sir. But I am debating the Motion before us, and I want to consider the facts before us, and when the further Bill comes with respect to corporation tax and others we will deal with it at that level. Thank you, Sir. [*Laughter and desk thumping*]

I want ask this honourable House with respect to this measure, how much consideration was given to the automotive dealers of this country? And I am glad to hear that the purchase of hybrids and stuff would be incentivized. But, I am asking the question today, how many of our automotive dealers in this country,

who would now be asked or required to bring in hybrid vehicles, how many of them are really equipped and prepared to service these vehicles? Are the technicians of our country trained so as to repair and fix these vehicles? Are the parts available for these hybrid vehicles? What is the investment that these companies must make in order to sell these vehicles? My information is saying to me at this point in time, there are some companies, if required to bring in hybrid and alternative powered vehicles, it will take their arrangements up to two years before they can bring in the first one. The question is, what happens to companies like that, who this Motion affects roughly 50 or 60 cars annually which represents close 17 or 18 per cent of their total sales.

5.30 p.m.

So while the number may be small, the impact per company is significant. What is the measure or what is available? Are these companies prepared? Are these companies equipped? And I honestly believe that they are not as equipped as they should be or they are not as ready as they should be. And through you, Madam President, I would just like to cite a judgment, and it is online. I would just like to read it, just three or four lines. And it says:

“Danley Maharaj received the refund on the entire purchase price of the C-Class Mercedes Benz, after High Court Judge Frank Seepersad ruled that the company breached its contract by failing to properly address the defects experienced after the purchase in August 2013.”

It is a judgment and it sets a precedent. So what happens if these vehicles come into the country and these automotive dealers are unable to rectify the problems? Have they been given the time frame? Have they been given notice? And I am honestly of the view that the measure is quite an immediate one and I do

not really know factually if they have been given sufficient notice.

My next point concerns a particular sector. In the budget presentation 2015/2016, we saw an increase in Business Levy, from point two to point six and Green Fund, from point one to point three. If you add those two together you get roughly an obligation of 1 per cent. There is a particular sector which Sen. Khan had referred to in his contribution which refers to the retail sales of fuel in this country, gas stations. And for anyone who does not know the gross margin per litre for these stations is roughly 7 per cent gross, before any expenses are taken out. And we have seen two fiscal measures come together and take away 1 per cent of their top line.

So they are now down to 6 per cent. But where am I going with this. The alternative use of vehicles now or type of vehicles which will be hybrid seeks to reduce the consumption of gasoline or fossil fuel. If it is that these companies are now suffering from a lower margin because of fiscal measures and now lower volumes because of alternative cars, what will happen to this particular sector?

In Trinidad and Tobago there are roughly 30 Unipet stations and 160 NP stations. That is close to 200, 190 stations. What will happen to this sector if unaddressed, now having to work with smaller margins and now lower volumes? Can this sector be looked at in terms of its structure and in terms of the impact?

And so today, as I come to an end, a very short contribution, I am asking that there are certain issues with respect to this measure that need to be addressed. With respect to the use of alternative cars, alternative powered cars, such as the hybrid cars, and Sen. Mahabir asked whether or not the same level of taxation will be applied and he appealed for it. I am saying in the last administration there were measures that were proposed for hybrid cars but the reality of the situation is when

you got to the firms they told you that cars above a certain engine size there was no benefit.

So I am asking today, let us have a clear call on whether or not these vehicles, hybrid of any size, will it attract any form of taxation or not? And the reason why I am asking this is because the goodly Minister said that one of the objectives of the measure is that of a behavioural adjustment. And if it is a behavioural adjustment it should be incentivized. If it is a revenue adjustment then we can agree with the level of taxation. But the Minister has told us that it is a behavioural measure and therefore I ask, would the hybrid vehicles of a certain engine size and above 1999 really benefit from this measure which is supposed to improve or change behaviour?

So, Madam President, I thank you for the time that you would have allowed me to make this short contribution and I just want to recap on what I would have said before and ask for what use would the revenue collected from this measure be put to? Would the measure serve as a “demotivator” or a motivator to the private sector? Was there consultation with respect to the automotive dealers to adequately prepare them for this change or this implementation that has such a sudden occurrence or it suddenly appears before them, they did not give them time.

How it is that the sector of the retail gas stations are going to be affected by the change in, one, the lower revenue and secondly, the lower volume? Is Trinidad and Tobago currently ready for such a change? As Sen. Khan was saying, it has to be a new era. But then do we take this new era and impose it on the country via taxation. I do believe as Sen. Mark was saying, that a country is an educated people that would listen and they would respond. Give them a chance first to adjust their behaviour and then implement the tax as a penalty for nonconformance

rather than taking our people for granted and chose to implement or force behavioural change through taxation.

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

Sen. Khadijah Ameen: Thank you very much, Madam President. I thank you for the opportunity to contribute in this debate which asks the Senate to agree to the Legal Notice No. 47 in the *Gazette*, to agree to an increase in motor vehicle taxes on vehicles with engine size exceeding 1999cc and the Amendment to the First Schedule of the Customs Act, to increase the taxes on some vehicles.

Madam President, it is in the public domain and it has been referred to by more than one Member contributing to the debate today as the luxury vehicle tax. Madam President, today I wish to look at a few things in my short contribution. What is luxury vehicle tax and is this really a luxury vehicle tax? How luxury vehicle tax applies in other jurisdiction, and I will take the opportunity to refer to some examples given by the hon. Minister of Finance in his contribution. And looking at the purpose or what this measure would achieve in our society with the current environment. I also intend to bring attention to this Government's seemingly haphazard approach to taxation and revenue generation and the effect it has on citizens.

Madam President, my question with regard to whether this is really a luxury vehicle tax comes because of matters of confusion emanating from the hon. Minister. In the Lower House it was mostly given as, the purpose for this measure, as revenue generation. In the public domain, in the newspapers it was also quoted as that and I suppose, it appears to me, Madam President, and those in the public as well, it appears that the Minister has lost the argument about this measure being a revenue generating measure. He lost that argument in the Lower House and so

today he is here in the Senate with a different argument claiming that this is for something else. [*Desk thumping*]

Madam President, I noted the Minister putting forward in his explanation earlier, that the purpose of this is to change the habits and behaviour of the nation. If the objective of this measure is to tax luxury vehicles, if it is to generate income, then it should be pegged on the price of the vehicle and not the size of the engine. But we must deal with what the Minister put forward today. I really do not know which truth to deal with today, but I will deal with what was laid before us today and that is, that the purpose of this is to change the lifestyles and habits of our citizens. And therefore, the Minister is urging our citizens to drive smaller vehicles so you should desist from having a Porsche Macan and move to a smaller vehicle below the 1999cc.

But, Madam President, I want to bring to your attention the fact that there are a number of vehicles that will be caught in this net that are within the engine size but are not luxury vehicles. When a student graduates from UWI and they have the opportunity to purchase their first vehicle, very often it is a foreign used car. And their next attempt would most likely be to move upward as a working person then to purchase a vehicle. And I want to bring to your attention, Madam President, that a Nissan X-Trail which is 2000cc is not a luxury vehicle, but it is a vehicle that a young working person would aspire to purchase and that would also fall in the category where they will pay 50 per cent more.

A Honda Accord, a Nissan Maxima, a Nissan Cefiro, from Toyota there are also a number of vehicles as well that are within the range identified here today that are not luxury vehicles. And what I see is a taxation on upward mobility of the average citizen in Trinidad and Tobago. [*Desk thumping*] I see this as

preventing the average family from aspiring for better. There is intergenerational progress, there is progress where parents work hard so that their children will have better and there is the progress that people are privileged to see within their lifetime. And Sen. Hadeed referred to his own good self as an example, speaking of his early years as a customs clerk and the vehicle that he drove, and drawing reference to himself working over the years and building up himself and that progression that any young person should aspire for. And this really shoots down the aspirations of the average family or the average young person in Trinidad and Tobago.

Madam President, the United States in 1990, a luxury vehicle tax was introduced. And this was pegged on the price of the vehicle. Any vehicle that cost over \$30,000 was taxed 10 per cent of the excess. So if a vehicle cost \$40,000 you would tax 1 per cent of the \$10,000. And it was a federal tax that was imposed on expensive cars, sport cars and so on, that were designed for luxury, designed for comfort and designed for prestige. And, of course, the tax expired in 2002 and there were people who were for and against it, but the Minister also mentioned in Australia, the luxury car tax there in Australia. And once again this is pegged on the cost of the vehicle, not on the size of the engine. And I am saying if you are targeting luxury vehicle you must look at the features and what makes it a luxury vehicle.

5.45 p.m.

If your purpose is to reduce the carbon footprint and all those lovely green things, friendly to the environment and so on, then you are looking at discouraging vehicles of a certain engine size and fuel consumption to be used, then you are going in a different direction. But I am not too sure what to believe here today,

Madam President. And the Minister also mentioned in India—the luxury vehicle tax in India. In India, 40 per cent of the population in Delhi, they identified a vehicle—suffering from issues with regard to vehicle emissions—health issues.

So the purpose of this tax in India was to reduce pollution and tens of thousands of children in that country grow up breathing in poor quality air. So the tax regime in India with regard to vehicles was not only with regard to luxury vehicles but it also dealt with the engine size. There was a 1 per cent tax on cars that were less than four metres in length—small cars—to encourage people to purchase those cars, and cars with engines below 1200cc that ran on petrol or liquid petroleum gas and CNG.

The tax for vehicles—the small diesel vehicles less than four metres, was 2.5 per cent. So higher emissions, a little higher tax. And these were for engines that were 1500cc. And the larger vehicles—there was a 4 per cent tax on the larger vehicles. These taxes, of course, generated significant income towards the Indian national budget and it had gotten to that point in India where in December of 2015, which was only last year—less than one year ago—the Supreme Court banned the sale of diesel vehicle with engines of 2,000cc and above in the national capital region.

And I am pointing this out to say that in India the purpose of the tax and the whole tax regime towards vehicles really had a different incentive behind it. Is that the incentive here? It is not. And I say that because the number of vehicles that are considered luxury vehicles based on the figures—and several speakers before me mentioned the unreliability of the statistics that are available in this country. And so the averages given, particularly by the Automotive Dealers Association, really speak to a very small percentage of the vehicles that are purchased annually

being luxury vehicles.

I believe it was said that about 30,000 vehicles are purchased annually and of that you have about 400 vehicles that fall within this definition of luxury, that is over 1999cc. And the question is: how much revenue are you really going to raise if you are looking at raising revenue? If you look at the smallest vehicle of 2000cc, at the smallest rate, on the calculations that are proposed before us you are looking at \$75,000 more on that vehicle, as revenue coming to the Government. If you are looking at a vehicle of about 4000cc, you are looking at about \$300 additional in terms of the cost of that vehicle, going as revenue towards the Government.

The question we ask is—and I know this was asked even in the public domain: how much revenue does this really generate? It is insignificant, a drop in the barrel in terms of the size of the national budget, which is well over \$60 billion. Of course, the new argument we have in front of us is with regards to lowering fuel emissions and the carbon footprint and so on. Madam President, again, based on the number of vehicles on the roads in Trinidad and Tobago at this time, and the number of vehicles, if you are to go on the sketchy figures that we have, they are saying that we have about 400 vehicles annually that are considered luxury vehicles. If you are to move people away from purchasing these vehicles, I ask if you compare 400 vehicles to 30,000 vehicles, how much, really, in terms of the reduction of the fuel emissions are you really talking about?

So neither argument is making sense at this time and I do not know if there is another place where the Minister will give another explanation as to why this tax was introduced, but I look forward to hearing it. Madam President, I hope that the Minister could, in his winding up, provide for us his hope in terms of what he

really hopes to achieve from this measure. Madam President, I am a person who is very involved in communities, meeting people from all walks of life and, quite frankly, it appears to me that this tax is in direct response to the public outcry towards the harsh measures instituted by this Government. [*Desk thumping*] And I say so because of the issue, the hoax, that was perpetrated on this nation with regards to VAT when this nation was told that VAT would be reduced when, in fact, they increased the items to be charged VAT.

The increase in fuel prices, Madam President—because of the increase in fuel prices you now have several taxi routes where the prices have gone up. The average person putting super gasoline in their cars, if you used to put \$100 in gas you are now putting close to \$150 to fill your tank. And, of course, that is super, which is cheaper than the premium, but the rates of increases were different.

But, Madam President, throughout this country the taxi fares have also been negatively affected. Recently, in the *Newsday* we had an article with the Chaguanas to Port of Spain route where it was increased to \$11; you had the San Juan to Port of Spain recently also increased to \$5. The Don Miguel/Barataria route increased to \$4. The Route 2 maxi-taxis—[*Interruption*]

Madam President: Could I please hear Sen. Ameen?

Sen. K. Ameen: Thank you, Madam President. The Route 2 maxi-taxis also had cause to increase the fares along the East-West Corridor. Heading towards south from Port of Spain, if you are to go to Curepe, Chaguanas or San Fernando, these fares were also raised. So from San Fernando to Port of Spain it is like \$18. But if you are going from Port of Spain to different parts of San Fernando, say the Cocoyea Roundabout or lower—to the bottom of High Street or Coffee Street and so on—you pay as much as \$25. If you are coming from San Fernando, you are

coming up to Grand Bazaar, you pay about \$25 now.

So the increases have been throughout the country. And I want to say that the taxi fare increases that have come to the attention of the public through the national media are not completely reflective of the taxi fares that have increased throughout the country because there are some rural routes, for example, or routes where you have PH taxis—where people have to rely on PH taxis—where there are increases but they are not reported in the national media, and some of those routes may not have well-organized taxi associations to speak out and the media may not report it.

But this gives a good example and a good picture of the entire country, the East-West Corridor, the south and central routes, to show the increase in the taxi fares. So it is not one instance. It is not two or three cases where taxi fares are affected. And who pays taxi fares? The people who cannot afford vehicles, the poor, the vulnerable in the society, the school children who are going to school, people who are really living from—sometimes they do not even have a pay cheque at the end of the week; they are hustling. They do not know—literally do not know where the food is going to come from to be on their table, if they have a table, Madam President, because that is a very real situation in this country. And, to me, in every policy that you put forward, you must give consideration to the most vulnerable in society. [*Desk thumping*] And if, Madam President—I want to agree with Sen. Ramkissoon on the point that if this—

Hon. Senator: Shrikissoon.

Sen. K. Ameen: Sorry, Taurel Shrikissoon—Sen. Shrikissoon—that if I could see that the revenue generated, however small, from this measure, would be going to secure the most vulnerable in our society in some way, we could still, sort of, you

know, as a population, say, okay. But what I think has happened here is that the outcry from the public indicating that this Government is taking harsh measures against the poor, against the vulnerable, against the middle class with the taxes on VAT, increased fuel prices in particular, food, the books and computers and so on, basic items, the increase in prices and in addition to the joblessness that is facing us, I think this is the Government's way of saying, "Oh, you know, we have something for the luxury spender too. We have something for those who are more well-to-do", and this is a poor attempt at saying that we are not only taxing the poor and middle income families. But as outlined by speakers before me, this measure really does not do anything to level the playing field when it comes to the measures being brought forward.

Madam President, I want to ask the Minister if in his winding up, as well, he could indicate a more holistic approach towards taxation as it pertains to revenue generation. Since the budget of September 2015 a number of speakers in this Senate, as well as in the Lower House, have used the quote from Churchill: A nation cannot tax itself into prosperity. Taxation is like standing in a bucket and trying to lift yourself up by the handles. And that, Madam President, is what the Minister continues to do. It did not work then, it will not work now. [*Desk thumping*] Recently we had the mid-term review and there were many people in our country who really hoped to see from the Minister a new way forward in terms of a strategic approach—[*Interruption*]

Hon. Senator: Stop disturbing—

Sen. K. Ameen: Madam President, there are a lot of people in our population who—[*Interruption*] Madam President, you know, as a new Member to this House, I am very disturbed when I see a senior Member visiting from the other

place and carrying on with the type of behaviour that is displayed by the Minister of Finance. [*Desk thumping*]

Madam President, if I may continue. I wish to indicate that the very recent mid-term review, there was so much hope from citizens of our country to see a strategic way forward when it comes to revenue generation, when it comes to managing the economy. And I know that the Minister of Finance is not an economist and, again, I want to repeat a concern that I expressed earlier, that even though he may be well-intentioned or well qualified in another area, it is very, very clear that he does not have a strategic way forward to deal with the economic challenge in our country at this time. [*Desk thumping*]

6.00 p.m.

And the nation is still waiting to hear a clear direction from the Government and from this Minister in particular, as to where we are going in terms of revenue generation. All we have heard in the seven months since the PNM has taken office is tax, tax, tax. We have had so many people lose their jobs. The frustration is manifesting itself in increased violence in our society, hopelessness and frustration. And simply pleading with employers to save the workers while the Government sends home employees, it will not fix the situation.

So this luxury vehicle tax, if that is what—in fact, I want to stop calling it that because it is not named that anywhere here and it really is not taxing luxury vehicles, it is taxing vehicles over a certain engine size that are not necessarily luxury vehicles. And if we can see where this clearly stands in terms of a holistic approach to revenue generation or to lowering fuel emissions and so on, based on the United Nations convention that I believe we are signatory to with regard to some of these environmental issues, we could probably find it a little more

acceptable.

Madam President, I also want to mention that, I think it was the Minister of Rural Development and Local Government, who mentioned in his contribution that, you know, when you are talking about exemptions, some taxes on certain types of vehicles, the incentive and according to him that it was a PNM manifesto promise to have exemptions on agricultural vehicles and so on. The Minister may not have been aware of it at the time when he was involved in drafting this manifesto, but the exemptions on agricultural vehicles, equipment and chemicals were implemented by the People's Partnership between the period 2010 to 2015 [*Desk thumping*] and numerous people benefited.

And, Madam President, you also at that time had the concern that the Minister did express, where people who own agricultural lands who were not necessarily practising agriculture were taking advantage of these incentives, and the concern was that measures should be brought to ensure that people are not just using these loopholes and not using the vehicles in particular, but vehicles and equipment for the purpose for which they were provided.

So that concern was expressed even then and I know because I have worked in a number of communities where agriculture and land issues have been a thing that has been discussed, and I want to say that the issues that this Government would encounter would be very similar to ones that would have been encountered by the last Government when it comes to dealing with certain groups in society but the approach and how you treat with them is what is making a big, big difference in this country.

This Government has shown that it does not care about the citizens of this country. It had no plan when it came into office and this Government still has no

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

Sen. Stephen Creese: Thank you, Madam President. In reviewing this Motion, one of the concerns I had, and I think it was shared by the Minister of Finance, was with the environment, because over the past two to three decades, there has been a shift in the type of vehicles, certainly the type of engines that have dominated the roads of Trinidad and Tobago.

I say this in reference to the emergence of diesel engines on our roads and I note the Government's new policy of actively encouraging the use of CNG. Because when I worked in Maraval Road, Kent House, staff to traverse around the savannah, I always observed those lucky Port of Spain people who, at quarter past four and around that time, could have gone home and enjoyed taking a run or walk or a ride around Queen's Park Savannah and I always wondered whether that was a health practice given the lock jam, the traffic jam around the Queen's Park Savannah and the prevalence of diesel engines in the maxis and converted 280C, 260C.

So that the question of the role of diesel engines in our country is something we need to look into seriously. How many of us are carrying around whatever it is the diesel engines discharge, especially those 280C who have used diesel engines so they are not very efficient. So I am glad that the Government has taken an active step to make CNG the fuel of choice and the fiscal measures which would support that have to be applauded and I do recognize the Minister of Finance for carrying that initiative forward.

But my concern is the transition period, how long will it take. Because I remember there was a Minister of energy, who then went on to become a Prime Minister who was one of the early advocates of CNG. I think it was a Laurel

motor car he had at the time that had CNG in it and that must have been in the 80s and here we are in the 21st Century and the same political party and Government are coming to us again and advocating. So if you were the Minister with responsibility for energy and you could not take us there into this new world of CNG and clean fuel, frankly I am sceptical that we are on our way there today because it is 30 years later and it is the same ole talk.

The environment has undergone much damage in the intervening period, and there are two questions that arise as to whether this transition to CNG to cleaner fuel is really about to take place or we are being just fed a line while we are being taxed through the roof. Are the necessary State institutions, the policing required, is it there? Who is monitoring all these foreign-used diesel engines that are coming into north-south taxi system and ensuring that they are not putting us all into oblivion?

The other half of this twin-island nation State is a tourist destination. Carnival, our biggest local productive activity outside of the oil sector, is a tourist occasion. So are we inviting people to come and sniff the diesel? Is that what this is all about while we keep talking CNG but nothing really happens?

Much of the oil and gas that fuel this economy comes out of the south land. The original discovery well is in Fyzabad where I grew up where there is no CNG station. So for the oil and gas that passes through Fyzabad and the Labour Day occasions and so on, there is no CNG station in Fyzabad and in the list called, none is proposed. So for those of us who live in that region, maybe the one in Santa Flora—certainly the one in Point Fortin is not operational and the irony is Trinmar is one of those State enterprises that is in keeping with the new Government policy of going CNG. Trinmar has gone CNG with its fleet of vehicles. So they would

bounce the starter and they would turn on the gas engine and drive to Santa Flora, San Fernando—certainly not La Brea, not Fyzabad, not Siparia—to get CNG.

So those of us who are familiar with the map, those of us who go south of the Caroni, would recognize that this State, one of the prime pieces of state enterprises in the oil sector, Trinmar, trying to carry the Government's policy forward, fleet of CNG vehicles driving around with gas all the time, liquid gas that is. Because in Point Fortin, and perhaps the Minister for trade, I think hailing from Point Fortin, could correct me if I am wrong, as to whether CNG is abundantly available in Point Fortin. At my last reckoning, it was not. So where are we going? What is all this talk about CNG about and will we be talking about it three decades down the road when my grandchildren listens or views the parliamentary channel? It has been a long, long talk shop about CNG and it would be a long, long talk shop again.

You see, it comes down to the question of resource management and the absence of a well-rounded State philosophy and how we are going to manage the resources of the State and how we are going to police it. Whether the EMA, whether the environmental police, whether they are all falling into place to ensure that the resources that we bring out of the ground are not just disbursed, and that our long-term goals and our management of our resources along the way to the achievement of these goals is done in a sustainable fashion. I regret to inform this nation that we are no closer to doing that than we ever were.

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

Up and down the highway, the diesel vehicles are discharging thick clouds of smoke. It is the dry season, maybe the rains will save us. The bushfires are discharging thick clouds of smoke and nothing is happening this year to convince

any of us that we are about managing our environment and ensuring that we are reducing the pollutants, and that we are guaranteeing those children yet unborn, a safe and healthy environment. And none of the measures in the budget and the adjustments and the revisions and the Motions are convincing us otherwise.

So yes, I am in support of prudent fiscal management and balancing the budget and so on, so, in principle, I have nothing against the Motion as submitted but the question is whether it will really change the price of corn, you know. And that whole question about the gas station grid, I mean what is the point? It is almost as if you announce, hear what, effective tomorrow morning, all flights to La Guaira are free. [*Laughter*] Problem is there is no airport in La Guaira so it is an empty promise.

6.15 p.m.

So all this talk about CNG when there are not likely to be in the foreseeable future [*Desk thumping*] CNG stations across the southland. The persistent and consistent irony in the oil sector has been you are pumping the oil and the gas out of the south and the people on the eastern seaboard have greater access to it and now cheaper access to it than those people from Point Fortin, Siparia, Fyzabad and La Brea. For those of us who live south of the Caroni, we listen with amusement when the proceeds of the oil and gas industry are being touted.

And it would surprise you all to know how many people look forward to that proposal from a past regime, a recently past regime, about a university in the south of Trinidad. And there is a fundamental reason for that. Fundamental in the sense that every Labour Day we celebrate what it would have been if Tubal “Buzz” Butler, as Chalkdust said when he said if Raffique Shah did win, what it would have been if that Governor had accepted that Tubal had won and placed him in the

Premier seat. But that is history. That is really ancient history now. We are in the 21st Century and we are dealing with the question of what is the Government's core taxation philosophy.

I want to praise the finance Minister for being bold enough to deal with the issue about luxury vehicles, but I accept Sen. Ameen's position that a 2000cc engine is not a luxury vehicle. If you want to do a bit of farming in the southland, as I do, you need to have a four-wheel drive vehicle because the access roads system is not quite up to standard. And four-wheel drive vehicles of any basic quality do not come under 2000cc. So luxury tax? No, it is not a luxury tax. The only four-wheel drive vehicles, I think, that used to be around in this country that were under that size and they were not owned by farmers, not anyone of them, you could check with the agricultural records, I did, to see if people bought them to get whatever taxes off or use them as farm-type vehicles and include in their expenditure. Those were the Suzuki Jimny and most of the drivers of those were women employed around Port of Spain, if we could remember. Right? They had a "little small" engine in them so they were not useful at all in the rural areas but they were a little status vehicle if you want to drive with your nose up. So that four-wheel drive vehicles that farmers need to have come above the 1999cc range.

And while I am on that, I would like to make the point, in terms of vehicle selection. People do not always buy big vehicles, sedan vehicles or even four-wheel drives as luxury items. People very often buy vehicles dealing with issues of height and size and the first person I know, a friend of mine who owned a 260, with just about three or four years out of high school. He was what you would call oversize and he was from Point Fortin. He went to school Fyzabad that is where I knew him. He bought a 260 because he could reinforce it because of his weight

size.

My own case, at 6' 4" I would not fit into your little vehicles that are available at the cheap prices. The purchase of a Nissan Navara, I am not here to promote it. I sat in the Ford equivalent, the head room was off. I sat in the Vigo, Toyota equivalent, head room is not the same. So the choice of the Navara had to do with my height. And like I said, I know people whose choice of vehicle had to do with their weight size and the vehicle that could carry that load, or could be reinforced to carry that load. So there are reasons for the purchase, which bring into question the taxation system and the equity in the taxation system around vehicles and pinning it to vehicle size.

And I have not yet gotten to the question as to vehicles that deal with special-needs drivers. If Sen. Roach cares to speak on this subject I would prefer to leave it, he being more eminently qualified to deal with that, in terms of jurisprudence, than I am. But in my gut I know there is something wrong with a taxation system that is based on engine size because it treats us all as being one and the same.

And yes as a black person I like the notion of being treated one and the same. But we are different. We are equal, but we are different. At 6' 4" I know that and I know there are employees here in this parliamentary building, employed by Parliament, who have to "duck" through the doorway. So we are equal, but we are different.

But again, I say I want to praise the Minister for the quick way in which he has responded to concerns people had about the measures in the budget and his more recent proposal with this Motion. But neither his party nor the previous, just recently removed-from-office regime, have been quick in their responses to other

concerns in the society, concerns that strike at the heart, not only about our culture but about our historical roots.

We like, a lot of us, to talk about blue food and soul food. Some disparagingly say slave food. But the pickled meats and rear-end delights, and I say “rear end”, lest I be told I am using unparliamentary language. But it is at the rear end of the animal. I am talking about pigtail, and the country has promoted barbecued pigtail. I am talking more particularly of oxtail because oxtail is listed internationally as offal in the meat industry. Offal, meaning lower end of the cuisine, as opposed to prime cuts. And for years, stretching into decades now, oxtail is listed in our taxation schedule not as offal where pigtail is listed but as a prime meat. So one of the ex-slave delights, Saturday morning routine, right, it is either oxtail, pigtail or, what is the other one, cow heel soup on a Saturday morning; the poor man’s business. That is how the people who have some other job on a Saturday, they organize a big pot of that and they make a “raise”, the poor people of this country. Yet, no regime, from the one that made the mistake, listed oxtail as though it were a prime meat. It is slave food. And yet, to this day, the reason why “you only getting two lil bone” in your oxtail soup is because the then Government in power treated it, this thing that is really offal, as prime meat and has not corrected it to date. So, I would hope, now that it is being placed on the record of Parliament, we would see just as quick a response, as we have seen with those people who called up and say, “Aye, dis car ah want tuh buy dat ah order down from Japan or wherever, yuh interfering wit dat, correct dat.”

So wherever whoever was summoned and put to sit down and told how barley grows, I hope they would make a choice. It is interesting, you know, how politicians respond to numbers and how they respond to power centres. But every

five years there are certain power centres who add up on ballot listings. “Dey say ah word tuh de wise is sufficient.”

So those of us who wish to make quick adjustments, for those people who called up and say “aye, meh car coming down how yuh go do meh dat?” Well the Tiida, wet man car. The Tiida is the car of choice for the poor but those luxury cars are the cars for the rich. And it is passing strange that the Motion did not take into consideration that long list that Sen. Mahabir read out earlier today. Because all the major car firms are experimenting—and if we watch CNN, I watched CNN and I saw the whole range of them—with the hybrids because they want to get into that market, because those are niche cars, really. And niche cars are not at the lower end of the market.

So clearly, if you set up a taxation regime that did not take those into consideration then one wonders about who did their homework. I heard a reference earlier today about doing homework. Who did their homework? Who paid attention, or was this really a mistake? Are we back in a clause 34 situation, where somebody is making “track for goutie tuh pass?”

But one of the concerns I have about all of this, and it comes back to the core philosophy on ownership. What is our Government’s policy on ownership of the national patrimony? Is it that the State is venturing into certain businesses because our local finance class is undeveloped? And that is why I shed no tears on the issue about taxing or not taxing and whether they over-taxed because what we have is a merchant class, by and large.

I think it was today David Abdulah on Take Two was making the point that to give “Jack his jacket”, Duprey was an entrepreneur in the real sense of the term, that he moved the family business out of insurance into methanol, into the liquor

industry. Yes, he engaged a bit too much risk and overreached himself but he was an entrepreneur. Make no mistake about that, probably the country's first black entrepreneur.

6.30 p.m.

That is the difference between him and the other local conglomerates, they are part of the tired merchant class. All they do is buy and sell, basically. Whether is cloth, whether is food, whether is cars, new cars, whether is used car, that really is part of a productive regime? That is why the State had to be the one, to get into all that it got into. And in that sense, you know, Duprey was an entrepreneur, make no mistake about it. He went where the others were fearful of going.

We are not as a country, as a nation, going to get anywhere, unless we can populate this place, with men with vision and entrepreneurial ability. Of course, you have to have systems, that contain and control them, and that is other part of all of this. The collapse of CL Financial had to do with system failure. The question as to whether the supervisor of insurance, the Central Bank function was working? And the same with HCU, whether the Commissioner of Cooperatives, the Ministry of Labour and Small Enterprise Development and so on, function, is, was, will be working. So system collapse, all around us, is taking place, and that is really the core issue here.

How come oxtail could be offal? Call up any custom division anywhere else in the world, and ask them, they will tell you that is offal, low grade meat. How could that be in our system be taxed as high grade meat? But, it is happening, system collapse, every which way. So our troubles have to do both with institutional collapse; that is surrounding there. The fact that we are yet to emerge out of the old plantation system basically, a merchant class. As a matter of fact the

plantation system, was a system of production, eh? Yes, based on slavery, then indentureship, but it was a system of production. It was the first modern production system around. It generated the industrial revolution, but this neck of the woods has fallen back into being merchant class activity; buy and sell.

So, that I am always hesitant about giving them any big set of taxation incentives, if they are only going to continue buying and selling, to be quite frank. But the Government has to decide, and this whole question of ownership of the national patrimony, how we are going to transform. If the State is going to continue that transformative role? And if the State is doing that, then what are the sectors we are targeting? And how we are moving from one to the next? That has to be clear, and that has to be shared with all of us. It cannot be a national secret, and any taxation measures we are passing, must be located downstream of that philosophy. To do otherwise, is to operate “vaille-que-vaille”, by “vaps”, by friends. So the guy calls you and say, “Aye man, ah have car coming down”, and run back in Parliament. That is a clause 34 phenomenon. We must be very careful we do not go there again.

So we are hoping that the gas station issue would be rapidly addressed, and we are looking forward to announcement when the relevant Minister, as to how these CNG stations would appear in all these places that they are not, because it has to be, you know, a big irony where fellas “who working in the oil sector, fellas who creating de gas, cyar get de gas” to put in their vehicles.

I mean, so we have to have a plan to do that, otherwise we are just paying lip service. We are signing treaties internationally “to sound like we with it”, you know, “and we there with de latest” environmental talk and so on, but “nutting eh happening on de ground”, that transforming us from the old system, into the new

promised land of, you know, clean fuel and CNG.

[MADAM PRESIDENT *in the Chair*]

Finally, before I close, I just want to remind the Minister, because I do not think he was in the House when I was referring to that last time, the Minister of Finance that is, because I think, we are off on the wrong platform, and that is a bad analogy. I want to repeat Sen. Small's question on the issue, if we are addressing subsidy, and all of this is part of the larger issue of the reduction of subsidy, good?—because that was the main thrust of the budget presentation, addressing the whole question of subsidy. If we are addressing subsidy, the fuel subsidy, then the question comes up, where should we go, one of both places or both places? And what are the two places? Should the subsidy be attacked at the fuel pump? So, the Government removes the subsidy so that you pay increasingly, the real cost of the fuel you consume? Or should the subsidy be attacked at PowerGen/T&TEC end?—because if you read your electricity bill, there is an energy cost that you pay, and that energy cost is the cost of the fuel, that is fed out of the, you know, the Petrotrin sector to PowerGen/T&TEC, and there is a subsidy in that.

What you are paying on your bill, is not the true cost of the fuel that you are consuming in your home. It is subsidized. So the question at the end of the day, if we are saying you want to balance the budget, and we are saying that people must pay for what they use: Is our Government currently subsidizing electricity consumption, but saying, “No we are not subsidizing energy consumption in vehicles”? What does this mean on the ground? Let me tell you what it means on the ground.

For the man who does not own a car, Government eh really subsidizing nothing “for he”, you know. “We clear on that.” He is paying the real cost. What

they are subsidizing is, his fridge, his electricity bill, his iron, because in his house, really is your—for the average small man, it is that iron that he presses his clothes with, that is the biggest burner in the house. Your fridge “doh do much”, for the more average fridge “doh burn” more than “ah 40 or 60 watt bulb”. So it is that electric iron, but for the rest of people—and you could go by the metre and turn on your iron and you will see it start to flicker. For the rest of the people, really, what happens is this, you have an electric water heater, yeah “yuh burning current”. You have air condition systems in your home? Yes, you are burning current. You have fancy lighting system all on the wall, around your house and so on? Yes, you are burning current.

Madam President: Sen. Creese, you have five more minutes.

Sen. S. Creese: Thank you. So that when Government is subsidizing an electricity bill, it is the greatest electricity consumers who are benefiting. So the fella with his little shack, and his little light bulb and “ah fridge, he eh getting nothing” from the State; to be quite frank.

As you go upscale, as you put in the iron and you are using it regularly, good? You have to have that fine seam. Put in the ice maker fridges, air condition systems, fancy lighting systems, 1,001 appliances, and each room has three and four appliances, electric trimmer and so on. Yes, “Government doing you ah big favour”. They are paying your electricity bill for you.

So we need, if we are serious, and I am saying to that subsidy inherent in that, compared to the little taxes as Sen. Ameen pointed out, that are involved in the taxes and these big-shot cars and so on. Millions of dollars are involved in that, and we are not addressing that issue. As it stands right now, I am arguing, that the State is subsidizing the rich and making the poor people pay.

Thank you. [*Desk thumping*]

Sen. Daniel Solomon: [*Desk thumping*] Thank you, Madam President, for this opportunity to make a contribution, which I hope will be a worthwhile one, in relation to the Motion before us, in relation to the Motor Vehicles and Road Traffic Act, Chap. 48:50.

Madam President, we have had some very edifying contributions from the Senators before us, and I hope that I can shed light in a different way, but also refer to some of their submissions. What we are being told is, that we are here to share the burden. Share the burden supposedly that only the poor should not bear the burden of these tax regimes, but also the wealthy and the rich, by imploring on them these excessive taxes on motor vehicles over 1,999cc.

What I am attempting to show, what I will attempt to show is that, in fact, what we are doing here is enriching the very new-car dealers, and not spreading the burden across the society. In fact, what we are doing is that by bringing in this Act and these amendments, the new-car dealers, in fact, will be paying no tax on hybrid vehicles. Now, that gives a larger margin for these new-car dealers to operate in, which would lead to a larger profit margin.

Now, we have heard from my brother, Sen. Mahabir, who has already clearly articulated, that there are a vast number of vehicles that are already out there and available. We have the Porsche. We have the BMW. We have the Lexus. We have the Mercedes, these are all—Audi, these are all available as hybrids. The new-car dealers make no apologies, they were going that way anyway. This was the movement of the new-car dealership, towards the sale of these hybrid vehicles.

So it is to their advantage that customers will now make the switch, to these hybrid vehicles, but not have to pay any tax on them. So they are now getting

these more expensive vehicles far cheaper than what are getting for it anyway. Now what would happen in any event, is that the new-car dealers now, would have a larger profit margin, because they do not have to pay these expensive duties. So they can pass the profits on themselves, and in effect, they will be selling more vehicles, and the country itself will be suffering, because we would not be getting anymore tax from these sales. In fact, and I will go further, what we will be doing is, that the Government will be lowering the tax for—income from the wealthy and the rich on these new vehicles. How that be passing the burden on society and trying to widen the burden on society? [*Desk thumping*]

Madam President, this is the “kinda gimmick tax” that the Government and the PNM are always trying to pass off on people of Trinidad and Tobago and it is unacceptable. [*Desk thumping*] Tell us the truth. What you do when “yuh say yuh going” to lower VAT 2.5 “in yuh manifesto”? Here it is, [*Holds up a copy of the PNM’s manifesto.*] 12.5, we are going lower VAT from 15 per cent to 12.5 per cent, right here in the manifesto. Where is it in this PNM manifesto, which you have said is the greatest document since sliced bread, which is the ultimate Government policy now? Where do they say in this document that they, in fact, are going to increase VAT to 12.5 per cent on food and a number of basic goods? [*Desk thumping*]

6.45 p.m.

It is the same PNM way that they try to give with one hand and really through, sleight of hand, if you do not watch them carefully, they are actually taking away—spreading the burden of this tax on society—when, in fact, the wealthy are going to benefit because they are no longer going to be paying tax on their luxury hybrid vehicles. [*Desk thumping*] If you sit down and you study and

you analyze what is really happening, it is the poor man who is going to end up suffering at the end of the day, and the country will end up suffering. So no longer are we going to make tax off luxury vehicles, because the hybrid vehicles are now no tax at all.

So let us take a vehicle of let us say a \$450,000 vehicle, that is before tax. You add tax on it, these luxury vehicles add up to \$875,000, \$900,000 average. Now, through this amendment, one would think that they are going to pay \$1.2 million, \$1.1 million because it is a \$120,000, \$200,000 increase in the tax. But we know that the wealthy can always turn around and say, “We are not going to do that, we are going to go for the \$450,000 hybrid vehicle because we do not have to pay any tax on it whatsoever”, and the car dealer who is already making a profit of the \$450,000 can go up to \$500,000, \$600,000.

Hon. Imbert: On a point of order.

Sen. D. Solomon: No, I am sorry, I am talking.

Hon. Imbert: On a point of order. Madam President, 6(1), the matter must be relevant to the Motion. Hybrid vehicles are not before the Senate. [*Crosstalk*]

Madam President: Sen. Solomon, no. Hon. Minister of Finance, reference was made in the introduction in moving the Motion to hybrid vehicles, so I will allow Sen. Solomon to continue.

Sen. D. Solomon: Clearly the Minister is very upset by what is being uncovered here today. [*Desk thumping*] Thank you, Minister. Hybrid vehicles no longer attract tax. This is what we are discussing here today, and that is the point of order. Now, what we have here is actually the new car dealers, friends of the PNM, are now going to benefit again. Then what you have again, you are going to have the tax that the country would have gotten from luxury vehicles is no longer

going to get. So we are back to square one. Who lose, we lose, we lose and who ends up paying for it? The poor man.

Madam President, if you want to take it from the angle that well, we are sharing the burden in society—I think I have already proven that that is not happening—yet still you instigate a policy against foreign car dealers who are trying to sell their vehicles to the lower income, the poor man and they are saying: “Look, we need to sell vehicles over four years old,” because those are the vehicles that the lower income people can afford.

So the man on the street, he is saving his money. He is trying to make ends meet hoping to buy a vehicle, ‘bam’ the Government comes and in one fell swoop that is gone. No more vehicles older than four years are allowed to be purchased. They can no longer afford that. So who suffers? The poor man, the lower income man is swept and pushed down and suppressed, and that is what this Government is doing. They are heartless in the way that they are suppressing the poor man and making him suffer.

Concomitant with that you now have the entire industry of used car dealers—you have mechanics, you have welders, you have technicians, you have sales people. They are all working in that industry to try and make ends meet. That is being totally crushed and annihilated by this Government. What is happening? Their friends in the new car dealer business making money, making money, and the country is not getting any revenue from it. [*Desk thumping*]

How is it that you can justify crushing an industry while enhancing another and trying to palm it off on the public and the citizens of Trinidad and Tobago as though you are shedding the burden and you are making the rich man suffer when, in fact, you are doing the opposite again? Just as you did with the V-A-T. This is

the sort of sleight of hand that is unacceptable, because the man on the street he has to pay more for food. You are saying, well look we want to change the behaviour, tax behaviour. Gimmick tax! You want to try and force people to do what by this tax? You are saying, well, okay we are going to look after the environment. This tax is to help the environment. How is that helping the environment?

You have pollutants, companies polluting thousands of tonnes of toxins in the ocean and the seas and the river ways. What are you doing about that? You are helping that with the environment? You have people throwing KFC boxes out their cars. Are you doing anything about that? Where is that environmental behavioural tax? I find it insulting to the people of Trinidad and Tobago, to palm it off and tell us by increasing that tax you are being behavioural taxed. [*Desk thumping*]

And, at the same time, the same man on the street who cannot afford the car anymore because you have changed that tax, he also now has to pay more to educate his children, to buy books because books are now VATable. So what are you trying to do? You are trying to tell the nation: “Well, look, we are trying to change your behaviour by making your children harder to read?” [*Desk thumping*]
That is behavioural tax, behavioural tax. That what we are saying, Madam President, is that we are trying to change the behaviour because you know what? The hon. Prime Minister say: “Well we are not a reading nation anyway, so all yuh doh have to read so all yuh pay more tax for your books. That is behavioural taxation [*Desk thumping*] but yet still you have plastic bottles, Madam President, flooding the rivers, flooding the coastline.

Why do they not say, well okay we want to do behavioural tax? Why do we not say we would do a deposit refund for every plastic bottle and add that on to the

price? Now that would be creative; that would be behavioural; that would help the environment, but not this bogus gimmick tax where you are saying that you are going to give tax free to wealthy people to buy hybrid vehicles. [*Desk thumping*] That is the deceit. That is the deceit, Madam President.

The other thing that I want the people of Trinidad to appreciate is that at the end of the day, you now also have to pay—[*Crosstalk*] Madam President—[*Interruption*]

Madam President: Sen. Ameen and Sen. Henry, okay. Yes, Sen. Solomon.

Sen. D. Solomon: Madam President, if we could get back to the man on the street, he was saving his money hoping to be able to buy a vehicle. That is no longer possible, because the Government has taken away that opportunity. Mortgage rates have gone up. He can no longer afford a simple home for him and his family. VAT has gone up on books. So even if he wants to help educate him and his family in order to elevate themselves, and rise out of their predicament that is now more expensive. That is the behavioural tax which is just bewildering to me how you could say that you are trying to change behaviour with this tax, but you are increasing behaviour on other taxes that do not help people to rise, that do not help the small man to elevate.

So food is now VATable, plus you have foreign exchange which is unattainable, and then you come with this bizarre tax where you say to yourself, we are going to put 7 per cent on online credit card purchases. And when asked: well how did you arrive at that formula? We are told well, you know, there is a lot of foreign exchange drain on credit cards and, therefore, we need to put a tax on that. This is another behavioural tax.

The interesting thing is it is so ill-conceived because so many businesses, so

many businessmen—small and medium-sized businessmen again—actually use their credit cards to purchase raw materials, to purchase goods that they trade in their businesses. So the hon. Minister of Finance is looking at this expenditure and thinking well that is people spending on personal goods and items when, in fact, it is businesses. So you are now going to tax the small and medium-sized businesses again. Behavioural tax? Is that helping? No. That is again punishing business, making industries suffer, Madam President. This is what I have an issue with.

So the small man his job security is at risk. He cannot buy a car, food is more expensive. The opportunity to educate his children is more expensive. His opportunity to feed his family is more expensive. Travelling by maxi-taxi or public transport is more expensive. Then we come to the place now where his job is on the line, and it is happening because this Government cannot manage its cash flow to pay employees. If they cannot pay the employees, the companies that are also working with their employees are laying off staff. So contractors are not being paid, their employees are not being paid, so the small man again gets squeezed. He no longer has an income.

I mean, Madam President, how much more can you push onto the poor and the small man. That is unfair. And then what you try to do is you try to palm it off and say we are balancing the scales, we are balancing the scales, and we are sharing the burden. This is gimmick tax, it is not real. It is not real.

If it is that you have the poor man and the small man losing their jobs and these government institutions, at the same time, not paying workers—workers are being laid off left, right and centre and it is happening hand over fist. You have a situation now where he has no income, his job is at risk. He cannot afford a car, transport is more expensive, education is more expensive and food is more

expensive. What is his next alternative? He might very well turn to crime. Crime is also spiralling out of control. So you have a situation, for instance, I was reading in the newspaper today about WASA. Our dams, our waterways, the very water which we depend on for life is at risk.

Madam President: Sen. Solomon, now I want to ask you to come back to the matter at hand. All right? You are into your contribution by some time now, and let us focus on what is before us now with the Legal Notices and the amendments.

Sen. D. Solomon: Thank you Madam President. What occurs and is confusing to a lot of the public is these taxes are coming in, the economy outlook is apparently grim, if we are to believe what the Ministry of Finance is telling us. Yet still we get the impression from the hon. Prime Minister that there is no way we are going to go to the IMF; there is no way that World Bank is going to get involved. But at the same time we are hearing that the Minister of Finance is meeting with the IMF and taking advice. What is the situation? The nation needs to know: what is the way forward?

Where are the projects that are going to create foreign exchange? Where are the projects that are going to create jobs? Where are the incentives that can actually trigger and get us out of the situation that we are in? We are not seeing it. We are not hearing about it. This Government has no plan. What they want to do is put the burden onto the small man, suppress the small man, and appear as though they are sharing the burden unilaterally around the country. That is not what is happening here, Madam President.

So, Madam President, I am urging the Minister of Finance to please be transparent, be honest with the citizens of Trinidad and Tobago. Give the country some hope and a way forward about where we are going to get our jobs. How are

we going to actually help the small man to get out of the hardships that he is facing and support our country again? Thank you, Madam President. [*Desk thumping*]

Sen. David Small: Good evening, Madam President. Thank you for the opportunity to join in this debate. I only join this debate because it has become incumbent upon me to contribute on this, because I suspect that the way this debate has progressed, I suspect that the Minister of Finance is starting to have a challenge around how some of these things have played out, and in the way in which these Orders were drafted, I think that the depth of the discussion, the richness of the discussion this evening has demonstrated there is a challenge in there.

I do not think anyone here has a challenge around saying, “Listen, someone is driving a vehicle of 3499cc as per the Order.” That is a fairly large vehicle. That is likely to be a vehicle that could be “described as a luxury vehicle”. I think that, Madam President, when the hon. Minister of Finance made his contribution, he referred to something called influence in social behaviour. He spoke to it could be a revenue measure, but he needs to see how that plays out. The idea is that these Orders and measures are intended to adjust behaviour. I think that inherent in the hon. Minister’s contribution on that is that he is assuming or portending that the adjustment in behaviour is positive, is positive to his objectives.

I am concerned that perhaps there may be an unintended, a behaviour adjustment that could be negative. If you take the position—Madam President, forgive me, I was a civil servant for many years. In the civil service when you reach a particular range like Range 46, and you have access to a car loan, you get certain relieves, and then when you think about up to a couple years ago I was driving a vehicle called a Nissan Cefiro, 2000 engine, I certainly did not think it was—and it was a roll-on/roll-of vehicle—in no way could be considered

highfalutin. It was just a good solid car.

7.00 p.m.

When you think about—it may be an unintended consequence here in this order that a vehicle of that size, which is a vehicle that middle level people kind of aspire to and want to be able to purchase. The consequence of this is pushing this out, a little farther out of their reach. [*Interruption*]

Hon. Imbert: 2000?

Sen. D. Small: 2000 engine. So that I think that when you look at the way in which things are structured, I think earlier contributions mentioned the fact that a lot of people in the society, Madam President, are living pay cheque to pay cheque. People are living on a wage, and counting on the wage hitting the bank at the next time, people are really running it tight. So any increase in the cost of the things that they would like to do hits them really, really hard. It starts to make it harder for them. Perhaps we live in a space, Madam President, where—perhaps I live in a space—forgive me—I live in a space where I interact with, what I would call, regular people every day.

I had a little plumbing issue home a couple of days ago, and my plumber came by and was very proud to tell me that he just got a brand new roll-on roll-off vehicle. It took him four weeks to get it licensed at Licensing Office, but that is another story, but he moved from an AD Wagon to another slightly upgraded vehicle, and this is the normal mode of people. The vehicle he bought was actually a vehicle of 2000cc, and this is a guy just hustling, moving around. So that I think that when we do things, oftentimes the debate leads us in a particular direction, and perhaps it may be an unintended consequence.

So while it might seem small, it is not. It is one of the same reasons, Madam

President, when the Minister was talking about—we spoke about CNG. I have argued, or probably put a position here in this Senate on more than one occasion, the reason, or one of the core reason why CNG has not caught on is the upfront cost of the kit; \$7,000, \$8,000, \$9,000 is a lot of money for the average person.

I mean, the understanding that CNG, we have an issue with the stations, we had an issue with the pressure, the delivery, the filling times, those things. The filling stations story is going to be sorted out. Certainly the delivery pressure has been sorted out, but the fact that if you want to convert your existing vehicle to CNG, \$8,000, or \$9,000, or \$10,000, for the average person, they do not have it. They just do not have it, and until we work out a way to bridge that gap CNG is going to struggle. That is my personal theory and thesis on it. We have to find a way. I have put on the record here a proposal of how to deal with that. Those who are interested could go find it, or talk to me after. I am not going to repeat it again.

This is where there is a disconnect. The average person in this country is struggling, people are struggling. [*Desk thumping*] When I grew up, Madam President, my father was a simple person, he was a port worker, and we may not have had much in our house, we had, other than love, we had a lot of love in our house and a lot of rules, but my father used to say, at least put on your clothes, make sure your clothes press. According to Sen. Creese, you make sure “yuh put on yuh iron” and you present yourself as best as you could. You might not have anything much in your pocket but you are presentable, and that is real life for a lot of people still. You are presentable but you are just barely getting by. You are smiling with everybody but barely getting by.

This is why I am going along the trend of thought that when we say 1999, you increase—the dollar value might not seem huge, but I think it pushes it out

further and it presents a challenge to people, and it may be a negative in unintended consequence and cause a different type of behaviour, when the Minister spoke about trying to change behaviours. So I believe that where we are we have—I think the Minister has a challenge with that.

Now, the Minister spoke to spreading the burden of adjustment, Madam President, and I think there was an issue about moratoriums, but moratoriums to who? The guys and “dem” who ran HCU, the guys who ran Clico, they understand moratoriums, they are living on it now. Raj Rajaratnam did not get no moratorium, he is making a jail. When we issue moratoriums we have to be understanding what is the effect of it, so that if a particular section of the population seems to be benefiting more than others it would be perceived as if it is something special. It may not have been that but there is a perception, and as some scholarly person wrote many years ago, perception sometimes is reality.

So that those things need to be carefully thought out, because I have no moratorium for my bank for my mortgage. I have no moratorium from the car loan company for my car. There is no moratorium, I have to figure it out as I go along. So that when we do moratoriums to interested parties, I am of the view that if somebody said, “David, you have a million dollars”, I am thinking, well, put aside for my children’s education, put aside something for my retirement. The last thing I am thinking what to do with \$1 million is buy a car, but then, again, I am not as financial, you know, well-to-do as many others.

So that if someone can afford a vehicle for \$1 million—\$1.1 million, \$1.2 million—I do not see any need for any moratorium, with the greatest of respect. I think that that sends probably a really negative message in the context, Madam President, of a situation where citizens are asked to tighten their belt. We are

asking citizens to tighten their belt, those who have bigger wider belts, well, okay, they could manage. I am walking around with a skinny belt, “aye”, I will disappear just now. So that I think that we have to be careful when things come to us, and when we look at it I suspect, I really suspect that what has come out today is there are some unintended consequences that came out that really needs to be relooked. Because at the end of day, Madam President, I normally ask, what is in it for the small man? What is in this that the small man can say, well, in these orders, “What is in it for me?—the opportunity to not be able to afford a vehicle of a little larger size, so I will be stuck with the ‘wet man’ vehicle”—I think is the Tiida—“I will be stuck with the Tiida. I would probably have no aspirations to a”—what?—“an X-Trail”, which is a medium-sized small SUV.

When you start to reduce the ability of people to have those expectations you cause societal problems, and we have societal problems now. Again, and I will beat this to death, we have to be careful in a place where there is a potential powder keg. We have people struggling in the place, we have to be careful about be seeming, for those who already have, to be giving them more. Whether that was the intent or the purpose, I do not think so, but I believe that is how it appears, that is how it appears, and those things have to be managed, and have to be managed diligently, and pretty much ruthlessly.

Madam President, if you would permit me, I think it was Sen. The Hon. Franklin Khan spoke to the issues with global carbon emissions—and I want to be able to digress for 30 seconds, Madam President, if you would permit me, because everyone is excited. We signed the agreement in New York, it is wonderful, and I keep bubbling all the local news about CO₂, and Trinidad and Tobago is one of the top CO₂ emitters per capita in the world, and for me that is a useless statistic. It is

correct but it is useless, and I want to place this on the record again. Trinidad and Tobago may be amongst the top CO₂ emitters in the world per capita, but Trinidad and Tobago is not even in the top 50 on a volume basis. Globally, CO₂ emissions—I think last year the number was about 36 billion tons. Trinidad and Tobago was about 52, 53 million tons. On a percentage basis Trinidad and Tobago contributes less than 1/100 of one per cent—less than 1/100 of one per cent of global CO₂ emissions. So on a global basis Trinidad and Tobago is not the problem. We are contributors, probably the largest in the Caribbean region, but on a global—if you remove what we produce it does not make any difference.

So that the arguments and the talk about CO₂ emissions have to move from, okay, we are emitting CO₂ to making sure what are the plans that we have in place to mitigate the effects of climate change caused by CO₂, and that is where the discussion has to move. Let us forget, or park this CO₂ per capita discussion and understand that, global emissions, we are not the problem, we are a part of the problem, we are a very small part. Thank you for allowing me to digress on that, Madam President, because there is a lot of talk about it, and it is important for people to understand the full data set.

Yes, Madam President, I also want to talk—when you try to change behaviour, I think that when the Minister and his team were going through this, the existing schedule is made up in a particular way, and I think that that may have guided the way in which this was crafted. This is the existing schedule, relatively easy to amend, you increased the numbers, and this is what we worked with. However, as the debate has developed today I think that there is a clear—what I view, respectfully, as an unintended consequence of suggesting to the man in the street that other parties are being favoured above them and things are being put out

of their reach, and we have to treat with it. As a good Senate we have to be able to say, we have no problem in theory or in practice with what the Government—I have nothing really against this, per se.

I have nothing against it, I am actually for it, because whether it works out to be a revenue measure or a measure to change behaviour, but the issue I am concerned about is whether or not the behaviour that will change would turn into a negative behaviour. Whereas, I suspect in the hon. Minister's presentation, he was only portending positive behaviour that people would go to smaller vehicles which would have a lesser effect on the environment. But you may have a negative view where people may become disenchanted, where they see the country is in economic strife. The Government, in every opportunity pointing out that IMF is here, whoever is here, we have major challenges and issues, and, yet, the people who could afford million-dollar vehicles are getting a moratorium.

So that what about me who is earning, not in the millions, less than the millions? What about me? Why I cannot get a moratorium too? And that is where we are going, so we have to be careful about the social message that is being sent. So that while I do not have any major issue, I think we have to find a way to fix that, whether it is today, or another day, we need to find a way to fix that, because I suspect that there is going to be a lot of backlash around this in terms of how it is viewed. There are not many people—I do not want to say in this room—who could probably afford a million-dollar vehicle, but if you can, God's blessings. As Rachel Price would say, "Bless, go with that". If I got \$1 million I told you what I would do.

Madam President, what is the ease up for the small man? We have a lot of issues, Madam President. I think Sen. Shrikissoon made an excellent point, and it

is a point that I want to reinforce, if the Government is putting this measure and we are getting revenues, the concern is the use of the revenues. The use to which the revenues are being put, that is so, so important. I think that, Madam President, in another part of this building I have been trying to work very hard to change the behaviours of certain state enterprises who continue to want to challenge the authority of the Parliament and thumb their nose at us, and what?

They are being allowed to do it, but at least I draw it to the public's attention that we have people who I am trying to change their behaviour to do the right thing and they are looking back at you, staring at you in the face, and giving me legal mumbo jumbo. Forgive me, that is unparliamentary language, I withdraw, Madam President. But when my young teenage boy saw it he was like, "Dad, why are they answering you like that? Why they do not just say why they did not provide it? Why are they going round and round and round reading legal stuff", and I said, "That is what they do, the intent is to confuse". That is my view, Madam President, and they do it deliberately. You pay one of the most expensive silk in the country whatever money to write a letter to say why you cannot provide information. Unbelievable, unconscionable, and I will not stand for it. I will not stand for it. I have no power to make them provide it but I will keep putting it in the public agenda that you are sitting there, a state-owned company or entity, and you are refusing to comply. [*Desk thumping*]

7.15 p.m.

Madam President, as I begin to wrap up my very short contribution this evening—because I know some of us would like to leave here and perhaps get home before midnight—I believe also when I look at the proposals by the hon. Minister, I think that we need to probably look at how we could change the way in

which this is done. I think it was the hon. Minister himself who spoke to the Australian model. I think someone mentioned the Australian model, where you stick a price on the vehicle, the manufactured cost of the vehicle, because if you compare vehicles the mid-size SUVs are probably \$250,000, \$300,000. When you start to get into—I think it was Dr. Mahabir—about \$1.3 million, that is way out of the range of most people. This current Schedule perhaps lends itself to easy adjustment, but it also lends itself to placing some challenges on the Government's agenda.

So I support the Minister of Finance; I understand what he is trying to do. I support what he is trying to do, and I believe there is an unintended consequence coming out of this that needs some adjustment. I think that if it is within this form or in another form, we have to find a way to be able to send a message because, Madam President, we have to be careful. Trinidad and Tobago is where I live; everything I have is in this country. I have no “cocoa in de sun”; I do not have anything of that. I certainly have no Panama accounts. But we have to be careful how we do things. People are under pressure. The average person is under pressure, and when we are seeming to do things that apparently place additional pressure on them, they are asking—but why? How much can we bear?—when those who by other measures seem to be well off are getting moratoriums.

I am not going to deal with the moratorium, per se, but I think that when it happened, in a previous contribution in a previous Parliament, I spoke about the phone call—people in this country who have access to people could pick up the phone, but that is not available to every citizen. So there are parties who could pick up the phone and make things happen and say, “Hey, we need to get this sorted out, let us find a way”. We have to be careful of that, because this is why

we have the debates in both Houses, where matters can be properly ventilated. Perhaps the way in which it was ventilated before, these issues did not arise or did not come out in the way in which it is coming out now. Here is what is coming out now, as I wrap up.

We have a situation where the Government is constrained with revenues. The hon. Minister of Finance has come and said, “Listen, this is a potential revenue-raising measure”, from that point of view I have no objection. It has the potential to adjust behaviour, because we want to try to see if we can work towards the Government’s goal of improving the environment. In theory I have no problem with that; I support that 100 per cent. But in doing the measure, in my view, there is a clear, unintended consequence of sending a negative signal to the public that, one, well if you want to aspire to have a little higher class of vehicle—you have gotten a little extra money or your working extra, whatever—the bar to achieve that has been moved a little further out of your reach, and that for me is serious; that is serious, because I know what it was.

In my wonderful lifetime, I could talk to people about every single maxi-taxi. I travelled in maxi-taxis for 20 years. Even when maxi-taxis were lining up on Independence Square in front of Henry Street, before it had anything called City Gate. So I know about up and down. “Yuh reaching to work, yuh shirt wet, but yuh reach to work.” I understand that as a regular, normal person. “Yuh hustling every day and save, save, save, save, save, and yuh finally able to pay down on a little used car. No air-condition, but at least yuh not in de maxi-taxi, and then yuh save, save, save, save, save again to get another little grade of vehicle.” I have lived that, so I understand that if at the point in time I wanted to get a little upgrade, a measure was put in place that pushes it out, I would feel a little upset.

And I am bringing this regular person experience to this discussion because it is often lost. We talk about things and we talk about dollars, but do not understand or do not have an everyday, run-of-the-mill grasp. I talk to every member of staff that I run into here, and I would hear all of the challenges, and I say, “Doh feel I not having dem.” I am having the same challenges, and I am asking the Government in the Minister of Finance in his winding up—I am sure he is going to address it; I would like to see how he is going to be addressing it. I am not sure if it could be addressed within this current format, but I respectfully submit that the issue of amending this Schedule with these values has the potential to cause a negative effect on the average normal citizen of Trinidad and Tobago. I believe it is unintended, but now that it has been raised I do not believe that it should be left unattended. It should be given some attention to fix that, because if we leave it as is—I am never one to talk in negatives.

Madam President, there is one other thing I want to talk about, Sen. Creese spoke to the confluence or the prevalence of diesel vehicles on the road and the lack of regulation. If you go to the Bamboo and try to buy a used diesel engine now it is about \$3,000. There is no wonder why the guys who are running the north/south or the Curepe to San Fernando route—and for the record, I travelled from Curepe to San Fernando every day by taxi for work for five years; from Curepe to San Fernando in a 280C or a 260C. The drivers would run the diesel engine until it died, and they would take it out and put in another used one. We used to “make” from Curepe to San Fernando in 27 to 30 minutes, because you are going flat out, but the maintenance of the engine is irrelevant. They run it until it dies, because it is cheaper to replace it than to fix it.

We have legislation on the books that speaks to emission of visible vapours,

but nothing is enforced. I think the hon. Attorney General in an earlier debate this week indicated that we have lots of legislation on the books, but there is no enforcement. We have challenges with enforcement. Those are things that I want us to look at.

CNG, simple—to fix CNG you have to figure out a way to say to people, okay—the upfront cost is the sticking point. People do not have \$10,000 sitting around to go and convert; they do not have it. That was the case 15 years ago. I was a junior member of staff when the then young Prime Minister was driving to work in his Laurel; I remember it very well. Minister Franklin Khan will be well aware. I was around at the time, and the sticking point, the late former Minister of Energy, Barry Barnes, would always say, “People have not figured it out yet.” An average man does not have \$5,000 or \$6,000 sitting down to do that, he just does not. If you want CNG to move, you have to figure out a way to plug that gap, and there is an easy way to plug that gap. I see the hon. Minister of Finance is looking at me again; so I will put it on the table again. You are not looking at me? Well, I will leave it.

Hon. Imbert: I am not supposed to look at you. [*Laughter*]

Sen. D. Small: I thank you and I crave your indulgence. The way I suggest to deal with that, Madam President, if you will permit me one slight digression—the Government has to figure out a way to improve the take-up on the programme. You engage the State bank—because we have some very creative citizens in this country—and you allow them to provide loans at soft terms to people, because the economics of converting to CNG are undeniable, it is just the upfront cost. So to fix the upfront cost, rather than make a man pay \$8,000 or \$9,000 to convert his car to CNG, you make him pay \$800 or \$1,000 down and he pays \$300 or \$400 a

month for 24 months. The loan is not paid to him, it is paid to the converter. It is paid to the company that is doing the conversion, so there is no transaction between—he is just signing the documents, but the converter will certify that he gets the money and he converts the vehicle. That is how you fix that.

So rather than having the average man dipping in his pockets, trying to figure how to do that, you soften the blow. It is still being paid for, but it is being paid for in a much softer arrangement that allows for greater take-up. It allows for greater take-up. That was my simple suggestion. I made it in the previous Parliament; I have made it in this Parliament before, and I am making it again today. Let us explore creative ways to fix these problems.

Madam President, I want to say that I had no intention of joining this debate, but it became incumbent upon me because as a regular, normal citizen of Trinidad and Tobago as I am, I feel some of these things; I feel them. I interact with my people every day, my normal people, from the guy in the car park, the guy who comes in the afternoon and put the water, the most hardworking, I talk to everybody, and I understand the challenges. People are feeling the pressure—people are feeling the pressure. When we come here to the Parliament, as my neighbour would say, “Mr. Small, when you go there at least when you talk I does kinda understand what yuh saying, because you are able to relate in a way in which—it is just every man.” And I work hard at that.

I want to say one additional thing. I understand the pressures that the Minister of Finance is under. I am very happy for the Minister of Finance today, WTI crossed \$45 for the first time in about six months, so you breathed a sigh of relief. Let us hope it can stay above \$45 for a little while, but we cannot bank on that. What we can bank on is a series of measures that allows the Government to

have some predictability about its revenue flow, some reduction in the way in which the Government's current expense profile is set up, and the way in which the policies that are being put in place allow for more evenness. Right now we seem to have a measure that is uneven. It seems to be an uneven measure, and I do not believe it was intended, but because it has come out as apparently being uneven, I believe we need to treat with it.

Thank you very much, Madam President.

Sen. Rodger Samuel: Madam President, I appreciate the opportunity to take part in this debate, re: the Motion with regards to the adjustment to the motor vehicle and traffic amendments and all of the things that have been presented by the Minister of Finance today. I am kind of taken aback as to the Minister's consumption reduction rationale. The reason I am taken aback is because the Minister used the statistics from I think it was Ireland in his presentation and justification with regard to fuel consumption and emission. Yet in many instances in countries of that nature, whose cultures are different, whose traffic laws are different, whose driving habits are different, those kinds of rationale cannot be taken across the board, because cultures and driving habits and traffic situations in countries would determine the type of emissions that we would have, the type of consumption we would have. If there is a tremendous amount of gridlock in our traffic system in Trinidad and Tobago, it means that obviously idle time is different to running time, and that city miles per gallon is absolutely different from highway miles per gallon. We have got to look at all of those things if we are to deal with it. Yet we cannot speak about emissions, because we really do not have a testing mechanism to test emissions. If that is the case, Sen. Small alluded to visible signs of emissions—visible, but that does not mean you have the mechanism to test in

any way possible.

The idea is kind of strange that in the Minister's presentation about cleaner energy and reducing the carbon footprint of the nation and reducing the consumption of fuel, in foreign countries emission testing and fuel consumption is not just assessed by the size of the motor vehicle engine. A lot is taken into consideration. The type of fuel, the quality of fuel is taken into consideration. For instance, Madam President, if the manufacturers or the producers of fuel are producing cheap fuel without high detergent components in it, then the consumption is going to be greater because it is going to cause far greater clogging of fuel injectors and all kinds of stuff, and poor performances, and it means that the consumption would be far greater.

7.30 p.m.

And I am not too sure of the detergent levels that we have, even in our gasoline in Trinidad and Tobago. And if it is not high then we would find ourselves with tremendous amount of emission problems, because detergents help clean injectors and not leave wax deposits and all these kinds of deposits in the injectors and then you would find difficulty in performance. So all of that is also taken into consideration. The type of fuel, the quality of fuel that you have in a country when it comes to consumption and the gridlock on the roads and the traffic conditions, all of that is taken into consideration when you are looking at consumption and the curbing in consumption locally.

So in Trinidad and Tobago we have difficulty in assessing consumption because we have to now look at what is being put into our gasoline, we have to look at road traffic conditions, we have to look at idle time, at idle speed, we have to look at if people are travelling in gridlock in the cities as opposed to the

highways, and now the highways are as gridlocked as the cities. So in Trinidad and Tobago the idea of consumption has to be looked at from a local standpoint. And driving habits, engine performance determines consumption.

And, Madam President, we also have to look at the types of engines that we have, not just the size of the engine because, though the Minister quoted from Ireland, in the consumer report on vehicles and consumption comparisons, it was last updated April 2016. Think about this. A Toyota Yaris which is a 1.5 litre engine, the overall miles per gallon is 32 miles per gallon. The City miles per gallon is 23 miles per gallon gridlock and the highways miles per gallon is 41 miles per gallon, a 1.5 litre engine.

But I want to go to a Nissan Altima, a 2.5 litre engine. Listen to this. The overall miles per gallon, 31 miles per gallon, similar to the Yaris. Listen to this. A City miles per gallon, idle time, track gridlock, 21 miles. But yet highway miles per gallon is more than the Yaris, 44 miles per gallon with a bigger engine. Not only that, Madam President, but a Hyundai Sonata which is a 2.4 litre engine has a 40 miles highway per gallon rating. And that will tell you that it is not just based on the cc of the engine. It has to do with fuel efficiency. It has to do with road conditions. It has to do with traffic conditions. And it is important for us to see that.

For instance, a Kia Sportage, we know about that, 22 miles overall per gallon, 16 miles a City, but only 30 miles per gallon on highways in comparison to the Nissan Altima. So when you think about that at the basis that we are using to say well, okay, you know, a higher cc engine consumes more, it may not be so based upon the consumer report. And we have got to really, really reconsider and look at it carefully and make sure that our statistics, our data is correct, and it is

there. It is right there for it to be seen. A Mitsubishi Lancer which is a 2.0 engine, it falls within the 1999, 25 miles per gallon overall. But in traffic in cities it is only 17 miles. And yet on highways it is 34 miles per gallon. And that is a 2,000 litre engine, 19-something cc. So in comparison when you look at the Altima to the Sportage you realize that it is not dependent just upon the size of the engine, it also dependent upon traffic and road conditions.

Not only that but, Madam President, another factor that should be taken in terms of all of this and into consideration is the fact that dependent upon if something has a manual transmission as opposed to an automatic transmission. And if the manual transmission, depending on the speed of the transmission, if you have a four speed transmission, five speed transmission, six speed transmission, because all of these things take load off the engine. The higher the speed the transmission is, the less load there is on the engine. It means that the consumption rate is even reduced.

So a person driving a four speed transmission is different consumption with the same vehicle as opposed to if the same vehicle had a six speed transmission. So you have to take all of that into consideration and not just the cc of engine. And it is important for us to see that, Madam President, and not just look at what is done in other places.

Madam President, the Minister of Finance had me a bit confused with this behavioural tax. He said that this tax is to kind of change the behaviour of people. And I was quite confused so I called it a behavioural tax. And he says part of the situation, he says that it is not a revenue earning situation. It is not based on earning revenue. But then in another breath he said that he is then—those who are well off have to share in the burden. In one breath it is not revenue based, it is not

revenue based, but in another breadth those that are well off have to share in the burden. If it is not revenue based, how are those that are well off sharing in the burden? If it is not to gain income and have the rich pay, how are they sharing in the burden? [*Desk thumping*] So I was taken aback with that. And I am not too sure if raising taxes changes behaviour. Because I heard the Minister say that raising taxes on cigarettes did not change people from smoking. And I found it strange that this one is to change behaviour, but raising taxes on cigarettes did not change behaviour. So I am kind of lost with that kind of rationale behind it.

Madam President, we have been talking about, I think it is the Minister of Rural Development and Local Government in his contribution that talked about the whole idea of CNG and that kind of situation, and I am not too sure we have fully grasped the difference between gasoline engines and diesel engines and how gasoline engines operate as opposed to diesel engines. I am not too sure we understand the dynamics of it. And it is easy to convert a gasoline engine to CNG because you have to fool the brain. Each vehicle comes with a brain and you have to fool the brain and opening up the brain causes the mechanism to open up because it is fooled and then you shoot CGN into the system.

But because a diesel engine works differently because gasoline engines, Madam President, air is compressed. Air is compressed. Okay? And when air is compressed because there is a mixture of air and fuel. Okay? As opposed to diesel engines. Diesel engines operate at a different level. Why? Because with diesel engines there is no mixture of air and fuel. It is air that is compressed. As a matter of fact, it is heated to almost 540 degrees seals. And the reason for that is because when it is heated and opened up then diesel is injected into the system to cause combustion. Different to a gasoline engine. So it is very easy to convert a

gasoline engine.

I think the problems that we have had in this country was that people kind of resisted the idea because a person buys a vehicle, a sedan because they need trunk space. And then they tell you they have to put this huge cylinder inside of your trunk and then after that you have no space to put anything else. And you drive around worried about if you get struck from behind and if somebody rare ends you and you go through all of this psychological thing with this huge cylinder. Minister Khan, you know what I am taking about. And that is a kind of deterrent to a lot of people who would probably think about using CNG, but if for some reason, and I am kind of piggybacking on Sen. Small, if for some reason we could have found some manufactures to do some OEM so that people can remove their gasoline tanks and then replace it with an original manufacturing tank—
[Interruption]

Madam President: Sen. Samuel, we just have a procedural Motion.

PROCEDURAL MOTION

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, in accordance with Standing Order 14(5), I beg to move that the Senate continues to sit until the completion of the business at hand.

Question put and agreed to.

MOTOR VEHICLES AND ROAD TRAFFIC

(AMDT.) (NO 2) ORDER, 2016

(CONFIRMATION OF)

Madam President: Continue, Senator.

Sen. R. Samuel: Thank you, Madam President. So the idea of conversions, it

may be necessary for governments to find manufacturers who can manufacture some OEM, gasoline tanks, that will just replace your gasoline tank. You drop the gasoline tank out and fit a CNG tank, well-made like original manufactures and may be for that purpose, and there may be some avenue that we can look at, so you would make it more attractive to people who would love to put CNG in their vehicles and not want this huge iron cylinder in their rare end, in their trunk space. *[Laughter]* Trunk space.

Madam President, it is important that we look at all of that. Now the world has been fooled in so many instances by vehicle manufacturers about miles per gallon. They have been fooled. Just recently we had Mitsubishi being sued. And then we had the issue of Volkswagen and this one and that one having problems as they—because in many instances, Madam President, when they do these road tests, to trick the system and skull the system there is a mechanism. What they do is that they tape up all the creases in the vehicle. Tape up all the grills so that the aerodynamics of the car changes. I can tell you what they do.

Madam President: Sen. Samuel, yes, you can tell us.

Sen. R. Samuel: I am going there because we are dealing with emission—
[Interruption]

Madam President: Yes. But, you know—

Sen. R. Samuel:—and consumption.

Madam President:—emission, consumption telling us about taping up everything, could we just get back and focus more on what is before us. Sen. Samuel, just continue, please, but try and focus a little more.

Sen. R. Samuel: I am dealing with emissions. Is that all right?—and consumption.

Motor Vehicles and Road Traffic (Amdt.)
(No. 2) Order, 2016 (Confirmation of) (cont'd)
Sen. R. Samuel (cont'd)

2016.04.28

Madam President: Sen. Samuel, continue, but try and focus more on what is before the Senate at this stage. You have dealt as length with emissions and taping up and what happens with the engines and everything else. I think everybody gets it. If you could just continue now with what is at hand, please.

Sen. R. Samuel: Madam President, I submit to your ruling.

Madam President: Thank you.

Sen. R. Samuel: Okay? But, Madam President, the issue today is that the poor man, based upon the presentation of the Minister, and I want to say the poor man and I am not dealing like other people who would just say people who are middle class. I am dealing with the poor man. The poor man always has to bear the burden of everything else. Because this is not revenue earning. So the rich is not going to be impacted because it is not revenue earning. Everything else on the nation the poor man has been affected.

And not only that, but, Madam President, if we are to think about oppression; if we have to think about instilling measures that would keep a certain aspect of the society at bay; if we have to really consider what this does in limiting the growth of the poor, of those that are less fortunate in society who will sacrifice and make the savings necessary to purchase a vehicle; if we think about—you know, it reminds me, Madam President, of a situation that took place some years ago in India when the colonial masters were trying to insist that the people in India wear their cloth, and use the cloth from England, and there was this huge upheaval. And, as a matter of fact, based on the people standing up for their rights and saying we want to use our local cloth, they were shut down, there was a massacre by the foreign authorities. And why? Because they could not see that people wanted to rise and rise at the levels that they want to rise on their terms. They felt that these

people must be suppressed and they must do what we say and they must do it when we say it and how we say it, and that people were supposed to be kept at bay in many instances. So, they were being oppressed.

7.45 p.m.

This just reminds me of that, that now you say to the man, hear what is going on, you cannot go beyond 2000cc because I am dealing with your behaviour, I am dealing with your consumption, I am dealing with your emissions, and he is limited to that, and if you have to do anything beyond that it is going to cost you excessively. That is psychological. That is not psychological to the man who is well off and you tell him that he has to pay 50 per cent more and he has the money so he pays 50 per cent more. That is not psychological, that does not affect his psyche, it just affects his pocket. But you say to the man on the street, the poor man, here what is going on, if you have to elevate yourself even a little bit—and I am going to the extreme—from 2000 to 2001cc; if you have to go up by 2cc; if you just have to increase by just a little; if you shift from a 2000 litre engine to a 2.2 litre engine, then here is what going to happen to you. This is going to excessively cost you a lot of money. That is what you are actually telling the poor man. That is what you are actually telling the person who has struggled for years and saved over and over and tried.

And Sen. Small was 100 per cent correct, because the man on the street, the man who wants to elevate himself, the man who just want to—and not only that, but even the farmers will struggle, because, here what is going to happen, there would be a tax exemption for vehicles and equipment used for the industry. So, the man who is a farmer has a family, and if he buys something that is not necessarily or directly involved in the industry, he has to buy another one. He cannot buy

something that may be two-fold; that is kind of family oriented and industry oriented. And I am saying this for the reason for instance if he wants a “four by four” and he buys a “four by four” that is conducive for family as well as farming, he gets the exemption. But, how many vehicles is he allowed to be exempted on in what space of time?

Sen. Singh: One.

Sen. R. Samuel: One alone. Okay. So, I am just asking those questions. It is important for farmers to know that, so that farmers would not think that I am limited to something that pertains only for farmers. Suppose the farmer decides I want a “four by four” Hilux, a high-end Hilux. You understand where I am coming from? But, the question is, that is good for the farmers. But, what about the man who has his little business at home selling pies, and he bakes his pies at home? That is his way of living, and he moves around with the pies and he buys a van that is conducive because he is journeying across the country, and he is going up to the Blanchisseuse Road on the north coast to sell his stuff to the people on the beach, and the terrain is terrible because he has to go through the Arima Old Road and stuff like that, and he wants to buy a vehicle that is conducive to the terrain, but it is above 1900cc. [*Sen. Samuel faces the Independent Bench*]

Madam President: Sen. Samuel, please address me.

Sen. R. Samuel: Address you. Yes. It is above 1900cc, he has no exemption. He now has to pay 50 per cent more. The farmer is doing his business, he gets a tax cut; the small businessman who is—and we are attempting to encourage entrepreneurship. And he now is not exempted, and he is using it because that is his only means of living and income, and he is going up every day and he is driving through the north—I mean, I mashed up two vehicles going up on the north

coast, anyway, over the Old Blanchisseuse Road I destroyed vehicles, over the years. I destroyed vehicles because of the terrain. Because of the terrain you had to now shift from going up there in a normal vehicle and try to buy a “four by four” and upgrade it to that level.

But the idea was that, the man who has his business, because I know of many people who would have their little businesses and they would pack their stuff in their vehicle, and they would drive to the north coast, and they would drive to other areas to sell, and then they would return home just to do it all over again the very next day. They have no exemptions. They are not afforded the same privileges like farming. So, in one breath we are saying, let us encourage farmers, and I agree with that; but in the other breath we are not saying, let us encourage young business people, entrepreneurs who vie their business, and who bake and sell, and who cook and sell [*Desk thumping*] and who move around the country and sell their food, they are not exempted. And I am hoping that the Minister would look into that, if people can prove that their vehicles are being used for a viable business, a viable means of income, so that the same way the farmer is exempted, they also can be exempted, and it is important for us to let that. Or else there would appear to be a bias in our society. And we do not want there to be any appearance of bias in the society, and if that is the case then we are in trouble.

It is important for us to take some of those things into consideration. I know of a single mother, she gets up every morning at three in the morning and she makes her pies, and her doubles, and her everything, and she puts it in a van, and she is planning to upgrade the van because it is old and derelict—you understand—and she drives, and she moves to three places to sell her stuff. That is her only means of income for her and her three children. She is not exempted from tax.

[Interruption] I am on the Bill, it is about tax and vehicles. She is not exempted from tax. So, my thing about it is, the possibility that she may not even get a van of that nature below 2000cc. And it is important for us to know that, and something has to be done and taken into consideration for people of that nature, if they can prove that it is their viable means of income. Because, there are certain vehicles you do not get below 2000cc. There are certain aspects of vehicles you do not, and you would have to look at that to see what will happen.

You see, we can sit here, Madam President, because we do not sell. We can sit here because we do not make things to drive around the place and sell. We can sit here and we can try to figure out, well, let her buy a 2000cc, let her look for something smaller, let her do this; but we are not selling it. We are not driving around the place. We are not determining what is the durability of these cars; we are not looking at that because we are not in those people's position. And I am just asking that we really try to put ourselves in those people's shoes who can prove that this is their viable means of income, and it may be that they may not be able to get a van, a vehicle for the kind of terrain with the kind of cc that they are now limited to.

Madam President, it is important for us to know that as we move in the directions of raising taxes and custom duties, and everything on motor vehicles, that I am pleading with the Minister of Finance, please have pity on the poor entrepreneurs. Have pity on the poor entrepreneurs. The same way you have pity on people who are in the agricultural sector, there must be some avenue where the entrepreneurs who do their trade and their business, and they can prove that that is the means of their transportation for business, and how they do business, that they can find some avenue in the Ministry to have that kind of exemption similarly to

how the agricultural sector has exemption.

I do not want it to ever feel, Madam President, that the agricultural sector takes precedence over the sector of entrepreneurs who we really want to develop because they themselves would employ people in their small businesses and stuff like that, and that their employ is their means of income for their family. I am hoping that the Minister of Finance would look into it if possible, or promise to look into it to see if there is a possibility that entrepreneurs who can prove that their means of business and transportation, and some people have their stuff on their vans, and they do their stuff all over the country, can have some means of exemption, no different, or similar to that that is offered to people who are in the agricultural sector.

Madam President, I thank you.

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. This has been a very strange debate, simply because every single thing said by the Opposition is untrue. Now, unfortunately, a lot of the things that they said permeated the rest of the discussion. So, let me deal first with an untruth that was put into the system by Sen. Ameen.

Sen. Ameen complained that the measures, Legal Notice 48 and Legal Notice 47, would make it impossible for people to purchase vehicles, such as the Nissan X-Trail and so on, which were 2000cc. That is just not true. It is well known that motor vehicle manufacturers, when they are marketing their vehicles they round up the engine size to the next 100cc. So that the Nissan X-Trail, for example, is not a 2000cc engine, it is 1999, and therefore the Nissan X-Trail will not be affected by this measure.

In addition, Madam President—[*Interruption*]—and, Madam President, I

would ask you to ask hon. Members, I was very quiet over here, in fact at one point I had—*[Hon. Senators protest and thump desk]*

Sen. Ameen: That is not true.

Madam President: No, could we please be silent and let the Minister wind up the debate.

Hon. C. Imbert: Madam President, it is clear to me that the Opposition is disconnected from reality. *[Desk thumping]* At one point during Sen. Ameen's contribution I had my head down, not saying a word, quiet like a church mouse, not uttering a sound, and she complained to you, Madam President, about the noise I was making. *[Crosstalk]*

Madam President, I would ask you to ask hon. Senators, because I have to correct a lot of the misinformation. Hon. Senators on the lower bench, I would ask you to ask them to allow me to speak in silence, please, Madam President. *[Interruption]*

Madam President: I have already asked them.

Hon. C. Imbert: Thank you very much. So that all of these vehicles that people would aspire to buy, I am going to read out all of them: the Nissan X-Trail; the Hyundai; the Kia Sportage; the Hyundai Tucson; the Honda CRV; the Mitsubishi Outlander; the Subaru Forester; the Toyota RAV4; the Suzuki Vitara; these are all common, midsize sport utility vehicles. In fact, these models that I have called out here and I will read them again: Nissan X-Trail; Hyundai Tucson; Kia Sportage; Honda CRV; Mitsubishi Outlander; Subaru Forester; Toyota RAV4; Suzuki Vitara, make up 90 per cent of SUVs on the roads in Trinidad and Tobago today, and every single one of them is 1999cc or below. *[Desk thumping]*

8.00 p.m.

So that when Sen. Ameen put this mischief into this debate, that people will no longer be able to afford these SUVs she was simply misleading the Senate and misleading the population. I want to repeat, it is a standard practice for vehicle manufacturers when they are marketing the vehicle they put two litre, but it is in fact 1999 or 1998 and I repeat, Madam President, that the vehicle I drive is 1998cc. But let us go on to, let us take these things in order.

Sen. Mark wanted to know why we are here. He said we did not have to bring the Senate here today. I could just issue a public statement. Well, that is just wrong, because Sen. Mark has been in and out of this Parliament for years, in and out. Twenty years and Sen. Mark knows that according to the laws of Trinidad and Tobago that when you publish an adjustment to motor vehicle taxes by way of an Order, the laws of Trinidad and Tobago require that these measures must be passed, must be laid in Parliament and must be debated and passed within 21 days.

That is in the Motor Vehicles and Road Traffic Act, that is in the Customs Act, it is in all the laws, that whenever you are adjusting taxes and you do so by way of an Order, you have a budget speech, you publish the Provisional Collection of Taxes Order or in this particular case, we publish an Order adjusting motor vehicle tax and customs duty, Madam President. This is only valid for 21 days. The taxes take effect immediately on publication in the *Gazette* and they lapse within 21 days unless we do what we are doing here today. And Sen. Mark knows that because he has been in this Parliament for 20 years plus. So why would he say, why are we here today. We are here today to validate the Orders that were published on April 8th.

What else did Sen. Mark tell us?

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Hon. Senator: Nothing else.

Hon. C. Imbert: “Ah looking.” What else did he say? He complained about the moratorium. Madam President, in 2013 when Sen. Mark was in the other place, in another position, the then Minister of Finance of his Government brought a measure to increase taxes on motor vehicles that had an engine capacity in excess of 2499 cc. That was at that time considered by the People’s Partnership Government to be a form of luxury tax on vehicles that had an engine size in excess of 2499cc, 2013.

And there was an outcry from their financiers. It was supposed to take effect on October 1st, 2013. It was announced in the budget speech of that year. There was an outcry from their financiers, and what did they do? They dithered, they wavered and then they gave a moratorium on the implementation of that tax. And the point I am making, Madam President, it is commonplace, when taxes are introduced and they catch people by surprise and people suffer a loss as a result, to consider granting a moratorium. That has been done in this Parliament for 50 years, PNM, UNC, NAR, PP, for 50 years that is what is done in this Parliament.

So for Sen. Mark to pretend that he does not know that his Government did this, that all previous Governments have done this and it is commonplace, for him to give the impression that this is not so, I consider this to be reprehensible. [*Desk thumping*] He is misleading people. I would not even bother with the last comment of Sen. Mark, that the money raised by the UNC went to create jobs. It did not. It went into the pockets of thieves and bandits. [*Desk thumping*] That is where it went. And SIS gone to Panama.

Now, let us look at one of the better contributions today from Sen. Mahabir and I want to compliment Sen. Mahabir for some of the issues he raised with

respect to hybrid vehicles. [*Desk thumping*] I also want to clarify an issue, when I came to the place with the mid-year review and I spoke about the intention of the Government to look at taxation on CNG powered vehicles, electric vehicles and hybrid vehicles, while you were speaking Sen. Mahabir I went back and I checked my speech because I did recall I made a point. There are going to be limitations. It is not going to be a carte blanche.

In fact, I used 1999cc as the framework for the hybrid vehicles at the time. So when you were talking about the Audi Q5, the Lexus LS 600h L, the Porsche Cayenne, et cetera, your concern was very understandable, but we are certainly not going to allow people to bring in these multimillion-dollar vehicles as hybrids to avoid, to take advantage of what is perceived to be a loophole in the law. We are not going to do that. But I thank you very much for bringing this matter to our attention.

When, in fact, you said this, I went and I googled the BMW i8, I was not familiar with it. And it, in fact, has a horsepower rating of 357 horsepower which is a fantastic horsepower rating. The car that Sen. Samuel referred to, the Santa Fe or the Sorento, the 2.2 litre would have a horsepower rating of about 187. So to have a car with 357 horses, that is a powerful car. And we are certainly, as we come to this place in about a month to deal with the exemption on hybrids, we would certainly not allow these kinds of luxury hybrids to get through.

And that brings me to Sen. Solomon. We are not dealing with taxes on hybrid cars today. And that is why I got up and objected, Madam President, and I wish to remind Sen. Solomon—

Sen. Mark: You are overruled.

Hon. C. Imbert: You could say what you want, you know, facts are facts. Legal

Notice No. 47 deals with motor vehicle taxes on passenger cars and Legal Notice No. 48 deals with customs duty on passenger cars.

Madam President: Could we, please, listen to the Minister in silence. And when we are referring to another Member of this Chamber we refer to them by Senator and their name, not by their surnames alone. Continue, please.

Hon. C. Imbert: Thank you, Madam President. So Sen. Solomon was totally mixed up. Sen. Mahabir spoke about what we intend to do in the future, next month, when we come to deal with the Motion to deal with taxation on hybrid cars. But Sen. Solomon, ranted and raved about this measure is designed to help the rich, to help people who are now going to bring in high-end luxury hybrid cars.

Sen. Mark: Not the rich, your friends.

Hon. C. Imbert: I was very confused, Madam President. I was very, very, very, confused. Here we are today debating a measure to deal with motor vehicle tax and customs duty on passenger cars, traditional, combustion engine passenger cars and Sen. Solomon has a conniption about the measure, he says, that we are debating today, that that is going to reduce taxes on hybrid cars. There is no measure before the Senate today dealing with the reduction of taxes on hybrid cars, Madam President. [*Crosstalk*]

Madam President: Sen. Ameen! Continue, Minister.

Hon. C. Imbert: Madam President, I took very, very, careful notes of everything that everybody said. And these are his words. He screamed at the top of his voice about the PNM lowering the taxes on hybrid cars by way of the Motion before the Senate today. And he said it three times. I counted the number of times he said that by way of the Motion before the Senate today, the PNM will be lowering taxes on hybrid cars to help their friends. That is what he said, we are helping the rich.

He fulminated, he screamed, we are helping the rich by lowering taxes on hybrid cars by the matter before the Senate today. A complete fantasy on the part of Sen. Solomon.

Madam President, I do not know why the members of the Opposition like to give, “but dey doh want to take”. It seems to me to be—

Sen. Cummings: Thin-skinned.

Hon. C. Imbert: Yes, they are thin-skinned, “dey like to give but they doh wish to take.” And you see, Madam President, I am always very careful to take copious notes and make sure that I can refer to exactly what they said. Sen. Ameen contradicted some other comments made in this Senate. You had Sen. Shrikissoon saying that one car dealer would bring about 16 to 17 per cent of the cars, that one car dealer—would be cars to be affected by this measure. Am I not correct Senator? But Sen. Ameen tells us only 400 out of 30,000 cars are over 1999cc.

Madam President, as I said, an amazing disconnect with reality. [*Desk thumping*] Southern Sales alone, one dealer, Southern Sales alone has about 253 cars per year that fall into this category. It is impossible that only 400 cars are affected by this measure. That is impossible. Absolutely impossible, and yet Sen. Ameen comes in and tells us that this is what we are dealing with.

Sen. Ameen: Well you bring the correct figures. You should bring the figures.

Hon. C. Imbert: Madam President, I also want to correct misinformation put into the system by Sen. Ameen about the incentives on agricultural equipment were put in place by the People’s Partnership. Madam President, the People’s National Movement put in place incentives [*Desk thumping*] for agricultural vehicles 40 years ago. I do not know how old Sen. Ameen is, but I am sure that she was either not born or was just born when the People’s National Movement put in place tax

concessions on agricultural vehicles. Forty years ago, forty years ago under the hon. Dr. Eric Williams.

Sen. Ameen also made the most astonishing calculation that the increase in the price of gas would cause your gas bill to go up from \$100 when you fill up, to \$150. Now if you do the maths that means gas has gone up by 50 per cent. Because if you used to fill up your tank for \$100 and you are now filling it up for \$150 then gas went up by 50 per cent. Gas did not go up by 50 per cent. That is UNC maths, Madam President, that is what that is, UNC maths.

But let me go back to some of the Senators who made sense and really assisted me. Sen. Mahabir you are absolutely right, we need to review our entire system of taxation. And one thing that underscored to me, I have been thinking about it recently, that taxation is not static, it evolves, and what tends to happen and I have taken a look at our oil and gas taxation regime, in particular. I have a particular interest in that field. The IMF team that is here to advise us on oil and gas taxation and transfer pricing, and nothing else, has already looked at our production sharing contracts and has already indicated that because of the ad hoc nature of adjustments to the taxation regime within production sharing contracts in the oil and gas sector, there are 28 different iterations of the production-sharing contract and it has now become extremely confusing and it needs to be streamlined and reformed. And they have already, in one day, the IMF came here and was already able to advise that we need to reform and streamline our oil and gas taxation regime because over the years people have made changes, ad hoc changes.

8.15 p.m.

So it is has all become extremely arbitrary, like the supplementary petroleum tax, for example. It is quite arbitrary now. And they were actually recommending

that we should look at profitability for supplementary petroleum taxation rather than the current arbitrary system where SPT kicks in at \$50 a barrel. So that you would have oil at \$49.50 and you have one taxation regime and then it goes to \$50.50 and immediately another taxation regime kicks in, and you go from profitability to unprofitability with the change of the price of oil of just \$1.

So they are saying that we should not be looking at an SPT that is connected to a price. We should really be looking at a profitability system with respect to supplementary petroleum taxation. And this is the kind of quality advice I am getting. But the whole point is—I see Sen. Small nodding. The whole point is that our taxation system has just grown up all over the years. We have a lot of nuisance taxes. We have a lot of arbitrary taxes. We have taxes that are contradictory. And really, when you said that we need to review our entire system of taxation, I could not agree with you more. I could not agree with you more.

Sen. Hadeed was runaway, quarrelled about the taxation on the larger sized SUVs and says this is going to affect the middle class. And it reminded me of a debate—his contribution and Sen. Samuel's contribution reminded me of a debate between Barack Obama and Mitt Romney, and that was in 2012. I believe it was the third presidential debate; it could have been the second. And Barack Obama did not perform well in the first presidential debate. Romney was adjudged to have won that debate. And I think in the second debate they had them even, but in the third presidential debate Obama crushed him. And what I saw in that debate—because I watched it—was that Romney was out of his depth when it came to foreign policy. And he was asked a question about waging war in a particular country and he started to talk about the infantry and handguns and so on, and Obama was able to immediately jump on him and tell him, “You are a dinosaur.

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You are out of date. We do not fight wars with infantry and handguns anymore. We use drones; we use smart bombs; we use satellite imagery.” And he mashed him up.

And when I was listening to Sen. Samuel and listening to Sen. Hadeed, this is what was in my mind, that debate—dinosaurs, because the car that I drive has 1,998—[*Interruption*]

Hon. Senator: Who is dinosaur—

Hon. C. Imbert: Madam President, what is going on?

Sen. Solomon: Standing Order 46(4).

Hon. Senator: Prehistoric.

Hon. Senator: Unparliamentary—

Hon. C. Imbert: Thank you very much.

Hon. Senator: “Dinosaur” is not a good word.

Hon. C. Imbert: I know they want to give but “dey cyar take”! And as I said, this picture was in my mind—[*Interruption*]

Sen. Ameen: Anybody call you a dinosaur? Anybody here ever call you a dinosaur?

Madam President: Sen. Ameen—[*Crosstalk*] Sen. Ameen, Sen. Mark, please, let the Minister finish his winding up. And Sen. Ameen—[*Interruption*] Sen. Mark, excuse me?

Sen. Mark: Can we call him a dinosaur?

Madam President: Sen. Mark, excuse me?

Hon. Senator: Show some respect.

Sen. Ameen: That is our point.

Madam President: Sen. Ameen, I do not want to have to ask you once again to

let the Minister finish. I have been on my legs at least three times before. Please, let the Minister finish his winding up.

Hon. C. Imbert: Thank you very much. The car that I drive has 1998cc, but it developed 235 horsepower because it is turbocharged, because that is the modern engine. That is the way the car manufacturers are going now. The Kia Sorento, the Hyundai Santa Fe, they develop 187 horsepower, but they have 2.2 litres, 2200cc. Mine is less than 2000cc and develops almost 40 per cent more horsepower.

So what is going to happen, and what has happened all over the world, is that as car manufacturers adjust to taxation regimes they design and develop different engines, developing more power. So that the same Kia Sorento, the same Hyundai Santa Fe which is the large 7-seater or family sized SUV, will now be brought into this country by these same dealers with a smaller engine size, developing a greater horsepower which will allow the middle class that Senators Hadeed and Samuel speak about, to enjoy the benefits of a larger sports utility vehicle, Madam President.

So that is what I mean. They are living in the past. They are living in the past. As countries all over the world have adjusted taxation regimes, car dealers and car manufacturers have adjusted to suit. So they just bring different cars to suit the market, because some people use the small SUV. They like the RAV4; they like the Outlander; they like the CR-V, but other people want the larger SUVs for their families and so on, so the car manufacturers will adjust to suit. They will adjust to suit the taxation regime in the country.

So what I cannot understand is that hon. Members on the lower Bench, you need to open your minds. You need to understand. Because what that paper that I

referred to about gasoline tax and affecting public behaviour, what happened with the increased taxes on gasoline—what happened is, people adjusted and the car manufacturers adjusted as well. So they came up with more fuel-efficient engines. In fact, that is another point I heard Obama make. Obama is giving incentives to car manufacturers that can now develop cars that could have 50 miles per gallon; again, towards fuel consumption, towards reduction in environmental pollution, and the car manufacturers are rising to the challenge. They are now making ordinary sedans that give you 47 miles per gallon, could give you 50 miles per gallon, whereas 10 years ago that was unheard of.

I remember back in the 1990s, the standard vehicle that most public servants used to drive, the Mazda 626, 1.8—“yuh know de ting”—1.8 litres, had a fuel consumption. It was terrible. You were getting about 20 miles to the gallon, or 18 miles to the gallon if you are lucky. One point eight litres, eh, less than 2000cc, guzzling gas because it was a highly inefficient engine.

But you take the Mazda 6 now, 1999cc, giving you 35/40 miles to the gallon. Madam President, the engine size has not changed significantly but the technology has changed: the use of fuel injection; the use of better burns; more efficient combustion and so on. So that is all that will happen with this measure, and it will achieve our objective which is to reduce fuel consumption, reduce emissions and push people towards smaller engine cars. So that, I was listening to what the Opposition Senators were saying and I just could not understand what they were saying because it did not make any sense.

But let me go now to some of the points Sen. Crease made and I just want to clarify some issues. Well, I clarified the 2000cc thing. It is really 1999cc because the car manufacturers, you know, they do this for marketing purposes. You know,

it is the reverse to the retail sector. You know when you go in a shop and you want to buy something, you see \$10.99. They do not put it at \$11. Or they put \$9.99. But the car manufacturers go the other way. They want to promote the vehicle as if it is a big engine but it is really 1995 or 1997 because they want to come below, because all taxation regimes are in intervals of 100 cc all over the world. That is how it is done.

So all the manufacturers: 1499, 1599, 1799. That is what they do, but they market the vehicle as a two-litre, 2000cc, but it is not. It is 1999. So I am dealing with the Nissan X-Trail in terms of the comment that you made about that, which you took from Sen. Ameen who was just wrong. But let me just say that vehicles for farmers, regardless of size—that is our policy at this point in time—will be exempt. So the four-wheel drive vehicle that someone will want to use off-road as a farmer will not be affected by this measure. I want to make it absolutely clear that goods vehicles, agricultural vehicles, public service vehicles, public transportation vehicles, will not be affected by this. [*Desk thumping*] This is simply designed to deal with passenger cars.

So that the Navara, for example, is not affected. The Navara would qualify on two counts. It is a goods vehicle and it is an agricultural vehicle, so it will get away from this. This is targeting passenger cars. This is, in fact, targeting your BMW 7 Series and your Mercedes—sorry Sen. Shrikissoon—your Mercedes-Benz S-Class and so on. This is what—it is a very focused piece of legislation—very, very focused.

And the moratorium thing, it was based on public comment. Nobody had to call me and tell me anything. I mean, from the time we announced it, “people on TV; people writing letter in the papers”. A lot of people indicated they had

ordered vehicles already. A lot of the vehicles were on the port. They had not been cleared from customs for one reason or another—ordinary people who had ordered 2.2 litre, 2.4 litre. During this debate I queried what is the cost of a Kia Sorento—\$385,000. That is what it is. So it is not million-dollar vehicles only affected by this. The Sorento is \$385,000. And it was people—the same middle-class person that Sen. Hadeed talking about, who would have even paid a down payment. Their vehicle is on the docks. It has not been cleared. It is in the bond. What are they supposed to do?

So it is—you know, apparently I cannot use the axiom that Sen. Khan used, you know, that if you do it this—[*Interruption*]

Madam President: No, you cannot do it.

Hon. C. Imbert: No, I am not going to. So if you do this, you get in trouble, if you do that, you get in trouble. This is standard practice by governments. You increase taxes, you catch people by surprise, you put people at a disadvantage and you make a decision. You just make a decision on merit and on balance. It was not anybody picking up the phone.

And one of the unintended consequences of this is there is now a rush for people to buy these vehicles because they know that in June, “price going up”, so revenue coming in. It is an unintended consequence. A lot of the vehicles that they would not have been able to sell, they are now selling like “hot bread”, and therefore the Government will get enhanced revenue from that. But after that, you are going to have a depression, a reduction in revenue, because this is going to be a disincentive for those vehicles.

But in terms of the family car, the big one, I am certain that our very innovative, intelligent and brilliant car dealers will be able to source a vehicle that

meets the specifications, that comes in below 1999, or at 1099cc and has the horsepower, whether it is turbocharged or whether it is a very highly efficient engine, and will provide the same service and have the same features as the outdated, older model cars that we have now in Trinidad and Tobago. So, Sen. Crease, have no fear. The four-wheel drives going off-road for farmers and goods vehicles and so on, those are not being targeted here at all.

And that brings me back to Sen. Samuel, carrying on about vans. Vans are not affected by this. A van is a goods vehicle. And what bothered me as well, Sen. Samuel used to be a maxi-taxi driver. [*Desk thumping*]

Sen. Samuel: A proud one too.

Hon. C. Imbert: I am not talking about whether it is proud or not proud, but he drove a public transportation vehicle and therefore he knows. He cannot make me believe that he does not know that for the last 50 years there has been a taxation system for motor vehicles in this country that gives preferential rates of tax for goods vehicles. He knows that. There are so many people—I did it myself when I was a student. I had a pick-up and I registered it as a “T”. He knows that. So that when you register a vehicle as a “T” vehicle to transport goods, you are entitled to reduction in taxation and exemption.

This has been in existence in this country for 50 years. So why would somebody who was a maxi-taxi driver who would know the taxation system inside out for public transportation vehicles, come here and pretend that he does not know that there is reduced taxation on the van that he spoke about—the little lady making her pies and going out with the van and selling? Why would he pretend that he does not know that the van is already the subject of exemptions and preferential tax rates, Madam President?

I am surprised. I listened to all of them: Sen. Solomon carrying on about hybrid vehicles when the hybrid taxation is not before the Parliament; Sen. Mark carrying on about why are we here when he knows very well that if this thing is not passed in 21 days it will lapse; Sen. Samuel ranting and raving about “de van” when he knows that “de van” is subject to a reduced form of taxation.

I mean, listening to this debate today, it was bizarre. It was truly bizarre. [*Desk thumping*] As one of my colleagues said, it was eerie. It was eerie listening to Sen. Hadeed, listening to Sen. Samuel. It was eerie. I just could not understand what was going on here at all. I just could not understand.

8.30 p.m.

And the point I want to make, and this is in reference to something Sen. Small made, tax systems evolve. When I was considering this measure, I looked at Australia where they use price, I looked at India where they use engine size, I looked at the Caribbean where they use engine size and age and we decided, at this time, that the tax on luxury cars will be based on cc rating. As the taxation system evolves and people find ways to cheat and beat the system or we find that there is inequity in the tax system, the tax system will evolve to address the situation.

So you may find a situation, a year from now, two years from now, where the cost of the vehicle may be what is the determining factor, to determine whether you should put a luxury tax on or not. We may arrive at that place. Taxation systems are not static, they are dynamic, they evolve to meet changed situations and that is why I am very pleased—I mean some of the statements made by the Independent Senators were based on—well not based, but seemed to have originated by some of the misleading information put into the system by the Members on the Lower Bench, but the ideas that came out have really assisted us

in dealing with this whole question of taxation of motor cars.

And by the way, Sen. Creese, in at least 125 countries, motor cars are taxed based on engine size. I am not saying it is the right thing to do but I am just saying that over 100 countries in the world tax cars based on engine size. It is probably the easiest thing to do. It is probably because it is convenient and you may absolutely be right. It may now be time to start looking at a different way of taxing motor cars. You know, some of the things said have really started me thinking but as I said, taxation evolves and I can tell you this Minister of Finance listens. I listened to what you have to say. [*Interruption*] Not the one in front there, [*Laughter*] but I listened to what the Independent Senators have to say because I am certain you have no axe to grind and you are bringing your personal perspective to bear on this whole thing.

Sen. Shrikissoon, it really is impossible to determine the level of revenue. I could guess and say it is revenue neutral. I could guess but I do not want to “voop”. It is impossible because this tax is primarily designed to deal with behaviour. So therefore, from all the research, there will be a reduction in sales in the higher end vehicles and that will balance out the increased revenue from the increased taxation but it is really—I do not want to guess. So at this time, we are just assuming, for the purpose of budgeting, that it will be revenue neutral, so we do not assume any increased taxation. So it will be the same amount of revenue will be earned from motor cars as will be in 2016 as was originally anticipated at the beginning of the year when we did our projection for income from taxation on motor cars. [*Interruption*]

Now, Sen. Shrikissoon, you said a whole number of things that I did not really follow some of them. You said, for example, why are we asking the private

sector to pay higher taxes when this is a disincentive? I do not really agree because they do not need to drive vehicles that are in excess of 2000, you know, 1900. The private sector does not need to drive those vehicles. So I cannot agree with the premise that by taxing luxury cars, you are creating a disincentive to the—I just cannot. You know, maybe, you can develop this point as we go along, I am sure it will come up at some point in the future but I just cannot agree with you. It is one of these things that I am telling you I just could not see that point. I just could not see it.

In terms of consideration given to the dealers, how many of them are equipped to sell hybrid vehicles? Well, since the measures were introduced by the former administration, there has been a systematic increase in the number of hybrid vehicles that are coming into the country. I think the first hybrid vehicles were purchased by the Ministry of Energy when the former Minister of Energy, I think Ramnarine, I saw him driving or being driven in a Camry, a hybrid vehicle. I think he was just doing that to promote the use of hybrids but it is on the increase.

The reason why it has been no big increase is because the taxation system was not designed, it was not sufficient to encourage people to switch to hybrids because, as Sen. Mahabir has pointed out, the hybrids cost more and they cost more because it is two engines. That is just basically it, eh. You have a gasoline engine and you have an electric engine so you are paying for two engines so it must cost more and it may be a little heavier and so on because of the two engines. So that the only way—you have to tweak it. So if at the base level, it cost more and you want to encourage people to use the hybrid, then you have to adjust the taxation to the point where it becomes competitive that people would use hybrids but we are going for the smaller engine hybrids, not these big powerful super cars

that Senator—

Madam President: Minister, you have five more minutes.

Hon. C. Imbert: Sure. That Sen. Mahabir spoke about.

So, Madam President, I think I have dealt with all of the misinformation put into the system by the Opposition with the exception of one. Sen. Ameen alleged that in the other place, I had said this was a revenue raising measure and I come here in the Senate and say the opposite because my debate failed in the other place. Well, nothing could be further from the truth. In fact, the little confusion that occurred in the other place which caused some publicity was based on me telling one of the UNC Members that this is not a revenue raising measure, it is designed to influence behaviour, and it was that argument between the two of us that caused the little publicity.

I was emphatic and in fact when I was winding up, I went into great detail to point out that these measures are intended to influence behaviour. It is therefore astonishing that Sen. Ameen would say I went in the other place and said this is revenue and I come here and say it is behaviour. I find that shocking. I have been consistent and this Government has been consistent with these taxation measures. And the other ones that we are going to bring next month, we are going to be consistent.

We are moving towards a more environmental friendly Trinidad and Tobago. We have to push the population in this direction. And if for a few years, people are going to be allowed to bring in electric cars and CNG cars and hybrid cars, and that will make these cars more popular, will make dealers—Sen. Shrikissoon, this is for you. If for a couple of years, we make it so attractive for people to bring in these alternative fuel cars, just to get people accustomed to them,

just to build the technology, to build the expertise, then so be it. I think that is a very laudable objective in order to reduce our carbon footprint and to push Trinidadians and Tobagonians towards environmental conservation [*Desk thumping*] and the use of alternative energy.

So I am very, very grateful for all of the comments made by every single Senator on the Upper Bench. I am sorry for yet another time—I am sorry, I could not understand anything said by the hon. Members on the Lower Bench. I do not understand why they got everything wrong, I do not understand why they thought it was necessary to mislead the public and to make statements when it is just not true. [*Interruption*] No, I am not, I am going to follow the procedure.

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

Question put and agreed to.

Resolved:

That the Motor Vehicles and Road Traffic (Amendment) (No. 2) Order, 2016, the contents of which are set out below be confirmed.

- LN No. 47 of 2016 1. Part 1 of Appendix A to the Fourth Schedule to the Motor Vehicles and Road Traffic Act is amended in Item (1) by deleting paragraphs (d) to (g) and substituting the following paragraphs:

“(d) Engine size exceeding 1999 cc but not exceeding 2499 cc
...37.50 per cc

(e) Engine size exceeding 2499 cc but not
exceeding 2999 cc 45.00
per cc

(f) Engine size exceeding 2999 cc but not
exceeding 3499 cc 52.50
per cc

(g) Engine size exceeding 3499 cc ...
75.00 per cc”.

**CUSTOMS (AMENDMENT TO THE FIRST SCHEDULE) ORDER, 2016
(CONFIRMATION OF)**

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Madam President. I beg to move the following Motion standing in my name:

Whereas it is provided by section 7 of the Customs Act, Chap. 78:01 that the President may by Order increase or reduce any import or export duty of Customs or impose new import or export duties of Customs and from the date of publication of the Order in the *Gazette* and until the expiry of the Order the duties specified in the Order shall be payable in lieu of the duties payable prior thereto:

And whereas it is provided by subsection (2) of the said section that every Order issued under that section shall after four days and within twenty-one days from the date of its first publication be submitted to Parliament and Parliament may by resolution confirm, amend or revoke the Order and upon

publication of the resolution of Parliament in the *Gazette* the resolution shall have effect and the Order shall then expire:

And whereas the Customs (Amendment to the First Schedule) Order, 2016, was made under section 7 of the Customs Act and first published in the *Gazette* as Legal Notice No. 48 on the 8th day of April, 2016.

And whereas it is expedient to confirm the said Order:

Be it resolved that the Customs (Amendment to the First Schedule) Order, 2016, the contents of which are set out below, be confirmed:

- | | |
|------------------------------|---|
| L.N. No.
48
of
2016 | 1. The Customs Act is amended in the First Schedule – |
| | (a) under the headings 8703.23.50 and 8703.23.60, by deleting in the third column the words “40%” and substituting the words “60%”; |
| | (b) under the heading 8703.24.90, by deleting in the third column the words “45%” and substituting the words “67.5%”; |
| | (c) under the heading 8703.32.50, by deleting in the third column the words “40%” and substituting the words “60%”; |
| | and |
| | (d) under the heading 8703.33.90, by deleting in the third column the words |

“45%” and substituting the words
 “67.5%”.

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

Question proposed.

Question put and agreed to.

Resolved:

That the Customs (Amendment to the First Schedule) Order, 2016, the contents of which are set out below, be confirmed:

- | | |
|----------|---|
| L.N. No. | 1. The Customs Act is amended in the |
| 48 of | First Schedule – |
| 2016 | (a) under the headings 8703.23.50 and 8703.23.60, by deleting in the third column the words “40%” and substituting the words “60%”; |
| | (b) under the heading 8703.24.90, by deleting in the third column the words “45%” and substituting the words “67.5%”; |
| | (c) under the heading 8703.32.50, by deleting in the third column the words “40%” and substituting the words “60%”; |
| | and |

(d) under the heading 8703.33.90, by deleting in the third column the words “45%” and substituting the words “67.5%”.

ADJOURNMENT

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, I beg to move that this Senate do now adjourn to Tuesday, May 03, 2016 at 1.30 p.m. During that sitting, we will begin the debate of the Strategic Services Agency Bill.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.45 p.m.