

SENATE*Tuesday, December 12, 2017*

The Senate met at 1.30 p.m.

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

Madam President: Hon. Senators, I have granted leave of absence to Sen. Anita Haynes who is out of the country.

SENATORS' APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from His Excellency the President, Anthony Thomas Aquinas Carmona O.R.T.T., S.C.:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ANTHONY THOMAS
AQUINAS CARMONA, O.R.T.T., S.C.,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Anthony Thomas Aquinas Carmona O.R.T.T. S.C.
President.

TO: MR. BRIAN BAIG

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

NOW, THEREFORE, I, ANTHONY THOMAS AQUINAS CARMONA, President as aforesaid, in exercise of the power vested in me

UNREVISED

by section 44(1)(a) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, BRIAN BAIG, to be temporarily a member of the Senate with effect from 12th December, 2017 and continuing during the absence from Trinidad and Tobago of the said Senator Anita Haynes.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 12th day of December, 2017."

OATH OF ALLEGIANCE

Senator Brian Baig took and subscribed the Oath of Allegiance as required by law.

FINANCE BILL, 2017

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

Motion made: That the next stage of the Bill be taken later in the proceedings. [*Hon. A West*]

Question put and agreed to.

PAPERS LAID

1. Annual Audited Financial Statements of InvesTT Limited for the financial year ended September 30, 2015. [*The Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]
2. Annual Audited Financial Statements of InvesTT Limited for the financial year ended September 30, 2016. [*Sen. The Hon. A. West*]

3. Report of the Central Bank of Trinidad and Tobago to the High Court pursuant to Section 44E(7) of the Central Bank Act, Chap. 79:02 for the Quarter ended September 30, 2017. [*Sen. The Hon. A. West*]
4. Audited Financial Statements of the University of Trinidad and Tobago (UTT) for the financial year ended September 30, 2014. [*Sen. The Hon. A. West*]
5. Annual Administrative Report of the Evolving TecKnologies and Enterprise Development Company Limited (eTeck) for the fiscal year ended September 30, 2015. [*The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon)*]
6. The Ministerial Response of the Ministry of Trade and Industry to the Fourth Report of the Public Administration and Appropriations Committee, Second Session, (2016/2017), Eleventh Parliament, on the Examination of the System of Internal Audit within the Public Service. [*Sen. The Hon. P. Gopee-Scoon*]
7. Annual Report of the Industrial Court of Trinidad and Tobago for the year 2015-2016. [*The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus)*]
8. Annual Administrative Report of the Trinidad and Tobago Solid Waste Management Company limited (SWMCOL) for the period October 01, 2014 to September 30, 2015. [*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan)*]
9. Second Ministerial Response of the Ministry of Works and Transport to the Eighth Report of the Public Accounts Committee, Second Session (2016/2017), Eleventh Parliament, on the Examination of the Report of the Auditor General on a Special Audit of the Public Transport Service

Corporation. [*The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan)*]

10. Response of the Auditor General's Department to the Fourth Report of the Public Administration and Appropriations Committee, Second Session (2016/2017), Eleventh Parliament, on the Examination of the System of Internal Audit within the Public Service. [*The Vice-President (Sen. Nigel De Freitas)*]
11. Annual Administrative Report of the Ministry of Community Development for fiscal year 2014/2015. [*Sen. The Hon. F. Khan*]
12. Administrative Report of the Ministry of Energy and Energy Affairs for the fiscal year ended September 30, 2015. [*(Sen. The Hon. F. Khan)*]

URGENT QUESTION

National Flour Mills

(Money Owed to Rice Farmers)

Sen. Wade Mark: Madam President, to the hon. Minister of Agriculture, Land and Fisheries: In light of reports that some farmers are owed a total of \$1.9 million by the National Flour Mills for rice supplied to the company, can the Minister inform this Senate when will the rice farmers be paid the outstanding moneys?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you very much, Madam President. I am informed by National Flour Mills that by December 31, 2017 it will process a payment of \$1 million towards the \$1.9 million which is said to be owed to the farmers, and in 2018 in the first quarter, the second payment will be made to the farmers. Thank you. [*Desk thumping*]

Sen. Mark: Madam President, through you to the hon. Minister. Minister could you advise this honourable House what mechanisms you intend to put in place to

avoid a repetition of this development in the future?

Madam President: Sen. Mark, that question does not arise. Next question; next supplemental.

ANSWERS TO QUESTIONS

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, I am pleased to announce that the Government will be answering all the questions for oral answers which is listed here as four, and for written answers we are pleased to announce we will be answering questions 21, 33, 36 and 38, even though 36 and 38 are not due, but we have them so we will lay them. We crave the indulgence of Sen. Mark on question No. 13, seeing that we had already asked for a two-week deferral, but we will all admit that it is a voluminous request and we are working assiduously on this, and we hope to have it ready at the next sitting of this honourable Senate.

WRITTEN ANSWERS TO QUESTIONS

ORAL ANSWERS TO QUESTIONS

Teenage Pregnancies

(Corrective Measures Implemented)

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

In light of reports that there were over nine thousand teenage pregnancies for the period 2011-2015, can the Minister advise as to what measures the Government intends to implement to reduce these numbers especially with respect to teenagers still attending school?

The Minister of Education (Hon. Anthony Garcia): Thank you very much, Madam President. The Ministry of Education has implemented several strategies, programmes, to address the issue of teenaged pregnancy in schools.

Health and the Family Life Education Programme: The Health and the

Family Education Life Programme is organized around four themes aligned with Caricom regional standards. They are: self and the interpersonal relationships, sexuality and sexual health, eating and fitness, managing the environment.

An integral module is related to sexuality and sexual health education. This is geared to ensure that students gain the knowledge necessary to clarify societal beliefs and so become comfortable with their own sexuality. This module also provides students with the knowledge and skills to deal with the changes associated with puberty, life-skills to promote healthy lifestyles and be responsible for sexual behaviours. They will understand and accept themselves as unique sexual beings with special needs, and become aware of changes and challenges as they go through life.

At-risk youths can benefit from exposure to lessons based on topics such as: Changes associated with puberty; understanding sexuality and managing sexual relations; lifestyle diseases, including non-communicable diseases and sexually transmitted infections; teenaged pregnancy and early parenthood, physical and sexual abuse, drug abuse.

A number of additional programmes geared towards the reduction of pregnancy among students are also implemented by the Student Support Services Division of the Ministry of Education. These include the Carnival Safety Programme: This programme is offered for the four weeks leading up to Carnival each year at both primary and secondary school. The purpose of this programme is to educate students about being aware and safe at Carnival time. It includes topics on appropriate attire, behaviour and provides other pertinent information.

Good Touch/Bad Touch: This programme targets students at the primary school level where they are made aware of what is a good touch and what is a bad touch. They are also given information on what to do if they experience a bad

touch. This initiative is delivered in the months of January and February each year.

Personal identity: Each year this module is delivered at the primary and early secondary school levels during the period September to December. This unit in the curriculum covers puberty, emotional change and development at adolescence, coping with developmental changes, understanding self as a sexual being, understanding one's body is special.

Social issues: This area forms part of the curriculum offered at the secondary and upper primary school levels. It is usually taught throughout the academic year September to June, to include topics such as: HIV/AIDS/STDs/STIs, sexual abuse, rape and incest, sexual grooming, sexual harassment, safety, teenaged pregnancy, parenting, absenteeism and truancy, sex and sexuality, puberty, STIs, HIVs, coping with peer pressure.

The Student Support Services Division of the Ministry of Education also provides support for students who become pregnant. Once the cases are identified, the standard procedure for dealing with teenaged pregnancies is then followed by the SSD personnel. For example, initiate preliminary assessment to identify needs, family support, educational, financial and other social needs. Depending on the needs identified—[*Interruption*]

Madam President: Minister, your time is up.

Sen. Mark: Thank you, Madam President. Can I ask the hon. Minister whether those strategies outlined by the hon. Minister are delivering the results that you would like as Minister, as it concerns the reduction of teenaged pregnancies on an annual basis in Trinidad and Tobago?

Hon. A. Garcia: I would really like to see the absence of teenaged pregnancies in our schools, however, that is not the case. What has been happening is that because of the intervention of our Student Support Services Division, we have seen some

reduction in the area of teenaged pregnancies. As I said before, we would like the day to come where there will be no teenaged pregnancies in our schools. Thank you.

Sen. Mark: Could the hon. Minister indicate whether he is satisfied with the level of personnel and infrastructure available to the Student Intervention Support Services Unit as it relates to providing students who become pregnant with the kind of services required?

Hon. A. Garcia: Madam President, yes I am satisfied that at the Ministry of Education our Student Support Services Division is well equipped to handle cases like these, and they have been doing an excellent job.

Sen. Ameen: Minister, given the composition of the programmes you explained earlier, can you indicate if you had any consultation with the religious boards, and if so, what was the response thus far in some of these programmes which are basically sex ed programmes?

Madam President: No, Sen. Ameen, that question is not allowed. You can ask another one.

Sen. Mark: Madam President, could the hon. Minister provide to this House any data as it relates to the number or the reduction, given the application of these strategies, over the last, let us say 18 months, in terms of teenaged pregnancies?

Hon. A. Garcia: Madam President, I am sure everyone here is aware that at this point I will not be able to provide the information that Sen. Mark is asking. Perhaps I can make that available to him sometime in the future.

Madam President: One more, Sen. Mark.

Sen. Mark: Could the hon. Minister provide us, through you, with a specific time frame for the provision of the data that we have requested?

Hon. A. Garcia: Yes, I will be happy to provide that information within one

month.

**Nation's Prisons
(Illegal Activities Within)**

7. Sen. Wade Mark asked the hon. Minister of National Security:

In light of reports of prisoners having illegal access to a number of items and services, can the Minister indicate what measures are being taken to stop this illegal activity within the prisons? **Madam President:** Minister of National Security, you have five minutes.

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): Thank you very much, Madam President. The Trinidad and Tobago Prison Service will continue to use all means available to eliminate illegal activities that threaten the security of our people and our nation as a whole. The following are some of the heightened security protocols being employed by the prison service. One, increased level of searches of visitors. While there are strict rules pertaining to what can and cannot be brought into the prisons, persons are always seeking new ways to deceive prison security. As such, all security protocols with respect to visits have been tightened and visitors are thoroughly searched when entering prison establishments. Body scanners and hand held scanners have been placed at all prison institutions to reveal contraband concealed on the body or in the body cavity. Additionally, all vehicles entering and leaving the prisons are subject to systematic inspections. In this regard, the Trinidad and Tobago Prison Service is supported by the Trinidad and Tobago Police Service with assistance from the Trinidad and Tobago Police Canine Unit.

Secondly, the use of technology as a preventive measure. All prisons have been outfitted with CCTV cameras which provide enhanced security. These cameras boost the surveillance capacity and capability of the prison service.

Further, the jammers and grabber system which was installed to curb cell phone use has been upgraded to provide a better quality of service. In an effort to further reduce the use of illicit cell phones, all prisons have been outfitted with monitored telephones for use by the inmates.

Third, increased frequency of searches of the prison population. Prison officers have amplified the frequency with which they conduct random and special searches of the prison population. These searches are strategic as well as surgical and often lead to the seizure of prohibited items.

Fourth, strict observance of internal protocols. Prison officers are debarred from entering any of the nation's prison institutions with bulky bags or parcels. This is in an effort to ensure that prison officers themselves do not contravene, knowingly or otherwise, the prison service code of conduct and become guilty of misconduct in office.

Fifth and finally, improved inspection in oversight mechanisms. There has been a marked increase in the number of visits to prison institutions by senior officers which has been mandated by the Commissioner of Prisons. This initiative is aimed at ensuring the prison officers adhere to the high standards required of them. Further, there has also been an increased number of armed personnel positioned at all prison entrances and at strategic points, and increased patrols around the perimeter of all prisons.

Sen. Mark: Madam President, in terms of the use of technology as announced by the hon. Minister, could he share with this Senate what has been the impact of the use of illegal cell phones via the use of the jammer and grabber technology? Could the hon. Minister indicate to this House whether there has been a major reduction in the use of cell phones to communicate with elements outside of the prison walls over the last, let us say, 18 months that you have observed, that you would like to

share with us?

Hon. Maj. Gen. E. Dillon: Madam President, as a result of the initiatives adopted by the Trinidad and Tobago Prison Service, there has been a reduction in the use of cell phones, and in fact the deterrent measures are working quite successfully.

Sen. Ramdeen: Hon. Minister, can you indicate during your time as Minister of National Security, how many officers, prison officers, have been charged for misbehaviour, for bringing illegal items or involved in bringing illegal items into our nation's prisons?

Hon. Maj. Gen. E. Dillon: Madam President, I cannot give the exact figures, but there have been officers who have been charged during my time with misconduct in the prison system, and they are subject to disciplinary action, either before the courts, or subject to the disciplinary measures adopted by the Public Service Commission, under which jurisdiction they fall.

Sen. Mark: Madam President, could the hon. Minister provide this Senate with any data as it concerns the reduction in the use of cell phones in the prisons, given the kind of measures that the Ministry would have taken to reduce the use of same?

Hon. Maj. Gen. E. Dillon: Madam President, the data can be provided at a later date. In terms of quantifying or qualifying the amount as requested by Sen. Mark, that can certainly be provided at a later date. The data is there, but I do not have it at my hand right now.

Sen. Ramdeen: Madam President, thank you again. Hon. Minister, you indicated that the State prisons are now equipped with CCTV cameras. The question I have to ask you, is it that all of the divisions in the respective prisons, meaning the Maximum Security Prison, the Golden Grove Prison and the Port of Spain Prison I am speaking about, not Carrera— are the divisions of the prison equipped with CCTV cameras to monitor what happens in the different divisions of the prisons?

Hon. Maj. Gen. E. Dillon: Madam President, I have been informed by the Trinidad and Tobago Prison Commissioner that there are—in fact, one prison right now there is a work in progress. They are actually completing the work done in one of the prisons right now, but all the others are equipped with CCTV cameras. So in terms of completeness, it is still a work in progress outfitting all the other prisons.

Sen. Mark: Madam President, can I ask the hon. Minister if he can provide this Senate with a timeframe for the provision of the data that you do not have available at this time, re: the reduction in the use of cell phones by prisoners? Could you provide us with a timeframe that you can provide the data showing the reduction?

Hon. Maj. Gen. E. Dillon: Madam President, that can be provided within one month's time.

Nation's Children (Protection from Abuse)

8. **Sen. Wade Mark** asked the hon. Prime Minister:

What measures are being implemented to protect the nation's children from physical and emotional abuse?

Madam President: Minister in the Ministry of the Prime Minister, you have five minutes.

The Minister in the Ministry of the Attorney General and Minister of Legal Affairs and Minister in the Ministry of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President. The following measures are being implemented to protect the nation's children from physical and emotional abuse:

- Ongoing monitoring and response to cases of child abuse by the Children's Authority.

- Recruitment of additional staff to strengthen the ability of the Children's Authority to respond to cases.
- Development of an inter-agency child emergency response protocol by the Children's Authority.
- 200,000 anti-child abuse text messages with reporting contact numbers were sent to mobile devices throughout the nation.
- Execution of over 16 anti-abuse related radio and television information dissemination interviews focussing on the signs of abuse, signs of abuser and referral information.
- The installation of nine anti-child abuse messages on nine buses nationwide, featuring anti-abuse paintings by children with abuse reporting information. Additional buses to be branded.
- Ongoing nationwide anti-child abuse information fairs.
- Radio, TV, newspaper advertisements on child abuse are executed on an ongoing basis.
- In collaboration with UNICEF and the Trinidad and Tobago Cricket Board, over 100 coaches and police officers were trained on how to identify child abuse and how to respond to reports of suspicion of child abuse.
- In collaboration with UNICEF and Public Transport Service Corporation, 174 buses, taxis and maxi-taxi drivers were trained on child abuse.
- Distributed two extra-large information posters on the types of child abuse and how to access help to all health facilities and primary and secondary schools in Trinidad and Tobago.
- Distributed over 10,000 child rights books to primary schools.

- Over 7,000 informational brochures distributed to the general public on child abuse.
- Currently developing in collaboration with UNICEF a variety of child abuse brochures and stickers targeted to school aged children, preschool, primary school and secondary school.
- Development of the national child policy to protect all children through interministerial collaboration.
- Development of the national children's registry.
- Installing informational signs of child abuse throughout Trinidad and Tobago.
- Education of students in Tobago on the types of child abuse, followed by anti-abuse murals created in various communities.
- 200,000 foster care flyers mailed across Trinidad and Tobago in an attempt to recruit more foster carers who can provide stable family environments to children in need of care and protection.
- Expansion of the Children's Authority into Tobago, including an assessment centre and place of safety.
- Establishment of additional assessment centres across Trinidad including Sangre Grande, south and central Trinidad.
- Continuous licensing of community residences to ensure a standardized quality of care to the nation's children.
- A 26-week training programme conducted by OPM and Children's Authority to enhance the capacity and skill set of caregivers in children's homes. Sessions included children's psychological health for trauma, communicating with children skills, child protection and behaviour management, and Trinidad and Tobago children's rights

and laws.

2.00 p.m.

We are a signatory to the multi-agency protocol with the juvenile court project, children's court which will ensure streamlined interventions for children in conflict with the law.

- Execution of a national baseline on public perceptions of child protection issues, led by the authority's research team.
- Presentations on what child is child abuse, signs of abuse, identifying an "OK touch" and a "not OK touch", how to protect oneself from abuse to primary and secondary school students. Parent/teacher associations, children at the national library during school holiday, camp counsellors, parents of children who are members of police youth club, and health and family life education teachers.
- And radio features aired and interviews conducted on family life, child development and child abuse.

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

Sen. Mark: Madam President, in light of the various measures outlined by the hon. Minister aimed at reducing child abuse, physical and emotional, could the hon. Minister indicate to us whether he can provide us with any measurable data or statistics that would tell this Parliament that there has been a reduction given the implementation of the various measures outlined by the hon. Minister?

Hon. S. Young: Thank you very much, Madam President. I am sure the appropriate question, directed for a written answer, that information can be provided by the Office of the Prime Minister and the Children's Authority.

Sen. Mark: Madam President, could the hon. Minister indicate how many new staff members have been recruited by the Children's Authority over the last, let us

say, 12 months, having regard to what he has said?

Hon. S. Young: Madam, once again, the appropriate question, we are seeking a written answer to that because what we are being asked here is what measures were implemented to protect the children from physical and emotional abuse?
[Crosstalk]

Hon. Senator: Answer.

Madam President: Is someone—Sen. Mark, you have another supplementary?
Sen. Ameen.

Sen. Ameen: Thank you, Madam President. I must express appreciation for the very comprehensive answer given by the Minister. I was keen to hear with regard to the schools that you distributed books. And my question is, whether you had—what method you used in terms of choosing the schools that you distributed? If you can provide, for instance, a list of the schools that received the books and perhaps indicate how you came up with deciding on those schools?

Madam President: Before I call on the Minister, may I just ask that when you are putting question, a supplementary question, that it be specific and focused. Okay?
Minister.

Hon. S. Young: Thank you very much, Madam President. The answer is: The books which are child-rights books, over 10,000 of them were distributed to all primary schools, so the category is all primary schools.

Madam President: Next question, Sen. Mark.

Petrotrin Internal Audit Report

(Intended Action to Address)

9. **Sen. Wade Mark** asked the hon. Minister of Energy and Energy Industries: Given that the Minister is now in possession of the Petrotrin Internal Audit Report dealing with A&V Oil and Gas Limited, what action,

if any, does the Minister intend to take to address the issues raised in the report?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): [*Desk thumping*] Thank you very much, Madam President. Madam President, following my receipt of the internal audit report, Petrotrin commissioned a forensic audit by Kroll Consulting Canada Company and a reservoir audit by Gaffney, Cline & Associates on the matter. Both reports have been completed and are now before the board of Petrotrin who is taking legal advice on the matter. I await the outcome of the deliberations of the board of directors and the recommendations arising from the investigation to determine what action is required of me as line Minister.

Sen. Mark: Madam President, to the Minister of Energy and Energy Industries. In light of the gravity of the findings and recommendations contained in the internal reports, particularly the one that has now been made public, can the Minister indicate whether, with the additional reports, there is going to be a time frame established for action to be taken on the recommendations that would have been advanced by the two additional reports?

Sen. The Hon. F. Khan: Madam President, the board of Petrotrin through its chairman has indicated that they prefer to take correct action than to be quick. They are seeking legal advice, and should I say senior counsel advice on this matter, so it would be imprudent of me to give them a time frame, but I hope sooner rather than later.

Sen. Ramdeen: Madam President, through you to the hon. Minister of Energy and Energy Industries. Minister, could you give us the date or are you aware of the date on which Petrotrin sought this legal advice from senior counsel, as you indicated, or the board?

Sen. The Hon. F. Khan: I am not sure of the specific date, but it was post the receipt of the Kroll report.

Sen. Mark: Would the hon. Minister wish to share with this Parliament the name of this senior counsel that has been retained by Petrotrin to offer this legal advice on those reports?

Sen. The Hon. F. Khan: I cannot so do at this time, Madam President.

Sen. Mark: Madam President, would the Minister be minded to provide this honourable Senate with copies of the reports that he had mentioned, both the Kroll report and the Gaffney and Cline report seeing that the gravity of the matter affects every citizen of this Republic.

Sen. The Hon. F. Khan: Madam President, as we said in the debate of last Tuesday, as far as Petrotrin is concerned, the report is confidential and privileged, so I cannot comply with that request.

Sen. Mark: In light of the privileged nature of the report, could the hon. Minister indicate that, in the public interest, whether the Government intends to have a meeting with the board of Petrotrin through the line Minister to ensure that action is taken on the recommendations of those reports so that the public could be satisfied, Madam President, that things are moving forward?

Madam President: Sen. Mark, I would not allow that question. Sen. Richards.

Sen. Richards: Thank you, Madam President. I am presuming that the supplementals on that last question are over?

Madam President: I am sorry.

Sen. Richards: I am presuming that the supplementals are—my question is not related to the last question.

Madam President: It is on question No. 9, is it not?

Sen. Richards: No. It is a different matter, Madam President.

Madam President: No. Well then, I cannot. Yeah. I am allowing supplementary questions on question No. 9.

FINANCE BILL, 2017

Order for second reading read.

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): I beg to move:

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

Madam President, the Finance Bill, 2017 seeks to introduce some of the measures recently referred to in the recently concluded budget debate. The Bill, for the Members who would have reviewed it, is a relatively simple and brief Bill, the details of which I will go into shortly. But before I do that I would like to briefly remind the hon. Members of the context in which these measures are being introduced.

It would be remiss of me not to remind the Members of this House that the budget was framed against the continued declining revenues, as well as significant fiscal and external imbalances caused in part by the collapse of the world commodity prices that this administration met when it assumed office.

The Trinidad and Tobago economy has faced three consecutive years of economic decline caused by a 23 percent fall in petroleum output between 2013 and 2016 with oil dropping to its lowest level in 50 years in 2016 to 66,000 barrels per day.

The general decline in oil production and collapse in oil prices since 2014 has resulted in a severe reduction in Government's overall revenue leading to cuts in expenditure which have impacted on construction, manufacturing and the

services sector.

Madam President, we have lost \$20 billion in annual revenue since 2014 and \$2.5 billion in foreign exchange inflows. Madam President, our budgeted revenue for 2018 is predicated on an oil price of \$52 and a gas price of \$2.75 per MMBtu which should be noted that our assumed oil price is below the International Monetary Fund's forecast of \$56.20 per barrel for 2018 and lower than the current oil price forecast made by the World Bank, United States Energy Information Administration and the International Energy Agency.

There has been renewed optimism in the oil price as OPEC rolled over the production cuts until the end of 2018, and this has led to prices remaining consistently above the price at which the budget has been pegged.

Research provided on December 08, 2017 indicated that on the close date of December 07, 2017, West Texas Intermediate oil prices were averaging \$56.69 for a 42-gallon barrel and we remain cautiously optimistic, but vigilant.

And, Madam President, just to add that for the past two days the oil price has, again, been consistently above what the Ministry of Finance pegged as the oil price per the budget figure. So as I said, we remain cautious, but optimistic in terms of the outlook on the oil price and the gas price for the 2018 period.

In light of the collapse of the revenues from the petroleum sector and the significant impact on overall government revenue, I wish to remind this honourable House that while we have made significant inroads into reducing government expenditure by approximately \$10 billion, estimated expenditure for 2018 continues to be below estimated revenues which forces us to borrow to meet the shortfall.

I would also remind my hon. colleagues that measures have been put in place and are being put in place to achieve various things in respect of that

shortfall. We continue to monitor and reduce waste and unnecessary duplication; we are putting measures or have put measures in place to generate funds to pay down and replace some of the debt that was created, especially as it relates to the debt in respect of CL Financial or created by the CL Financial loan; we have put measures or are putting measures in place to increase revenue.

By way of reminder, some of these initiatives include: disposal of the CL assets to replace the funds loaned to that group; introduction of the property tax; introduction of the Trinidad and Tobago Revenue Authority; regulating and adjusting taxes on the gaming sector which generates approximately \$10 billion in economic activity without an appropriate legislative or tax framework; and adjusting the petroleum tax regime.

Madam President, since a review of the Bill that is before us will indicate that there are no measures currently dealing with the petroleum tax regime, I will just give you an update of where we are on that.

We have embarked on a long overdue reform of the oil and gas fiscal regime with a view to ensuring consistency in their application with terms attractive for investment, while at the same time securing a substantial share of the resources for the benefit of the State and the people of Trinidad and Tobago.

Having done the preliminary work in 2016 and consulted with key stakeholders, we will be establishing a suitable legal and fiscal framework for oil and gas operations which would promote investment in the energy sector. We have listened and I am in broad agreement with the upstream producers that a reform of the supplemental petroleum tax is required.

We are satisfied that in a low-priced environment and in its present form, the SPT does not facilitate immediate investment. It should be noted that SPT rates can vary from a low of 18 percent to a maximum of 55 percent depending on the price

of crude oil, as well as the size, maturity and location of the oil field and is triggered when the price increases above \$50 per barrel.

Although the SPT has a system of credits and discounts and is minimized through deductibility against the petroleum profits tax, its application is not investment friendly in that once a price band is triggered the new rate applies to all production from the relevant licence.

I had a meeting just this week, Madam President, with a member of the energy sector who is contemplating additional investment into that sector, and he brought home to us that the decision that is taken with the legislation which applies in respect of SPT makes all the difference into whether they invest and how much they invest.

The Ministry of Finance and the Ministry of Energy and Energy Industries has accepted that position, and when we bring the provisions with respect to the taxation of the petroleum sector, we will seek to address to that issue.

So the reform will modify SPT to bring a degree of stability and predictability in terms of the fiscal regime faced by the Government and the upstream operators.

So, Madam President, having laid the foundation for the Bill that is before us, I will get into measures that are outlined in the Bill.

Sen. Mark: Madam President, through you. The energy sector, the Minister of Finance did indicate to the country that he was going to impose a 12.5 percent royalty on oil condensate, as well as gas and that was to take effect from the 1st of December. I was wondering if you could clarify and bring this Senate up to date and the country as to where we are. Has the Government abandoned that particular mission?

Sen. The Hon. A. West: Sure. The Government has not abandoned that. As I said,

the Ministry of Finance will bring legislation to the Parliament in the not-too-distant future to address the taxation of the energy sector and in that will be the proposed adjustment to the royalty regime.

Sen. Mark: Okay.

Sen. The Hon. A. West: So, Madam President, back to measures that have been addressed in the Finance Bill which is before us. The first one I will deal with is the measures in respect of alternative fuel technology.

In an attempt to encourage the acquisition and use of fuel-efficient motor vehicles in Trinidad and Tobago, the legislation was changed in the past to grant relief from motor vehicle tax from customs duty and from value added tax on vehicles that fell into three classes. They are vehicles manufactured to use compressed natural gas; vehicles that are propelled by electric power; and hybrid vehicles.

This relief has been provided and has been operating, but what has been discovered is that there is an abuse in respect of the size of the cars that are benefiting from this relief. The relief was never intended to benefit executive-type cars. So what the Ministry has sought to do was tidy up the provision to make it abundantly clear who should benefit from these reliefs.

So what the provision does is that it restricts the relief on new cars and used cars up to four years old in these categories where the engine size for an electric—sorry, a CNG vehicle and a hybrid vehicle to no more than 1599 cc, and in respect of an electric vehicle to 159 kilowatts. So there are three separate provisions in the Bill dealing separately with the relief in respect of motor vehicle tax, in respect of customs duty and in respect of value added tax, but they all relate to the same matter which is why I dealt with them together.

However, what the legislation also does is that it makes it abundantly clear

that the limitation on engine size will not apply to commercial vehicles until December 31, 2020. So, we are giving the people importing vehicles for the purpose of commercial activity the opportunity to secure the vehicles that they need during now and that period on that date.

Madam President, another measure that we are seeking to put in place is an expansion on the relief that applies to agricultural holdings. It currently applies to agricultural holdings under 100 acres. This restriction may have been relevant in the time when we had the mega farm, for example, or Caroni involved in agriculture or Texaco STAR Farm involved in agriculture. But in these days when the State or state-owned agencies have moved away from agriculture, we are seeking to encourage not only the small farmers, but also the larger establishments to promote agricultural activity to reduce the food bill. To increase exportation of food items, we have extended the relief from corporation tax on profits generated by agricultural farms regardless of the size of those operations.

Madam President, another measure that is addressed in this Bill is the adjustment in the corporation tax rate. Madam President, a lot of weather has been made of the fact that—the allegation, rather than fact—that the Government is seeking to tax itself out of a recession, and as I would have indicated previously that there is nothing that is further from the truth. There is a 5 percent increase in the—well, the corporation tax rate is being harmonized by this legislation.

The Members would remember that last year there was a two-stage tax on corporations and individuals, the “millionaire tax” is what it was loosely called, where persons, companies and individuals earning above \$1million were required to pay 25 percent on anything below \$1million and 30 percent on anything above that. What this provision is seeking to do is to harmonize the tax on corporations at 30 percent on all the profits of the corporation. And the impact of this is that it will

increase the maximum increase that a corporation will be required to pay as a result of this measure is \$50,000 per annum; that is the maximum burden that will fall on a corporation as a result of this measure.

The other adjustment to corporation tax rates applies to—*[Interruption]*—you can ask your question during your contribution, I will seek to respond, Senator. The other measure that was introduced with respect to corporation tax rates relates to persons providing banking services and the commercial banks and the rate of tax that will apply to them with effect from the 1st of January, 2018, is 35 percent rather than the 25 and 30 that now applies.

There is a lottery winnings tax that is also to be introduced. What the Ministry has agreed to do was defer the effective date of this tax to a date to be proclaimed because we have been persuaded that the National Lotteries Control Board needs time to put measures in place to ensure the smooth operation of this tax. Because what the legislation requires is that 10 percent of the winnings not the earnings, but 10 percent of the winnings being paid out by the National Lotteries Control Board will be withheld as tax remitted to the Government of Trinidad and Tobago, which means that people who are operating as agents for the National Lotteries Control Board have to put measures in place to be able to withhold and remit those taxes.

There are penalties that are put in place for failure to do so, and there is an audit system that is put in place to allow the Board of Inland Revenue to go in and confirm that the taxes that are properly due are remitted to the Board of Inland Revenue. So the effective date of this tax will be a date to be proclaimed by the President when we are satisfied that measures have been put in place to ensure the smooth operation of this tax.

Madam President, there is also an environmental tyre tax which is an

imposition of a tax of \$20 on the majority of tyres that are being brought into Trinidad and Tobago. The tax authority for this tax is the Customs and Excise Division. The tax, Madam President, is intended to protect the environment from the ills associated with the disposal of tyres. Nothing brought the need for this tax more starkly home to me than when my colleague the Minister of Rural Development and Local Government presented us, the Cabinet, with a report of an exercise he had undertaken, a clean-up exercise that he had undertaken earlier this year.

Madam President, just to indicate to the population and to my colleagues in this House what we are talking about, I am sure the Minister will bring the results of this exercise to the attention of the national community in due course. But in respect of tyres alone, during the course of the campaign the Minister and his team and the volunteers who he persuaded to get involved in this very useful exercise collected 24,047 tyres throughout the country—24,000 tyres that were just thrown to mess, to destroy and to create unsightliness and to create disease and all the ills to do with that, and tyres were just one of the categories of refuse and garbage that he would have collected.

So, Madam President, if this does not bring home the need for us to deal with our environment on a more systematic and continuous basis, I do not know what will do it.

So, Madam President, we are seeking to introduce this environmental tyre tax to address that ill and I am hoping that none of my colleagues have a challenge with that proposal.

2.30 p.m.

Madam President, I mentioned before that the Government does need to fund its shortfall with borrowings, and in light of that, there are two measures in

the legislation that seek to increase the Government's ability to borrow in the short-term while it addresses the shortfall that it is facing. So against the backdrop of a tight cash situation caused in part by falling revenues, the central government has had caused to utilize temporary advances from the Central Bank of Trinidad and Tobago to meet cash requirements for its budget expenditure. The overdraft facility at the Central Bank is in accordance with section 46 of the Central Bank Act. That section, Madam President, allows the Central Bank to make temporary advances to the Government on such terms and conditions as may be agreed upon between the bank and the Minister of Finance.

The Act provides that a total amount of outstanding advances made under this section, must not at any time exceed 15 percent of that portion of the estimates of annual revenue of the Government for the financial year in which the advances were initially made. The annual revenue comprises the sum of total recurrent revenues and capital receipts, exclusive of local and external loans. The overdraft has on previous occasions reached as high as 98 percent of the legal limit. Given the likelihood of shortfalls in revenue inflows, it is imperative that the Government has the option to meet any unforeseen cash flow constraint that may arise during the fiscal year in a timely manner. In this regard, it is proposed to increase the limit on the overdraft facility from 15 percent to 20 percent. This is expected to minimize the disruption to Government's fiscal operations.

Madam President, there is also a provision in the Act that seeks to adjust Government's borrowing under the Treasury Bills Act from \$2 billion to \$5 billion. And that is the extent of the provisions in the legislation in the draft Bill. As I indicated, the measures are brief and they are relatively simple. I have sought to provide information and background. I trust this has been sufficient for my colleagues, but as I said I am willing to address any questions you may have.

Madam President, in light of that it has been my honour to make this presentation. I thank you and beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Thank you very much, Madam President. [*Desk thumping*]
Madam President, I listened very carefully to the brief presentation, very short on details, delivered by the hon. Minister in the Ministry of Finance, and I also want to disappoint her from the very outset, because we do not see this measure as a very simple and straightforward exercise.

This particular measure that we are dealing with that is the Finance Bill, has very, very far-reaching implications, consequences and repercussions for the Trinidad and Tobago economy. I would like in my contribution to examine the macroeconomic implications. I also want to look at the debt management issues that would arise out of particular measures, and I am going to concentrate as far as I can on several, or I would say a few of the several provisions outlined by the hon. Minister in the Ministry of Finance. I want to say that the amendment to the Central Bank Act, the amendment to the Treasury Bills Act, are two areas that are of grave concern to the United National Congress, and I dare say the citizens of the Republic of Trinidad and Tobago.

Madam President, in this particular measure before us, the Bill with all the amendments, the Government has introduced in a very surreptitious way, measures that are going to have far-reaching implications for this economy. [*Desk thumping*]
And they have done it without giving this Parliament the necessary notification via what is called a Motion, via a resolution, so we can get a full scale debate and justification for the actions that the Government is proposing in this Bill that is before us. So whilst I will touch briefly on the other matters like the tyre tax, and corporation tax, and the inexplicable delay in some of the measures that have not

been implemented thus far, we would want to look at the following: The amendment to section 46(2) of the Central Bank Act. We would also like later on to examine the amendment to the Treasury Bills Act, section 2(1).

Madam President, I have been a parliamentarian for a few years in this honourable place, and as the hon. Minister indicated, the Finance Bill is supposed to be a subset of the budget, so the budget, the Minister announced several taxation measures to be implemented. But to give legal effect to those measures, the Minister has to come as she has come today, or the hon. Minister has come today, to make those legislative changes through the appropriate amendments to various pieces of legislation. I would like to make a distinction, and we would like to make a distinction between a Finance Bill that is dealing specifically with the implementation of tax measures that were announced in the budget and a Finance Bill containing measures that will increase borrowings on the part of the Government. [*Desk thumping*]

I think the Government has sought to ambush the Parliament, and the parliamentarians, and the people of the Republic of Trinidad and Tobago. [*Desk thumping*] Madam President, the measures that they have introduced into this Finance Bill, they did not do it last year when we dealt in 2015/2016. They did not introduce it like that, and the law is very clear on these matters. So we would want to find out from the Government—and, Madam President, may I advise you that since the Central Bank Act was established some years ago, and I think I have the copy here, it came into being in 1964. [*Interruption*] How many years?

Sen. Ameen: Fifty-eight years.

Sen. Ramdeen: I think so. Was it '54?

Sen. W. Mark: Since it was introduced, Madam President, from '64 to now, I do not believe any government, including the NAR that was under severe economic

challenges, have tampered with this particular section of the legislation. [*Desk thumping*] This PNM Government has done something that no other Government has done, and you know what? They have amended in a very surreptitious way and parachuted it, as I said, in a Finance Bill when it is supposed to come in a separate Motion or a separate Bill so that we could have a full scale debate.

The Minister was very brief, she offered—the hon. Minister that is—no justification for the measure apart from saying that the Government is raking and scraping, and they “cyar” pay their bills, and therefore they are going to borrow from the Central Bank and they are going to use, what? Treasury Bills in an effort to raise short-term financing in order to cover their expenditure. Madam President, that is totally wrong. [*Desk thumping*] And we want to warn this Government you know, because when they leave office very shortly, they are leaving a bed of thorns for us to inherit. That is what they are doing. Because what they are doing is that they are tampering with a system, and they are tainting a system that has never been designed to be tainted in the way that they are doing it. It has never been designed that way.

So you know what, Madam President? This measure, which is the Central Bank amendment measure, is going to give the Government \$2 billion. It will make available to the Government \$2 billion roughly in overdraft borrowing facilities at the level of the Central Bank. So they have now moved from 15 percent to 20 percent given the formula in section 46(2), total recurrent revenue plus capital revenue takes us to about \$45 billion, 20 percent of that takes us close to \$9 billion. So, Madam President, we have gone from where it was 15 percent, given the current arrangement, that would have been about \$7 billion or therefore about, and we have now gone close to \$9 billion. The Minister has not told us, as a Parliament, what the Government is going to use that money for. All that was told

is that it would deal with fiscal operations. If the Government wanted to tamper with the Central Bank Act, if the Government wished to tamper with the Treasury Bills Act, why did the Minister of Finance not indicate in his budget speech, that he was going to do so? [*Desk thumping*] Why the Minister did not tell this country he was going to take these measures in the budget of 2017/18? He did not do that.

Madam President, not even in the budget debate did the Minister whisper, or did he hint that he was going in that direction. But then two months after the budget presentation in a very surreptitious style, they parachuted two critical amendments to the Finance Bill, which we have never been accustomed to. A Finance Bill is supposed to deal with the taxation measures that have been announced in the budget, and you are not supposed to come and deal with borrowings. How borrowings and taxation square off? That is a separate matter that we are supposed to deal with. But, Madam President, here we are dealing with these measures as proposed by this Government. Madam President, we know we cannot vote, meaning we cannot stop this legislation, because we are the Senate, but we will call for a division. We will not support this obscenity in terms of the parliamentary process. We will not be party to the parachuting into a Finance Bill of two very critical amendments to the Central Bank Act and the Treasury Bills Act into a Finance Bill that requires a full scale debate in this Parliament. [*Desk thumping*]

Madam President, you will remember in December or November of 2016, we came here and we spent hours upon hours amending the Development Loans Act, the External Loans Act, the Companies (Guarantee of Loans) Act; all these Acts we dealt with, and the Government increased the ceilings of those Acts. And if the Government wanted to tamper with the Treasury Bills Act, they must bring a Motion and debate it separately. If they want to increase what no other government

has done in 53 years, increase the rate from 15 percent to 20 percent, they must bring an amendment to the Central Bank Act and justify why they are doing or why they are proposing what they are proposing. But Madam President, that is not to be. What we are seeing is this approach, this lack of transparency, lack of accountability, lack of openness on the part of the Government of Trinidad and Tobago. We reject this approach that the Government has taken. It demonstrates desperation, incompetence, lack of proper management, their inability to deal with their cash flow management, and I will show a little later on in my contribution, where the very IMF, who—they have now adopted the IMF as their new guru and their advisor, and I will show you where the IMF has frowned upon this approach that the PNM is adopting at this time.

Madam President, we are of the view that the Government of this country is taking this society down a very dangerous path. So you are increasing, Madam President, as I said, this arrangement under section 46, from 15 to 20 percent, you are going to get \$2 billion more. Madam President, you would recall the fiscal deficit for 2016 was 12.1 percent. The International Monetary Fund is projecting an 11.1 percent deficit in 2017, and we are in the negative zone in terms of fiscal deficits until 2022, according to projections from the International Monetary Fund. So, Trinidad and Tobago is in what is called the negative zone between 2017 until 2022, and what this Government is doing, they are increasing, as I said, that arrangement where they can go and access a temporary loan from the Central Bank through the overdraft facilities that they condemned. They condemned the People's Partnership for going into the Central Bank and borrowing [*Desk thumping*] and they say now, reached what is called the limit, and at one time they say the country was running on fumes, now we are told by the Minister that we have reached in terms of the current arrangement—[*Crosstalk*]

Madam President: Members please, I want to remind Members of Standing Order 51(1)(e) and (f). Please read it, refresh your memory on it, and please abide by it. Continue Sen. Mark.

Sen. W. Mark: So, Madam President, we are in a situation where we are going into fiscal deficits on a large scale and the IMF in its Article IV Consultation has revealed that we are going to be faced with fiscal deficit up to 2022 at 8 percent of GDP. That is what they are predicting. That is not a healthy sign. These are negative numbers for us to pay attention to.

So you have a ballooning of the fiscal deficit, at the same time we have crossed the 60 percent benchmark in terms of debt to GDP, which we know is a danger zone. We are now close to 64 percent of debt to GDP, and the International Monetary Fund is predicting that we are going to be close to about 85 to 100 percent by the year 2022. That is where we are heading, Madam President. So, how can the Government use this mechanism that they would like to tell us is the way forward when they have cash flow problems when they cannot meet their bills or satisfy their payments. They will dip into this loan arrangement, this overdraft facility and increase that limit from 15 percent to 20 percent. Madam President, you know what is very alarming? We also need to get from the Minister in the Ministry of Finance in this House, what is the amount of arrears or the amount of moneys that are owed to the Central Bank at this time? What is the amount of money owed by the Government of Trinidad and Tobago to the Central Bank of Trinidad and Tobago? We need to get some answers to that question.

Madam President, we cannot support a measure that is going to lead to a situation where the Government is going to crowd out the private sector. Because what we have here with the Treasury Bills Act is that the Government is going to use what is called a short-term instrument, which is the Treasury Bills Act, and

they are going to go to the Central Bank and ask the Central Bank to be their agent, and the Central Bank will go out there and borrow on what is called the Treasury Bills Act. Who are they going to borrow money from? They are going to borrow moneys from the bankers, from the insurance companies, from those big companies that invest whenever you have these loans that are being raised. So, we are being told by the Minister of Finance that, you know what, he brought down some members of the Commonwealth and they discovered, magically, that you know what, rather than pay 4.7 percent interest on overdraft facilities at the Central Bank through the overdraft borrowing mechanism, you know what? We can now access what is called Treasury Bills, and that would be a cheaper mechanism to raise funds in order to finance Government's operations in Trinidad and Tobago.

But, Madam President, it was never the intention of the framers of the laws of Trinidad and Tobago, especially the Treasury Bills Act, to allow the Government to use the Treasury Bills Act as an instrument for financing Government fiscal operations. It was never the intention of the framers. [*Desk thumping*] Madam President, we are talking about monetary policy, and we are talking about the Central Bank, and this is about liquidity management. We are talking about a concept called "Open Market Operations". And what the Central Bank does, is that they use the Treasury Bills Act and the Treasury Notes Act in order to tighten liquidity whenever there is excess liquidity in the system. That is what that instrument is used for. It is not designed to finance Government expenditure. That is not the purpose of the Treasury Bills Act. So the Government is corrupting the system. [*Desk thumping*] They are polluting the system. They are contaminating the system. And how can we as parliamentarians support that? We cannot support that infiltration, and pollution, and contamination of the process.

Madam President, let me also share with you another concern. The private

sector is already being punished in an environment where they are being heavily taxed. You are going to have a lot of job losses, you are going to have closures of companies and businesses, you are going to have increased prices, but on top of that, the Government is seeking to crowd out the market, crowd out the private sector from the market. Because when the Government goes out there through the Central Bank and they raise loans through the Treasury Bills Act, initially you might get it at 1.5 percent, you might get it at 2 percent. How long is that going to be sustained for?

Madam President, we are predicting that the very Treasury Bills Act that is attracting just about 2 percent or 2.5 percent on instruments for six months and maybe a max of one year will increase to 3, to 4 and even to 5 percent. And what it will mean is that the private sector will now be calling through—the banks rather will be calling for higher interest when these private sector business people approach them for loans. So, we are going to have an increase in the rate of interest, or the price of money, because of the decision that the Government has taken. This decision has not been properly thought out, because it will have a negative impact on this economy. It will increase, as I said, the instability of this nation, especially at the macroeconomic level. Madam President, whether it is the balance of payments, the external accounts of our country, current, and the balance of trade, and the overall balance of payments, we are now in a negative zone. There are no surpluses in that region. And then when you combine that now with the fiscal accounts—

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

Sen. W. Mark: Yeah. When you combine that with the fiscal accounts, Madam President—you mean that is my first 30 minutes? Because I only started at 25 to three, you know, so you must be saying my first 30 minutes, because I have 40

minutes? No, I started at 25 to three, Ma'am. I am supposed to go at 3.15. I do not think you want to short change me today? [*Laughs*] I think I should take some time from the Minister.

[Madam President confers with the Clerk]

Madam President: Sen. Mark, my apologies. [*Laughter*] Yes, I am so sorry, you are quite correct. Yes, so my apologies.

Sen. W. Mark: Thank you. Thank you. Thank you. I wanted to ask you if I could have borrowed some of the Minister of Finance's time seeing that she was so short and brief. [*Laughter*] I could have really done with some of her time. Thank you very much, Madam President. Madam President, the question that we have to ask, there are a former Governor called Ewart Williams, who is advising the Minister of Finance at this time, we would like to know if Mr. Ewart Williams is the architect of those pieces of advice, as a former Governor? Has Ewart Williams advised the Minister of Finance to amend the Central Bank Act, and also to amend the Treasury Bills Act?

Madam President, we also would like to know whether the Minister of Finance has been in consultation with the former Deputy Governor of the Central Bank who is now the current chairman of the Economic Development Board, one Dr. Terrence Farrell? Because I am sure Dr. Terrence Farrell will not advise the Government to go down that particular route. So, we are very, very concerned about this approach that the Government is taking. It is demonstrating, as I said, total incompetence of an administration that told this country they were red and they were ready. Where is the evidence of that today?

3.00 p.m.

Madam President, even the Minister had to admit that we are now in the third consecutive year of negative economic growth. We recorded 0.5 percent in

2014; 0.5 percent in 2015. We went to almost 7 percent in 2016 and it is predicted that we would be somewhere in the vicinity of 3.5 percent in 2017. In 2018 we get a little breather, the IMF is predicting we might get a 2.8 percent. All that is based on energy projects and initiatives that the People's Partnership took when we were in office in 2015. [*Desk thumping*] So it was based on our initiative that you have more gas being pumped and therefore, we are going to earn more revenues as a result.

Madam President, as I have said, it is wrong for what the Government is doing. The Government is approaching this whole question about the economic management of the country without a plan. If the Government does not have an economic plan, a comprehensive economic strategy to bring about renewal and recovery and growth and transformation, where are we going? The Government has been a total failure in this country. [*Desk thumping*] They have brought no relief to the country. All around the country is collapsing, on the economic front we are collapsing; on the social front we are collapsing. People are living in total fear in this country.

So when we examine this thing, Madam President, may I invite you to join me and I want to invite the Minister in the Ministry of Finance, Sen. the Hon. Allyson West, to read a paper. It is called the IMF Working Paper. It is entitled: "Central Bank Credit to the Government: What Can We Learn from International Practices?" It was produced by a team of IMF writers and it was published in January of 2012. Hear what the IMF has told the Government of Trinidad and Tobago, because this was written for the Government, because they are in a road or they are on a path that is in complete contradiction and opposition to what the IMF has said in their working paper. [*Desk thumping*] Hear what the IMF has advanced, Madam President, on this question. They did this paper and hear what the key

findings are arising out of it:

- “(i) in most advanced countries, central banks do not finance government expenditure;”

You understand that?

Sen. Ramdeen: Read that again.

Sen. W. Mark: I want you—Madam President, I would like Sen. the Hon. Allyson West, who is the Minister in the Ministry of Finance to take note of this IMF recommendation based on their findings, because they like the IMF; most of their measures are IMF driven or IMF inspired. So follow the IMF. The IMF is saying, Madam President,

- “(i) in most advanced countries, central banks do not financial government expenditure;
- (ii) in a large number of emerging and developing countries, short-term financing is allowed in order to smooth out tax revenue fluctuations;”

So it is a purely temporary measure. This Government wants to make it a permanent arrangement.

- “(iii) in most countries, the terms and conditions of these loans are typically established by law, such that the amount is capped at a small proportion of annual government revenues, loans are priced at market interest rates, and their maturity falls within the same fiscal year;”

Madam President, it is loans at market rates. The Government is going to the Central Bank to raise Treasury Notes so that the interest rate would be less than 2 percent. So they are using the Central Bank as a mechanism to raise capital, to raise money at a cheap interest rate and undermining the credibility and autonomy of the Central Bank of the Republic of Trinidad and Tobago. [*Desk thumping*] I want to know what the Governor of the Central Bank is doing. Is the Governor of

the Central Bank sleeping or has the Central Bank under this new Governor become an arm of the Ministry of Finance? [*Desk thumping*] Is that what is going on? Where is the advice from the Central Bank Governor to the Government of this country to let them know that they are on the wrong road? Madam President, may I go on? The fourth finding:

“(iv) in the vast majority of countries, financing other areas of state, such as provincial governments and public enterprises, is not allowed.”

That is the fourth finding.

So here it is, the International Monetary Fund is telling the Government, even if you want to go in that road, Madam President, it must be for short term purposes only and that percentage should be so small, and, Madam President, we are at 15 percent. The IMF is saying, between 10 and 20 percent. The Government has gone the full 20 percent as recommended by the IMF when we already had a 15 percent benchmark which was too high at any rate.

So, Madam President, we on this side of the Senate are very concerned about where this country is heading under this administration and I saw something in the newspapers and I believe it was used as a justification for what the Minister introduced in terms of the two measures. The Minister who appears to be sleeping on the job and recently was awoken, discovered that we had to meet—

Madam President: Sen. Mark, you now have five more minutes.

Sen. W. Mark: Yes, thank you. We had to meet an obligation to Japan through a creditor who has bought a lot of currency through swaps and it was \$660million. And then he gave another swap as an example and then he went to another one. He said all occurred under who?—Kuei Tung. The next one occurred under Yetming and the other one occurred under Howai.

Madam President, these are complex, these are derivatives, these are

complex instruments. You have to depend on technical advice from the Ministry technocrats. This is not something that a Minister decides upon. You have to get advice on these matters, but the way how the Minister made it look as if it was Kuei Tung who did it, or Yetming who did it, or Howai who did it.

Madam President, I just want to say that we cannot support this measure in its current form. We find it repulsive, obscene, unacceptable, inexcusable and indefensible. We cannot and it is almost bordering on illegality.

Madam President, I want to ask the Minister two final questions before I take my seat. In the budget document for the hybrid and electric cars, they gave in the budget a deadline of October and they said that there was a moratorium for those who are transporting cars on the seas, 31st of December. What we have discovered is that in this legislation before us there is no moratorium, there is no deadline of October 25th or thereabout and you know what the new deadline is, Madam President? The 1st of January. "It gone" from the 31st of December to the 1st of January. That could make a big difference, because if their financiers are importing cars and those cars are coming in here on the 1st of January, they will not have to pay the taxes. So I want the Minister to explain to us how this thing took place.

And, Madam President, may I also ask the hon. Minister to tell us about these tyres, briefly. My understanding is that when you look at the environmental tyre tax, and you look at the numbers that they gave us, an example:

“(a) 4012.20.10;”

Madam President, we have done some research and the research is showing that these are retreaded tyres. These are not new tyres. Is this measure not designed to attract an environmental tax for old tyres? Why is the Government only targeting used tyres? So all the new tyres are escaping.

So could the Minister explain to this Parliament why you have left out new tyres, because it is not here in the legislation? So we want to know and the final thing I want to ask the hon. Minister is this, Madam President, if we are so concerned about the environment as she, as the hon. Minister strained her voice in saying a short while ago, why are you taking the moneys that are paid on these tyres and putting the money into the Consolidated Fund? [*Desk thumping*]

Madam President, why do you not put that, the funds that are collected, into a special arrangement so that SWMCOL can be responsible for recycling or whatever and there is a fund available. I think the Government is fooling the country and if you are serious about the environment, we challenge you to ratify the climate agreement.

Hon. Senator: What is the name?

Sen. Ameen: The Paris agreement.

Sen. W. Mark: Eh. The Paris Climate Agreement. Why you do not ratify the Paris Climate Agreement? Why have you? All you did, Madam President, was to sign it, but you have forgotten to ratify it. How are you going to be monitored? The Minister of Trade and Industry has been a total failure when it comes to trade in this country. And the Minister of Foreign and Caricom Affairs and the Minister of State in the Ministry of National Security must take responsibility for the failure of the Government not ratifying that matter at this time. [*Desk thumping*]

Madam President, I want to thank you for the opportunity to speak to these matters and I hope that the hon. Minister would be able to clear the air on some of these issues that we have raised in the interest of the public and the people of T&T. I thank you very much, Madam Speaker. [*Desk thumping*]

Sen. Dr. Dhanayshar Mahabir: Thank you very much, Madam President, and colleagues on the Independent Bench. Madam President, let me place in context

this particular Finance Bill, because Sen. Mark, of course, is right. The Finance Bill is really meant to put into effect the measures which were announced in a budget presentation and, of course, which requires certain amendments for the laws. But when the budget was presented in September or recently, the budgeted oil price was \$52 per barrel. What has happened over the last few months is that this agreement arose between Russia and OPEC and we had seen rig counts being reduced in the United States and today WTI is trading at 58; Brent at 65; and so I estimate that if that Russia/OPEC agreement were to hold for the rest of the year, as they have committed—the rest of 2018, as they have committed to do, Trinidad and Tobago stands in the fortuitous position of obtaining at least \$10 per barrel more on oil, crude, than was budgeted for.

And I would link that to some of the measures coming down to the end, amendment to the Central Bank Act. Because what that means to me is that the cash flow problem of the Government which we are currently experiencing may gradually dissipate come the various quarters when the energy companies begin to remit. So right now we are experiencing a cash flow problem, we are experiencing a situation of a quarter that has gone, but come January, March and June, also September, it is expected that things would be a bit easier for the Government. That does not mean, Madam President, that there is not a major deficit to handle. It is just that we have a breathing space at this time. The deficit warrants two actions.

First, we need to continue to cut our expenditure to the best of our ability and I am sure the hon. Minister of Finance is working assiduously with all line Ministries to determine where, in fact, we can cut so that the public interest may not be injured, but at the same time, I am sure she is looking out to see where revenue is being lost throughout various arms of the State even in droplets. Because, Madam President, we all know if we have a leaking tap, one drop at a

time and we put a bucket overnight, you would be sure that in the morning the bucket will be filled. It is imperceptible.

So we need to be looking at all areas of the State where the hon. Minister is not receiving her share of revenue. In that way we would be able, of course, to improve the social welfare in some way, not major, but for the quality of life of our people to be a little bit easier in 2018 than it was in 2017.

In that context, I want to link what I would like to focus on, on this particular Finance Bill. We are making decisions, but we are making decisions with incomplete information. Incomplete information with respect to say, the Private Hospitals Act, the fines which were imposed were imposed somewhere in 1975. So we do need to revise. The question I would like to ask is this, and I do not know whether the Minister has been apprised, how many prosecutions were conducted in 2016 for individuals who run private hospitals and who were in breach of the law? Was it a lot? Was it a little? And is it that we do not know but we think that by increasing the fines those who are prone to overcrowding the private hospitals and that, by that I imagine we would include also geriatric homes, they will face a hefty penalty so it will be a deterrent.

That kind of information will certainly allow us to understand the gravity of the situation and also it will allow us, Madam President, to evaluate how successful the Ministry of Health is in investigating these homes to protect our geriatric citizens and individuals who are using the private hospitals facilities. Because we do need to know that the regulatory arm of the Ministries are working efficiently. So that bit of information I am sure would certainly help us in understanding why in a Finance Bill the Government would want to amend the Private Hospitals Act and to increase the fees to the hefty sum, I think, of over \$100,000 for overcrowding. That is just an administrative matter.

A more substantive one concerns this motor vehicle concession. We are offering major concessions to motor vehicles which are using CNG, as we should, because we have been trying to get usage of CNG to be increased for the longest while. One of the problems was that not many filling stations were in operation. So I am hoping we would be able to amend that particular problem. We do need to have the filling stations.

The others are all electric cars. I do not know what measures are being put in place to ensure that we have a number of stations where all the electrics can plug in and recharge quickly or whether in fact we are hoping that they can recharge at home. Many homes would need to be rewired to recharge their cars and also the hybrids, a combination of the two. That is fine, it is where the world is going.

But my concern, Madam President, is that when this matter arose last year in the 2016 Finance Bill it was based on environmental concerns. It was based upon a concern to protect the environment. And I ask myself the following question. Was the EMA, the Environmental Management Authority of Trinidad and Tobago involved in an activity where it will advise the Government of the Republic on the hierarchy of environmental concerns in Trinidad and Tobago? I am not sure, but certainly the EMA Act mandates the EMA to tell the Government what the environmental concerns are and to work with all arms of the state to ensure that we could minimize environmental degradation. I would have thought that a major environmental concern was the PET bottles, the plastic, soft drink and water bottles in Trinidad and Tobago.

The Minister in piloting the Finance Bill indicated that there was a collection of some 24,000 tyres in a vicinity. Seems like a lot. But I would imagine, if we went and we collected plastic bottles we would get, maybe, 24million, because whenever we see the watercourses being cleared in the dry season, and I am sure

the Ministry of Rural Development and Local Government is working very hard to ensure that the watercourses are cleared, we always see at the side of the road huge mounds of these plastic bottles.

I would have thought that it would be cheaper for the Government to look at the legislation governing the production and the disposal of these plastic bottles. It is called the Beverage Containers Bill, and would seek to implement that. Maybe even charge a 25 cents per bottle charge as we are doing with the tyres to which I am coming. So that if we could put a charge on the plastic bottles and have the manufacturers of the bottles themselves who are earning huge profits at the expense of the society what happens, Madam President, is this. They earn their profits selling their beverages and the waste disposal becomes a public policy problem.

So I would like to internalize it. In economics it is called an externality. I would internalize that externality and to have the manufacturers themselves be responsible for the collection of their waste. And if we are able to do that I am sure we will go a long way protecting the environment at minimum cost, in fact, at revenue to the Government, 25 cents for every PET bottle, plastic bottle will result, I think, in a good inflow to the Minister of Finance in these difficult times and, at the same time, there is the movement in the Caricom countries, Haiti and Guyana to ban Styrofoam. These are the poorest countries wanting to protect their environment. I think it is a measure we should also be considering. And it is a measure, Madam President, which is going to impose no cost and will add revenue to this Consolidated Fund.

But when I see the vehicles concession on these environmentally friendly vehicles, I ask myself whether the EMA advised that it is air quality in Trinidad. That is, the problem and not the clogging of the watercourses and flooding, from

casual observation—again, I need the information. Casual observation, I think, there is a major problem with the clogging of the watercourses.

My colleague, the Minister of Rural Development and Local Government, I am sure when he went about in the south land looking at the flooded areas would have seen mounds of plastic bottles causing blockages. And, Madam President, any of us who have visited Mayaro beach on a rainy day would see the rivulets coming down into the beach and they are bringing with them what they have accumulated in land, plastic cups, plastic bottles and it is coming to clog the beaches. So that this is an area to look at, environmental control that we have not been focusing on, it will cost little money and I think it would really benefit many citizens in Trinidad and Tobago who are prone to flooding. Not that it is a panacea of course, but it is a major culprit.

And with respect to the vehicles which are now experiencing the following: No motor vehicle tax for vehicles up to a particular size. It used to be, Madam President, in the old days, that concessions were given to agricultural vehicles. If you purchased a tractor or a pick-up truck or any vehicle that was devoted or dedicated to agriculture, one of those panel vans to transport your produce, you were given the types of concessions that I am seeing now. When I see these concessions I ask myself, how much revenue is the Minister of Finance foregoing by these measures? It would have been good to know that based upon traditional consumption patterns we have imported—we expect so many cars to be imported and if we did not have these measures we would be collecting X dollars in revenue and we are foregoing so much now. Again data, information.

I am being presented with a Bill and do not know what the impact on the Minister's revenue flow is going to be in an environment where she has to handle a huge deficit and she is moving towards the Central Bank Act in order to provide

some assistance. And I am asking why go there so far? We needed to get an estimate. I am sure the Ministry of Finance would have provided an estimate. The measures expires in 2020 but between 2018, 2019 and 2020 we have three years of concessions that I think the country can ill afford. And when we are looking at the value added tax amendment, I am seeing, Madam President, that these machines for commercial use as well, and commercial use would involve not only the trucks that are used to transport goods to and from factory to depots, but it will include as well a maxi-taxi, because that is a commercial vehicle. That is not a private vehicle. So we are looking at a lot of vehicles, we are providing the concessions and we are not being told, the Parliament is not being told what the cost is in these difficult times.

So, what I would like to raise to the hon. Minister is this. All of us are concerned with the environment. There is not anyone who is not concerned about environmental degradation. The hillsides, quarrying, flooding, the use of plastic bottles and so on, and we have to be looking in public policy especially when the public finances are so weak. What is the cheapest, most economical way that we have, that we could use to minimize environmental damage? I think the Government has gone on a very expensive way to achieve a laudable objective, but could it have been done cheaper? And I come to this issue of the tax on tyres.

I too checked the code, 4012.00.10 and 90 and these tyres are really foreign used tyres, some of which are purchased to be used in cars—they probably have some life in them and some of them are purchased to retread. I did not know that there was a retreading industry still in Trinidad and Tobago, but I suspect there is. I do not know how many—again data—of all the tyres imported. I am sure the Customs would have the data of all the tyres imported in 2016. By now they should tell us, 10 percent, was a used tyre, 90 percent was a tyre that was new and

so we are evaluating a measure without knowing how effective it would be with respect to the pollution caused by tyres. And on that basis, Madam, I am sure the information is there. It is important to evaluate it, to know how valuable it is. Is it such a great problem that we do need to place it in a Finance Bill, or is it a minor problem?

I concur with Sen. Mark. Why we do not put an environmental tax on all tyres—a \$20 tax. I certainly will support that, but at the same time establish a relationship, you see, a vertical relationship. Tyres constitute, I do not know if the Government is aware, tyres constitute a valuable ingredient in cement manufacture. India has tried to use tyres to generate power and the problem was more pollution; when you burn that tyre to generate electricity you are poisoning the atmosphere.

On the other hand there are countries, United States, Europe, et cetera, where tyres are used—I imagine the process is there, are shredded, cut and they are put into cement manufacture and they provide a stronger cement. I will recommend that the Government consider seriously a \$20 tax on all tyres; an agreement with—we do have, we are fortunate. We do not have to put these tyres in a container and send them in a Mexican cement plant. We have a cement plant here. Could we establish an arrangement with our cement company to begin to use this tyre as part of the ingredients that they will use in the production of this commodity?

3.30p.m.

You see, Madam President, once we think environmental in that way, it is collecting. So that whenever I take my old tyres into the shop to get a new one they should give me a rebate, maybe a \$10 rebate. And they will take the old tyres and then they will pass it on to the cement company and the cement company, at minimum pollution, will be able to convert it into a usable item called cement. I

think if we do that, we are going to address our environmental concerns in a much more holistic manner.

And this is not—the technology is there. It is not something that we cannot implement. For example, I see no tax on lead-acid batteries, the batteries of cars. The reason for that is, we have a number of individuals in the country who pass around buying the batteries from you because they recycle the batteries. It is known that the lead in the batteries is recycled, and today 98 percent, in the United States, of all lead used in batteries, return to batteries. Only 2 percent of the lead is lost along the way. So that there are critical things we could do. Again, I am always mindful and concerned about the impact on the public purse.

So this position on the automobiles, it arose last year; it is coming back this year, I am asking myself, the Government—you see, I am trying to look at the consistency in public policy. They lowered the VAT rate from 15 percent to 12½ percent, expanded the base, and in expanding the base you included a lot of basic food items, schoolbooks, and now I see in the Finance Bill, Madam Minister, through you, Madam President, value added tax is being removed from some of these automobiles. I ask myself: Is it our objective to broaden the VAT base or to narrow the base? If our objective was to broaden the base, what I would have recommended was this: exempt the cars from the motor vehicles tax, but when it comes to the VAT, I could have a dual VAT. I will say, well in the gasoline-type cars, the VAT remains 12½, and in these electric cars, the VAT will be 6 percent, but I will not go down to zero. Quite within the ambit of Government, they could consider that. But to remove the VAT is sending a signal to me that the owners of cars are being given a concession that the buyers of food are not, and I am concerned about, really, the poor and the underprivileged and the impact it will have on them.

There are many things to be said, you know. The Minister in the Ministry of Finance has to raise her revenue and I am wondering, is she not tying her hands by putting so many commodities now, not only exempt from motor vehicles tax but also exempt from the VAT? I would like, really, to see the VAT base broaden. Lower the rate to 10 percent and broaden everything. But we are eliminating the VAT. So I think she would, in her winding-up, be able to explain what the policy is with respect to VAT in Trinidad and Tobago.

Madam President, I think the Minister of Finance also has to be looking at where revenue is being lost, as I alluded to that dripping tap. As I speak, there are agencies of the State which collect payments from the public using cash. They are not using LINX machines. I will come to more on the LINX. They are not using machines, and the problem with cash, especially at a place like the Caroni transport office, is that cash is both liquid and solid. We have heard the term “the solid, liquid cash” coined by a famous presenter from Mastana Bahar, long time. It was solid, liquid cash. It was solid. You could hold it, but liquid, it could run.

I think the Minister of Finance, through the Minister of Public Administration, would want to ensure that everywhere agencies of the State collect cash, we now make payments electronic. We cannot say we have a transport system where we are moving towards RFID and all of these fancy technical things and when you go to pay your licence you have to walk with \$1,000. That \$1,000—and I would like to know when the last time an internal audit was done in the licensing office to find out, we have issued so many driver’s licences, we expect so much money in exchange. If there is a difference, where did it go? So, the Minister of Works and Transport, I am sure, could stop me any time to tell me when a LINX machine is going to be implemented. And by way of comparison, Madam President, I applied for a passport at the Frederick Street office—or

passport office—and they had their LINX machine. So it cannot be that it is not possible in some areas but possible in other areas of the Government.

So we do need to plug those areas and ensure that all the funds which belong to the Consolidated Fund, through the Minister of Finance, actually go there. You see, this crisis is presenting to us a valuable opportunity. It cannot be business as usual with respect to revenue collections. It cannot be that we are allowing so much drips along the way. You see, when water is free, you can allow leaks, but when you have to pay for it, you would be plugging it very quickly.

Madam President, enough said on that. Let me focus on this issue of the dual corporate tax rate. Much has been said about the dual corporate tax rate. The reality is, governments are free to alter their tax structure as they see fit. There is no rule, certainly with respect to the corporate sector, to say that you need one corporate tax rate of 25 percent. If a government wishes to promote the hospitality industry, as we have in the past, they can have a rate for the hospitality—a bone fide hospitality industry, or a bio-tech firm—that is much lower than the existing corporate tax rate. So that it is within the ambit of Government to do that. You can also, as a government, impose a rate which—and the Canadian Government has done that—that for the first \$1 million, you can—more like a progressive rate, not a flat tax. The rate is X. Corporations earning between \$1 million and 5 will pay a higher rate, and so on, so it can be graded.

What we have done is, instead of providing a concessionary rate to, say, the hotel sector, we have, in fact, imposed a higher rate on corporations doing banking business—35 percent. And let us see the impact on that rate. Suppose the banks as a whole just earn \$100 in profit—that is just a model we are using—under the old regime they will pay \$30 to the Minister. They keep \$70 for themselves and for all their other businesses. Now, the rate is 35 percent. If profits remain at \$100, the

banks will forward \$35 to the Minister, keep \$65 for themselves. But, you see, that is based upon a big “if”—if profits remain at \$100.

Let us understand the banking structure. Banks are tight oligopolies in Trinidad and Tobago—that is, there are about five of them. We have a number of agencies doing banking business. And I am coming to the recommendations, but we have maybe four or five banks. We have a few of them that are not really large, and so on. And when you are dealing with a tight oligopoly structure, there is something known as market power. When you have market power, you could be sure the monopoly elements in there will want to see profits not remain at \$100, but will cause profits to arise to \$110. So if profits now rise at \$110 and the tax rate is 35 percent, what happens is that the bank ends up with \$71.50 as opposed in the old regime, it had \$70.00. How can a bank, or someone doing banking business, cause his or her profit to rise from \$100 to \$110 in the course of a year?

Madam President, there are transactions fees, there is LINX and credit card fees; there are account fees—savings account fees—there are forex fees and we have overdraft fees and a miscellany of fees. That has been the problem with colleagues of mine on this Bench. We have seen an area where the banks, Madam President, can impose, because of oligopoly, because of tight oligopoly, because of the market structure—we have seen where banks in this country can raise their fees. And it is not as if one raises its fee and the others keep—it seems as though they float in a band, and these fees can rise. When we look at banking fees, I understand—I will be looking at the figures very carefully because I understand some \$1billion of fees were raised in the banking sector last year. Sen. Small, I am sure, will have more up-to-date figures.

And so, Madam President, the problem I have is this. In economics it is known as tax incidence. You see, what does tax incidence say? It says that “he

upon whom the tax is levied may not be the one who ultimately pays the tax if he can pass it on.” And you pass on a tax. The incidence of a tax is directly related to the competitiveness of the industry. In a competitive industry, where the moment you move your fee a little bit you lose business, it is the individual upon whom you have levied who will have to pay in a large measure. But in a concentrated industry, tight oligopoly, as long as there is an opportunity to pass on, you would be sure that gradually you would find the institutions raising their fees because they have the power to so do.

Madam President, I have before me the Central Bank Act and the Minister is amending a couple of sections, so I will come to those sections when I am concluding. But I really do not think it is going to be right, fair and just—I am defending the public interest from the Independent Bench—to know what these companies are liable to do and without taking the necessary evasive action so that the public interest may not be injured. I quote section 44A of the Central Bank Act. It says—and this was “Fixing of Interest Rates” amended in 1994.

“The bank”—that is the Central Bank—“may fix the maximum and minimum interest rates payable on deposits received, and may fix the maximum and minimum interest rates, fees and charges to be”—levied—
“on loans, advances or other credit facilities, by a financial institution.”

I would recommend for the hon. Minister, the following small, tiny amendment that will protect the public interest. It says that after the bank may fix the maximum and minimum interest rates payable on deposits received and may fix the maximum and minimum interest rates, fees and charges to be charged on loans, advances, “and other services.”

Madam President, if the hon. Minister can simply add “and other services”—three words to this 44A, the Central Bank will then have the power to

look at the maximum and the minimum. Right now the law as currently written—and there is a loophole. Let us protect the public interest. [*Desk thumping*] We need to do that. Three words, and I am sure the hon. Minister will get the necessary legal advice on—if my three words, “and other services” do not make much legal sense. It makes a lot of economic sense but the legal drafters, “and other services”, it will not be too difficult to come to this honourable House and get a lot of support.

I cannot guarantee unanimous support, but you certainly will get the support of Sen. Mahabir and I may be able to speak with Sen. Small because we need to be able to regulate. Madam President, if we do not, market power—the problem you see with the banking sector is this. They do it because of the structure. It is not that they are evil, wicked, malicious or bad. No. It is the market power, the market structure allows them to do that, and there is a line of least resistance. What I am talking about is regulation to control excessive pricing power.

What we can have as an alternative, Madam President, is this. Competition—competition from whom have called for it before. If every single credit union in Trinidad and Tobago were to start to accept deposits and to have an ATM machine, I can see all the credit unions coming together to run ATM machines. Everywhere you go—everywhere I go I see gambling machines now. You could have ATM machines by the Credit Union League of Trinidad and Tobago, and you could be able, for 25 cents or so, to withdraw cash. Because to run an ATM machine is expensive. To maintain it is costly. There has to be a fee charge. But I think we need, not only to get the Beverage Containers Bill to protect the public interest, but you see that Credit Unions Bill? Once we are able to get that, it provides countervailing power to the banks and we would be able to regulate as we see fit.

Madam President, I am seeing some looks. I do not know how much time I have, but I have a fair amount to say, you know. Madam President, let me continue until I am stopped. There is this issue of lottery winnings. The reality is this. Gambling is neither moral nor immoral, good nor bad. It is what is done. In every activity in my business we do not judge. We simply say, can we regulate so we can minimize harm? So I see a tax on lottery winnings. Again, information that is not available. I do not know, for example, how much of NLCB's earnings are paid out. Is it 10 percent, 20 percent? In Nevada, where gambling is tightly regulated, there is a rule which says, in the casinos, 98 percent of what they take in on a periodic basis—daily or weekly—must be paid out. The machines are so calibrated. The casino is given a 2 percent to run its operations and to earn a profit. NLCB confuses me. I do not know—you see, I am called upon to support a measure with incomplete information. Madam President, we have games. I do not play them because economists never gamble. Whenever I play the horses, I do put \$5—
[Laughter]

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

Sen. Dr. D. Mahabir: Thank you, Madam President. I never put \$5 on a horse to win. I put \$5 on a horse to place. Even if everybody says this horse will win—no, no, no. That horse will have to place. He has to place because at least I will get back a little 50 cents. “Ah doh like tuh lose money.” And I like the fun of buying a little ticket, and so on.

But, Madam President, what we need to do is this, with the National Lotteries Control Board. We need to understand that it is a valuable arm of the State which can and should generate considerable revenues. And I do not know how much Play Whe generates in profits to the Minister of Finance. I do not know how much the Lotto generates. When I checked the Canadian jurisdiction and

states such as New Jersey and so on, I know exactly how much each game generates as revenue for the Government of the State. I know exactly what the administrative costs are. Say, \$1 million is taken in by a game on a particular week, how much of that is paid out? How much of that actually is administrative expenses? What are the contractual arrangements which exist between the providers of these scratch tickets and the electronic format and the NLCB itself?

I think if we were to look at NLCB and we were to streamline it, and look at international norms, maybe again, we are taxing only the tip, the earnings and not the takings, and I think we should be looking at how much NLCB takes. It is all computerized. We ought to know how much people in Trinidad and Tobago wagered in 2017. All of that should be recorded: How much was paid out; how much was given to the Government and how much was used to run operations. I cannot remember the last time that I saw one of those audited results of NLCB. I think the Minister of Finance should be looking at one of those.

Madam President, I know time is against me, but the Central Bank Act and Treasury Bills Act, again I ask myself, we are amending them, but is it really necessary at this time? Treasury Bills are really bills issued by the Central Bank but they belong to the Minister, the Treasury. She has to find resources to service them. The same thing from the Central Bank. We do not want—Sen. Mark alluded to monetizing the deficits, increasing the money supply, causing inflationary problems. I would not go there. That is another area. But I am asking myself: when the Government presented its budget a couple months ago, the environment was such that we were anticipating a major cash flow problem for the year—\$52.

I am telling you once the Minister of Energy and Energy Industries can ensure that we are up to around 75,000 barrels per day in 2018—we cannot get to 80,000. I know that is being very, very optimistic. But if we can get 75,000

barrels, we are almost sure of getting something like \$60 a barrel averaging in oil, at \$58 WTI and \$65 Brent. And the agreement seems to be holding so that I am wondering, whither the cash flow problem of the Government and is it absolutely necessary at this time, given the heavy debt that we have to pay—is it necessary that we are going to have to amend the law for something that may not be needed? Because the Minister is amending the Central Bank Act because she anticipates that in certain quarters we are going to need additional advances. And these advances, Madam President, are temporary. They are temporary and they are going to have to be repaid on an annual basis.

The Treasury Bills will have to be repaid. The problem, as I see it, Madam President, is while we are amending the Central Bank Act, I do not think it will be necessary in 2018. We should amend the Act very carefully. In any event, the Act I would want to see amended is the Act concerning the services charged by banks. Madam President, I know time is up. I thank you once again for the opportunity to address this honourable Chamber. [*Desk thumping*]

Madam President: Minister of Energy and Energy Industries. [*Desk thumping*]

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I rise to join this debate on the Finance Bill:

“An Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”

This Bill seeks to amend the following pieces of legislation as it is listed here in the Explanatory Notes. I will just read them out for the records:

“Private Hospitals Act, Chap. 29:03, the Motor Vehicles and Road Traffic, Chap. 48:50...the Income Tax Act, Chap. 75:01, the Corporation Tax Act, Chap. 75:02, the Value Added Tax Act, Chap. 75:06, the Miscellaneous Taxes Act, Chap. 77:01, the Customs Act, Chap. 78:01 and the Central Bank

Act, Chap. 79:02.”

But, Madam President, I had some notes here to speak on CNG, renewables, and I will speak about it later in my contribution. But let me deal with, in particular, the contribution of Sen. Mark. He gets up here and pontificates about what the PNM is doing. It is not what we are doing, is what we are forced to do. And let me just take this story from the top. The cash flow crisis and the revenue crisis we face in this country is largely a result of significant decline in petroleum revenue. Everybody says it here. Every time somebody gets up, they say it. And nine out of 10 times we attribute it to two causes: one, declining production, both in terms of oil and gas. As Sen. Mahabir said, we were in the late sixties—in 2016—I mean, Sen. West, 68,000 or something so, right now we are on 73 and we are climbing. Gas production has fallen. Everybody knows we are in, what we call, a gas curtailment scenario where are about 700 to 800 MMcf per day short. But there are plans in place to regularize that.

The second point we attribute to the declining revenue is falling commodity prices. Under the UNC, oil price averaged over their period, \$93 a barrel. Most years it was above \$100 a barrel. Gas price was \$5/\$6. Right now it is down to \$2.60/\$2.70. Luckily we are getting an upward movement in oil prices, so we are at \$57/\$58 for WTI and \$63, sometimes \$64 for Brent.

But I want the nation to know here today that that is not the only reason that we saw a 90 percent decline in petroleum revenue. And the third and most, probably in my humble opinion, most important reason that nobody speaks about and everybody seems to be hiding from it, is the tax allowances that were given to the oil companies. [*Desk thumping*] Because oil price could be as high as it wants, the State gets revenue from two sources in the petroleum sector: royalties and taxes. Royalties is only imposed on oil. That is why that 12.5 percent royalty on

gas is so fundamental to the extraction of State economic rent for a depleting asset.

The very fact that bp's tax liability in 2014 was several billion dollars that went down to \$300 million in 2016, is because of the tax write-offs that were given to the oil companies. Let me explain it to you. On exploration cost, you were given 100 percent write-off in the year of expenditure. Having said that, the oil companies claimed they did not have need to use it, but that has a sunset clause. It will end in December 2017.

But there is another tax benefit that nobody speaks about. On the development cost side—and Sen. Small could bear me out here—the depreciation or the write-offs you had—development cost is divided into two sections: tangibles and intangibles. On the tangible side, the write-offs were 20 percent in the first year and 20 percent thereafter on the declining balance. On the intangible side, the write-offs were 10 percent in the first year and 20 percent on the declining balance every year after. You know what the UNC went and did, after giving 100 percent write-off for expenditure in exploration in the year it was expended? Fifty percent write-off in the first year, 30 percent in the second year and 20 percent in the third year. You are writing it off in three years. A company, obviously, in a scenario like that, will have minimal petroleum profit tax liabilities.

That is the story that has not been told, and that is the story I want the country to understand here today. Granted, lower commodity prices, granted declining production, but this hits you where it hurts the most. And you come here and pontificate as if the PNM is doing something wrong. It is the PNM who say now that you cannot produce the gas in this country without paying royalties, just like petroleum oil. It is the PNM who said—and Sen. West says, we are going to revise the whole petroleum taxation legislation to bring it more in line with international standards, bearing in mind that you need foreign capital investment to

keep this industry alive, you know. And do not get me wrong. But at the same time, when you are dealing with a depleting and a wasting asset, the State has a right to extract economic rent on behalf of the citizens of Trinidad and Tobago.

And when Dr. Rowley went to Houston and he met with bp and Shell and EOG, he told them the very same thing. He said, “You have shareholders, but I also have shareholders and my shareholders are the citizens of Trinidad and Tobago.” Sen. Mark spoke about the overdraft limit from 15 to 20 percent. We did not want to do that. We are forced to do that. They racked up the 15 percent limit. They were really running on fumes, you know; running on fumes when they had substantially more revenue, when the highest revenue earned in this country, outside of 2008 peak, was in 2010, 2011, 2012, 2013 and 2014.

4.00 p.m.

And having that significant revenue, they just racked up expenditure, depleted the overdraft of 15 percent—it had reached 90-something percent when Minister Imbert said they had two days more to survive—added to which they raided the NGC in that same period, you know, and hear what is their argument, it is not 16 billion, is 12. It is plenty billions, eh, let me tell you. [*Laughter*] And in any event, added to that, they took a series of short-term loans, billion dollar loans for T&TEC, for UDeCOTT, for the OAS highway. When we came into office we had to refinance six months loan you know. A billion dollar six-month instrument, and then have to put it into longer instruments. This is what we met, and even in that scenario there we are talking about increasing the limit on borrowing, they took the debt to GDP ratio to 63 percent. If there has ever been wastage and mismanagement in this country, it was under the UNC from 2010 [*Desk thumping and crosstalk*] and you have to understand what—[*Interruption*]

Madam President: I had cause earlier to remind Members of Standing Order

51(1)(e) and (f). This is my second reminder. Okay?

Sen. The Hon. F. Khan: Let me talk to the young Senators. Sit down and listen and learn. [*Desk thumping*] Okay? Take a lesson in the economic history of Trinidad as the PNM. [*Crosstalk*]

Sen. Obika: Would you allow me?

Sen. The Hon. F. Khan: No, I am not allowing you. You will have your turn. [*Crosstalk*]

Sen. Obika: The figure you gave the nation is an incorrect figure. So would you allow me to—[*Interruption*]

Sen. The Hon. F. Khan: When you get up to talk you will correct me.

Sen. Obika: Do not lie to the population. [*Crosstalk*]

Madam President: Sen. Obika, I just reminded Members about the Standing Order, but you have gone beyond that. Continue Minister.

Sen. The Hon. F. Khan: So, Madam President, I just wanted to put the record straight. This country is in a serious crisis. It calls for matured hands, and matured minds, and matured hearts to run it. We have to balance a cash flow; we have to balance revenue and expenditure; we have to balance a social services net. We still have to send our children to school; we still have to fund the school feeding programme; we still have to pay disability allowance; we still have to pay old age pension; we still have to support the public service. Where is the mass retrenchment? We are looking at the state sector and we are managing all that with the Ministry of Finance, the hon. Colm Imbert, the Minister in the Ministry of Finance, Minister of Works and Transport, Minister of Public Utilities. The whole Cabinet is totally aligned on this matter, and it hurts me, it genuinely does, when I come here and hear all this loose talk. I do not want to refer to the House and anti-gang legislation and so on. I know you will pull me up for that, but it all gravitates

to a mindset of the United National Congress that disappoints me at the highest level. I say no more on that.

So now, Madam President, let me now get down to my notes. My contribution will largely be on the issue of hybrids, CNG, the environmental tax on tyres and what have you because green is in, but I just want to make some other corrections on that. I will do it shortly. The Minister in the Ministry of Finance explained what this Bill is doing with regard to motor vehicles tax and VAT, with regard when we inadvertently had luxury vehicles coming in. We cut it down to 1599 ccs for passenger vehicles, the whole ambit remains for commercial vehicles. The environmental tyre tax, I mean—and let me commend, like her, my replacement in the Ministry of Local Government and Rural Development because that was a phenomenal exercise in the national clean-up campaign. He saved this country [*Desk thumping*] \$138 million, and how many thousand tyres?

Sen. West: Twenty-four thousand.

Sen. The Hon. F. Khan: Twenty-four thousand tyres. But whether you dump 24,000 tyres in a landfill it is bad, you dump it in a stream it is worse, you dump it by the side of the road it is doubly worse. So we have to start to talk serious technology now to transform municipal waste into something. I will deal with that shortly. I will deal with clean energy especially as it relates to CNG and power generation and our drive towards renewables which is really a drive to solar, wind, and/or any form of renewable energies, but let me take it from the top, Madam President.

Trinidad and Tobago is a signatory to the Paris Agreement. It is hoped that we will be ratifying that agreement very, very shortly. It is currently before Cabinet. Under the Paris Agreement, Trinidad and Tobago is committed to three things: to reduce total greenhouse gases emission by 15 percent by the year 2030; a

subset of that is to reduce transportation emission by 30 percent by 2030; and to produce 10 percent of our electricity from renewable sources by 2021. It will be a hard stretch for that, but we are trying our best and I will show where because the two biggest emitters of greenhouse gases in the world are power generation, in particular coal, and in transportation fuels. And today, I just want to make a boast here in Trinidad.

Last month I was in Bolivia at a Gas Exporting Countries Forum, Heads of State meeting, and in my delivery there I said something that countries hardly know. While technically natural gas is a fossil fuel, it is the cleanest of the fossil fuel by far, because I asked the question in Bolivia: What is the purpose of having an electric car—and let me talk to Sen. Raffoul. I know she likes this language—if your electricity is generated from coal?—because the damage has already been done. So your first port of call is at a minimum in electricity generation, convert or make an attempt to convert to renewables and/or natural gas.

And, Madam President, through you, Trinidad and Tobago is the only country in the western hemisphere that generates 100 percent of its power from natural gas. We have the distinction of being the only country in the entire western hemisphere that generates 100 percent of its electricity from natural gas. We have the distinction of only five countries in the world that generates all its power from natural gas and they are: Turkmenistan, Qatar, Bahrain, Trinidad and Tobago, and Brunei. That is where we stand internationally. Proud of it. Every conference I go to I say that. And then let me just call the countries that are in the 90s, which is 90-plus percent of their power generated from natural gas: the United Arab Emirates—powerful Arab state—98 percent. So we clip them by two; Belarus—Russian gas though—98 percent; Oman, 97.4 percent; Singapore, 95.3 percent; Tunisia, 94.2 percent; Azerbaijan, 93.9 percent or 94 percent. And that is where we

are. Let me share with you some other startling statistics. In countries such as Belgium, the United States, Australia, Morocco, Spain, Germany, Portugal, the Philippines and Venezuela, the percentage of electricity produced from natural gas is low and ranges from 10 to 30 percent. So the great United States is under 30 percent of their power generation. Coal is king and I do not want to get into their politic, but coal is still king under the, you know what.

In many nations in the world today where coal and other forms of energy continue be a major source of electricity generation rather than natural gas, here are the countries there are less than 10 percent: India, China, Poland, Finland and Canada. So when people tell you Trinidad has this big greenhouse gas footprint, it is largely because of Point Lisas. Okay? And then that is on a per capita basis, but not in terms of volume because it is not per capita that destroys the greenhouse effect and causes global warming. It is the cumulative amount that comes from China, India, Russia and the United States of America, and largely Western Europe, but let me just share some information now on our thrust into CNG.

Madam President, in 2014 there were 1,522 CNG vehicles in Trinidad. In 2017, a mere three years, that figure is now 3,000, virtually 100 percent increase. I have to make the point at this juncture that CNG could have never taken the leap that it is taken—and I will show what plans we have for CNG—had we not removed the subsidy on diesel and super gasoline, because you cannot compete with a subsidized product. So once diesel remained at TT \$1.50 per litre, CNG did not stand a chance. We did not move the subsidy just for CNG, eh. We moved it because of the total fiscal environment, but having said that it is what will make CNG now pay. Minister Imbert quoted something in the House about it is virtually minimal cost for the maxi-taxi industry if they convert to run a proper business. By 2020, based on our estimated conversion rate, we expect to have 19,000 CNG

vehicles in Trinidad and Tobago. That, Madam President, is an accomplishment.

Sen. Dr. Mahabir: Minister, would you give way to clarify? Thank you, Madam President. Thank you, Minister. With respect to CNG, Minister, the problem has always been CNG filling stations.

Sen. The Hon. F. Khan: I am coming to that.

Sen. Dr. Mahabir: Right, you are coming to that? Thank you very much.

Sen. The Hon. F. Khan: With the 19,000 vehicles, this will result in a displacement of 10 percent, or 100 million litres of liquid fuels per annum. That in itself is a cost saving of TT \$180 million, added to the environmental positivity that it brings to the fuel. On the CNG saving side the equivalent cost of CNG is TT \$1 per litre, diesel is now 3.41, super is now 3.97, premium is 5.75. Good. “Yuh” paying for your conversion in two years or less.

So I now come to Sen. Dhanayshar’s point on filling stations, but before I go there I just want to quote some other incentives that the state has for CNG that is really not the subject of this Bill but I want to just put it on the record.

For fiscal incentives to encourage conversions, 25 percent tax credit on the cost of converting a vehicle to use CNG up to a conversion limit of \$10,000 per vehicle.

Well, you all heard VAT and motor vehicle tax exemption on OEM CNG vehicles purchased, that is for new vehicles; for commercial there is a capital uplift of 130 percent for wear and tear allowance on the cost of converting a vehicle to use CNG; on school buses there is a VAT and motor vehicle tax exemption for OEM CNG vehicles purchased which the Minister already said; and fiscal incentives included capital uplift of 130 percent for wear and tear allowances on the cost of plant machinery and equipment needed to provide UNC installation. So the companies that are providing the conversion kits and installing it for you, they

have a 130 percent capital uplift allowance on their plant and equipment.

Now we move to, which is really a challenge. You cannot tell people convert to CNG, buy CNG, tax allowance for CNG, no VAT on CNG, but no CNG to put in their vehicle. I mean, that is a paradox of class. So, as we speak, Madam President, there are 13 CNG stations in Trinidad and Tobago. Well, obviously we do not have any CNG solamente diesel. It is a mixed basket of liquid fuels and CNG. But CNG is available at St. Christopher's, PTSC, the Beetham—that is the service station on the Beetham—Ramco in Trincity; Peaks in Tacarigua; Brentwood which is a Unipet station in Chaguanas; at the NGC warehouse in Carousel, San Fernando; in Rushworth Street, San Fernando; in Point Fortin; in Tumpuna—that is the new station that was just recently opened there in Arima there—and recently, I think last month, I opened a station in Diego Martin with CNG. So we are getting there. There is portable CNG now which we are trying to optimize. We are carrying a portable station to Tobago in the interim until we can build a permanent station in Tobago because one of the advantages of Tobago—even Tobago is gas driven turbines you know, because Mr. Manning had the vision, when he was Prime Minister, to run a line from Angostura field in north-east Trinidad to Cove Estate in Tobago. So that today the Cove Estate is powered by natural gas, and that a CNG station there will do us very well.

And the thing I like to talk about, so let me talk about it again one time. We are going to build a flagship station at the famous Preysal Roundabout, but let me repeat for the umpteenth time in this Senate, when you go down to Preysal, or Couva Roundabout, or Couva Interchange, or Couva, you see something there that I call the monstrosity. Madam President, that cost— [*Interruption*]

Sen. Ramdeen: It is not \$75 million.

Sen. Gopee-Scoon: What it is?

Sen. Mark: It is not \$10 million to build a road to A&V.

Sen. The Hon. F. Khan:—was \$30 million. It was a several things looking like water tanks and some solar lighting. Thirty million dollars was given to a subsidiary of SIS. So bear with that.

Now hear what we are going to do. We are going to build a flagship CNG station at the Couva Interchange because that is the home of the gas sector. [*Desk thumping*] You are moving into Rivulet Road on your way to Point Lisas, and a flagship station—hear what the flagship station will have. Ten CNG dispensing point to fill all classes of vehicles: cars, maxi-taxis, trucks and buses; at least five liquid fuel dispensing points for gasoline and diesel to fill all classes of vehicles; a mini convenience store; up to five cabanas for quick food outlets; an ATM machine; public washrooms; and 24/7 operation. And, Madam President, I am pleased to announce today that this project is going to cost this administration \$10.2 million. [*Desk thumping*] Look at the kit you will be getting for 10.2 million, compared to \$30 million.

I had said once I was so—when I became Minister of Energy and Energy Industries, I was so confused as to what to do with that site—but NGC spent that money eh. That is part of the \$12 billion raid, or the 16 billion, how you want to call it. I did not know what to do. I said on a platform one day I will make a contest with secondary school students to advise the Minister as to what to do with that because it was totally confusing. When we finally distilled everything, we felt it would have been opportune because it is a nice intersection what have you. There is egress and ingress to the site, plus there is another issue about fuel dispensing in Trinidad and that is a different point not for today's debate. It is that the retail marketing sector did not evolve with the new network grid in Trinidad and Tobago. So we have from the Lighthouse in Sea Lots to where the highway ends in

Penal, there is only one service station in Beetham and one in Brentwood, and that is where 50 percent of the vehicles of the country pass every day. So Couva flagship station is a well thought out project and it should begin shortly.

Madam President, I make my final point on renewables. While gas powered turbines is the cleanest of the fossil fuels, we are still committed under Paris for renewables. For those, you will see an ad on the newspaper from the Ministry of Energy and Energy Industries which says:

Investment opportunities in Trinidad and Tobago for great integrated renewable energy powdered generation.

Okay? So we go for a public expression of interest for utility scale power plants that could be either solar and/or wind up to three megawatts. We will have to pass new legislation for feeding into the national grid—that comes under the T&TEC Act—and we are positioning ourselves now as a country to get into renewables. Solar has its challenges. Its footprint is fairly large. They need big land spaces to have major solar farms. Wind, there have been some preliminary studies on the east coast in particular and the south-east coast, where it is felt that there is enough wind capacity there coming from the north-east trades, and you know there is nothing between Mayaro and Africa. So there is a lot of wind generation there that we think could give you utility-scale plants. We had some unsolicited proposals from some major companies in terms of that, but again we decided not to have a sole selective process in this regard and we decided to go out for public tender for utility-scale that we can be doing.

To come back to the tyres and the Beverage Containers Bill, a tender closed at the end of October for a waste-to-energy project that will be sited at the Beetham. We will be converting municipal waste of all types into energy and into power to be sold on the T&TEC grid. I think that will go a long way, and the

Minister of Public Utilities, when the appropriate legislation comes, if it is the Beverage Containers Bill or what, he will speak about what SWMCOL is doing on recycling and all these sort of issues.

So, Madam President, we are fairly well positioned in terms of Paris. We are fairly well positioned in terms of the conversion into the green century as I like to call it, you have to just join the bandwagon. Every time I meet an Ambassador or a High Commissioner from Europe in particular, that is the only thing they come to talk about you know. The European Union is the people who are doing the road map for us now on renewables, but every single Ambassador out of the EU, when they pay courtesy calls on the Minister that takes up 60 or 70 percent of their agenda. They are big into renewables and I think it is a step in the right direction. It is one planet, the planet Earth—*[Interruption]*

Madam President: Minister, you have five more minutes.

Sen. The Hon. F. Khan:—and that I think is where the country has to go. We can do what we want at the policy level, but I call on Trinidadians that there are some attitudinal changes that have to take place. You have to be more conscious that you are in a fragile ecosystem.

You go to Europe and whether it is the Seine, or the Volga, or whatever river, it is clean. You do not see a paper cup or a plate, or nothing like that. I was in Moscow a couple months ago, even the Moscow River passing through the heart of Moscow, I am just trying to see if I could see any paper cup or thing in it. Nothing! Nothing! When you come here, when the rain falls and the Diego Martin River and the St. Ann's River and thing washes down, the whole of down the islands full up of junk. We just have to get more conscious. Look at the environment we have. Look at the wetlands we have in Caroni, in Nariva, in the Oropouche Lagoon, in Plantations in Tobago, look at the Northern Range. You go on a hike in the

Northern Range and any waterfall you go into you are seeing paper cup. It escapes nowhere.

For years growing up in Mayaro I used to tell people why come to Mayaro because all you are leaving there is garbage. When I was the Member of Parliament for Mayaro I used to say, “I want no local tourist come there because they buy nothing, they bring their drinks, the only thing they are buying is ice and chaser, and they are leaving garbage for the people to pick up.” So we have to change our attitude. We have to become more environmentally conscious. We have to stop littering. We have to stop throwing fridges in the waterways. Trinidad is one of the few places in the world that in certain parts of Trinidad had a seven-day a week garbage collection system. For those of you who travel in Europe in particular, once a week, twice a week at best. In most parts of the municipalities of Trinidad you have a seven-day garbage collection, and in the rural areas you have three to four days a week. It is \$400 million a year the State pays for municipal waste collection through the Ministry of Rural Development and Local Government. All this is money that is being haemorrhaged, you know, because if we have proper recycling, if we have proper garbage disposal ethics, none of that would happen to lead us these into communities.

So, President Madam, it is a Finance Bill. I dealt with some financial matters in the beginning especially to put the record straight, and I articulated the Government’s policy through the Ministry of Energy and Energy Industries and our thrust to deal with the renewables and to deal with the CNG thrust. With those words, Madam President, I thank you. [*Desk thumping*]

Madam President: Hon Senators, we will now suspend and we will resume this sitting at 5.01 p.m. So we are suspended until 5.01 p.m.

4.30 p.m.: *Sitting suspended.*

5.01 p.m.: *Sitting resumed.*

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

Mr. Vice-President: Sen. Obika.

Sen. Taharqa Obika: Thank you, Mr. Vice-President, for giving me the opportunity to contribute to this Finance Bill which the nation of the Republic of Trinidad and Tobago is waiting on with bated breath and some measure of anxiety, because—you even feel the anxiety in my voice—because every passing week, this Government finds no other thing to do than to surprise the population with changes, tweaks, to things that are significant in nature but that they deem to be minor and minute.

Now, I begin with none other than the hon. Minister of Finance. I will get to rebutting some of the comments of Members opposite but I would give them some time to resume their places, all right? I would seek to educate them as to some of the mistakes that they have made and I say “mistakes” graciously, so I am giving them the benefit of the doubt as the umpires would do in cricket before technology came. Now, the Minister of Finance spoke about a “scramble”, and this is three days ago. It is published in the *Newsday*. A “scramble” by the Government to pay some debt of \$660 million.

Now, it is irresponsible in the least for a Minister of Finance, after two full budgets—three full budgets, sorry, and two mid-year reviews and by even this Finance Bill, it in itself serves as an interim review because he has added measures that were not present in the initial budget presentation, to use the word “scramble”—a Minister of Finance to use the word “scramble”.

So that aside, he said that in essence, if you read the article, he is trying to ascribe blame to Ministers Kuei Tung and Yetming of our side. However, if you read the article—that is why the journalist should be commended, Camille Moreno

should be commended. If you read the article, you recognize that it is stated there that should T&T's credit rating falter below a certain standard. Now, the current poor state of our credit rating, our sovereign credit rating falls squarely with the Ministry of Finance and the incompetence of the Minister of Finance. [*Crosstalk*] I see the Minister of Labour and Small Enterprise Development has some problems with hearing.

Sen. Baptiste-Primus: Just do not shout. I am just saying do not shout.

Sen. T. Obika: If you have problems, you can resume a seat at the back. So, you have the incompetence with the Minister of Finance and the inability to show the country how he can resolve the situation regarding our sovereign debt credit rating. So the blame falls squarely on the Minister of Finance: the reason why the current PNM Government is scrambling. So I deal with that.

Now, let us look to a past Minister in the Ministry of Finance from the same PNM Government and this past Minister, there is a headline on the *Newsday* of December 11, 2017. This past Minister is predicting doom and gloom. The headline says there is a prediction of:

“...10 more years of recession”

This is your Government Minister. So the former Minister in the Ministry of Finance, an economist, says:

“...the current recessionary conditions being experienced in the country will last at least another ten years.”

But I want to assure the country and the nation that come 2020 and the re-entering of office of the United National Congress, this will be a thing of the past. [*Desk thumping*] It will not be materialized, it will not be realized. The session was entitled “Conversation on Leadership Solutions for the Caribbean”, and as I begin my contribution, this Minister—this Minister from the Government side—he

mentioned some issues that the hon. Minister of Trade would be well advised to take heed from.

“...low export earnings and reserves; an ageing population...”

—which of course affects productivity and outflows.

“...and migration of people...”

All right? This is outward migration. So when you have outward migration, it is known that the persons with the best commercialized skills, the best skills that could be capitalized upon, that could be materialized to the benefit of the emigrants, are the persons who leave. So the best minds, the best-trained personnel in the country are the persons who will be subject to this. So therefore, we are whittling away at our resource base with this bankrupt-of-ideas Government, incompetence in the Ministry of Finance, and of course, inability to communicate and articulate any strategy that could carry this country forward. [*Desk thumping*]

So I have dealt with the Minister of Finance, I have dealt with their former Minister of Finance as well, so current and past. Now, let us look to the business community. What are they saying? So the Manufacturers’ Association, TTMA, the head says:

“Businesses need to be competitive”

This is also December 11th. What day is today? So that is just this week, yesterday. So they are sounding a call to the Government basically pre-empting this debate on the Finance Bill and sounding a call to the Government that what they are doing is not empowering, it is not enabling the business community of this country to help us climb out of this pit that they have dug for the people of Trinidad and Tobago—the—

“Manufacturing support by the Government and its agencies is critical...”

As the article starts:

“...for the growth in the non-energy industry says president of Trinidad and Tobago Manufacturers’ Association (TTMA) Christopher Alcazar.”

So I want to repeat that a little more carefully, gently. There is a word in French *dulcement*, slowly, so that they can understand.

I want to repeat that for the benefit of our hon. Minister of Trade and Industry and the Minister in the Ministry of Finance, as the Ministry of Finance and this Government seeks to tax the business community into oblivion, and I will come to that when I am coming to the corporation tax which they are basically meting out to the medium-size and the small entrepreneurs in Trinidad and Tobago. When you do not differentiate between a large corporation that generates profits before tax of \$1 million and the average businessman. So a man might have a car wash that might be doing well and all of a sudden, he is facing increased taxation. What will be the effect of that? But anyway, so I will repeat the statement—the—

“Manufacturing support by the Government and its agencies is critical for the growth in the non-energy industry...”

And this is from the business community. So everywhere you look—this is not coming from the United National Congress, Mr. Vice-President, this is coming from the stakeholders in the country that are saying, despite this Finance Bill that we are debating here, the measures that are in place are not going to redound to the benefit of the people and the economy of this country. So let us look at what was said prior by our learned Members opposite.

I want to first deal with the Leader of the Government Bench, the hon. Minister of Energy and Energy Industries. The Minister spoke about CNG and I am happy that he spoke about CNG because NGC, in an initiative in 2014, formed a new company NGC CNG which the PNM is now benefiting from and trumpeting

at the highest level. [*Desk thumping*] NGC set aside \$500 million for this project, this CNG project and their policy was to match the reduction in the fuel subsidy by presenting an alternative, an alternative for every single road user that they can benefit from by having disposable increases in disposable income by virtue of using CNG and all its alternative fuel to what we are accustomed using, the super and the diesel and the premium.

Now again, this is a more technical issue so the population may just hear that you have 50 percent write-off in the first year of losses and 30 percent and 20 percent in the second year, and they may come to the conclusion that only the Partnership ensured that they can write off these things. However, what was in place before? There was a system of write-offs. It was straight line. So if you have a straight-line system: 20 percent a year for five years versus 50 percent, there are many schools of thought as to which works better for whom, but in some jurisdictions, the accelerated recovery of debt is applied and is applied in the same markets that some of these foreign direct investors come from.

So, if you have to woo someone with foreign direct investment to bring that to our shores, the over US \$5 billion that the Partnership brought into this country, you have to understand the terms and conditions under which they operate and if they operate in these terms and conditions by all means, and it works in their environment for their regulators, for their taxpayers, and we, in our economic environment, recognize that it can work for us, who is to say no. All right?

You are seeing the benefit of that in TROC, Juniper, Angelin that this Government, they are saying from time and time and time again, they are trumpeting these gains in the energy sector. The Central Bank, in their *Economic Bulletin*, also trumpeted these same gains which is a direct benefit of the People's Partnership Government under the leadership of the Member for Siparia, the hon.

Kamla Persad-Bissessar. [*Desk thumping*] Right, so that is one thing.

Now, if you listen to the Minister of Energy and Energy Industries, you understand that he mentioned that the Partnership brought the debt to GDP to something about 60 percent. Either 63 or 60.3 he said. Now, my substantive profession, the one that I have been doing for the longest period of time, is—I lecture economics. So you have the benefit of me being here to clear the air [*Laughter and crosstalk*] because it appears that the persons who provided you with this information did not understand the statistics that they read. So unfortunately, your contributors allowed you to mislead the country, so I know it is not your fault. I know it is not your fault, it is your contributors. So I am sure when you reach back to the Ministry, someone's head will be hot, but as one television announcer said “Doh hot up yuh head, all right”.

So in June 2015, which is the last year that the Central Bank *Economic Bulletin* published information regarding the debt to GDP, 39.9 percent. This is the Central Bank *Economic Bulletin* of July 2015, as at the end of June 2015, the debt to GDP, net of sterilized securities stood at 39.9 percent. That is the last data point under the Partnership, Mr. Vice-President. Now, what the researcher may have confused the statistics with is that the total debt, which includes the debt for sterilization purposes, stood at 60.3 percent. Yeah. So, you know, maybe they did not do well in that course at the university, so you cannot even blame the university. That student—they need to brush up. [*Crosstalk and laughter*] Come over where? I am already on the side of Trinidad and Tobago. [*Desk thumping*]

So currently the debt to GDP net of sterilized securities stands at 59.3 percent, up from 39.9 when we demitted office, the last data point of the Central Bank. That is at June 2017. The total debt, at June 2017, stood at 77.9 percent, so even the total debt figure is almost 18 percent higher than when we left it. So

really, if you look at the statistics, I have a long table but I do not want to confuse the population with data, but they can look to the Central Bank *Economic Bulletin* of September 2017 for the current point and the previous ones for the past point. So that deals with that.

We also have the hon. Minister in the Ministry of Finance and I listened attentively. However, no date, no timeline was given to when we can expect this 12.5 percent royalty to be administered, to be laid before the Parliament and to be implemented in the law. No timeline. So this is a Government—they say if you do not know where you are heading, any road can lead you there and if you do not plan, any amount of time it can take. You may never even reach because as far as it is, there is no priority. So maybe in 2019, in the last budget statement that this Government will read, they will want to come and table that legislation.

Now, the reason why I am pressing at this is that this 12.5 percent royalty was trumpeted by the hon. Minister in the Ministry of Finance as the panacea, the golden solution, the ultimate that this Government is reaching for to show this country that they are doing something. However, in this Finance Bill, they have decided to renege on that promise but we are familiar with promises not being materialized. [*Desk thumping*] So do not worry. The Minister of Finance bases optimism, however, now solely on a hope that the price of oil will stand above the \$60 a barrel threshold which is the same thing—it is consistent with what I said in my initial budget contribution, my first contribution in this Senate that they are basically hoping for oil, the saviour to grant them grace and to save the incompetence of this Government.

Now, the Minister of Finance made a Freudian slip when the Minister in the Ministry of Finance said here today that this Government is seeking to tax itself out of the recession. She tried to correct it but I mean, the hon. Minister, I know

you actually meant that so we understand. This Government is actually trying their best to tax themselves out of the recession but that is not possible.

Now, if you look at the business sector, all right, you see that there are some things that are correct. If you look at what TTMA is saying, you must agree that the support that they require—you know business people can be political. It may not help their operating environment so they have to say things in a diplomatic way. But if you look at the IMF—of course, Leader Mark would have enlightened the population that that is the main and sole advisor to this Government on matters of economics—it confirms what the business sector is saying. And in fact, there is something that the IMF mentioned here so I will read from the Trinidad and Tobago: 2017 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Trinidad and Tobago of the International Monetary Fund as I read that source into the *Hansard*, dated November 21, 2017. Now, they are saying that:

“These large current account deficits have been financed by official borrowing, private capital inflows, and some reserve losses, thus starting to rapidly erode a large positive foreign asset position.”

Where did this positive and large foreign asset position come from? It did not come from thin air, it did not fall from the sky out of chance. It was through the hard work and the skill of the People’s Partnership Government. [*Desk thumping*] Now, when you look deeper at the IMF, they also mentioned the fact that the current account balance—oh no, Sen. Mark already hammered that already, the 11.3 percent deficit figure so I do not need to add that for the records.

There is also another point in terms of the key issue. So if a researcher wants to go on their own, I am trying to make this report as technically layman friendly as possible so I want the population to bear with me. Because this Government has

reneged on their responsibility to bring information behind their measures, so now we in the Opposition are finding ourselves time and again to bring the facts to bear. So it is an unfortunate state of affairs but it is the state of affairs we find ourselves in.

So one of the key issues in the policy recommendations that the IMF tabled was:

“Supporting broad-based and inclusive growth...”

And this goes back to what the businesses are saying. This goes back to the whole issue of the need for the overdraft increase. So:

“Supporting broad-based and inclusive growth. Adopting structural reforms is critical for enhancing growth and diversification. These include improving the business climate...”

So you see, the businessmen are in harmony with the IMF, their advisors.

“...the efficiency and effectiveness of government employment programs...”

Well you see, there is mass retrenchment in the public sector. The Minister of Labour and Small Enterprise Development is here to attest to that in person.

“...public sector administration, and data timeliness and quality.”

The erroneous data of the Minister of Energy and Energy Industries alone, unfortunately, brings that to light. So I do not need to go more on the IMF because, I mean, really and truly, it is their advisors, not ours but we just wanted to show how even where their advice is concerned, they are not taking it. All right?

So I move on now to the point of the corporation tax. So the corporation tax, and Sen. Mahabir mentioned tax incidence which, in a tight oligopoly, the banking sector is masqueraded as a tax. The increase in tax in the banking sector to 35 percent is masqueraded and we understand the concept of a masquerade because

this is Trinidad and Tobago, the land of Carnival, the home of Carnival, the greatest show on earth, so we know what a masquerade is. This increase to 35 percent is masqueraded as a tax on banks but it is in actual fact, a tax on the people of Trinidad and Tobago [*Desk thumping*] because they will feel the true incidence of the tax. Because already the fees, the non-interest charges on your accounts are high, significantly so.

You go to take a loan, some banks will charge you a negotiation fee. This is after you have already gone and negotiated your vehicle cost, they will charge a flat negotiation fee and they are still already taking interest charges on your loan payments, and they are holding the item that you are borrowing the money for as security with an insurance. So banks have these onerous fees and these fees will be increased. So the incidence of the tax, the true payer of this corporation tax on banks' increase to 35 percent will not fall on the banks; they will be transferred directly *carte blanche* to the people of Trinidad and Tobago. And we all know, in an oligopoly, the players do not compete on price so they will harmonize their fees and in some cases, they will make you feel one bank has a lower fee than the other but really and truly, the net effect is the same. "Pressure fuh you."

This Government is outrageous. No measure was brought for the credit union sector, all right, who have mobilized over \$13 billion. Another one of their own, former finance and energy person, Conrad Enill who is the CEO of Eastern Credit Union, one of the largest, one of the big five credit unions in Trinidad and Tobago, is on record as saying that, \$13.8 billion, and saying that the credit unions are being forced to operate like banks.

Now, that is an indictment on this Government. You have a sector that has garnered such a large portion of the mobilized savings of this country and they are neglected. They are not even given an opportunity to contribute to the development

of this country by being left out of this Finance Bill. No measure for the credit unions and the credit unions are left in the dark on their own without “ah flambeau” by this Government of neglect. So that sector consultation was on the 25th of November, 2017, in the *Guardian* newspaper and the story was written by Nadaleen Singh. “Ah doh want them” to come and ask me for my resources afterwards so I am giving it to you in front—“take in front first”.

So this corporation tax, if you look at the SME sector. Now, I am a passionate person regarding the role of small and medium enterprises, as well as large, in the development of this country. All right? And when you look at this tax, if one has started a business and this man may fortuitously have found a good location—he may have used the bottom of his house because “they cut ah road”—as we say in Trinidad, “they cut ah road by the house and all of ah sudden, people want to buy sweet drink and water because they thirsty” and he opens a parlour which becomes a supermarket and now, this guy may not have formal finance education and the Government is seeking to impose on this man, who has a little thing to help his family so he can finally mobilize his savings to send his children to study, all right, because they have taken away the GATE programme. So even to study here, most persons, teachers—two teachers who are married who have probably 10 years plus in the service will not qualify for GATE. Imagine that, teachers cannot have their children benefit from education. And so teachers are wealthy? That and all is an aberration.

So the small man who may be fortuitous to have this opportunity, instead of providing the mechanisms for support which the large corporations have via the banks, because I was someone with a Master’s degree working in a commercial bank in Trinidad and Tobago, and a large company, General Manager or owner may come to you and say, “Well, please, your manager told me to give me some

advice” and I would now be tasked with the responsibility of giving this person advice for free because the only thing they may have is an overdraft facility or something like that.

So these people, the big businesses are benefiting from the education base of this country by the virtue of the free or near free advice that they obtain from the commercial banks, our students who have their Master’s degrees and their years of experience, if not a Master’s degree, in commercial activity. But the small man has no such support. If he goes to NEDCO, they treat him just as the bank would treat you as an initial customer.

So instead of saying, okay, to stir up activity and to increase the number of persons who would formerly register their business so that you can increase the tax base, what you do is you increase the proportion of tax on those who are currently in the pool. That, Mr. Vice-President, may only serve to drive some of those persons underground. That is an irresponsible act and I thought with a Minister in the Ministry of Finance, with an understanding of tax and the implications of this on business operations and activity, we would have had a more sound approach to taxation. And I thought with someone with a long career in banking and the importance of finance as the bridge for development, as another Minister opposite, we would have had something more tangible, more tenable, probably bring in NEDCO, you know.

5.30p.m.

So, now we go on to the agri-farm. The agri-farm thing is a fiasco on its own. Now, this budget presented a measure on agriculture that did not seek to empower the Agricultural Development Bank but, as I said in my budget contribution, it only sought to bring what could become political interference in the administration of agricultural grants in this country. That alone is scandalous. But

we will see the effects of that. The sting in the tail, as I said, was where the Minister of Finance hinted that the policy that aims, and now bringing here for us to approve, provide greater space for large farms by removing the restriction of 100 acres of land to receive exemptions from tax and income for approved agricultural holdings.

So the big boys win, but the small man, if you are a farmer, you are a retiree, and you want to engage in agricultural productivity, the Ministry may have earmarked a five acres for you near where you live, near the Forest Reserve, maybe in Chatham, I am from Point Fortin, so I will reference the areas I know, and you seek to get a lease on this land. Instead of the Government saying: “Okay, we will go via the Agricultural Development Bank, make available for persons like yourself who wish to invest part of your meager resources into agriculture, reduce the cost of borrowing for you”, so it benefits across the board, everyone, they instead have decided to do the opposite. Give crumbs to the small man, \$100,000 maximum, which in agriculture is a joke, and let the big boys walk away with their profits. So that is this Government’s policy on agriculture. Sad to say we know that it will have no effect, no positive effect, for the development and the improving of our food sufficiency and sustainability.

Now, I move to the overdraft and money management, as I have already dealt with the corporation tax and the agri-farms. So technically, what is an overdraft? If you have a business and you go to the bank, the bank will recognize that maybe you have some fluctuation in your flows, that you may have some timing issues and you may need to be able to pay expenses as they fall due, but, you may not have the inflows at the appropriate time. So there are two basic; there are many others, but there are two basic reasons for an overdraft facility, for an increase to an overdraft facility. So, due to larger variations in excesses and

shortages in tax revenue versus expenditure, but where the net effect is balanced, that may be the first thing.

So for example, if our current overdraft facility stands at \$7 billion, let us assume, based on the formula given, and the fluctuations in the flows, but the net effect is balanced, so that you are not owing in the end. The net effect is a balance. It is larger than this maybe \$5 billion figure, close to 80 percent of the size of the overdraft facility. It may warrant a larger overdraft facility, all right.

But the second and more dangerous reason for an overdraft increase is where there is a hardcore, and I would explain after, but the fluctuations are not large enough, therefore a chunk of the overdraft is not serviceable, based on the flow of funds, meaning, they are now encouraging an activity that bankers loathe. So bankers, if you come—what is a hardcore? Two billion, \$7 billion is the figure? But you might get a billion or a half billion, so the debt, the total that you are indebted to every month, when you check, it does not go below \$6 billion, let us say. So, \$6 billion is now your hardcore. What a banker would encourage you to do is take some of your savings and pay off that, or half of it, or pay off half of it over a loan. So it leaves some space in your overdraft facility, all right, because they would have recognized you would have used it for short-term interest, short-term expenses, but now it has become a permanent fixture. So it is not for the intended purpose. An overdraft facility is for a more short term. In the case of a Government, it may be more medium term. All right? So, short to medium term, but the emphasis is on short.

So this Government may have a hardcore, because of course they are not bringing any information to us. So they may have a hardcore developing and I am sure at least one Minister opposite understands exactly where I am coming from, and if he were in the position and he is the, let us say, a development banker, he

may insist that they do not increase the overdraft facility and I challenge him to say otherwise, and say that they should hive off part of their debt and pay it off in a separate engagement, so that there is space in the overdraft.

That is the technical basis that this Government should bring. Not this “slam bam thank you ma’am half-way economics” that is being proposed. And to me, I am very depressed that this Government could pass this off as economic policy, increasing our overdraft facility when they should have really hived off part of it. That is one thing.

So the Government, so the Minister of Finance again, so I return to where I started, the Minister of Finance, he is saying—Mr. Vice-President, can you tell me?

Mr. Vice-President: You have five minutes.

Sen. T. Obika: Okay good, thank you very much. You are so gracious. So in the five minutes, I will deal with two basic issues. The Minister of Finance, all right, again on Monday, just yesterday, he is saying Government to increase overdraft limits. Gail Alexander writes in the *Guardian* on page7:

While Government projects are turning the corner...
I am not sure which corner they talking about. It is a roundabout. They keep turning the corner. You understand.

...with revenue shortfalls toward the end of 2018 fiscal year, it is still operating with difficulty.

And it goes on.

Among measures, he said, the Government was moving to increase overdraft limits by 15 to 20 percent and will also use revolving Treasury Bills to ensure it has adequate funds to meet commitments ranging from salaries to social benefits.

That is ludicrous. The whole concept of a Treasury Bill is a short-term measure for sterilization purposes. Is there a—and I challenge the Minister of Finance or the Minister in the Ministry of Finance to answer. Is there a liquidity crisis in the banking sector or in the country? Is there is liquidity crisis? If there is no liquidity crisis then why the increase from \$2 billion to \$5 billion? That is madness! [*Desk thumping*]

Now if the Minister of Finance, the substantive Minister, was a technical person, an expert, I would have told him he should resign. But by virtue of him being there already it shows that this Cabinet really and truly has no leadership where finance is concerned. Because I cannot believe that you have two finance experts sitting in this Cabinet and would allow this to pass, increase in the T Bill rate.

Sen. Mark: “Nah” we have to bring Leon. Let Leon take over.

Sen. T. Obika: Hopefully we would have better.

Mr. Vice-President: Senator.

Sen. Mark: Sorry, sorry. My apologies. My apologies.

Sen. T. Obika: Mr. Vice-President, how much time do I have again?

Mr. Vice-President: Two minutes.

Sen. T. Obika: Two minutes, good. Now, so the overdraft was dealt with by Sen. Mark, and I also have dealt with it and said that it is not economics and I challenge their advisors, Dr. Farrell, Mr. Williams and the finance person in Cabinet, Senator and Minister, the hon. Le Hunte to say otherwise.

So the last thing I want to look at is where the sourcing of funds and the Bills and the overdraft is concerned wastage is important to measure, to cut on wastage. Dual custody of money is a basic tenet in the financial sector. In the Government and administration of the public purse, an equally important thing is

the separation of the Executive from the public servants and it is ludicrous that this Government has a ministerial committee to procure a vessel. This can only smell of one thing, corruption, corruption, corruption. Shame! Shame on you! And the Ministers on that committee must resign forthwith. I thank you very much. [*Desk thumping*]

Sen. Dr. Mahabir: Mr. Vice-President, 51(e), (f) and (g).

Sen. Taurel Shrikissoo: [*Desk thumping*] Thank you, Mr. Vice-President. I think we may just need a moment to capture ourselves and just put ourselves in a good frame of mind, probably as I contribute to see whatever we can glean from my contribution to make Trinidad and Tobago a better place.

So, today brought before this honourable House would be a Finance Bill that seeks to amend or seeks to adjust and seeks to implement as well some taxes and probably revenue measures for which I will contribute and make some comments on.

I want to get directly into the Bill. So, having listened to the hon. Minister in the Ministry of Finance setting the framework and the backdrop against which this policy and this finance Bill was framed, we have to understand that the Government is in a position of probably a tight liquidity position and a shortfall of revenue, or a low revenue position. And so these adjustments that are coming before us are really meant to give the Government some element of space to operate and work within. I will agree that that is a position that you really do not want to be in, but seeing that you have found yourself there, or we have found ourselves there, we have to try to find a way out of it.

But in doing so and while I would agree with some measures that you have here, I would also like to ask us to reflect on some of these measures and consider the implications of the measures. Because while they may be short-term measures

to address some situations, we may have a long-term impact that would really serve Trinidad and Tobago in a way of creating further problems and demerits to Trinidad and Tobago.

So, as I begin I would like to comment first on the adjustment to private hospitals, clause 3 of the Bill. Clause 3 of the Bill would amend the Private Hospitals Act to increase the fine for persons found guilty of an offence under the Act. It says here:

“Any person guilty of an offence under this Act is liable on summary conviction either—

to a fine of ten thousand”—now seeking to amend to one hundred thousand, and—

“in the case of a continuing offence, to a fine of two hundred dollars for every day during which the offence continues;”

We are now seeking to amend that to \$1,500 per day.

My simple comment is this whether it is a revenue measure or it is a law that we are seeking to enforce so as to assure proper health care, so that the penalty would be prohibitive so as to assure the public of a certain standard, then I would agree with the measure, fully agree with the measure, especially in its prohibitive context, given that the last time I think this law was amended was around 1975. So it is quite old. So as to bring in a penalty that is more reflective of the times we are in and to ensure that private health care is more, the quality of health care is in keeping with the standards that are necessary, then I support the amendment.

However, the Private Hospitals Act, 29:03, also prescribes a penalty for breaching the regulations which govern private hospitals. Section 27(1) says:

“The Minister may make such Regulations with respect to private hospitals either generally or as regards to any...class of private hospital as may be

considered necessary to..."—give effect to the Act.

"Regulations made under this section may prescribe in respect of any contravention thereof a penalty of not exceeding a fine of one thousand dollars..."

All I am saying here, is given that we have sought to amend the Act to increase the penalty for breaches of the Act, then in keeping and making the law consistent with the penalty, and if the aim is to provide a certain quality of health care then we also need to look at the consequence for the breach of the regulations in the same Act.

So that is my point. I agree with the policy, but then if we are doing it to achieve a particular goal, then the penalty for a breach of regulations also needs to be considered. That is my point with respect to the Private Hospitals Act.

The second point is the environmental tyre tax. A lot has been said about it and to avoid repetition I am going to say that it is an area that Trinidad and Tobago really needs to confront and address. I agree with the \$20 tax per tyre. I would just have liked to see some direction that the \$20 would be spent in and not just form or be deposited into the Consolidated Fund to deal with expenditure, but rather a fund that would have probably been able to deal with recycling tyres and putting these products into good use or monetizing the old tyres when they are recycled. Whether it is in the form of play mats, rubber mats or even as a source of fuel, if it can be done environmentally, then I would like to see that that \$20 per tyre be directed to a positive use in terms of recycling tyres and not just be deposited into the Consolidated Fund for day-to-day expenditure. [*Desk thumping*] Thank you.

Clause 9 of the Bill deals with the lottery winning tax. Now, like Sen. Mahabir, I have no interest in any sort of gaming. Sen. Mahabir still says that he would take a chance on a horse. I have no interest in it, whether it is casino winnings, whatever, no interest at all and I am not inclined in any way. It is basic

because scripture says, and I know Sen. Ramkissoon would agree with me here, seek ye first the kingdom of God and all these things— [*Desk thumping*] So it is simple. Seek ye first. Then if you are doing both you are not really trusting totally, right. [*Laughter*] So, good. Right. Where is your faith?

So, with respect to the lottery winnings tax, what we are seeing here is an imposition on the winnings from a game being played or offered by the NLCB. Now, if you look at other forms of betting and gambling in Trinidad, whether it be through horse racing, through the casinos or any other form, and my list is not very long because I am not very knowledgeable of the field, it is simply saying that if you tax the earnings or the winnings from NLCB games then those who are inclined to betting and gambling, because the odds are not in their favour, because of the tax, can simply shift from NLCB games to other games where the winnings are not taxed. And whether it is the legal or the illegal games, it will take money away from the NLCB.

Now, I do not want to go that route. All I am going to say is, with respect to this, the NLCB is a state enterprise and provides funding for the Government. And so, when topline revenue, in terms of sales, can shift away from NLCB to other attractive sources, Government revenue or the advance or deposits into the Consolidated Fund have the potential to fall, simply just because there are alternative ways, alternative forms, in which gambling can occur and the NLCB not have the benefit of it. So that is one option. That is one concern that I would like to raise here.

Clause 23 of the National Lotteries Act says:

“At the end of each financial year there shall be paid into the Consolidated Fund, after allowing for all expenses and the amount reserved for prizes, the balance standing to the credit of the National Lotteries Account.”

And there is also a part that says some of the funding will go to the Sport and Culture Fund. If there is a migration of gaming away from NLCB and the topline is affected, Government stands to lose revenue in a situation like this. So you need to manage that.

The second point I want to raise with respect to the gaming tax is new section 22B of the Act says, and this is important:

“A tax to be called ‘a lottery winnings tax’ shall be charged on all prize money paid out in respect of any paper, ticket or token sold or issued in connection with a national lottery...”

And that national lottery is where I would like to focus.

National lottery means a lottery organized and conducted by the National Lotteries Control Board. The winnings tax carries with it a connotation that is specific to the games of the NLCB. But I want to raise a point here that says when businesses and malls have promotions and we go and we get these receipts that we need to fill out and drop into a box and you have a cash prize coming out of it, that too is a lottery. That too has to be governed by the National Lotteries Control Board. That too has to be approved by the National Lotteries Control Board.

And given that you are now imposing a tax on winnings, is it that you are saying to me that all these businesses that engage in this form of promotion who have to have the NLCB's approval will now be susceptible to paying this tax? There is a little bit of confusion here in my mind in the law that says that a national lottery and these games form or take the form of a national lottery. And is it that we are trying to say that the winnings taxes specific to the games offered by the NLCB only? And if that is the case we need to address it. If that is not the case then we have a problem in assessing the penalties and even administering the tax on these businesses. We need to pay some attention to that.

My further point, with respect to the winnings tax is that—and I am going to read the law that was sent to us. It says here, 22E(1):

“The Board shall in respect of all lottery winnings tax withheld by it or any of its agents in any month, pay the lottery winnings tax to the Tax Authority on or before the fifteenth day of”—each—“month.”

So all it is saying here is that whenever there is winning that the NLCB or its agent has to pay this tax by the 15th of the following month. Subsection (2) says:

“Where the Board fails to pay the tax to the Tax Authority lottery winnings tax in accordance with subsection (1), the Board shall, in addition to the lottery winnings tax that was not paid, be liable to pay an additional amount of twenty-five percent of the value of the lottery winnings tax...”

So what it is saying here is when the tax is not paid on the 15th, automatically the NLCB or its agents now have to pay that 10 percent, plus a 25 percent penalty of the tax for not paying. That is proposed section 22E.

But proposed section 22E(3) says:

“Where the Board fails to pay to the Tax Authority lottery winnings tax as required under subsection (2), the Board shall be liable to pay interest on the entire sum of fifteen percent...”

So is it that we are saying that when the earnings or when the winnings are not taxed and paid on or before the 15th, there is automatically a penalty that says 10 percent the winnings tax, plus 25 percent of the winnings tax.

And then we are saying in another clause, 10 percent of the winnings tax or the winnings, 25 percent tax again as a penalty, as well as now a 10 percent, as well as a 15 percent interest tax on it. Where is the deadline? Just as you have on the 15th day of each month, where is the deadline, according to section 22E(2) to say until when would the 10 percent tax and the 25 percent tax be payable? And if

it is not paid by a certain date, then the interest is applied? Or is it that we are saying at once 10 percent, plus 25 percent, plus interest at once?

And if it is that this is to be, I would like to see that timelines be associated with the time frame within which. And the longer you take, then the penalties should be increased, and not a lump sum penalty, a tax then a penalty of 25 percent and interest coming all at the same time beyond the 15th day. I think that needs to be looked at. I think we need to clarify that and have that corrected.

And the last point I want to raise with the NLCB, and Sen. Mahabir touched on it. How can we assess the impact of this tax on NLCB's revenue when NLCB has not provided audited financial statements for the last five years? [*Desk thumping*] A JSC held in this honourable place, the Parliament, earlier this year cited many reasons why NLCB's audited financial statements have not been provided and they have cited an absence of the audit committee for one of the reasons. And another reason they have cited is that they did not have, they could not attract the proper remuneration to pay a financial comptroller to correct this. Then what is it are we really doing by utilizing a state agency for tax revenue to come to the Government when audited financial statements, and a proper analysis of what is going on at NLCB cannot be done?

If I were to assess NLCB's topline and then see the impact of that tax, how would I know? How would I know? And yet still, yet we seem to operate in this sphere that we can do this although things are not right.

We come to this House and we ask for support and I will tell you, I will support any administration, any law, anything to make Trinidad and Tobago better. But when we have a situation of coming to us and asking for support when the framework, the context and even the organizations and directives are not being followed and adhered to, I have a problem with that. And I am not speaking to one

administration because this spans across the board. We need to get it right. We need to get it right, because if it is that you are asking to me support this, what is the impact of NLCB? And I cannot tell you and anyone can check. Just google it. Go online for the financial statements, and they are not there. So you are asking me for support for a policy, for an organization that has not met its financial obligation to operate. That I have a problem with. It is the same issue I raised with the THA.

Moving on to the next clause, we speak of the income tax and amendments to the corporation tax. What we are seeing here is what we were told is now a harmonization of the law from those who are now obligated to pay when you have earnings beyond \$1 million, to that same rate being applied across the board. Then if that is the reason, are you aware that you raised corporation tax to banks, 35 percent?

So is it that next year we are saying harmonization and we are going 35? Harmonization cannot be the reason, because it is saying to me as you increase the taxes in other places, look out. So I am not really buying the argument of harmonization. Although the Minister, in her opening has said the impact may be 50,000. Fifty thousand is a lot of money for the average person eh, and for the average company. It could mean make or break. And cash flow implications for 50,000 is quite significant and the Government would be aware of cash flow implications. We need to be mindful of that.

But the real point that I want to raise, with respect to the corporation tax, because private sector is not going to pack up and say well no we are not paying 30 percent. They are going to support. However, with respect to the second increase in tax, which is 35 percent on financial institutions, I want to remind this honourable House that it was the Leader of Government Business who stood up and interjected in one of my contributions and said: How is it that you can say there is a

disincentive to invest in Trinidad when we have one of the lowest income tax rates and lowest corporation tax rates in the Caribbean? And he told me he could not follow my logic and I took that. But when we assessed what is going on today in Trinidad and Tobago, two tax rates, two corporation tax rates, one of 30 percent and 35 percent. And if you compare that to what is going on in the Caribbean: Barbados, two tax rates, 25 percent and 15 percent; Jamaica, 25, 30 and 33.3; St. Lucia, 30 and 33.3; Guyana, 27.5 and they are the only ones with 40 and 45 percent, 45 percent being in the telecommunications industry.

So here it is we are seeing one of the taxes or tax rates for corporation tax being 35 percent, not found anywhere else in the group of countries that I have classified, which would be the major players in the Caribbean. So what is it am I getting at? We started off a thrust in Trinidad and Tobago so as to ensure that Trinidad and Tobago is recognized as the financial capital of the Caribbean. That is the image we were trying to create. How is it that we can say that we are moving towards this when we are carrying one of the highest tax rates? Now why this is bothering me is because, if you allow me to quote from the budget statement by the hon. Minister of Finance, he says:

“Madam Speaker, financial services is one of the sectors around which our diversification strategy centres. In this area, we are pursuing a two-pronged approach: taking the necessary steps to make Trinidad and Tobago a preferred location for business process outsourcing...”

And the second point:

“and making Trinidad and Tobago an international financial centre offering a broad range of services and serving as a financial gateway to Latin America and the Caribbean.”

So it is saying to me simple here, that we want to position Trinidad and Tobago as

an attractive destination for the development of the financial services sector in Trinidad.

6.00p.m.

It says here and I continue to quote:

“The TTIFC is also continuing discussions with various interested parties on the establishment of an international financial centre. The focus is on attracting international banks which are interested in expanding their lending and other financial services to Latin America.”

All I am going to say here is, with a diversification thrust towards developing Trinidad and Tobago as a financial centre, and we are trying to attract investment from international financial institutions, yet we are offering the highest tax rate in the Caribbean and most of the countries in the same sector. Then is that a dichotomy there, that we are saying, listen here, we are saying on one hand we want investment but we have the highest tax rate? That cannot work.

There is a clash in strategy there, and so we need to understand what we are really doing. I agree with the thrust towards the development of Trinidad and Tobago as a financial centre, but whether or not the increase in corporation tax for companies governed by the Financial Institutions Act will really be an attraction to Trinidad and Tobago, I beg to differ, when there were suitable alternatives.

Coming down to advances to Government, this one also as Sen. Obika raised, this one also caused me a lot of pain, and I want to say that I understood Sen. Khan's contribution when he said, “Listen, this is the position that we are in and we need to take care of the people of Trinidad and Tobago and we just do not have the fiscal room to do so”. I understand that position and I understand that you need to do something to be able to have the cash flow to service and to take care of the people of Trinidad and Tobago. I agree with that. However, whether or not

what we are doing is the right approach that has to be answered.

This Act is seeking to increase the value of the overdraft or the advance from 15 to 20 percent. So we are moving from 15 to 20 percent. Now, if we read the clause, it says here: "15 percent of that portion" and this is the key part, of that portion of the estimates of annual revenue of the Government; that is what I want to focus on. The estimates of annual revenue, 15 percent the numerical value yes, but 15 percent of what? The estimates of annual revenue. And why am I focusing on this? And I will just get to the point quickly, because I know my time is running. If it is that we consider what happened earlier this year, Government's financial year ends at September 30th; the Parliamentary Session also ends around the same time. Government seeks an advance for the month of October. What was the forecasted revenue for 2017? 46.8 billion, advance 15 percent, was the value of the advance up to 7 billion, I use the words "up to". Now what really happened was at the end of the financial year, total revenue was really 37 billion, a shortfall of \$10 billion.

So if your actual revenue is 10 billion and your advance was valued at 7 then what you are really having is 7 out of 37 your actual revenue, your advance is really close to 20 percent already, 18.9 or 19 percent. [*Desk thumping*] So as you continue to use projected revenue as the basis for this advance you are going to put Trinidad and Tobago in problems. And why am I saying that, because in 2015 your estimated revenue was 59, your actual was 56, your advance would have been overstated. In 2016, 59.1; estimated 44.2, actual or variance of 15, your advance would be overstated at 15 percent; 2017, 46.8, actual 36.9, your advance would have been overstated.

So you are operating with an advance based on revenues that you did not collect. So if we are that position now at 15 percent then what will happen when

you take it up to 20 percent? And when you take that advance up to 20 percent very early on in the game, let us say in the month of October because it is going to happen again because of how the financial year and the Sessions of Parliament are running. When that happens, and you extract that value up front in the first months of operation, what is going to happen in month 10, month 11 and month 12? [*Desk thumping*] And that is why you have the Minister of Finance saying we had to rush to borrow a billion here and a billion there. I understand his position, but it is as a consequence of a bad policy here. We are saying it is the basis of it—on estimated revenue and that revenue is not being materialized.

Sen. Mahabir says this year may be a little bit better, because the oil price is a little bit higher. But part of the problem, a significant problem in 2017 was as a result of the shortfall in cash, in capital receipts. Not just earned revenue, six or \$7 billion and that was as a result of CLICO and probably the Property Tax being objected to. If that happens again in 2017/2018, your revenue shortfall is going to be more and then 20 percent advance taken up front, you are going to be in more—you will have more liquidity challenges.

You have to understand what we are doing, the basis of what we are doing is digging a hole and we are not filling the hole. And why am I saying this? — because go and look at Central Bank's figures, the Auditor General's reports of Central Bank's Consolidated Statement of Assets and Liabilities for Trinidad and Tobago: 2002 our Exchequer Account was 423 million positive; 2003 – 537 negative; 2004 – 2 billion negative; 2005 – 3 billion negative; 2009 – 10 billion negative; 2015 – 33 billion negative. So when I, as a citizen sit in this House and hear UNC administration waste money when they had oil price up to 120, I am also saying what happened when gas price, when we benefited from higher gas prices between 2003 and 2010.

I am not saying here that—I have no political interest on any side, but I am saying as a citizen you had revenue streams on the two administrations and we never corrected the balance at the Exchequer Account. What that resulted in was an overdraft facility on the cash account at Central Bank now. Overdraft 2011 – 2 billion; 2012 – 4 billion. So and if you look at the cash advance now, the overdraft now—I should not say now because the latest report was the audited report of 2016 was negative 5. So if the Exchequer Account is 29 negative and the cash account is negative 5, where are you getting the advance? The advance is just saying we are going to deepen the hole.

Hon. Senator: Correct.

Sen. T. Shrikissoon: And that cannot be right, it cannot be right. You are deepening the hole and now let us put this in context. Revenue shortfall in 2017 was 10 billion so that means expenditure ran away from revenue. How are you servicing it? So even if the 20 percent is approved, you cannot get the 20 percent, the 9 billion or the 8 billion that Sen. Mark is saying because the account is already in deficit by 5½ or 6, so the most you are getting is 2. So something is wrong, we have ignored to deal with these balances as a country in years of plenty and now times are a little bit more challenging we are seeking to increase allowances on overdrafts for which we have no remedy to fix. We have no interest in fixing and I say that because since 2003 these accounts have been in negative balances and nobody has sought to address it or reduce it.

The PNM Government or the existing administration sought to bring down the balances, but I am thinking, or I am guessing here that minus 5 billion, the reason why it came down is to keep it in line with revenue figures and how you did that is via borrowing; so you took long term debt and put it into the Consolidated Fund to bring it down. So while the balances look better, the net Public Sector

Debt shot through the roof. Because all you did was you took a long term debt and deposited it on account for short term financing. Who is going to pay that debt? Whether 2020, 2025 or which administration, the people of Trinidad and Tobago have to pay that debt now.

And when you take the advance up to 20 percent there is no indicator from the existing administration that we are going to look at these figures. So as simple as it may be, a numerical value change, the implication is far-reaching. And Trinidad and Tobago has to recover and how do we recover from here, and we are not seated on a plan.

Which brings me to the point of Treasury Bills and I am just going to say this, at this point in time. You are seeking to increase the allowances for Treasury Bills from 2 billion to 5 billion; yes, it is short-term financing, but it has the implication to increase the debt profile of Trinidad and Tobago. So on one hand you are digging a hole for the overdraft facility and the Exchequer Account and on the next side we are increasing the debt profile.

When we debated to increase the balances, the debt balances—

Hon. Senator: The borrowing ceiling.

Sen. T. Shrikissoo:—the borrowing ceilings, there was a commitment given to this House on the floor that at least once a year we will have a debt management strategy. Sen. Mahabir asked what percentage of income was going to be designated towards debt service. We got a figure of between 10 and 15 percent. Sen. Khan says in the same debate, that we will take the level of debt to GDP up to 65 percent. We are there now. We are there now. What is the plan? And yet we will table legislation to come here and ask for support, but a basic requirement of a debt management strategy laid in this House, we cannot get. But I am to support this. I have concerns, I have concerns and you are not answering the questions; we

are not answering how Trinidad and Tobago will move forward.

Mr. Vice-President, as I close, you realize I got a little bit passionate, because I realize Trinidad and Tobago needs help and whether or not we are making the correct decisions, I am unsure. [*Desk thumping*] I want to trust the Government in this situation, because I know you require the support, but help me with the information, help me with the plan.

When I look at your Vision 2030 document and if I can find it here, it says:

“Government borrowing will be guided by monetary policy objectives, namely stable and low inflation and should also be used to finance income producing assets.”

The funds you are seeking here did not come with that but this is your document. We are saying one thing in policy but we are not acting it. I have concerns, Trinidad and Tobago needs prudent management at this time. Let us be fair to all, you are in governance. I applaud you, but help us, those who sit on the outside, with the information to make sure that Trinidad and Tobago is on the right track; that is all I ask, that is all I ask.

So, Mr. Vice-President, as I conclude, I said that I would support the increase in fines with respect to private health care, but did advise that we ask that we look at the consequence or the penalties for breach of regulations. With respect to the environmental tyre tax, I said I agreed and I support it, but let it be directed or could it be directed to an initiative for the recycling of tyres and monetizing of it; that can help us.

With respect to the NLCB the winnings tax, be careful that this tax does not distract or detract revenue from your top-line, because it can affect the amount that is deposited to the Government. I also asked that timelines be looked at for the penalties because 22E(2) and 22E(3) missed timelines, 22E(1) says 15th day, but

22E(2) and 22E(3) do not have timelines assigned to it.

With respect to the corporation tax, I asked whether or not the 35 percent was being assigned to institutions under the Financial Institutions Act, would this detract investors from an area that we are trying to develop, the financial services sector.

With respect to advances, taking the advances up to 20 percent may ease short term liquidity—I understand your position—but it has far-reaching economic implications for the future of Trinidad and Tobago. Do not just look at it as a margin of increase, because it has shown, the records and statistics have shown that we are not dealing with the overdraft accounts. Fifteen years have passed and no one has touched it.

And with respect to Treasury Notes, I am saying the debt profile coupled with the increase of overdraft limits is going to create a challenge for Trinidad and Tobago. If Trinidad and Tobago needs prudent management, it is now and I am not sure these measures are correct and will bring about the positive development that I would like to see as a citizen of Trinidad and Tobago. I thank you, Mr. Vice-President. [*Desk thumping*]

6.15 p.m.

The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte): Mr. Vice-President, I rise to join the debate on this Bill, a Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters. Mr. Vice-President, what we are attempting to do, is to build the legislative framework for the proposals that we made in the 2018 budget statement. Some of the measures that we are bringing before you might, by some individuals, be deemed to be a difficult pill. And I do recognize that especially for our less fortunate, these are some measures that will require some change in people's

approach. It is, therefore, imperative that we put this whole measure and this pool of measures into perspective.

We are here today because we need to increase our revenue, and as such we are looking at passing measures that will result in some increases in taxes and to prevent leakages, most importantly, in certain areas where they occur. But, rest assured—and I hear the last Senator talking about the impact of what will happen to the negative impact or what could happen if we increase the prices or the tax on the financial sector. No one goes about increasing taxes unless they are absolutely necessary, which is the case that we are presently in.

The reality, ladies and gentlemen, Mr. Vice-President, is that our country, at this time, the money is no longer there. I have said in another place that the gravy train has no more gravy, and no amount of pontification, no level of stringing together of fancy words by other Members will make that reality any different. It is what it is. We are facing the fact that after a lot of severe cuts, we are running now with a budget with an expenditure of about \$50.4 billion, and when you look at our hard-core revenue, revenue that we could depend on—based on what has happened in the past, based on taxes and based on a number of things, and I am not going to go down there—we are talking about hard-core revenue in the vicinity of about \$37 billion and, as such, we are faced with the reality as a people, that that gap needs to be measured and that gap needs to be closed.

Now, what we attempted to do, as I said, is to put a number of measures together with the exception of one of them that will take effect from January 2018. And as I said before, these measures, some of them, might be deemed to be difficult pills, but like any doctor worth his salt, the Government is obliged to recommend them otherwise the patient—in the case of the economy—will become even more sick.

What is the philosophy of all of the measures that we have attempted to do? The guiding philosophy of all of our initiatives has been centred around spreading the burden of adjustment across all sectors. That is what we need to do because, as I said, we have a problem where our level of expenditure, at this point in time, is \$50 billion, and our hard-core revenue is only in the vicinity of around \$37 billion.

But it is important—although we do not want to spend much time on it—to simply ask ourselves, how did we get here? How did we get to this position? The truth, ladies and gentlemen, is that over the past six years, at a time when our revenue reached as high—and I want you to understand this—as \$58.3 billion in 2014 and in 2015 we reached as high as \$27.2 billion, rather than spending the money that we had and dealing with it in a meaningful progressive manner, what we saw was—and as I said before in my first contribution, what we did on the advice of all the advisors of the Government—was to spend, spend, spend and, at this point in time, I will add another word, waste, waste, waste. At that point in time expenditure reached as high—and I want you to remember this—as \$63 billion which was up from the \$46 billion that they inherited in 2010. That represented a 34 percent increase in expenditure. [*Desk thumping*] So we have to understand why we are here at this point in time. We cannot take this in isolation.

So when you increase—now, nothing is wrong if during that time when we were increasing our expenditure by that amount, if you look at our core revenue during the time, you will realize that basically our revenue never increased by the similar amount of 34 percent. So that as a good banker that I am, and anyone else, if you are in that position where you are spending money and you are not increasing your income, what in effect that you are doing, you are bringing down—you are using your savings, and then you are increasing your debt and, basically, that is what happened. That is what happened. That is the reality of what

has happened.

If you look at what it is, you will realize that a lot of money was spent, a lot of our savings that we had developed over time—and you have heard about the amount of money that was tucked away—\$16 billion that was tucked away in NGC—and that amount of money was dwindled and spent. When we came into office—we looked at a situation—we inherited debt at the time of somewhere in the vicinity of \$87 billion. So this Government was increasing our debt, increasing our debt at a time when they were also increasing the expenditure to the level that the Trinidad and Tobago economy has never seen before, \$63 billion and, therefore, this is why we are here where we are.

Armed with this, Mr. Vice-President, what has been this Government's response? What have we done to try to address that situation? Well, as you would have seen, over the past two years we have tried to bring our expenditure in line with our income. Unfortunately, as we heard before, if we were able to keep our income in the vicinity of \$40-something that would have been nice. But, okay, we have gotten some hits because of some international forces with regard to our income falling as a result of oil prices, and as we also understand, because of certain decisions that were made from a taxation perspective on our oil income, we recognize that now we are talking about an income of about \$35 billion to \$37 billion.

Now, I have heard people asking me, and they have been saying, well, you know, why are you not? You are asking people to make adjustments and yet still you are talking about a \$50 billion budget. That is a reasonable question, I suppose. But, again, if you put it into context, you have to understand that you are talking about a \$50 billion expenditure now, and that is what it is now. Over the past two years, we have brought that expenditure from \$63 billion down to this level. So

this Government has led from in front and we have done that. And now we are talking towards coming to everyone and saying, listen, this is what we have done, this is the level of waste, this is the level of corruption, this is the level of a lot of activities that are now coming forward—and we will leave that for another place—that have resulted in that \$30 billion.

We are running this country with an expenditure of \$50 billion—and we have done that—and during that time, we have increased over 9,000 pensioners who were not there before. They are getting paid out of that expenditure, they are covered in that \$50 billion. We have brought and we have settled a number of wage settlements. In some cases, way back to 2010/2011. So even when this Government had all that revenue and was spending all of that expenditure—up to \$63 billion—at that point in time, they still had wages at T&TEC not settled, wages at MTS not settled, wages at a number of state enterprises still not settled. So it begs the question, really, what were we doing with that excess \$12 billion—\$12 billion to \$13 billion.

So again, when we talk about why, you want me to—when the question is again asked, why are we not cutting expenditure even more? As I said, we are talking about our objective really is to save the patient, not to let him bleed to death on the operating table. If we go about cutting any further, we will start to impact and affect jobs. One of the other pillars that we have decided as a Government, in addition to spreading the adjustment, we have taken a position as far as possible to try to keep the employment levels of the country at a particular level. So yes, we could go about cutting that \$50 billion in expenditure, but you will result in other things happening. It will require us to end up cutting a lot of people, and a lot of jobs.

So some of the individuals—and I will deal with it differently at another

time. When we talk about this increase in the overdraft facility, understand what it is that we are talking about. Why is that money needed? That money is needed—and for those of you who feel well we do not need it—because we have to pay salaries, we have to pay pensioners their money and if we do not do it at this point in time, based on the cash flow of the country, we will not be in a position to meet our commitments that we have to our workers' salaries and, as I said, our pension and all the commitments that we presently have and the legal commitments that we have.

So the money is not about—and it is not about at a time. This is not a time when you are seeing that I have revenue of over \$45 billion, \$46 billion, \$47 billion. You know to yourself that my revenue is dramatically cut. I did not ask for this position, you know. We did not ask for that. So let us stop pontificating and putting words together that sound well, and let us deal with the hard facts. So whether or not the request was never made before or not, it is needed now to deal with our shortfall in our cash flow and, as I said, I would deal with that at another time.

Again, during this period of that \$50 billion in expenditure—when we have been cutting expenditure—some of the other things that we have done, we have operationalized the Government Campus. We have spent money and put the Government Campus in place. [*Desk thumping*] Why was that Government Campus left there? As I said, remember when you are spending \$63 billion and you could not spend, you were not paying the workers their salaries because people's salaries were way back to 2011—[*Crosstalk*] because I am settling the bills now as much as I can. You had workers, government workers, in some cases, working in conditions that were not acceptable, and you could not find the money to just put some desks and some furniture in the Government Campus. Well, you

know what? Now running a budget of \$50 billion, we have found the money and we have put it in place. We have put it in place and we are doing that with even less.

So, as I keep saying and as my colleague said this, we are also talking about setting a system and we are leading by example in the whole concept about doing more with less. So as we have sought to manage the economy and the affairs of this country—we have sought to manage the affairs of this country in a responsible manner even in these challenging times. And some of the these challenging times—yes, we are facing a situation where West Texas Intermediate is now at \$57 as at last Friday, and we are seeing some increase in oil prices, but let us again put that into context. We are managing and we are making a lot of hoorah about the fact that West Texas is \$57. The average price that the UNC Government managed during the period 2011 to 2016, the average price of a barrel of oil at that time was \$100. That is a big difference in revenue in what you have.

As the Minister of Public Utilities, again, I can give you some examples of what exactly did we inherit which I would have liked. I have taken over the Ministry and we have looked at WASA, for example—you have looked at WASA—and it is clear what needs to happen in WASA. You look at WASA and it is obvious. Anybody could tell you if you have 50 percent or your water being lost—and this was there by reports that have been there since 2010, 2011. The reports have been there and what needed to be done.

You have old lines in WASA. We need to change the lines, we have to change the piping in WASA. The reality of that, when I made some enquiries and I asked, okay, how much to change the piping in WASA? They tell me it will cost something in the vicinity of \$3 billion. I say well okay, we all know what needs to happen in WASA. We know that a lot of water is being lost. We know the Trinidad

and Tobago population is utilizing six times more water than anywhere else in the world. It is obvious. Let us put metres. Right? Obvious. Well, you know how much to put metres? \$1 billion. So \$1 billion for metres, \$3 billion to put all of the pipes through WASA. We have non-revenue water. The fixing of the leaks, et cetera. What is that? That is another \$400 million.

[MADAM PRESIDENT *in the Chair*]

Would it not have been nice—and we talk about responsible government—for us when we had money, when we were spending money to the tune of \$63 billion—when we were spending that amount of money, when we had revenue to the tune of \$47 billion, \$48 billion—would it have been nice for us to look at the infrastructure of the country, Madam President? Would it be nice if we had looked at the infrastructure of the country and take us to the point that when we are now in Government, we do not have to inherit something. I mean, if I have to use an analogous situation, what you got in WASA was like an old, doodling man who is no good for himself and, therefore, all of his parts need to be replaced. [*Laughter*] And that is what needs to happen now.

People talk again, you talk about machinery. There are lots of things that this country needs. WASA does not have proper machinery still in place to fix the roads that people talk about. A lot of the roads that you meet in WASA, you cannot fix them because you do not have the machinery in place. Whilst we had all that money they said it was better to contract it out. Well, I will also tell you that what I also inherited was another bill owed to contractors of about \$1 billion. So keep adding up the billions of dollars that we inherited.

We did a VSEP in WASA—we are talking about responsible Government—in 2010; borrowed money from the IDB to do a VSEP, because we recognized that the number of workers per gallon of water was off, and the figure is supposed to be

\$32 billion is what we saw was the ideal staff and we brought it down to about 39. We brought it down from about 5,000 to 3,900 workers, and we left that and we say “Okay we are going to pay for that”. Well, we are still paying for that loan, but you know what? We are back here and we are back up now to 5,200 workers.

So again, let us put it into context. Let us understand about the efficiency. So we have to live with that, we have to manage ourselves out of that. We have to waddle ourselves out of that. You do not get up one morning, face this and then say, “ah hah” but we are the Government. We cannot put our hands up in the air. We have to be responsible. We have to deal with the situation before us and I, as the Minister of Public Utilities, I have a responsibility to still fix the leaks and to make it happen but, the Government’s subvention to WASA in its present form, is \$3 billion a year. And yes, I am about transforming WASA; and yes, I am about trying to deal with the contractors; and yes, I am about using less contractors and more of the workers that I have there to fix the leaks because I have excess workers—but we do not fix the problem just like that and, hence the reason for the headroom that you will need in your overdraft just like your own life, just like your own life, in being able to give yourself some breathing space. All right?

In addition to that—and some of my colleagues, I would take some time to deal with that matter—we talked a little bit yes. I see certain Members have listened well. It is good to know as a student they have listened very well. I am very proud to see them pontificating on certain banking matters and so forth. So I stand with pride. I must say hats off. [*Desk thumping*] But, I would also add that at the end of the day if you—what is a budget? A budget is made up of your income, your expenditure and your cash flow. When you go to a bank they ask for that. Right? They ask you for the three things. You have to produce your cash flow. It is no secret. We said that we had a shortfall. We are going to try to manage that

shortfall via passing this Bill and increasing our revenue. So this is going to give us some money—increasing that over \$12 billion shortfall—by virtue of allowing you to collect more taxes.

We did say that we will make certain drawdowns of capital money from certain funds. We mentioned that. We did say that we are going to be selling some of the assets. We are going to be selling some of our Clico assets that we are now going to be in a position to do—we said that—and we did say that we are going to be borrowing some money. So this was no secret.

So if you come to me for some money and you say to me as a good banker, listen to me, I have a sale for this house. I am going to sell it in the next six months. Look the sale is here. I have the sale. However, at this point in time, I am going to be getting money in the next six months but I need some money right now. What do you want us to do? The salary bills and the old- age pensions are not going to disappear. We have to do what we need to do. Because it is all well and good for other people to talk, you know, because talk is cheap, but action is what is required when you are in Government and you have to face the people and pay the necessary salaries and face the old- age pensioner who is out there who cannot get money. I cannot tell them, “Well boy, you know, ah waiting until next week or next two months when ah sell the Clico asset. You go away, do not take your money today, I will give you an IOU, come back and you will get it.” It does not work so. Right? You cannot run a Government like that.

Now, some people again—if you will realize, I am sure the real economists amongst us, the professors, because I myself, have a degree in economics, but I do not possess to be an economist. Some of us—and, therefore, they talk about crowding out effect. I mean, nice words. I remember it in my Economics 101—*[Laughter]*—you have crowding off effect and so forth. But, yes, that is good

conceptually but it will only happen—as of yesterday, the liquidity and excess liquidity in Trinidad and Tobago is over \$3.5 billion, excess liquidity. So the crowding out effect will happen if when you take \$2 billion from the economy and you are going to reach to the point that you are going to be able to move the money from the private sector and, therefore, you are competing with the private sector as a Government and interest rates will rise.

Now, as you also know with an overdraft, you do not get an overdraft and reach your maximum limit one time. An overdraft limit takes you up and takes you down. And, clearly, when the revenue comes in—when the tax revenue starts to kick in—when we are able to get property tax in, which we hope that eventually sense will prevail and we will make it happen—when we get our Revenue Authority going, we will then be able to increase our collections, all of which we have planned to do. But even at the maximum, if we take it up to \$2 billion, you are talking as at yesterday we have over \$3.5 billion in excess liquidity. So this conversation about crowding off effect and interest rates going up and so forth, as I said, nice economic words read out of Economics 101, I could read it too. I could give you the chapter under Keynes when he said the same thing, but it does not apply. It does not make sense at this point in time and it is not applicable in this present situation. It is not applicable in this present situation.

6.45 p.m.

So, Madam President, we are at a state of our national economy where we are at some critical crossroads. This is definitely not the time, right, to be playing with people's lives. This is not the time to be playing with people's lives. This is the time for us to seriously address where we are, right. I agree, I have to bring and I have to constantly remind people of how we got here, but the truth of the matter is, we are doing what is required. We are doing what is required, all right Sen.

Shrikissoo. We are doing what is required to stabilize our position, because we would not like the country, if we get up in the morning and tell people we are not in a position to pay their wages. We are doing what we can to stabilize the position, but we are also, in this particular budget, if you look at the budget there are adequate incentives. And I am sure when my Minister of Trade and Industry speaks, she will continue to talk about the incentives for getting into new business areas. There are incentives to stimulate agriculture.

We have a number of incentives, and we have a number of plans that we are now in negotiation, this Government, with new negotiations with Venezuela to help us get new gas fields, to set up new industries. So we are at a very ticklish situation. We came and we met a situation where, as you know, a lot of the contracts that we had in Point Lisas, we had a number of people where we were not even in a position to satisfy our supply of gas to these individuals. We did not ask to come in and meet that. We had to stabilize those positions, and that is what we have been doing over time. We have been stabilizing the economy and we are trying to put it on a footing that will take us, that will be for sustainable growth going forward.

Madam President, I will take the opportunity now to talk a little bit about SWMCOL, and a lot of mention was made about what should be done and what should not be done with regard to recycling and the whole waste management, and even some of that money that was being talked about. All I would like to say in answering to that position, you know, I just came earlier today, I went to the SWMCOL meeting of the board of directors, and I presided over, I looked over their new plan, and I would let you know that we as the Government providing the direction, the new strategic plan for SWMCOL is entitled, "Turning Waste into Gold". And, therefore, the concept—I endorse 100 percent—the concept of

recycling, the concept of expanding that activity is very much before me as the line Minister and the Cabinet from directions from the Cabinet. We understand that that is what needs to happen.

Going forward we recognize that the levels of recycling that has to happen in SWMCOL has to increase. And, therefore, about two weeks ago requests for proposals were out in trying to deal with PET bottles, and we have a pilot project up at Guanapo where we are dealing with the recycling of PET bottles, and we are trying to invite the private sector to come in with us to expand that area. And going forward you will be seeing, within the next two or three months you will be seeing more requests for proposals going out because people are coming in with proposals, and we want a certain level of transparency. So we want to understand and open it up to everyone, but we are seeing a number of proposals before us to deal with tyres, and some of what was mentioned by Sen. Mahabir is something that I have actually seen proposals like that, and it is something that I am working towards, but not only in tyres, in paper and a number of projects.

So going forward what you will see with SWMCOL is, as I said, you are going to have an agency that is going to partner with the private sector and get themselves engaged in a number of recycling activities that is going to result in us having to deal with less waste. And then, of course, whatever is the residual waste that is there, then we are going to put plans in place to make—[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. R. Le Hunte:—to re-engineer our landfills and make sure that we deal with the residual waste in a very efficient and up to world standards, all right, so exactly. So we are going to be dealing with that. We have a pilot project dealing with the glitches now, and we will expect that after the results—and we are getting some international assistance, but the idea would be to reduce the bulk of waste

that we have by recycling, and, therefore, you have less residual, and then deal with the residual. In addition to that, the whole idea of education, right, and a well-thought-out education campaign where we are going to be “chasing Charlie away”, and where we are going to be trying as best as we can to change the psyche of the young population.

We have also seen the success in the past of working with the regional corporations. The Piarco Regional Corporation, they had a fantastic programme which has resulted in a lot of PET bottles, and so forth, and, therefore, we are looking at taking that programme in the year and expanding that programme through other regional corporations. So that we will be encouraging that recycling activity, but, as you know, we could do as much as we can, all right. The Government has also an aggressive legislative agenda in place which will be rolled out this year dealing with the bottles and other legislation. But the Government could have plans, the agencies could have strategic plans, the Ministry could want to supervise those plans, but to get us where we want to go it requires all of us in the country to change our attitudes toward waste. It requires all of us in the country to get involved and to move from just being spectators to real citizens of this country, and that is the paradigm shift that this Government is moving along. That is the paradigm shift that we are trying to encourage.

So, Madam President, I am 100 percent in support of this particular Bill. It is something that is necessary, and, as I said, I totally, also, support the increase in spending, that the increase in the overdraft limits that we are also needing. As I said before, critical times require critical actions. It was not done before, and if it was not done before, it does not mean that it should not be done now. So with those few words, I thank you very much for your attention, and I thank you very much for allowing me to join the debate. Thank you. [*Desk thumping*]

Madam President: Sen. Ameen. [*Desk thumping*]

Sen. Khadijah Ameen: Thank you very much, Madam President. Madam President, as a person who has an interest in going green and as a former local government practitioner, and former Chairman of the Tunapuna/Piarco Regional Corporation, I must acknowledge some of the points in the contribution of the hon. Minister of Public Utilities, and the only part he neglected to add is that the Beverage Containers Bill became law under the People's Partnership Government because we had that vision. And I am happy for you to indicate that a number of measures that would have become law during that time is being implemented through SWMCOL, through the regional corporations, and other entities. [*Desk thumping*]

Madam President, I do not intend to be long this evening, because the previous speakers would have established what the measures are in this Finance Bill, 2017, and it really seeks to amend several pieces of existing legislation in line with the initiatives outlined in the budget presented by the Minister earlier this year. I want to speak about a few specific things. One is, Madam President, clause 3 of the Bill that proposes to amend the Private Hospitals Act, to increase the fine for persons found guilty of an offence under the Act from \$10,000 to \$100,000, and the increase for the penalty for continuing the offence from \$200 a day to \$1,500 a day. Madam President, I expected, because in the budget there were two major initiatives or measures outlined in the budget, and the first was to increase the licence fee for private hospitals where the operating fee for the licence for private hospitals would be increased. In the case of institutions or facilities with under 30 beds would be increased from \$150 to \$25,000; 30 or less to \$50,000, and 60 and more to \$100,000.

Madam President, I thought that would have come, and, in fact, I had asked

the Leader of Government Business earlier about the licence fee, but my understanding is that it is in the schedule. And, therefore, the Minister, according to the Act:

“The Minister may by Order amend the First or Second Schedule by adding to or deleting any of the particulars...”

So my understanding is that, simply by the Minister doing the Order that that particular initiative mentioned in the budget will be changed. However, it is only the part with regard to the offences, the penalty for offences that requires a change in the legislation. So, Madam President, and I think that even though it does not require legislative change, certainly the licence fee, we must give some consideration as to what impact it would have on the quality of our health care system in Trinidad and Tobago and how that fits into what the Government proposes in terms of where we want public health care to be.

I looked at Vision 2020—I looked at Vision 2030 but I had to go back to Vision 2020, because somewhere along the way there was little or no mention about public health care, and when you speak about the United Nations goals, the Sustainable Development Goals, to ensure healthy lives and promote well-being for all ages, and that is mentioned in Vision 2030. However, in Vision 2020 there was a brief mention of, in terms of—and it fell under, identifying our challenges. I cannot give the page number because the pages are not numbered in the document, but it seems to be under, identifying challenges in the social sector, and the responses were listed as, to promote preventative health care, to reduce infant and maternal mortality, non-communicable diseases, and the incidence of HIV and AIDS. I would expect that this document would inform Government policy, would inform the suggestions in the budget, and I would expect that any initiatives under health care, in general, whether it is in the private or the public sector, would

somehow be able to be linked back to this, or linked back to the policy.

However, the Government is yet to convince me, or to convince our citizens, that it has really streamlined its planning, that it has streamlined where it wants to take Trinidad and Tobago, and how these 10 measures outlined in this Finance Bill, 2017, fall in line with where they want to take us in the medium term and in the long term, and, well, of course, in the short term. So I really was unable to link the effect you would want to see in this measure being put forward here today. The Vision 2030 document acknowledges that:

“...our Governance structures determines how we live; it affects our healthcare, jobs and determines whether we are safe, drive or use public transport.”

All of this is a quote from the Vision 2030 document.

“From the mother that receives a lifesaving surgery to the small business that is finally profitable - all are dependent on good governance and the delivery of excellent public services, to some extent.”

While I agree with that, again, what I would have wanted to see is for the Government to explain how this would improve the public health care system and the quality of health care that we have available, whether it is private or public.

Trinidad and Tobago is well poised to be the first choice for health care in the Caribbean. We should be continually striving to be the best health care provider locally to our own citizens, as well as regionally, and to make ourselves into a model of excellence for health care service in the Caribbean. This, Madam President, takes maturity across governments, across political parties, and I will examine later on some of the initiatives that would have started under the previous PNM Government that were good initiatives, that were continued by the Partnership. But I have to say, nothing more than being politically vindictive, this

present Government has dismantled a number of key initiatives in the health sector that brought good for our citizens. [*Desk thumping*]

Madam President, we should be committed, regardless of the political party we belong to, to continuous improvement in our facilities, in our equipment, in our procedures, and on our employees in order to provide a comprehensive range of health care and medical services to our citizens. Our hospital policy, and I say hospital, and I mean our public hospitals, our private hospitals, and the Government has a role to regulate our private institutions, as well as these district health facilities that are not hospitals per se, but are health care facilities as well, and we must continually aspire to have high standards and patient satisfaction. We do not have patient satisfaction in the public health care system.

Madam President, I ask the question, the additional revenue that will be gotten from the increase in the taxes—the first question we must ask ourselves—how much is it? Well, from my understanding there are about 12 facilities that fall on the categories that are mentioned in the budget, and the revenue might be around \$1.2 million maximum, and the question is, what does the Government propose to utilize that additional revenue for? I would like to think or hope that it would be for some improvement in the public health care system, and the truth is that our public health care costs millions of dollars annually, and this may be a very small drop in the bucket, but we do have some areas that we can deal with, see improvement. Madam President, one of the areas is in terms of research and feedback. In our system at present we have research units of various Ministries. We do not have an authority geared towards, specifically towards, research and feedback for improvement in public health care, or in health care in general.

Madam President, that is one area that the funding could be used, not only this because it is very small—could be used towards, because I feel that in Trinidad

and Tobago, not only in the health care system but in general, we very often do not rely on data, on scientific data to inform our policies. Very often we go by what is popular and what our supporters are asking for, but the truth is that when we look at health care that requires consistency in a certain direction we must rely on real hard data, and this is one area I would like to suggest. I know the Minister of Health is not in this House, but that is one area I would like to suggest that perhaps some of the funding from the additional fees, the increase in fees could go towards.

Madam President, one of the areas that we have moved forward in our health care system is with regards to integrating the public and the private health care facilities. It is no secret that our public hospitals cannot provide the care that our citizens need. In fact, Government after Government has been making diagnosis and coming up with the same suggestions, the same problems, but differing on what the solutions are, but it is a fact that staffing is one critical area that I would like to touch on, Madam President. All of our public health care facilities are said to be understaffed. When the People's Partnership was in Government that is an area that received attention. If there are two few nurses, the fact is you have to train nurses to supply the shortage.

The El Dorado Nursing and Allied Health facility was established, and that had 2,000 nurses enrolled in the first year with a capacity for up to 5,000 nurses that would have definitely improved the public health care system had this Government not cut back on that programme. That is an area, I think, we have to look at. It is not only nurses, there are other occupations within health care that are called, you know, axillary staff, what they call allied health workers, and so on, that we are lacking in our facilities. You also had the establishment of the San Fernando Teaching Hospital that would have seen an improvement in terms of the quality of the skills, the knowledge, and the training for the people who work at the

various institutions.

Madam President, another area that we have had complaints about would have been the availability—[*Interruption*]

Madam President: Sen. Ameen, the particular clause in the Bill is dealing with some increases in the private hospitals. I know you have made the point about asking where would the money go, but it is not about the health sector in general, okay.

Sen. K. Ameen: Thank you, Madam President. Madam President, forgive me, I intend to tie all that I say to the measures proposed. So, please, forgive me, I apologize. Madam President, many people choose to—well, I should not say, choose to, they are often forced to go to the private hospitals for the attention and the care even though it is available in the public hospitals. The question is whether these private hospitals may now increase their fees because of this increased licence that they have to pay. One area that many complained, for example, is with the availability of drugs, of pharmaceuticals at the hospitals, and there are about 200 registered CDAP pharmacies throughout the country that are meant to provide medication, but when these medications are not available and you have to pay for the medication, some often end up saying, well, they will go to the private institution because, you know, you sit there for so long in the public health, you do not get the drugs at the end of it; you wait for so long, you get bad treatment, so they may as well go to the private hospitals.

Madam President, I would not read the article, but I came across an article written by Raffique Shah, and it was earlier this year in 2017 [*Interruption*] where he recalled a personal health crisis that he had at 2.00 a.m., and—

Madam President: Members, please, I think this is about the third time I am getting up to invoke the Standing Order, okay. Sen. Ameen.

Sen. K. Ameen: Thank you, Madam President. Madam President, his account of a personal health crisis he had at 2.00 a.m. where his family decided to take him to emergency treatment is very similar to what many citizens face, and there are many who have no choice but to go to the public facilities, and you hear horror stories about it. But I just want to read one excerpt, if you will allow me, where he said that:

“My family and I, without second-thinking, opted for a private hospital that assured us they had a doctor on duty, betrayed our lack of confidence in the public health institutions, in which respect we are not singular. But it bothered me that we did not even consider it. I, of all people, should show more confidence in the public health facilities that ordinary citizens must use every day. I know they are staffed by professionals at every level, many of whom moonlight at the private institutions where you pay for their services. But was I prepared to put my life on the line at that ungodly hour in a crisis situation that required rapid interventions?”—the answer is—“No.”

And he went on to describe, you know, what the doctors and how they attended to him, how quickly they evaluated him; they took blood samples, and so on, and how soon he was in a bed and being treated, and that, of course, compared to what you would face in terms of hours on end waiting for attention in the public health system.

But he also went on to say:

“I paid for the air I breathed...”

Meaning the oxygen he was put on.

“the water I drank, the drugs administered (one antibiotic tablet cost \$180!), accommodation, professional and physical help rendered, and other assorted fees.”

But the fact is he also said that, you know, he also paid for the smile, because the staff were very professional. Madam President, the account that he gave in this blog, I think it was, of his is reflective of many who could barely afford, who may have insurance to cover, and it is reflective of the confidence that people have in our public health care system that would drive them to the private facility.

Madam President, this brings me to one other key point that I want to mention, and the thing is it is quite possible for our public health institutions to adopt from the efficiency of our private sector, but several governments have differed in terms of how they want to do this. One issue that I think several governments have treated as a “hot potato” is the question about separating the public and private sector doctors, or allowing meaningful engagement, that is, do you ban doctors or any person who works in a public hospital from practising in a private hospital? That is an issue I think that because the professionals themselves in the field are so divided, the governments would sort of postpone making that decision.

It came up some time ago and it was discussed here, and it really is a ticklish situation, that at some point, just like public service reform I suppose, you must confront.

7.10p.m.

The fact is that the private hospitals, while they have been paying a very nominal fee in the past of \$100, I mean, \$100 or \$150 really is minimal and the increase is not as burdensome, but in addition to implementing this increase in the licence fee, I think we should use this as an opportunity to integrate the private hospitals to improve to the capacity of health care in our country. So, for example, when it comes to diagnostics, many of the—

Madam President: Sen. Ameen, I have given you a lot of leeway, but you spent

all of your contribution on this point and the Bill itself is very specific in what it has provided. So I am going to ask you to either, you know, make your point more relevant to the Bill or move on to another point. Okay?

Sen. K. Ameen: Thank you. Madam President, I am hoping to make some suggestions that in addition to, or as conditional to these measures, proposed that the Government could take into consideration, and I thank you for your guidance.

Madam President, the other issue is with regard to the increase in the fines for the offences. While many of our citizens feel that the health care provided at private institutions may be superior, the increase I see as an opportunity for stronger regulation, because there would have been private hospitals that would not mind committing an infraction because the fee was so small, but this increase in the fine for committing any offence is a sort of a stronger arm coming down on these hospitals.

One of the other points, and I hope you will allow me to touch on this, Madam President, was the integration of the private and the public health care. And one of the things that we would have had in the past, and perhaps one of the speakers on the Government side could answer, is if for instance we had an external patient care programme where if the hospitals could not do the surgery or the diagnostics they would refer it to the private hospitals. That has an impact in terms of the quality of the business that the hospitals would be required to do, and if in fact they are going to pay this increased fine, if that is something that you would see continued collaboration.

Madam President, I think that programme really helped a lot of people in Trinidad and Tobago because the hospitals did not have the capacity to do simple things like X-rays and MRIs and so on. So hopefully, perhaps, I do not know if anyone on the other side would be able to share that with us, because that is a key

area that I think our citizens would like to find out. That is also one of the initiatives of the People's Partnership Government that this administration has stopped, and I see that really as a form of political victimization: punish the people for what was done by the Partnership.

Madam President, I said in the beginning that I did not intend to go very long, because I believe that health care is a key ingredient in improving the quality of our lives as citizens, and I am happy that the Government would have mentioned it in their vision, however I would like to see it translated into a policy to make it real. For instance, when the People's Partnership was in government, our manifesto was laid in the Parliament, and there were seven pillars. Every one of the pillars was linked to the United Nations Sustainable Development goals, and you could have seen a link in terms of where we were, where we wanted to be in a few years and how we were going to get there, and how we would achieve that sustainable development status according to the United Nations standards. So that is sadly lacking in all of the measures that are brought here.

I will not speak about the tyres, although as I said before, as a local government rep and as a person who is conscious of the environment myself, it is—[*Interruption*—]pardon. Yes, the Tunapuna/Piarco Regional Corporation did the pilot, but one of my other colleagues will speak about that.

I also want to say, without going into details of that, that we must be careful when we label any tax as an environmental tax. Whether it has to do with trees, garbage, tyres, our questions and our measurement in terms of if it qualifies as an environment tax is to ask ourselves when we collect this revenue, how does it go to improving the environment? [*Desk thumping*] This tyre tax—I am calling it a tyre tax, it is not an environmental tax. I thought the Minister of Public Utilities would have outlined how SWMCOL, which falls under his Ministry, would be putting the

two tyre shredders to use, that were brought by the People's Partnership Government, that are housed in SWMCOL. [*Desk thumping*] I thought he would tell us how this environmental tax would go towards making efficient use of those machines.

The Minister of Rural Development and Local Government also has a role to play, because I know that there should be a lot of collaboration. As a chairman of a regional corporation previously, I know we did a lot of work to set the groundwork and we built on what those who went before us did as well.

I also must take this opportunity, whilst several Members commended the Minister for the clean-up campaign, I want to just recall the Minister's budget speech, and I think it was his maiden contribution, the hon. Minister of Rural Development and Local Government. He said something that I think is very key: he was just doing his job. The fact is that if local government operates efficiently, there will be no need for these clean-up campaigns every so often. We have to—our objective must be to improve the efficiency of local government, to the point where even our tyre shredding and all our other environmental measures could be done at the level of the regional corporation. So boasting about a clean-up campaign, to me, is really boasting about putting a plaster on a sore.

Let our objective be to improve the efficiency so that we will not have that sore. That is an area, because local government impacts directly on people's lives, that I remain, having served as a local government councillor for 10 years, I remain with a keen interest in that area. So, hopefully the Minister of Rural Development and Local Government will contribute and perhaps extend on what the Minister of Public Utilities left out. But I hope to hear from him with regard to the tyres and the measures by SWMCOL.

Thank you, Madam President.

Sen. Jennifer Raffoul: Thank you all so much for the ability to speak. Thank you Madam President; thank you, colleagues for your time and attention. I would like to start with expressing my gratitude to those who have spoken before. I know sometimes we raise our voices, but I know that it is out of love for Trinidad and Tobago. We would not be here this hour, and for many more hours, if we did not all love our country, and I want to just thank you all for your contributions, [*Desk thumping*] and most likely spending much of the weekend in December, you know, working on your research and your contribution.

My contribution today, when I first received the Order Paper, I thought, “Oh wow, this is a lot of different pieces of legislation that we are addressing in one debate.” It is going to be difficult to condense all of these talking points into one contribution. And then the more that I kind of looked at all the different pieces of legislation, the cumulative effect was that I could summarize my content into five or 10 minutes. So this is my intent today, to try and be extremely succinct and technical and constructive in my comments.

I, as always, try and divide my contribution into some easy-to-follow segments. So I have four segments today. The first is on just presenting a brief overview of what the Bill is about. Second, highlighting what I think was fair in the Bill. Third, explaining my concerns and, fourth, presenting some other opportunities that I see that could be used to reduce the deficit. Having worked in development finance and tax for the last 10, 11 years, I hope that I have some insights to share for the Trinidad and Tobago economy.

The overview is that basically we are changing several pieces of legislation that are aimed to reduce the fiscal deficit, in particular corporation tax; a tax on lottery winnings, which is a miscellaneous tax; a fee on tyres; increase in the borrowing limits on Treasury Bills; fees for private hospitals.

I would also like to comment that I do think it is excellent that despite the fact that we are looking just at revenue-generating mechanisms, we are also making sure that there is an environmental sustainability component and having tax-free exemptions on electric vehicles, hybrid vehicles and CNG vehicles that are considered not within the luxury vehicles classes, i.e. on certain engine sizes and power sizes.

Overall, I think all of the proposed changes in the legislation are quite fair, given the current economic climate. My biggest concern is the fact that the T-bill borrowing limits are going from \$2 billion to \$5 billion. That said, given the current climate, I do think it is fair and I think that there are medium and long-term expenditure cuts that are under way, and that I see this as just being a temporary measure and I feel okay about approving it, given those conditions.

So overall I think everything is quite fair. My concerns are about macro-economic management and about justice. We are asking citizens to pay more money in taxes, in particular corporation taxes, but we are not necessarily seeing proportionate improvements in accountability of fiscal expenditure. I know this is a medium and long-term initiative. We cannot just snap our fingers and have this happen overnight, but I would like to emphasize as a citizen and a taxpayer, I really hope that we can have more accountability in the future.

I think it was Sen. Haynes in her maiden contribution who said it so well, it is about the social contract. The fact that citizens do our part and Government does its part; it is a two-way proportionate contract.

There is also a link of course between fiscal expenditure and well-being. Madam President, tonight I actually feel a bit sombre in giving my contribution. Normally I am very upbeat, but I just found out that our neighbour was tied up, beaten and robbed today. Another neighbour was robbed by knifepoint two weeks

ago, a 16-year-old girl. There have been so many robberies recently in my neighbourhood, and I feel very concerned for Trinidad.

There was a great documentary—well, it is a very controversial documentary—about two or three months ago that was released on Trinidad's food culture, and one of the lines in it was an interview with a young musician. He said we often think that poverty breeds crime, but it is not poverty, it is social exclusion. And, you know, while preparing my speaking points I could not help but think that the social contract and economic justice and management are so directly linked to crime and justice. And we have seen over the last 15 years crime increased so much, and allegations of corruption increased so much, and it is so directly linked to well-being.

I do not want to go on at length about the points, it is not directly linked to the Bill today, and I want to be extremely concise. But I think economic justice and crime are directly linked, because if citizens do not feel that there is justice and that they are receiving their due as taxpaying citizens, that there is more justification in committing acts of crime, because if there is criminality all around us and corruption throughout the entire society, then it is somewhat more justifiable.

So now, directly on to the final part of my contribution—the other opportunities that I see for us to reduce the deficit. As I said, I have worked in development finance for several years, as well as tax, and recently co-authored a publication, an article in a UN publication, the UN Office for Special Publications, and it was on public procurement. It is not directly linked to taxes per se, but because public procurement and quality of expenditure are indirectly linked to taxes, I wanted to mention it.

So my co-author and I took the angle of public procurement being improved, not just by looking at conventional procurement systems and improving them, but

also looking at innovative financial mechanisms, financial instruments for development, like public/private partnerships and social impact bonds. I am a huge fan of social impact bonds. I think these are extremely promising for Trinidad and Tobago, especially because of the conditions we have right now. We have got a public sector fiscal deficit and we have got private sector massive liquidity. The Minister of Public Utilities said it is \$3.5 billion.

So, social impact bonds are very much like public/private partnerships, but they are specifically for investment in the social impact sector. So that would be things like employment, training, recidivism reduction, education. They fall under that kind of larger realm of development impact bonds, and they are badly named because they are not bonds in the first place, they are not debt instruments. They are also called pay-for-performance contracts. They were pioneered in developed countries, which is quite interesting because most development instruments have been pioneered in developing countries, but it was developed countries that kind of first realized there was this massive problem, which I think Trinidad and Tobago is going to keep experiencing if we do not start adopting instruments like these. The problem being that the cost of social sector care and social sector investment would be increasing over time, because of the fact that labour costs would be increasing, technology costs would be increasing, et cetera.

So social impact bonds are so new. When I was doing my Master's 10 years ago in Oxford, I did not even hear about them. I only heard about them about four years ago, and since then I have just kept learning about them. And then, co-authoring that article in the UN publication, learnt that it is one thing to have a conversation about something, but to be an author you have to really be an expert on the subject. So I learnt much more about them, and I really think they could be a pivotal instrument for Trinidad and Tobago and I strongly recommend them.

So, social impact bonds work by taking private sector capital and working with NGOs and other private sector institutions. There has to be an independent third party organization that does the data analysis to verify the impact analysis, and there is usually a guarantor. So in the case of the United States, their first social impact bond was an area of recidivism reduction.

In Trinidad we spend what, about between \$7 billion and \$10 billion per year, depending on the year, on national security. So probably about \$1 billion to \$2 billion of that is in prisons and care for prisoners. If we can utilize public/private sector funding on programmes like that or other ones—education, reforestation, anything in the development impact bond space—that can save significant expenditure for Trinidad and Tobago. And it is a win-win situation, in the sense of private sector sales and then that output that would be put out on an annual basis just to kind of manage and placate a situation year after year, is then reduced. Because hopefully if there is an impact then that expenditure would be reduced in the future.

So the private sector would take on the payment for the NGOs. There would be a guarantor. In the case of the United States, the guarantor was Bloomberg Philanthropies, when they did the recidivism reduction programme, and the particular programme they did was \$7.2 million; \$6 million was paid for by Bloomberg Philanthropies. The NGOs were paid, and interestingly enough the programme in the United States was done for recidivism reduction which was done by Goldman Sachs. They did not reach the targets that they intended to reach. So it was something like 11 percent of the prisoners going through the programme. The target was 11 percent of them would not be going back into prison the year after.

So they did not reach the targets they got, but if you read what they have on their website the title is, “Why this programme was a success”. Because they still

attained good targets, the 8 percent. I think they learnt a lot more about having more defined targeting mechanisms within their instrument, but because the taxpaying citizens were saved \$6 million, because Bloomberg Philanthropies put it up and it still did have positive outcomes, and then public sector was able to save. So social impact bonds are really innovative mechanisms. Very much like PPPs, but they are in the social impact space specifically.

I went slightly ahead of myself, forgive me. I wanted to first talk about short-term mechanisms that we can use to reduce the deficit. Social impact bonds and PPPs that are innovative financial instruments for development fall within the category of medium term, not short term.

In terms of the short-term initiatives, I would say policy-based loans from the IDB and the Latin American Development Bank. The rates are excellent. They are between 1 percent to 2 percent repayable over 25 years, which works out to a partial grant. So rates are half or less, are going to private sector, and private sector commercial banks are going to international markets.

The amount that we can get from CAF, the Latin America Development Bank is about US \$300million per year, that we can keep taking out, which is about TT \$2 billion.

From the IDB it varies. We did have a set of policy-based loans, but they have expired. We can initiate new ones, and the ones that we had previously were up to about US \$1 billion, which is about TT \$7 billion. So policy-based loans are directly in line with a government-stated policy. So if a policy of Trinidad and Tobago is to strengthen the Revenue Authority, that would be eligible for a policy-based loan. So it is not like the IMF which is usually understood as something that is imposing policies on a country, but instead this is working directly with the country at hand to strengthen their development agenda defined by the country,

and allowing the country to be sovereign when it comes to its development goals.

So, in terms of the short-term recommendations using those development financing institutions policy-based loans, specifically the IDB and CAF, which are both resident in Trinidad and Tobago, and the IDB has I think a 58-year history in Trinidad and Tobago. CAF is relatively new.

In terms of the medium term, as I said, looking at implementing the innovative financial instruments for development, PPPs and social impact bonds. As was reiterated many times in the past and again today, strengthening the Revenue Authority to increase collections, and procurement strengthening. I would really like to see as a taxpayer all government contracts, through central government and state-owned entities be put online. I think I would feel a sense of assurance when paying my taxes that there is value for money because there are more eyes and more transparency looking at things.

I would like to reiterate a recommendation I made during the budget debate, that we look at the role of the State. We are currently regulator as well as implementer of development projects. We are doing both badly, but if we just focus on regulation and better enable the private sector to fulfil its role by us being a better regulator. So decreasing the role of the State, reducing the number of mega projects, and when we do commit to doing projects that we do them through the realm of PPPs.

Longer-term initiatives, the rationalization of expenditure, I would like to commend that again. As Sen. Richards always emphasizes, education is so important because when we have good quality education, we are much more likely to have a better workforce, less crime, more empowered citizens.

On the issue of the environmental proposals in the Bill, I would like to reiterate some of the suggestions made by my colleagues on the Independent

Bench as well the Government and Opposition Benches today, that we as a country ratify the Paris climate change agreement. That the tyre fees—[*Interruption*]

PROCEDURAL MOTION

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

Question put and agreed to.

FINANCE BILL, 2017

Sen. J. Raffoul: The second recommendation, that the fee on tyres be applicable to all tyres and not just foreign-used tyres. That the bottle Bill be looked at again. I know there were some problems, not just in the intention and the objectives of the Bill, but also the way that it was worded in terms of creating a whole new institution, which might not have been necessary. But whether it is that Bill or a different form of it, or something entirely new, but that we look at a mechanism to reduce our dependency on single-use disposable plastic items, like plastic bags, plastic containers, plastic water bottles and other soft drinks bottles, et cetera.

I was really alarmed to see the statistic that we produce two million plastic bottles every day in Trinidad and Tobago. On SWMCOL, I wanted to commend what the Minister said about recycling and the excellent pilot project that happened in Piarco. I saw it and learnt about it and thought it was excellent, and I want to commend you for it. I would also like to suggest composting be looked at. I really appreciate what you said about us changing our attitudes as citizens, and seeing waste as a resource and a paradigm shift, and how we can become more responsible citizens.

I am not a fan of the waste-to-energy plant. I know it is extremely expensive. It is US \$250 million, which is under TT \$2 billion, depending on what exchange

rate we use. The Minister of Energy and Energy Industries pointed out that in Trinidad and Tobago we are one of the only countries in the world where we have daily waste collections in certain districts. I think it is Port of Spain and Tobago are daily; in other districts it is less often.

When you look at the actual data we could probably achieve a lot more impact when it comes to waste management, by reallocating the current disbursements. So we do not necessarily need to have another expenditure, mega project of US \$250 million, TT \$2 billion, if we can reallocate what we are currently spending. So SWMCOL is only allocated \$75 million a year, I think for the last six or seven years, for waste management. But the waste collection is still done by the regional corporations and contractors under that. So it is managed by two different entities. So SWMCOL gets \$75 million, the waste collection is done by the regional corporations. I thought it was allocated \$140 million, but then the Minister of Energy and Energy Industries said it was \$400 million. So I am not sure, but either way it is significantly more than the \$75 million that SWMCOL gets for the waste management.

And then, in addition to that, CEPEP and URP are granted about \$1 billion in total each year for waste collections largely. So, if we can reallocate the existing disbursements, we can probably expand the pilot project that was done in Piarco and do it in other districts and expand it across the country, reduce the number of collections that we have in Port of Spain and other areas. As one colleague pointed out, because we have daily collections in so many areas, it has taught us to become a lazy society, and we are very disconnected from our waste. We do not think about what we throw out because we do not have to keep it in our house very long.

7.45 p.m.

In other countries it is once a week your compost stuff is picked up and then

every two weeks your other non-food items, your non-food waste is picked up. So we have become very disconnected from what we buy and how we throw things away because it is just picked up automatically. And I think that part of making us more responsible and better managers of money has to do with waste and how we see it as a resource and how we allocate this expenditure.

And because the waste to the energy plant is quite expensive, I would suggest that we just work with what we currently have, put that on hold and revisit it at a later time.

Madam President: Sen. Raffoul, if I may, I have listened to what you have to say and I understand that you are responding to some of the comments that have been made during the debate, but I actually would like you to focus a little more on the Bill itself, what it is dealing with in respect of the environment with respect to the tyres and tie in what you are saying to that, please. Okay? Thanks.

Sen. J. Raffoul: Thank you, Madam President. Okay. My last comment is on Sen. Khan's point about electric vehicles. He made the point that, what is the point of going electric if we are using coal, and pointing out that Trinidad and Tobago because we use all natural gas to produce our energy sources is something we should be proud of, which I agree with.

In doing my research on electric vehicles, I learnt that electric vehicles are actually more efficient than conventional vehicles. So non-electric vehicles usually convert about 25 to 30 percent of energy to power, whereas electric vehicles are more around 60 percent, so they are normally twice as efficient as non-electric.

And that is it for my recommendations. I do agree with all the proposals in the Bill today, and I thank you all for your time and energy. Thank you, Madam President. [*Desk thumping*]

Sen. Saddam Hosein: [*Desk thumping*] Madam President, thank you for giving

me this opportunity to contribute to this Finance Bill, 2017. And when I read this Bill I remembered a trip that I took a few days ago to The Bahamas together with the Opposition Leader and members of her team where she collected an award for excellence in the Bahamas for leadership.

And while we were there they introduced us to the local music which was known as “rake and scrape”. And when I heard that, that is the only description that can come to my mind when I read this Finance Bill, 2017 [*Desk thumping*] that this Government is raking and scraping every cent from the poor man in taxation.

Sen. Khan: That is what they call Bahamian music, boy?

Sen. S. Hosein: Yes, that is Bahamian music. You should take a trip.

Madam President, when we look at this Bill holistically, this Bill either introduces new taxes or it actually increases the existing taxes in certain instances, and the population is crying out, Madam President. They are crying out because it is becoming unbearable for them, because this Government has no economic plan for recovery. They are fed up with the burden of adjustment being shifted on them and not on the Government, not on the big businesses, but these taxes are hell-bent on affecting the young, the vibrant and also the upcoming businessmen or businesswomen of this country.

And I say this because this point is relevant, that when Sandals comes to operate in Trinidad and Tobago, they will be given a tax concession, they will not be subjected to this corporation tax of 30 percent, but when a small man is trying to set up a parlour or a little supermarket or a mini mart, he will have to pay 30 percent of his profits to this Government. [*Desk thumping*] And the reasons why persons are so dissatisfied in paying taxes is because they are not getting value for their money. [*Desk thumping*] Their money is being pilfered through corruption,

and this is evident as we have seen that \$80 million has gone to one businessman.

This Government lacks creativity, they have no policies in place for diversification of the economy. They are heavily dependent on oil and gas still. The only diversification they have is tax diversification, because we are getting taxed left, right and centre, be it environmental, corporation, tyre, hospital, almost every single sector of this country is being taxed by this wicked PNM Government. And for how much longer are you going to burden the poor man?

I must remind them that when the People's Partnership Government governed Trinidad and Tobago for five years between that period of 2010 to 2015, not a single tax was implemented on the people of Trinidad and Tobago; [*Desk thumping*] no new tax. But after two years how many taxes we have seen, how many increases in the fuel subsidy has the population had to bear under this Government?

And, Madam President, I want to get to my substantive part of my contribution in this Bill and that has to deal with the environment and the initiatives that this Government is taking with respect to a green, clean environment.

They have not yet to date, two years have passed, implemented a single policy aimed at the fight against climate change. Sen. Mahabir in his contribution stated that every single person in this country is concerned with the environment, but I want to qualify Sen. Mahabir's statement to say that the PNM does not care about the environment. And I say this because when persons are getting tax breaks on hybrid vehicles, on CNG vehicles and on electric vehicles, this Government is now removing the tax incentives, causing citizens now to revert to the traditional petrol vehicles, and this is a backward step that this Government is taking. [*Crosstalk*]

Madam President, they could say what they want because they know it is true and they are uneasy. When we look at the measures such as the incentives for the CNG, hybrid and electric vehicles, these initiatives were geared towards furthering the environmental developmental goals. But now the Minister of Finance removed those incentives which allowed for the introduction of taxes on those environmentally-friendly vehicles, it is a backward retrograde step in protecting the environment. [*Desk thumping*]

And much was said in this debate about the signing of the Paris Agreement. I got the name right. And when the Minister of Foreign and Caricom Affairs signed the Paris Agreement on 22 April, 2016, that treaty has been lying in abeyance probably in the Minister's office. The Government has failed to ratify the Paris Agreement. And that Paris Agreement is so important that it would cause this country to be embarrassed internationally if we do not ratify it.

But I do not know if the Minister is even aware that he signed it because he forgot to ratify it. And I say this, Madam President, because the population has to know what is happening. When we sign on to a treaty, we have international obligations towards all the signatories in that treaty. And tonight I am saying in this honourable House that this Government is not serious about complying with our international obligations and they have failed us, and now we will be an embarrassment internationally, with the removal of these taxes on these vehicles.

I will attempt to edify the Members across the floor of the Paris Agreement because these policies, especially the removal of the taxes, are in contravention of our international obligation. This Paris Agreement, it aims to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below two degrees Celsius. And under the People's Partnership Government we would have indicated our intention to sign on to this treaty, and

certain obligations were made that we would reduce our carbon emission by 30 percent.

Now, Madam President, when we look at the comparison of the emissions from vehicles, the carbon dioxide emission from CNG vehicles is almost 20 to 80 percent less than gasoline. When we look at hybrid it is almost 40 percent less, and when we look at electric, there is no emission because there is no internal combustion engine in order for the release of greenhouse gases into the environment. So, we see that these vehicles are very environmentally friendly so that we can reduce our carbon footprint thereby complying with our international obligations that we owe to this Paris Agreement.

Madam President, by just signing on to this treaty it does not just say that we are going to sign and leave it there, we are members. No. It requires Government to take affirmative action, and when I say affirmative action, it must develop policies in line with the aims and objectives of this treaty.

When we remove the tax breaks on these vehicles we would be essentially be encouraging all our citizens to go back to the petrol engine, the petrol vehicles and this, in fact, would lead to a greater carbon footprint. [*Crosstalk*] On small vehicles, what about the bigger vehicles? So are we going to allow all our Ministers to drive these high-end luxury vehicles, but yet we want to make the small man drive a very small car, a motorbike because that is what the tax break is on, you know. No taxes for motorbike. It shows that they have no plan and no policy when implementing reforms into society and this is similar—[*Interruption*]

Madam President: Members, I am listening to Sen. Hosein and I would like others to listen to him. If you do not want to listen to him, then you can leave the Chamber. Okay? Sen. Hosein, continue. [*Desk thumping*]

Sen. S. Hosein: Thank you for your protection, Madam President. As I said, they

are very uneasy and the reason is because the truth is coming out that they have no policy or plan. I say this because if we look at the Finance Bill, the first one that was sent to me, it had a big thing about maxi-taxis and the removal of the restriction, big thing. We warned this Government from the day that the budget was read that maxi-taxis, the word maxi-taxi was not even included in this printed budget statement, [*Desk thumping*] it was not even included. It was a policy that was thought of on the floor of the Parliament by that Minister of Finance, by the Minister of Finance. I apologize. I apologize, Madam President. By the hon. Minister of Finance; it was a policy that was thought of on the floor by him. No plan, because you know why? That policy was, in fact, illegal. Because when this policy was actually attempted to be implemented by the Partnership Government they were stopped by the High Court of Trinidad and Tobago. And we warned the Government that if you failed to consult with the stakeholders regarding this Bill, you are doomed to fail. But I am glad that the Government took heed and they retracted that policy.

Hon. Senator: They were threatened.

Sen. S. Hosein: They were threatened. Yes, with legal action to retract that policy. [*Desk thumping*] So that is the only way—

Madam President: Sen. Hosein, you know that nowhere in this Bill is there anything about the maxi-taxis. So, please. So, Sen. Hosein, could you just focus on the Bill that is before us, please. Okay?

Sen. S. Hosein: Thank you very much, Madam President, but I was just demonstrating that the thought processes that go into the policies of this PNM Government.

Madam President, let me back to the motor vehicle taxes, please. And the policy to remove the taxes on these environmentally-friendly vehicles was not

introduced by this Government, [*Desk thumping*] it was introduced by the Government led by the hon. Kamla Persad-Bissessar. [*Desk thumping*] And because that Government governed in such a way that they took into consideration all aspects of society, be it social, environmental, financial, economic, legal, and the Minister of Finance in his budget presentation indicated that over 35,000 vehicles were imported in 2017, and the same amount or less as in 2016. So you know what that shows, Madam President? It shows that the population they were ready to make that switch, but this Government turned off the light switch on them.

And when persons were conditioning themselves to operate in a modern and a green environment, this Government now ricochets them 50 years backwards. We might return to the days of bull carts because we “doh” have to pay taxes on those.

Sen. Ameen: We not so sure, eh, the rate “dey” going.

Sen. Mark: They might tax that.

Sen. S. Hosein: Yeah. They might tax that too. And, Madam President, you know what this shows? It shows that the initiative was working, we were encouraging people to buy environmentally-friendly vehicles because of the reduced prices of these vehicles. Now, persons would not be inclined to buy these vehicles simply because they are paying almost the exact same price as the petrol vehicles now, and those environmentally-friendly vehicles require more maintenance which would mean a higher maintenance rate for them to pay.

When we look at the views that came out of the Used Car Dealers Association there is an *Express* article dated the 3rd of October, 2017, entitled “Double the price? Motor vehicle tax will hurt low, middle income earners”. And Visham Babwah, the president went on to say that the Minister had not consulted with the dealers before implementing the new taxes. Nothing new.

“The incentives on hybrid vehicles was introduced last year to encourage the use of environmentally friendly vehicles. That was expected to expire in 2020’, Babwah said.”

And he quotes, he said:

“This is very serious.”

He said:

“This is the second time in two years this Government came and introduced taxes... Only the wicked and devil does things like that because they know if they do that and they will smile and people will go bankrupt and on the breadline’,...”

I did not say that, Madam President. The UNC did not say that. This is the president of the Used Car Dealers Association. He is saying this, and this is the type of comments that the population is making about this wicked Government. They are anti-people and people are getting fed up of them and soon they will remove them.

Madam President, let me move on to the environmental tax and this tax is two-fold. It is two-fold, one, because now all used tyres will have to be subject to the 30 percent import duty, that when you purchase a new tyre also you would be paying and additional \$20 environmental tax.

Now, this tax authority, according to the Minister of Finance, will be the Customs and Excise Division. Now that does not make any sense because why would you implement an environmental tax and have Customs collecting that? That money is simply going back into the Consolidated Fund and it not going to be geared towards any green initiative or any recycling initiative in Trinidad and Tobago.

But I want to zero down this to the poor man on the road. A taxi driver, his

tool of trade is his taxi, his vehicle and he must ensure that he has fuel and tyres on his car in order to ply his trade. And after the last budget was read in September he is now faced with, I believe, it is the fourth fuel hike and now pays \$3.97 cents per litre for fuel of super gasoline, I assume, that he uses. And if he purchases tyres let us say every six months at about \$300 per tyre, if the tyre costs \$300 before, now he would be paying \$410 which would be inclusive of the environmental tax. So, we again burdening the poor man, “yuh” know. This tyre tax is not going to be affecting the persons [*Crosstalk*] and the 30 percent increase, Madam Minister of Finance.

Madam President: So you see, Sen. Hosein, if you would just address me, okay, you would not get distracted. Okay?

Sen. S. Hosein: I am guided please, Madam President. It is because of my novelty. I apologize.

Sen. Ameen: “Doh” get distracted by them. [*Laughter*]

Sen. S. Hosein: Madam President, according to the *Newsday* on the 8th of October, 2017, the taxi associations were reported as saying that they may have borne the burden of increases in fuel costs over the past few budgets, but the new hikes on the fuel and tyres in the 2018 budget may be too much to allow them to continue doing so. And when transportation increases, we know exactly what is going to happen, it is going to affect every single part of society, Madam President.

And while this Government calls this \$20 tax an environmental tax, I would like to call it a window dressing tax because there are no plans in place to properly deal with the recycling of tyres in this country. The Government’s plan of recycling tyres is two shredders that were brought by the People’s Partnership Government in Sea Lots to shred tyres. They have done nothing for the recycling of any tyres in this country.

And what is astonishing, but not surprising with this Government is that in an advertisement that was placed in the Trinidad and Tobago *Guardian* on the 5th of October, 2017:

“SWMCOL’s general manager, communication sales and marketing, David Manswell, said that the tax will lead to a reduction in the indiscriminate dumping of tyres, ‘a practise that creates considerable environmental challenges such as providing breeding grounds for insects and rodents and leading to the proliferation of vector-borne diseases such as Dengue and Chik-V; and contributing to clogged waterways thus increasing the incidence and magnitude of flooding.’”

Now that is all well and good, I am happy about that. But on the same day that that add was published, SWMCOL’s acting general manager Ronald Roach stated that it still has to be worked out. He is speaking about the environmental tax, on how the actual disposal of tyres will take the form when the tyres are taken to SWMCOL.

So how on one hand you have all of these beautiful things about what the environmental tax will do, and then you have the acting general manager of SWMCOL saying, well “I doh know what we are going do with the tyres when it comes to SWMCOL, you know.” How could you implement a plan or a policy or a tax and not know how you are going to deal with these tyres? “Yuh doh know” how you are going to deal with the money that you collect. That shows no plan. We were warned about this in 2015, you know, they warned us. And, Madam President, it shows that they are the ones who are making policy by “vaps”, [*Desk thumping*] “rake and scrape”. And before they implement the tax, they should have developed a national policy on the recycling of not only tyres, but other goods that will affect the environment adversely.

And I want to also endorse a point that was made by Sen. Mahabir, and he stated that these shredded tyres can be used in the cement industry, and he is right. When I did some research, in the UK they actually use these shredded tyres as fuel in the kiln for the operation of the cement plants, and they also use parts of the tyres in the cement mixture itself.

We have a cement plant right in Claxton Bay. Why can we not be as creative and innovative as these countries and do the same? Why can we not be pioneers in the Caribbean? Why can Trinidad and Tobago not be placed on the map for something good and not for the bloodshed? Why can Trinidad and Tobago not lead the Caribbean on environmental protection policy? [*Desk thumping*]

Madam President, if we look at the Guyanese Constitution which is something very novel, in the Guyanese Constitution they have environmental rights enshrined in their Constitution. One of the only countries in the Commonwealth Caribbean that have environmental rights as enshrined rights. And I think it is about time that we do that because Governments, especially the PNM Government, have come and attempted to trample upon the environment of this country. We must not forget the smelter plant which had to be stopped, and those are the type of policies that we need to develop in this country. But if we cannot even ratify the Paris Agreement, you think we can do that? All this takes is will power, Madam President, all this takes is proper governance, and all this takes is for the work to be done. So we must brush off the laziness and we must come forward and we must work for the people of Trinidad and Tobago [*Desk thumping*] because you have gotten a mandate. [*Desk thumping*] But soon again the people will give us the mandate [*Desk thumping*] and we will ratify the Paris Agreement. So do not take too long to do it. [*Crosstalk*] It is not hilarious.

And what we must also remember is that the Minister in the Ministry of

Finance, neither the Minister of Public Utilities, gave us any understanding regarding the capacity of these shredders in terms of how many tyres can these shredders shred per day, if we need to acquire more shredders in terms of how many existing tyres that we have in Trinidad and Tobago that require [*Crosstalk*]*—Sure. I will give way.*

Sen. Gopee-Scoon: Thank you so much. I just want to ask a question about those shredders which were bought. You said two of them were bought, were they ever put to use?

Sen. S. Hosein: Yes. Yes. Those shredders were put to use, but I should be asking, Madam President, through you of course, the Minister of Public Utilities whether those shredders are currently in use. I can give way for him to answer.

Sen. Le Hunte: Madam President, if you would recall in my contribution I was very clear about the strategic plan that was passed and about the request for proposals that will be out within first quarter, and where we will be looking at getting into public/private partnerships with regard to—we went out for one with regard to the PET bottles, and that we will be looking at tyres. And not only that. I did even mention that the proposal that Sen. Mahabir spoke about that we actually have proposals like that, and we are actually looking at them. So all of those things were actually said. Yes.

We are presently looking and we use the shredders as they are right now, but they are very small shredders, and they actually shred. But all that you were doing is making the tyres actually shredding them and making them smaller. And what we are actually doing is really recycling and taking that product and doing something else with them.

So shredding is one aspect of dealing with it. It is making it less bulky, but you are then still leaving the end result in the environment. All right? So, we are

looking at that. [*Crosstalk*]

Madam President: Yes. Sen. Hosein, you asked, you gave way for the Minister. The Minister is now giving his explanation. Minister, just continue and finish off your point and Sen. Hosein will resume.

Sen. Le Hunte: So as I said, right, we are looking at developing SWMCOL who will be getting into public/private partnerships as they are doing now with regard to PET bottles, and they will be looking at dealing with shredding and actually turning that product into something that is more useful and that will be able to increase the revenue for SWMCOL. I thank you. [*Desk thumping*]

Sen. Ameen: I thought that you were going to repeat that three more times, just deliberately taking up “de boy time”.

Sen. S. Hosein: I thank the Minister for the explanation, but he could have just said in one line, “Yes, the shredders are working”. [*Crosstalk*] He took about two or three minutes for that. Right? [*Crosstalk*] We appreciate the response. We appreciate that the Minister is so passionate about the environment that he would let his colleague next to him, the Minister of Foreign and Caricom Affairs ratify the Paris Agreement. [*Desk thumping and crosstalk*]

And, Madam President, I am glad to know that the shredders are working, but what they need to tell us— [*Crosstalk*] I would not give way anymore. [*Crosstalk*] It could come in a press release. What I would like them to let us know is that, having regard to the capacity of tyres that are still in Trinidad to be shredded whether or not we need to acquire more shredders and this \$20 tax will go towards purchasing or procuring the equipment in order to do so. But I would like to recommend that we should not just shred the tyres and leave them because that is apparently the Christmas decoration on our way to Port of Spain that is lying in Sea Lots opposite the Central Market, all those tyres.

So what I want to ask the Government is that when these tyres are shredded what are you going to do with it? Right? Let us, Madam President— tell us what you are going to do with it. They are in charge, let us know what the shredded material is going to do. We have TCL, they should probably do some consultations regarding the use of the tyres in the kilns at that institution.

Madam President, I would not be long again. In an already depressed economy we see that this Government is trying to tax its way out of a recession and that is wrong, they are defying the basic laws of the economy, and they have fooled the population enough. The biggest con job they have done to this country was in September 2015, but the people are waking up slowly. God works in mysterious ways, and as you continue to suffer the people, you would have to pay the ultimate political price of losing Government. I thank you, Madam President.
[Desk thumping]

8.15 p.m.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):

Thank you very much, Madam President, and let me say that I am not going to delay this House unduly, but first I want to commend the hon. Minister in the Ministry of Finance who presented the Bill today, and also this makes reference to the budget debate and the Finance Bill which, again, connected, laid in the Lower House again, read by the hon. Minister of Finance, and I commend him as well, and let me acknowledge those on our side who also spoke and also those on the Independent who had some good things to say. I am not sure that there were any positive contributions from the Opposition [*Crosstalk*] which leaves me very sad—

Sen. Mark: Can I?

Sen. The Hon. P. Gopee-Scoon: No.

Sen. Ameen: You are supposed to speak the truth.

Sen. The Hon. P. Gopee-Scoon:—except for you, Sen. Ameen. [*Laughter and desk thumping*] You know it is funny that—it is not funny at all. It is absolutely not funny that Sen. Mark said it is normal when I said that there were negative comments coming from it.

And it ought not to be normal Sen. Mark, and therein lies my disappointment. I am so disheartened and it was quite disconcerting your response to this Bill. Quite frankly, this Bill is simply to give way to the legislative changes that are required on account of accommodating the revenue and tax changes. That is simply what it is. But I know you raised some alarm bells concerning two particular clauses, but notwithstanding, again, I found it so, as I said, disconcerting and unpatriotic as usual that you would immediately say—

Sen. Mark: What?

Sen. Ameen: What! [*Crosstalk*]

Madam President: Minister! Please! Please! [*Crosstalk*] Please Minister—

Sen. Mark: I love my country.

Madam President:—please refine what you are presenting. Okay?

Sen. The Hon. P. Gopee-Scoon: “Yeah, yeah.” But the point I was making— [*Interruption*]—and I apologize if I say that you were unpatriotic, but I said I was very disappointed, because from start to finish in your contribution Sen. Mark everything was negative. Everything was negative, you offered no solutions at all. And again, I questioned in my mind your lack of commitment to taking this country forward. We acknowledge—

Sen. Mark: “Aaah, aaah.”

Sen. The Hon. P. Gopee-Scoon: Oh, no.

Sen. Mark: We want to remove you and the PNM. [*Laughter*]

Sen. The Hon. P. Gopee-Scoon: No, no, no. Madam President, we all

acknowledge the position, the very challenging situation that we have found ourselves in, and the only thing that was going to get out here is commitment by every citizen in Trinidad and Tobago.

And again, if I go back to the contribution by Sen. Mark, all we heard about was the negative, far-reaching consequences, the increased borrowings with the fact that we were ambushing the people of Trinidad and Tobago. And again, just continual lack of support and speaking to the fact that we were borrowing to the limit and, the fact is, that is where you left us. You left us in the position where you took the overdraft to the limit, you took our debt situation to over 60 percent. That is where you left us. You left us in a situation— [*Interruption*]

No, the fact is, Madam President, that the last Government, under them there was some offensive syphoning—and we spoke about this earlier in the debate—from EMBD, from HDC, from EFCL, from the NGC, and I will not go into it. But again, very, very, very negative, and you would find Sen. Mark that if we are really to take this country forward, you are going to have to change your posture on some of the Bills going forward. It cannot be opposing for opposing sake. And Sen. Raffoul in her contribution—and we really commiserate with her neighbours who were the victims of crime earlier today. We do in fact commiserate, but at the same time, you again opposed us on the anti-gang legislation.

Madam President: Minister!

Hon. Senator: What! Oh, come on. Really!

Madam President: This Bill has specific—[*Interruption*—Sen. Ameen, thank you very much [*Laughter*—provisions. Any legislation that is not a part of this Chamber that has not been brought into this Chamber, it will not form part of the debate. Okay? [*Desk thumping*]

Sen. The Hon. P. Gopee-Scoon: No, but I stand corrected. [*Interruption*]

Madam President: The behaviour, Members, really. I understand when we want to laugh a little bit, but it is getting a little too rowdy in here, and those who are getting restless you can leave the Chamber for a little while. If the behaviour does not improve then I would be inviting Members to leave the Chamber for a certain period of time. Okay? Continue, Minister.

Sen. The Hon. P. Gopee-Scoon: Thank you. And, Madam President, I do stand corrected. But again, I was just highlighting the negativity of the contributions of the other side, and that that has to be fixed, and it has to change if we are to get out of the situation that we are in, and if we have to put this country back on the path of economic growth and sustainability. That is my point.

And you see the doom and gloom continued with Sen. Obika, and again with Sen. Hosein, and it is absolutely not necessary. But again, it is the pessimism, and again the opposing for opposing sake. But I respond to several of my colleagues on the other side, and again to Sen. Obika, well, I listened you, you seemed to have gotten some banking skills [*Laughter*] off of your last assignment, and, Madam President, you missed this, but he went into length about the hardcore in the overdraft of the Government, and he was advising that perhaps we should have been hiving off from the hardcore. This is a suggestion that he was making, but I want to tell you, whether you leave it in a hardcore, whether you hive off, or whatever, the debt stills remains. Hardcore, hive off, the debt is still there and to be repaid.

It is not the same situation as a company or a person. This thing remains, and our debt to GDP ratio remains, and that is what we were speaking of, the question of the debt to GDP ratio, which you were so concerned about. Well, that does not fix it. Your recommendation does not fix it at all. And even if you hive it off, it has to be repaid. As a matter of fact, it is a situation we found ourselves in,

and we have been refinancing. Every time we learn of something new, and things come up all the time. From the time we have come we have had to refinance many of the large debts which were left by you. The point I want to make is, it cannot go away. It does not go away. You left it there and this country is going to have to pay the price. It is the citizens of this country. So all of your recommendations will find no place in reducing the alarming debt to GDP ratio that you left when you went out of office.

And the point I was making as well, the tone and the tenor before even listening to all of the—what should I say?—recommendation and the contributions. You know, you should wait, be part of the debate. Let the flow instead of just being negative all the time. And it was Sen. Dhanayshar Mahabir who came in shortly after Sen. Wade Mark, and he is the one who highlighted what the country is exhibiting now apart from the debt situation which we found ourselves in, is pretty much a cash flow problem. It is a cash flow problem, and he himself was able to highlight, and I am sure that if Sen. Small were to speak this evening he himself could add to that, that perhaps—and by February, March we will begin to see some improvements. And Sen. Franklin Khan, there is no need for me to repeat some of the things that he said. Now that you are getting the offerings from the energy sector, and the Juniper has come to market, and you can expect production from the Angelin sometime in the next two years, and of course there is the Venezuelan gas from the Dragon which is supposed to come to market as well. He spoke but about the Macadamia and the Savannah and so on.

But all of the good news going forward, again highlighting—and it does not cure all of the ills that we have to face, but what it points to, the fact is there is a light. There is a light ahead, and from as early as February/March, you are going to begin to see a little bit of an ease. It does not mean that we have to change our

posture as responsible citizens and as a responsible Government, because we still have a deficit to cure. A deficit which you made no attempts to cure when you were in Government, and you were in fact in receipt of substantial revenues. But the point is that there is a glimmer of hope. There is evidence of it and therefore we can afford to be a little bit positive and work ourselves out of the situation that we are in.

It was Sen. Shrikissoon making reference to, I think, clause 7—he is not here now—which is the corporation tax, and he felt that the corporation tax was perhaps somewhat substantial, bearing in mind that this Government was on the one hand speaking of diversification, and he spoke particularly about encouraging business process, outsourcing businesses and so on. And I just want to say too, and to correct him a bit, or to give some advice with regard to the comment that he made, that Trinidad and Tobago has attracted BPOs in the past, and will continue to attract BPOs, and some of the examples would be the iQor, which is here, and which came into Trinidad and Tobago in 2010, and they are now hiring—they came in and they hired 300 persons. They are up now to hiring 600 persons, and in fact they have acquired a new client and they have said that they would in fact hire another 300 persons. BHP Billiton has brought one aspect of BPOs here as well, which is the accounting services, Scotiabank has brought some of their maritime services here as well. And I can tell you that on the table I am dealing with a very large outfit who promises to bring—and it has not been fully discussed and it has not gone to Cabinet or anything like that, but they are promising to bring tremendous opportunity in the areas of customer service and manage services again, along the BPOs initiative.

And that is despite the fact that we have 35 percent corporate tax. But the point I want to make is that in attracting those kinds of investments to Trinidad and

Tobago, what goes along with it, is an incentive where you will waive the corporation tax for, it may be for a period of five years or 10 years, that is what pertains and obtains throughout the world in attracting investments to your country. You will have to give those kinds of incentives. So the fact of the existence of the corporation tax of 30 and 35 percent in clause 7, really is not a disincentive to attracting BPOs, as Sen. Shrikissoon was saying.

There was another point that Sen. Shrikissoon made and I wanted to speak to, but I would probably find it somewhere here. But there was somebody else who made a comment—it was Sen. Shrikissoon—about a shortfall in capital receipts and other revenue streams. And he was making the point that we had committed to do certain things and we have not done it. So I just want to give the assurances, and I am sure I will be supported by Sen. West in her winding up, that this Government is very committed to ensuring the introduction of the property tax, and it is that the people of this country are indeed committed to paying property tax as is the norm right throughout the world, and again I want to give Sen. Shrikissoon and the population that the Trinidad and Tobago Revenue Authority will in fact be in place, and we can expect revenue streams from increased compliance that would come out of it and increased collection activities coming out of the TTRA as well. So that we will in fact—and then of course there is again the Minister of Finance would have spoken to asset sales and so on, which I can give the assurance again that this Government will ensure that we do. So that there will be no shortfall in capital receipts and other revenue streams as outlined by the Minister of Finance. I feel very confident that we would in fact achieve all that we had said we would achieve.

There is another point that was made by Sen. Ameen. This is relative to sections 27C, 27D and so on, which deal with the environmental tyre tax. And

within your discussion on the environment, and I listened to her position with regard to the environment and I was pleased to hear that. But she spoke about the Beverage Container Bill being made law by the last Government, and I want to correct the records that that is not so. The Beverage Container Bill is not law. I do not know that you have any great interest in the environment. What I can tell you that it is definitely not law. In fact, you did introduce the Bill, the Beverage Container Bill was introduced in 2012. But, however, when the Bill moved to the second reading the Minister of the Environment, Sen. Ganga Singh, after two Senators had spoken—just only two Senators had spoken—he acknowledged that the Bill needed more work and he adjourned the debate to a date to be fixed, and it never came again. It lapsed. What it was, it was a very poorly constructed—it was a mamaguy. It was a very poorly—[Crosstalk]—no, no, no, please, I am on the floor. This was 2012, as I said this was introduced. There was no election. This was 2012 and the Bill lapsed the 10th of July, 2013. So, poor performance by you with regard to the environment, and I just wish to correct the records.

And you made the point Sen. Saddam Hosein about diversification and so on, and I am not going there because this Bill does not attach itself to diversification. We are not going down the road today. I will speak about that on another occasion, and indeed I have done so before. But you did say and you made a big hurrah about it, that your Government introduced no new taxes and so on. But I want to make the point to you, it is because you did not need to because you were collecting super normal revenues at that time. Revenues for which we have nothing to show at this time. Absolutely nothing to show on account of your super normal revenue streams. There is an error on the removal of the incentives for CNG, and electric vehicles, the Minister will in fact correct that, but on that question of referencing clause 10, Madam President, I think it was you, Sen.

Hosein, who said that the UNC Government had introduced incentives for the purchase of energy efficient vehicles but that is not so. That indeed started under the last PNM Government in 2009. I take you back to 2009 when the overall cost of converting to CNG, those incentives were introduced then when all of the customs duties and the VAT were removed from the conversion kit purchases. So that is where it started. But the conversion kit purchases were in fact to allow you to change from the normal gas powered vehicles. So it goes back to 2009.

So again, somebody else spoke about with regard to clause 7 and the corporation tax, and again the 30 percent of the 35 cents, 35 percent being onerous, and I want to make the point that that range of 30 and 35 percent is still very reasonable then. In fact, across the board in all companies it is 30 percent except for the banks where it is 35 percent, where in fact their profits are really above and beyond and so on, quite exceptional profits, and it is just about participating. They have the capacity to participate in the challenges which we face now. Perhaps it would not remain like that forever, but the point is they have the capacity and I feel certain that the banks will be in compliance. But I want to make the point when someone spoke to that whole question of it being unreasonable, that in the Central American region that companies actually do pay a corporation tax in the vicinity of 45.8 percent. That is the average in the Central American region, and I did research whilst we were right here and I found out that countries in the OECD, this is the Organization for Economic and Corporation Development, all of those OECD countries pay on an average 41 percent.

I say all of this to say that the tax which has been levied on all businesses, the 30 percent is by all means a very reasonable tax. And then, Madam President, Sen. Mark is the one who spoke about the crowding out effect and the fact that it would be a disincentive to private sector investment. We all understand the concept

of the crowding out and the effect it has on interest rates, but I do not think that this is going to be the situation where the private sector would be disincentivized to committing to further investments into Trinidad and Tobago. That is not so. And in fact, I would want to—there is something else I want to speak to before, but I will speak a little bit about where we are with regard to private sector investment. But that crowding out effect really, which Sen. Mark raised, I can tell you would have no effect on the commitment of the private sector in Trinidad and Tobago to continue to invest in Trinidad and Tobago. I can tell that that is so and I would come back to it in a little bit.

But someone else raised another point about the business community and competitiveness, and I think it was Sen. Obika, and you made reference to an article in the newspaper only two days ago wherein the head of the TTMA, the president of the TTMA, Christopher Alcazar who is also a director of exporTT, and you said that he was commenting, in fact he was airing concerns about the competitiveness of businesses in Trinidad and Tobago, and you spoke about the fact that manufacturing support is critical and that kind of thing, but did not say that what Mr. Alcazar was actually speaking to was an export allowance which the hon. Minister of Finance highlighted in his budget which will in fact take place or which will in fact commence in January 01, 2017. He was in fact referencing that. Because I can tell you that the TTMA, and exporTT, and the Ministry of Trade and Industry—

Sen. Obika: January 2017?

Sen. The Hon. P. Gopee-Scoon: January 01, 2018—2017 January has gone.

Sen. Obika: You said 2017, so just for the *Hansard* I was just—

Sen. The Hon. P. Gopee-Scoon: Yeah. No, sorry. Thank you for the correction. But what I am saying is, the point you made that it was a negative comment by the

TTMA. In fact, that is not what it is. He was speaking about the whole question of competitiveness, that they do need Government support, but it was not in a negative way, and he should have read out the entire article or made reference to it because he did mention that they were in conversation with the Minister of Trade and Industry on the export allowance which will be introduced. There is nothing but collaboration and an exceptional working relationship between the private sector and this Government, and particularly between the agencies of the TTMA and—that is a private sector agency—exporTT.

So, I dismiss any negative connotations with regard to that article by Christopher Alcazar, the head of the TTMA. But you raised the whole question of investments, and I am not going to speak very long on it, Madam President, because I just want to stick within the confines of the Bill, but to tell you that the Government continues to work on frameworks in terms of improving the business climate and also investment facilitation, those do in fact exist, there are several initiatives, we are continuing to work with the private sector, and that special investment framework, and there is indeed one within the Ministry of Planning and Development, the Prime Minister himself has committed to working along with large investments in the construction private sector arena. All of those kinds of initiatives by this Government are in fact working, and the evidence is in the considerable local investments that we are seeing now.

In fact, we have facilitated, just between September and now, with new businesses open, we have facilitated projects totalling more than US \$141 million. And, of course, the yield in terms of jobs is in fact, perhaps about 1,600. And I say so just very generally not going into details about them, but it is in the manufacturing sector, it is in the BPO sector. Again, you will continue to see a number of private sector projects being rolled out all through 2018. I give you that

commitment. And, of course, also in the private sector housing investments as well. Madam President, all I can say, I am not going into any more detail about that. Over 2018/2019, more than \$3 billion worth of projects by our local business community alone and, of course, with great opportunity for jobs.

Sen. Obika, you raised the point of SMEs, and I am not going to go into it in detail, but again Government support for SMEs is there in the number of incentives which were introduced in the budget, and which we have already launched. I can tell you with regard to the \$25 million facility for agro processor and small and medium size manufacturers, in the first week alone we had more than 100 enquiries. More than 100 enquiries. I am not going to go into—yes, we already have applicants. But you see, Sen. Ramdeen, there are requirements in terms of getting your audited accounts in place, and it cannot be done in a jiffy. But we had more than 100 enquiries. We spoke about the Bespoke Tailoring Programme that was oversubscribed by 100 percent. There are 20 spaces, there were 40 applicants in just over one week. And it just gives you an idea of some of the incentives that we have been introducing, and that have already been launched, and that are already indicating success, and finding with the small and medium size businesses, and also large businesses as well. I am not going to speak about diversification, but just to say that we continue to do our work in terms of the development of the maritime industry, and there is tremendous potential in the ship repair and dry docking area. Our national policy is going to be presented to the Cabinet next week. Again, this speaks to whole question of business competitiveness which you spoke of.

Madam President, again, the doing business, we are working on all of the improvements with the when you are doing business, the time it takes to clear, goods at the ports, and to get approvals for construction, et cetera, all of the

integrated risk management systems from many of the activities within Government. All of these matters are being worked on. We continue to work on expanding the market access to Chile and to Cuba as well, and to Panama, and to all those other countries with which we have signed agreements.

I am going to conclude, Madam President. Again, the other side they raised the point as usual, the Government does not have a plan, but the proof is in the pudding, it is all there in our Vision 2030. Our Vision 2030 document is wide ranging, and it speaks to putting people first, to delivering good governance and service excellence to building globally competitive businesses, to placing the environment at the centre of social and economic development, improving productivity, et cetera. This Government has a plan. The private sector has a plan, and when it is all intertwined, this will see the country back on a path of economic growth, but only under the leadership of a PNM Government, this PNM Government and under the leadership of Prime Minister Keith Christopher Rowley. [*Desk thumping*] But we understand your posture that you are not at all interested in what we are doing.

Madam President, I want to conclude and to say that while this country has enjoyed decades of prosperity, we must recognize that the world around us has changed and our circumstances in Trinidad and Tobago have in fact changed, but it is up to all of us to adjust to the new normal. We must all do our part, Government, Independent, Opposition, the population at large. But I want to give the assurance that under this Government there will be prudent management of our fiscal business, and I want to give you the assurance of transparency and accountability in all of our approaches as we take this country forward, Madam President.

I thank you. [*Desk thumping*]

8.45 p.m.

Sen. Brian Baig: [*Desk thumping*] Thank you, Madam President. I know it is a little late, I would try my utmost best to be as brief as possible. I would try. I would like to put on record, Madam President, my deepest appreciation in thanking the hon. Kamla Persad-Bissessar SC—[*Crosstalk*] I am glad that the other side has to also realize that it is the hon. Kamla Persad-Bissessar SC who knows where to put young people who have a vision for this country—[*Desk thumping*—the opportunity to be a part of this debate and to represent the United National Congress which I am a proud member of that party. [*Crosstalk and laughter*] I see you know me very well.

Sen. Ameen: Madam President, this is the Senator's maiden presentation and the Senators on the other side—

Sen. B. Baig: I would like to also thank hon. Members of the House for giving me a very warm welcome to the Senate, a very warm welcome and I want to thank you all very much for giving me such a great welcome and to participate in the decision making process of Trinidad and Tobago, a country that I love.

I do so however in what would be described as record times. We are holding a lot of records in this country. We have held a record where in which we as the Trinidad and Tobago Soca Warriors were able to remove what was called the ghost of 1990 and we must applaud that team for that. We must applaud them. I think also we must also thank the West Indies team for ensuring that we brought home what is called the T20 World Cup—again, the West Indies and we must thank them.

Madam President, these achievements however, are grossly overshadowed. They are overshadowed by other records, records of level murders, rapes, robberies, assaults, inflation, which is sending increasingly, which is causing our citizens to go into large forms of poverty. Record levels of Government

expenditure matched by record levels of corruption, allegations sheltered by the absence of accountability. Madam President, we have a collapse health system and I want to say on record here today, with our health system, I think it is time that the Minister of Health get his act in order. If he cannot get his act in order, I think it is time that he resigns as the Minister of Health.

Madam President, we have to understand as well that our education is in crisis, the distribution of resources in this country is totally inequitable. We are seeing the polarization of the economy and the list goes on and on. These are circumstances in which I am here, as a citizen and as a youth, and I want to say that I am not happy. We the young people of the Trinidad and Tobago country, we are not happy [*Desk thumping*] or we are not happy with the way this Government is proceeding. We are not happy at all. Even the Bill before us represents another example of how little the Government cares for the people of Trinidad and Tobago.

Madam President, this Government in a period before Christmas has come to talk about taxes. It is as if the Grinch who stole Christmas, now, is wearing a balisier tie and coming to steal Christmas from the people of Trinidad and Tobago. [*Desk thumping*] The Government is being seen as Scrooge, and instead of ensuring that the people can feel some sense of relief financially, the Government is coming to tax the people into oblivion.

However, I want to tell the Government that they must remember in the story of Ebenezer Scrooge and what happened to him the night before Christmas. He was visited by three ghosts: the ghost of Christmas Past, the ghost of Christmas Present, and the ghost of Christmas Yet-to-Come. For this Government, the ghost of Christmas Past would show the people of this nation happy, shopping with their families, being cheerful, being all joyous. Children of this nation would look forward to receiving toys nationwide from a loving Prime Minister who is called

Kamla Persad-Bissessar SC. [*Desk thumping*] Investors would be happy to come to Trinidad and Tobago and there was a stable economy and a government with a plan. Unfortunately, there is a Government here right now who has no plan. The ghost of Christmas Present which shows a nation being crippled by a Government that wants to tax every cent from their pockets, while PNM friends and families are benefiting from the nation's purse. After all, Madam President, not everyone can say they are A&V drilling; not everyone can say that. [*Crosstalk*] Also, I have learnt that Balisier House is now a procurer of contractors to get contracts. And that, Madam President, is frightening, if not alarming. [*Crosstalk*]

Madam President, I am coming to the Bill, do not worry. Madam President, the Government cannot even buy a boat. They cannot buy a boat for the people of Tobago. They cannot even do that.

Hon. Senator: We cannot thief one neither.

Sen. B. Baig: Well, that is what you say. Also, Madam President, there is some history I want to bring to this Senate. If a man by the name of Martin Daly, Senior Counsel was in this Senate today, he would have told this Government they cannot even buy a pirogue. So I do not know if they could even buy that.

Madam President, the ghost of Christmas Yet-to-Come is the ghost I want this Government to see first. The reason for that is because the nation will receive a Christmas gift and that gift would be United National Congress coming back into government under Kamla Persad-Bissessar SC [*Desk thumping*] and the people would be happy once again.

Madam President, when one looks at this Bill brought before us, the Government is trying to use taxation as a form to build revenue for this nation. Former Prime Minister of Britain, Winston Churchill said:

“I contend that for a nation to try to tax itself into prosperity is like a man

standing in a bucket and trying to lift himself up by the handle.”

Madam President, it seems as though this Minister of Finance is trying to do the same thing. I think with his stature he might be able to fit in the bucket as well.

Madam President: No, no. Please. That comment, I would ask you to withdraw it, please, and remember the Standing Orders. You have been here before, this is not a maiden contribution so you know the Standing Orders. Okay.

Sen. B. Baig: Madam President, I am guided. I withdraw.

Hon. Senator: Apologize.

Sen. B. Baig: I apologize as well. Madam President, this Rowley-led PNM Government has asked the people to ban their bellies, yet has the Government done that. We are seeing wastage of people's moneys behind paintings, exorbitant bills, romps in Tobago, but yet you asking the people to ban their bellies. The Government however is not doing that.

Madam President, I turn to the Bill. I am coming to the Bill [*Crosstalk*] and the subject at hand. Having looked at the Bill there are a few aspects that I would like to focus on. One such aspect is the corporation tax. I look briefly at the amendment to the Central Bank Act as well which I see the Government once saying increase its overdraft limit. Looking at corporation tax, Madam President, we can see that in the current economy the corporation tax which is to take effect in January, I can tell you, this has already crippled business confidence in Trinidad and Tobago. Businessmen are already afraid. Businessmen are of the belief they are going to be taxed out of their pockets.

Madam President, with such a measure like this, the Government can now be looked to be seen as anti-business. Madam President, again, I said, with Ebenezer Scrooge this was called his first manifestation. If you would remember when Jacob Marley told him there are three manifestations he would get; this is the

first. I continue.

This Government has yet to show good governance in any form or fashion. The truth of the matter is, the Government has no plan, none whatsoever. Madam President, when you look at the Bill in Part X, it talks about they want to amend the Central Bank Act. This means the overdraft to Government is going to be increased. And I want to share the point of view that was raised by Sen. Mark, I want to tell the Government this is an unlawful move you are doing and I myself will not be supporting this. The Government must know that if something is unlawful you have to be told. And this is an unlawful Act. You cannot do something that is unlawful and come to the Parliament and think it is lawful. It is not. You have to understand that and I really hope that you do, Madam Minister, I do hope you do. Like I said earlier, this Government is only interested in ensuring that people have to ban themselves, do not spend money, but yet you are showing that there are paintings being bought for, romping, golf courses being paid for, we cannot allow that.

Madam President: Sen. Baig, you have now been presenting for about 10 minutes and you are starting to repeat some of the points that you have made. So I would ask you, one, to not do that because then you will be getting into tedious reputation and two, I would ask you be more specific about the Bill at hand. Okay.

Sen. B. Baig: Yes, Madam President, I am guided. Madam President, has this Government, through the Minister of Finance, ever considered what these taxes on the business sector, what it is going to do and affect them and how it is going to behave? With increases on taxes on businesses, they have to now pay out more and this would affect them. This could lead to businesses being crippled; this could lead to them sending persons home; this could lead to massive job loss. Ebenezer Scrooge's second manifestation.

Madam President, with all this taxation you would expect this Government to diversify the economy. Well, I can tell you, Madam President, the Government has not done anything that I have seen reputable to be seen as a form of diversifying of the economy. I have not seen that.

Madam President, we can also state that investments in this nation is going to be at an all-time low. Foreign investors outside of the issue of taxation are bombarded everyday with high crime, murders. Just recently we saw the British Government issue a travel advisory warning to this country for their citizens on their travel to here. From this, Madam President, I think the Ministers of National Security themselves should take point of view on this and if they do not fix our crime problem, I think they must resign as well.

Madam President, I hear persons from the other side saying words like, “unpatriotic”, “uncaring”, but I want to say to this Government that bringing this type of Bill is unpatriotic, very unpatriotic and uncaring. I want to say that what is going is worrying. It is worrying how this Government is going. And I want to ask the Government that they need to do something better, they need to do something better concerning this Bill. Because what could happen, we can see, coming out of this Bill, if anything comes out of it, we can see massive protests happening. We can see persons who are going to go into forms of job losses—like I said that already. Sadly, we are seeing protests happening again. It is happening already. Madam President, the Government is saying such actions are to build revenue in our country.

I want to tell the Minister of Finance, if you want to get revenue in this country, go back and take the money that was given freely to A&V drilling. [*Desk thumping*] Go back and take the money that was used to romp in Tobago. Go back and take the money that was used to give a tissue company, millions of dollars was

given to a tissue company, yet we have not seen what has really come out of that. However so, Madam President, via social media, that same company had a Christmas party, millions of dollars spent there, but yet the poor people cannot even buy food for their own children. So go back and take the money from that tissue company, no pun intended when I say that that money may have been flushed down.

So, Madam President, I want to say that for this Government the people will be rejoicing very soon. The people will be dancing in the streets. I am closing by saying that very soon the United National Congress led by Kamla Persad-Bissessar SC will be returning to office and will be bringing good and proper governance to Trinidad and Tobago. [*Desk thumping*]

Madam President, with these few words, I would like to thank the hon. Kamla Persad-Bissessar SC again, for appointing me here to the Senate for again she has shown that it is young people who would lead this country and it is young people that have the way forward. And so, Madam President, with these few words, I say thank you.

Sen. Gerald Ramdeen: [*Desk thumping*] Good night, Madam President, and thank you for the opportunity to contribute on:

“A Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”

Madam President, before I get into the substance of my contribution, please allow me to just raise one matter of concern to the Leader of Government Business, through you, and it is this, Madam President. This Bill was debated in the other place on Friday and we have come here on Tuesday to do the best that we can as an Opposition, as a Senate, to assist the Government in this matter. But it does not auger well for any of us to be able to have such a short period of time, to be able to

contribute to a debate meaningfully and to provide whatever assistance we can on the provisions that have been proposed by the Government through the Minister in the Ministry of Finance. And while having said that, Madam President, allow me also to say thank you to the staff of the Parliament who, between Friday and today, have done a tremendous job to put us in a position where we can contribute meaningfully [*Desk thumping*] to this debate.

Madam President, I come at number 11 in the batting order [*Crosstalk*] and there is much to say. But I want to address a few of the matters that have been raised thus far. Through you, Madam President, to the Minister of Trade and Industry. The Minister of Trade and Industry said a lot about the fact that the contributions of the Opposition were viewed as being negative and I wish to say, that because the Government does not agree with what the Opposition had said does not mean that the contributions are to be taken in a negative light. [*Desk thumping*]

I do not think that there is any Senator of this Senate who does not want to see Trinidad come out of the position that it finds itself in today and more so the Senators on this bench. And I do not think that anyone or any contribution made by the Independent Bench or the Opposition is meant to be negative to the Government. We are here to try and provide solutions and to try and provide the ideas that can assist in carrying Trinidad and Tobago forward and in bettering the lives of all of the citizens of Trinidad and Tobago.

But, Madam President, I am sorry that the Minister of Public Utilities is not here because whenever we have a Finance Bill it gives us an opportunity to do two things: to reflect upon what has happened before in retrospect and to look forward as to what is proposed by the Government. And when we do that, Madam President, the difficulty that we have on this side is that we have had three budget

presentations, we have spent, thus far, without considering fiscal 2017/2018, we have spent almost \$110 billion. Notwithstanding everything that the Government has said about the fact that we do not have money and the revenue has fallen, as a country we have spent \$110 billion and that is not an allegation. That is the facts, the figures are there to prove it, and the difficulty that we simply have on this side is to be able to say: well, what have we gotten for that \$110 billion? We propose to spend another \$47 billion in fiscal 2017/2018. And from where we sit we do not see that by the proposals of the Government, not only in the budget, but the proposals in the Bill that we are debating here today that at the end of the day that \$47 billion is being spread across the board for the benefit of all of Trinidad and Tobago. [*Desk thumping*] And that is the problem. That is the difficulty that we have.

So what you have, Madam President, before us today, for debate, is a Bill which seeks to implement what the Minister of Finance presented in the budget and it is presented in 10 parts. It is not a very long Bill but it has very far-reaching implications. And the concern that was raised from Sen. Mark and I would also raise that concern as well, Madam President, is that we have a concern that when the Minister of Finance presents the budget and we are now faced with a Finance Bill, the concern that we all have across the board is that we find it difficult to understand how it is that the proposals that are being debated today did not find themselves in the speech of the Minister of Finance.

And you know why that concern is raised, Madam President? It is a serious concern. Because if you have solid policy positions to take our country forward, to have proper fiscal management, it cannot be that two months ago you presented a position and when you go to implement it that your plans have changed and the two most important aspects of that is what is presented in Part X with respect to the

Central Bank amendments and Part IV with respect to the Treasury Bills.

Now, Madam President, I was shocked when the Minister of Finance—when I read this Bill and what we are debating today with respect, particularly, with respect to the Central Bank amendment. And, Madam President, you know, the Government says, the Opposition is all talk and no action. It was said by the Minister of Public Utilities. But I searched long and hard because I think the Minister in the Ministry of Finance was not here at that time.

Madam President, on the 19th of December, 2016, right here, on the 19th of December, 2016, when we were debating the Finance Bill (No. 3) in 2016, I could not find it because I was looking in 2017. I did not realize it was so far back and in 2016 December, in my contribution in the *Hansard* on the Finance Bill (No. 3) and I am not going to read out all of it; I just want to make reference to it. We warned—the Opposition warned the Government about this position with section 46. I read out section 46 and let me just read four lines of what the Opposition told the Government back in December of 2016:

And the net effect of all of that, Madam President, is simply this. It may well be that having regard to the level of the Central Bank overdraft that the Government has run up, they are now in breach of section 46 of the Central Bank Act.

We were telling the Government this back in December of 2016.

“If that is the position that is a very serious matter that ought to be addressed by the Minister of Finance and the Central Bank.”

And then, can you believe, Madam President, I apologize, but this is on the *Hansard* so I am reading it from the *Hansard*. The response of that:

“You see, it might be stupidity to you, but it is not stupidity to the country.”

And the Minister of Finance response to me, bringing that to the attention of the Minister of Finance in December 2016 by saying:

“It is nonsense.”

That is on the *Hansard*.

When we told the Government this and when Sen. Shrikissoon was making his contribution, the Leader of Government Business was nodding because the Leader of Government Business understands, I think, would understand the seriousness of pegging your ability to borrow from the Central Bank based upon estimates of revenue which might never come to pass. And the difficulty I have with that position, Madam President, is this, as a Senate we have come here and the Government has proposed amending the Central Bank Act.

Well, if we all agree that the position is, it is wrong for us to peg the ability to borrow on estimates that may never come to pass, then why are we going to continue with that position if we know it is wrong? And the difficulty with that is, that we have an opportunity now as we are amending the Central Bank Act, section 46, to prevent that from happening in the future. Because it cannot be right, Madam President, to allow a Government to come today and say we understand the position is that you do not have the cash that you need to have to cover your expenses, whether it be salaries or otherwise, the running expenses of the Government, but the difficulty that we have is this. The policy cannot simply be to get more money no matter what.

If we are here and the Government is proposing to amend the Central Bank Act to allow you to borrow 20 percent instead of 15 percent, why are we going to continue to base that on estimates of revenue that we, I think, we can all sit here and acknowledge are not going to be realized. If we acknowledge that that is a dangerous position or a position that is untenable, why are we simply basing our

fiscal policy on the fact that all we want to do is get more money? It is just going to be a very dangerous position as Sen. Shrikissoon has pointed out and therefore, I want to ask the Government to consider whether it is a proper policy or a proper proposal for us to go forward by simply amending the Central Bank Act and saying we are going to move from 15 to 20 percent and we are going to continue to base it on estimates of revenue. And from where I sit, Madam President, I do not think that is a tenable position at all.

Now, with respect to the particular provision, I do not have the time to go through all of the provisions. There is one particular provision that I want to deal with substantively and that is, the tax that is going to be put in relation to National Lotteries Control Board. It is Part VIII, with respect to amending:

“...the Miscellaneous Taxes Act to provide for the implementation of a winnings tax on all prize money to be paid at the National Lotteries Control Board that is in excess of one thousand dollars.”

But, Madam President, before I get there, would you allow me to just answer one or two things that was raised both by the Leader of Government Business and the Minister of Public Utilities? And it becomes very repetitive that every time we come here and we have to debate a Finance Bill it seems as though the Government, Trinidad and Tobago began its existence in 2010 and the Government took over in 2015. Trinidad existed before 2010. And when you look at the figures and I pulled the figures here, Madam President, the Minister of Public Utilities made an issue about how expenditure increased between 2010 and 2015. But, Madam President, between 2002 and 2008, a six-year period, nine months less than what the People's Partnership was in Government for, between 2002 and 2008 our expenditure went from \$14 billion to \$53 billion. That is \$39 billion more in a six-year period.

Hon. Senator: Almost fourfold.

Sen. G. Ramdeen: Almost fourfold in six years. So, it is all well and good to come and complain about what took place between 2010 and 2015, but what did we put aside between 2002 and 2008 and the Government always comes in every finance debate and talks about what they met in 2015. Well, Madam President, what we met in 2010, that who was responsible for that, the position we found ourselves in 2010 was you had a Central Bank that allowed an institution in this country to bring the financial system of this economy almost to a crash. That is what we found in 2010.

And today, when the Minister of Finance, the Minister in the Ministry of Finance can tell us and the Minister of Finance can tell us that the way we are going to finance the budget in 2017/2018 is by the sale of Clico assets to the tune of \$14 billion. You know how that money got there? That was prudent fiscal management of Clico that was on the brink of crashing the financial system of this economy in 2010. The letter was written on the 13th of January, 2009. And that money that is being used by the Government today was a savings that was properly managed between 2010 and 2015 that the Government is able to realize today.
[Desk thumping]

It is not fair, Madam President, for the Government to speak in one voice and say, this is our plan to go into the future, but that plan, that so called plan is based on the facts that you had the Clico assets being properly managed so that the Government could realize the fruits of that today to run the economy. And you know what the dangerous thing about that is, Madam President? Is that when we base fiscal 2017/2018 on the sale of the Clico assets, what is going to happen in 2018/2019 when the assets are gone?

9.15p.m.

We do not have assets. You cannot continue to base fiscal management on the sale of assets, [*Desk thumping*] because what you are doing is twofold. You are selling out what belongs to the future of Trinidad and Tobago, and when you continue borrowing you are mortgaging the future of Trinidad and Tobago, and that cannot be a foundation that we can expect that we can reap prosperity in the future. It just will not work.

Now, Madam President, I am sure—because the Minister of Public Utilities raised it and the Leader of Government Business, the Minister of Energy and Energy Industries, also raised it. When we are in hard economic times, the one thing that we must ensure to prevent is wastage. And I do not think any of us here, the Independents, the Opposition or the Government, can be proud about looking at the newspaper today and seeing what was happening in EFCL. We just cannot be proud of it, and we cannot allow that to happen. And that is one example of things leaking away.

You know, the Minister in the Ministry of Public Utilities said that we cannot have wastage, and wastage, and wastage. That is true. But the time that you have to prevent wastage the most is when things are bad, and if things are as bad as the Government makes it out to be, the one thing that we should be doing across the board is ensuring that every cent is spent properly.

That brings me to the Miscellaneous Taxes, which is Part VIII of this Bill. The Government proposes to put in place a winnings tax, and that forms Part VIII and it seeks to amend the Miscellaneous Taxes Act, and it seeks to amend the National Lotteries Act, and the main driving force behind this piece of legislation is the National Lotteries Control Board. Now, Madam President, the responsibility for making this mechanism work, the body of people that is going to take responsibility for implementing this piece of legislation and this particular tax, is

the National Lotteries Control Board.

And I just do not know how it is going to work because sitting from where I sit, what is taking place at the National Lotteries Control Board does not give us, or the country, or the people of Trinidad and Tobago, any confidence that we can allow this group of people to be responsible for the implementation of Part VIII of this Bill. And I hope that the concern that I am raising today is going to be a concern that the Minister in the Ministry of Finance is going to take seriously, the Leader of Government Business is going to take seriously, and the Government is going to take seriously.

Because, what is happening at the National Lotteries Control Board now—and we are lucky because, for some reason, we have been very lucky to have the National Lotteries Control Board run the winnings in this country and they have been making super profits, and the country has been benefiting from it. And everything that I say here today is to ensure that that continues and nothing goes wrong. But, Madam President, I have serious concerns about what is taking place at the National Lotteries Control Board, and let me just share with you a few examples of what is taking place there. And this is the group of people that this Act is going to give the responsibility for collecting these taxes. And I am sure that the Minister in the Ministry of Finance is going to tell us how much taxes are going to be collected and how much they are going to be responsible for.

But, Madam President, let me start. I cannot understand that the National Lotteries Control Board is preparing to come before a joint select committee of the Parliament and before me is a letter to Mr. Michael Jogie, Director, from Alana Rivas, corporate secretary, dated the 22nd of November, 2017. Madam President, let me read to you what is happening here.

At the 154th board meeting held on the 16th of November, 2017, the board of

directors approved an honorarium in the sum of \$4,000 per attorney who assisted the JSC—

Listen to this, Madam President, because with the history that Madam President has, you will understand this:

In a moot session on the 30th of October, 2017—

I am not going to call the names. I am not going to embarrass anyone. But, Madam President, to come before a joint select committee of the Parliament, for one can only expect to speak the truth about what is going on at the National Lotteries Control Board, I do not think you need a moot session and four attorneys. And when you are saying you do not have money; that is \$16,000 gone there.

But it does not stop there. You see, one can still probably argue, or get around the fact, or somebody might say it is only \$16,000, or you could have gotten one attorney to do it, or they needed the help, but Madam President, how do you explain that the National Lotteries Control Board, who I understand has a headquarters in Port of Spain, is having their board meetings at the Queen's Park Oval? I cannot understand that—

Hon. Senator: “Went tuh play cricket.”

Sen. G. Ramdeen:—when we are here and you are saying that we “doh” have money. But what makes it worse is that I have before me an invoice dated the 20th of November, 2017, from Rib House Limited for catering services for the members of the board—the National Lotteries Control Board—who are supposed to be managing this particular tax:

Six members, buffet breakfast.

But what is a little bit disturbing is that for six members they catered 30 lunches and they had snacks for 10 people, and the invoice that is signed off by a member of the board, well that is another \$7,000 gone there. You have another board

meeting on the 30th. This one is on the 20th, another \$4,000 gone there. Twenty lunches this time for six board members and snacks, Fruta, water, dessert. We cannot afford this, Madam President.

Hon. Senator: Eating plenty food.

Sen. G. Ramdeen: We cannot believe that the Government is telling us that they are in a position where they do not have money; we must get more from less and this is going on at the NLCB, the same board that has to manage this. Right?

Now, Madam President—[*Interruption*—no, this is not fiscal management. What is worse about that is this. After you have two board meetings—and we have no procurement Act—someone is paid—I am not going to call the name, but I have the invoice here, dated the 31st of October, the day after the board meeting. Somebody is paid \$2,000 by the National Lotteries Control Board to clean up after the board meeting. That is \$2,000.

Let me tell you where it gets really bad, Madam President—in times when the Government expects us to believe, and expects the country to believe that everybody must try and get more from less. On the letterhead of NLCB, dated the 13th of November, 2017, letter addressed to Mr. Anthony Harford—and, Madam President, this is against a background where people in this country—there are people in this country who “doh” know how they are going to spend Christmas. We are two weeks before Christmas. And let me read to you what the National Lotteries Control Board is doing.

With reference to your letter dated the 21st of June, 2017, the National Lotteries Control Board is pleased to sponsor the sum of \$300,000 towards the Triple Crown race, the Midsummer Classic.

How could this be right?

Hon. Senator: Say that again, 300?

Sen. G. Ramdeen: How could this be right? Well, the one thing that I can say is that the Minister of Finance understood, or it came to his attention what was going on at the National Lotteries Control Board. And I am not going to sit down and put things on one side and leave out the rest, I am giving you the whole story, Madam President. So on the 10th of November, 2017, under the letterhead of:

The Government of the Republic of Trinidad and Tobago,
Ministry of Finance,
Office of the Permanent Secretary.

To Mr. Michael Jogie, acting Director of the National Lotteries Control Board,
119 to 121 Duke Street.

Listen to this, Madam President:

Dear Mr. Jogie,
Kindly be advised that I—

This is under the hand of Vishnu Dhanpaul, the permanent secretary:

Kindly be advised that I have been instructed by the Minister of Finance, the hon. Colm Imbert, to inform the board and management of the National Lotteries Control Board that no approval—

Listen to this, Madam President:

No approval has been granted for the expenditure of \$3 million to be used for the NLCB's 50th Anniversary.

Three million dollars in 2017 for the NLCB anniversary.

Hon. Senator: Wow, \$3 million.

Sen. G. Ramdeen: And the Minister of Finance intervenes and says, no, no approval. So let us give kudos to the Minister of Finance. But at the end of the day, how in God's name could we sit down here and see this is going on—this is real,

this is not fake, this is real—going on at the National Lotteries Control Board?

On the 7th of January, 2017, under the hand of the marketing and public relations officer, National Lotteries Control Board:

With reference to your correspondence—

I am not calling the name:

With reference to your correspondence dated the 24th of October, 2016, the National Lotteries Control Board is pleased to sponsor the sum of \$57,900 towards offsetting expenses for sponsorship and the purchase of 20 VIP tickets for Insomnia 2017.

Hon. Senator: Feting boy.

Sen. G. Ramdeen: Fifty-seven thousand, nine hundred dollars for 20 VIP tickets at Insomnia. Madam President, it does not get any better, it only gets worse. I have a letter here—I am not going to call the names—written to the National Lotteries Control Board, sponsorship and squandermania issues at NLCB. TTFA was given \$8 million in sponsorship for children's 2016 Christmas party, two cheques, \$20,000 each:

A children's party hosted by the NLCB was in excess of \$250,000.

Hon. Senator: "Dah is not for chirren."

Sen. G. Ramdeen: And hear the best part, Madam President.

And another package for friends and family of the NLCB to attend the Caribbean Premier League (CPL) T-20 cricket matches. The sum that was spent, the same board that is going to administer this tax, \$687,000.

Hon. Senator: "Nah man." What?

Sen. G. Ramdeen: Six hundred and eighty-seven thousand dollars. Leader of Government Business, through you, Madam President, we cannot allow this to go on. NLCB spent almost \$100,000 for vouchers from Massy for employees. Ten

members of staff received \$108,000 in awards. Well, we heard about the \$40,000 that was spent on the Johnny Walker Black gifts already; \$106,000 for decorations for awards function, and \$60,000 for a sound system. The entire bill for the award ceremony was in excess of \$800,000.

Madam President, I want to bring to the attention of the Minister in the Ministry of Finance, and I want to bring to the attention of the Government of Trinidad and Tobago, through you, Madam President, to the Leader of the Government Business: On the 29th of November, 2017, National Lotteries Control Board paid an invoice to—“ah doh know what is Engine 77 Limited; ah not calling any name”:

Engine 77 Limited, 24 eat and drinks, jazz music, \$14,000.

Fete with the Saints, 40 tickets, \$33,000.

And then you have a situation where the Rotary Club of Port of Spain runs a free bus service to transport disabled people, in particular wheelchair users to and from school, work and on request. They operate mainly in north. And the Rotary Club of Port of Spain is asking the National Lotteries Control Board:

This is still on the bus. In the past the NLCB has assisted in the running of the bus by giving us a monthly contribution for advertising space on the bus.

The ad is still on the bus but we have not received any money from the NLCB for approximately two years.

Hon. Senator: Shame.

Sen. G. Ramdeen: But you see, Madam President, the reason why I am raising this is, you know why? It is because as a country we cannot afford this and we are proposing legislation to give the same people under whom this is going on, at the NLCB, the power to collect hundreds of millions of dollars in taxes. And one has to wonder whether that is a right decision to do with the persons who are there, to

give them responsibility for the taxpayers' money that belongs to the people of Trinidad and Tobago after they are collected from the lottery winnings.

But let me just bring to the attention of the Government again, a matter that I find quite curious, and it relates to a particular contract that was given by the National Lotteries Control Board to a particular company. And I cannot help but—I have to call the name of the company. The name of the company is Brian G. Woods and Associates. Let me tell you what was going on with respect to Mr. Brian G. Woods and Associates. This company called Brian G. Woods and Associates—and I have the company documents here—applied to the Companies Registry for a name approval on the 6th of September, 2016—for the name approval on the 6th. They got the name approval on the 6th. They got it on the 8th. But you know what is strange about it, Madam President?—is that on the 8th, they got the name approval, but on the said 8th, the day they got the name approval, they are making a proposal to the National Lotteries Control Board. Two days after they got the name approval this company was so good it was making a proposal to provide services to the National Lotteries Control Board at the sum of \$800 an hour—\$51,200 per month.

So the ending of that story is that the contract for \$51,000 a month was given to the company that made the proposal two days after it got the name approval, the same day it was registered. In four months' time that company was getting a contract from the NLCB for over \$600,000 a year.

Hon. Senator: What services?

Sen. G. Ramdeen: Services? Sure, no problem. Let me tell you what the services are:

To provide the Board of Directors with ongoing advice and consultation on optimizing of National Lotteries Control Board performance and operations.

Assist in the design and implementation of new reporting arrangements—reporting arrangements, you know—within the National Lotteries Control Board and between the National Lotteries Control Board and IGT.

Assist in the implementation of projects listed in Item A of your letter and the development of strategic business plans for online gaming, marketing and information technology departments.

Coach the members of the management team in repositioning the operational relationship with IGT.

Hon. Senator: But where did he come from?

Sen. G. Ramdeen: There are matters that are of serious concern to us, and they are being brought fairly, as I did. I put in the letter. I read the letter that the Minister of Finance stopped the \$3 million party that was going to take place. But these are the other things, among others, that are taking place at the National Lotteries Control Board. And why that is important, Madam President, because the responsibility of the NLCB, under this particular piece of legislation that has been brought today—

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

Sen. G. Ramdeen: I am obliged, Madam President—is one that is very, very critical to the working of this proposal by the Government, if we take it from the Government that at the end of the day this is going to assist.

But with respect to this particular provision, there is an article that was jointly written by Debra Wanser and Rhondor Dowlat of the *Trinidad Guardian*, dated Sunday, December 10, 2017, and I would like, in the five minutes that I have, to quickly just run through this article and what was said here. Because what was said here is a little bit—it raises some serious concerns to anyone who is asked to support this legislation. And it is this:

“In a letter dated October 19 addressed to”—Minister Imbert. It says

“Imbert”—“titled ‘Tax on Game Winnings-National Lotteries Control Board...’ the NLCB chairman, Marvin Johncilla, responded”—I do not want to use the first name alone, Minister—“Imbert's request for additional information with respect to the implications of the proposed ten percent tax on winnings at the NLCB.

The proposed ten percent tax on winnings for National Lottery games was listed in the Budget 2018 to take effect this month.”

This is an article dated the 10th of December, 2017:

“However,”—Minister—“Imbert, in the Parliament on Friday, announced that it will instead be implemented early next year and will only apply to winnings over \$1,000.”

And what I have a serious concern with, Madam President, is what Mr. Johncilla says about the implementation of this tax, and I can run through it very quickly. In his letter to the Minister, Mr. Johncilla:

“...reiterated that ‘any tax on all winnings should be implemented very carefully’.

‘The Ministry of Finance’s expected net return of \$370 million will be reduced by an estimated \$163 million (equivalent to 44 percent) to \$207 million,’ Johncilla said.”

“‘Players will be driven to frequent the illegal gaming establishments, which we assessed as commanding four percent (\$744 million) share of the \$19 billion gaming market’.”

And it goes on and on about the concerns that Mr. Johncilla had about the implementation of this particular measure and whether it would be successful or not. And it raises a concern because this is someone who is in charge of the NLCB, and it raises the concern about the consultation that would have taken place before

bringing this measure to the Parliament and wondering whether what is brought here is the best way forward with respect to the NLCB.

From where we sit, we are in difficult times as a country and we have to have a plan that can get us out of where we are. It will be the PNM today; it will be the UNC tomorrow. At the end of the day, whatever plan is developed for our country it must be a plan where the people of Trinidad and Tobago are the priority. [*Desk thumping*] The difficulty that we have as a country is that while the Government tells us they have reduced expenditure, at the end of the day, the \$47 billion is not trickling down to the people who it matters most to, and at the end of the day that is what matters most to us.

We can reduce expenditure but at the end of the day whatever measures you put in place, those measures must reach the ordinary Trinidadian and Tobagonian. [*Desk thumping*] We cannot continue spending \$40 billion plus for the year and at the end of the day we cannot have proper health care, we cannot guarantee a proper education to our children and the social sector is falling apart. And while the Government might say we cannot do what we did between 2010 and 2015, for sure we can do better than what the people of Trinidad and Tobago are getting today. [*Desk thumping*]

So I call upon the Government, Madam President, to act in the best interest of the people of Trinidad and Tobago and to ensure that whatever is the revenue and whatever the expenditure, at the end of the day, the majority of the people of Trinidad and Tobago can benefit from whatever Trinidad and Tobago produces.

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

Madam President: Sen. Small.

Sen. David Small: Thank you very much, Madam President, for giving me the opportunity to join in this debate.

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

I am here to contribute to this debate on:

“An Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”

Mr Vice-President, if you would permit me, as I begin my—I want to begin by setting the scene again, setting the frame for where we are. The Government’s fiscal revenue situation is constrained. I think everybody understands that. But I think we need to understand the data. I think the hon. Minister of Energy and Energy Industries spoke to some of this earlier. But I want to put on the record that for the period 1990 to 1999, the average price with West Texas Intermediate was \$19.72—one nine. For the period 2000 to 2009, the average price with West Texas Intermediate was \$51. The period 2010 to 2016 it was almost \$80.

Where we are today, WTI closed just about close to \$58 today. It represents a bit of a recovery. But from where it used to be and where the current forecast point, where prices are going to be middling, probably in the \$60 to \$65 region, at best, going forward for the medium term, if you are planning to run a system based on revenues from those products, then you have to apply a different lens.

It is interesting, too, Madam—forgive me, Mr. Vice-President. Pardon my not paying attention. When you look at the history of LNG prices in particular, when you look at the period 2010 to 2015 for the prices for LNG into Japan, in 2010 it was \$14 MMBtu; 2011, \$16; 2015, \$15.96, the average price, 2015, \$16. Right now it is down to \$6, close to \$7. And then if you look at the European prices for LNG, similarly: \$10, \$11, \$12, \$13 in that period. But before that the average prices was \$4 to \$5, \$5 to \$6. We are back there. There was a period of historical, never seen before and may never happen again, depending on how the market goes—high prices—when we should have been able to do things with our

economy to prepare us and to help us manage this situation better, and it did not happen.

And I want to be clear. My colleague here, Sen. Shrikissoon, wrote the script on it. And we need a set of things to happen in our economy. There is a mantra in Trinidad and Tobago about permanent employment. I recall as a younger chap, every day the dream of every person was to get a government job because that is permanent employment. You are employed for life. You know, the Government—some people still feel that the Government owes them a living. Businesses feel that they are supposed to have guaranteed profits without any real innovation, and it is the Government *ad infinitum*.

The Government cannot do it all. All right? Make no mistake, Mr. Vice-President, the situation the country is in now is as a direct result of state policy over decades. And I agree with my colleague, Sen. Shrikissoon, on that, and I want to quote something that helps me bring this sharply into focus. It is a quote by Warren Buffett. He says:

“...only when the tide goes out”—do you discover—“who has been swimming naked.”

We have been swimming naked, except we did not know we were swimming—nobody knew we were swimming naked. But now that the water has gone out and we are all exposed, we realize how naked we really are; how naked this economy is. And I understand fear. From my perspective, the measures outlined here and the measures that, given the current situation, the debt profile of the country and the need to try to maintain a certain level of services going forward, these things are amongst the few options remaining available for the Government. That is my perspective.

But let me be clear. If we have to trace the history of what has happened in

Trinidad and Tobago economically, Mr. Vice-President, one of the single most heinous acts ever inflicted upon this economy is that adjustment to the fiscal regime. Mr. Vice-President, I ran the numbers. If we had remained with the fiscal regime that we had before—we did not make any changes—government revenue from the oil sector would have been raised at \$6 billion to \$8 billion a year.

What could we have done with that—

Sen. Khan: You mean petroleum fiscal regime.

Sen. D. Small: Petroleum fiscal regime, forgive me—petroleum fiscal regime. If no changes were made we would still—if we had an extra \$8 billion per year in revenue, the challenges we are dealing with now they would still be here, but they might have been easier to manage. One of the single biggest causes of—it is not the only factor, but when you start to look at all the factors in the universe, that single one has a huge effect. Now, I would be the first to admit, the petroleum fiscal regime changes encourage investment. There is no question about that.

No question in my mind and that can be argued. But while we look at the positive effect we have to accept that there is a negative effect and the negative effect has moved petroleum fiscal revenues from over \$20 billion to an insignificant amount right now, and it is forecast to be that way for a little while because of the carried forward nature of some of the provisions. Those things—let me leave that, Mr. Vice-President, because I do not—

9.45 p.m.

So, Mr. Vice-President, Trinidad and Tobago has suffered a triple whammy, an energy revenue collapse, commodity price collapse, domestic production challenges. That is a triple whammy and it is an unprecedented situation we find ourselves in. So I have a couple of questions about some of the measures in here, but holistically when I look at it and I look at the range of options, the options are

limited.

The hon. Minister in the Ministry of Finance, in her presentation, noted that the Government is—although they announced the royalty change, the 12 percent royalty on the upstream as part of the budget process, it is going to be coming back sometime early in the New Year, I think, as part of a package. So they are looking at the thing holistically in terms of the whole petroleum fiscal system, but I want to share with them—because one of the few people I keep in touch with, I want to quote from a document from one of the biggest energy consultant firms in the world, Wood Mackenzie, and they have said that the new royalty rate for Trinidad and Tobago, they estimate that this would transfer nearly US \$600 million to the State from the E&P operations only, over the remaining life of these assets.

I have been in Wood Mackenzie's data room and they are very rigorous. They estimate that the Government will get close to US \$600 million, and it will increase the Government take. That 12.5 percent royalty rate will increase the Government take from the E&P operations from 51 percent to 59 percent. If Wood Mackenzie says it and I have been in their data room, I place a high, high level of reliability on these numbers. So for me, the Minister of Finance presented it, I did my own work, and then it is verified by an international recognized authority, good for me, so I support it. I support it and as I say, Mr. Vice-President, when I support things I do not support on the basis of liking it. Show me the data and I have seen the data.

Mr. Vice-President, one of the first measures in the Bill is the issue dealing with the Private Hospitals Act and I support that measure, but I want to draw the hon. Minister in the Ministry of Finance attention to the fact that those private hospitals and private clinics are a source of massive tax leakage. Having had cause to visit clinics in several of those venues myself, and you go to some of those

clinics that they run in the evenings and in the daytimes, there is a nice sign that says in eight letters, “Cash only”. So they pay the fee, but you go to a clinic there, every clinic is cash only. They do not have a LINX machine, cash only. I am saying we understand that there are leakages, but when you have a huge building with all sorts of offices in there and the sign says “Cash only”, it should be easy for a BIR person to walk in there and say, “Well, here is what is going on, I am shutting you down until you can produce your tax documents”. Why can that not happen? I may not be liked for it, but this is where you have a huge source of leakage because the clinics are packed, packed. Five hundred, 600 to see the specialists, just to walk in the door, but cash only, and these are the types of things—there will always be low-hanging fruit. These are some low-hanging fruits that the Government can treat with to deal with the revenue shortage that we have.

Mr. Vice-President, I listened intently also to the contribution of the hon. Minister of Public Utilities and he mentioned some challenges regarding the operations of WASA and SWMCOL, and we all understand the challenges with WASA. WASA has no problem with water production. WASA produces more than enough water for Trinidad and Tobago. The problem with WASA is distribution, and the problem with the distribution network is that it is old and it needs repairing, it needs replacing. The entity is cash strapped and one of the options available for the Government is to look and say, “Listen, in the same way as several years ago we unbundled electricity transmission and distribution, unbundle it”. You say, “Listen, T&TEC will take care of distribution, PowerGen will be in charge of power generation”. There is an option. Unbundle water production and water distribution. Have water production be dealt with—and that part is actually the easier part of the operation to manage—and you can have that and bring in a private sector financier to run that part and separate that from the

distribution. There are things that we can do that are not rocket science, to try to see how we can make these entities more efficient.

I am very much in recommendation mode tonight, Mr. Vice-President, because I do not want to waste people's time. Lots have been said about measures in the Bill and I am not going to spend a lot of time, but I want to make my points. Mr. Vice-President, in the Bill where they spoke to the issues about corporation tax and increase on the banks, the daily banditry, robbery of citizens of this country, if there is going to be changes to the Corporation Tax Act and to the Central Bank Act, I fully support the recommendation of Sen. Mahabir. We have to put some controls on these banking institutions. The last time I looked at the numbers, the last set of numbers that I had for fees and charges based on the Central Bank documents, the last time it was about 2014, it was about \$1.2 billion the commercial banking sector was generating in fees and charges. Guys, that is not on, that is not on, and then what you find as a customer of a bank, quality and service delivery is going in the opposite direction but you are being overcharged, you are charged for everything. I have nothing against institutions that are providing services and understand that they have a cost to those services, but every other major jurisdiction in the world there is control on the fees.

The Ofgem in the UK, they could tell the banks the exact amount of money they can generate per year in fees. They get a schedule from the regulator telling you, you cannot generate more than X amount in fees. In the US—one of my biggest pet peeves is the credit card rates in this country. Why is it a credit card rate for 25, 26, 27 percent, when the same banks here in their home country, the credit card rate is 12 percent? What is so special about Trinidad and Tobago that we must pay twice the credit card interest rates as their home operation? Something is wrong with that, and if there is going to be an amendment to the

Central Bank Act, that is the amendment to deal with that. Go in there and say, “Guys, you had your fun, but here is what. The citizens of this country are feeling pain.” They are making millions and billions off the sweat of the masses of this country and we get nothing for our money. We get nothing and I will continue to beat this as I go along. Somebody at some time should say, “Listen, we are going to take some action to protect every citizen of this country from the daily banditry and robbery that is going on with these commercial banks”. It is unbelievable.

Mr. Vice-President, I have a couple more things before I close off. I want to put some facts on the record. The hon. Minister of Energy and Energy Industries in his contribution spoke to where Trinidad and Tobago is as a producer of electricity generation totally by gas, and in my time when I was in that portfolio I would have been all around the world also blowing that horn. I used to always put the slide up and show where Trinidad and Tobago was, or show where coal generation. People do not understand that coal generation is still in many of the leading economies in the world. The US, the UK, Canada, coal is still king, and why? Coal is cheap, but coal is also the baseline. It is the baseload production.

If you have ever been, Mr. Vice-President, to a coal-fired generation plant, you cannot turn a coal-fired plant down, and the engineers in the room will back me up. That has one go, on or off. It is not like a gas-fired plant where you can throttle the valve and turn it up and down. Once a coal plant is going, it is going. It is either it is on or it is off. So what utilities do in the real world, they keep the coal plants running flat out.

And then the other issue is that coal, because a lot of those plants have been there for ever, the environmental regulations do not apply to them because they have been grandfathered. So they were there before the environmental regulations. And if you have been to a coal-fired generation plant, Mr. Vice-President, as I have

been, and you see that they take these coals from these huge stock piles, put it on a conveyor, put it through the crushing machine that pulverizes the coal rocks into the consistency of talcum powder, blows it into a furnace, and that furnace, the heat generated from that fire turns water into steam and the steam drives the generators, and then the muck comes out of the stock. It is an absolutely dirty, nasty operation. I have been to a couple of them in Oklahoma, I have been to one in the UK, and when you go to the plants you have to wear a dust mask. I mean, it is just horrendous. Horrendous to the atmosphere and the environment.

We are blessed in Trinidad and Tobago. We do not have to deal with that, but these types of experiences have shaped my views on many things, Mr. Vice-President. Perhaps because I have had the experience of seeing it and understanding how nasty and dirty it is. That brings me to the other issue, Trinidad and Tobago and CO₂ emissions. I have been personally when I was in a profession in another place, I have gone to international forum and argued that Trinidad and Tobago's position, No. 3 and No. 4 in the world CO₂ per capita is a nonsense. It is a relevant statistic. I argued that to the end. Why? Because Trinidad and Tobago on a volume basis is one-tenth of 1 percent of the world production of CO₂.

Hon. Senator: .001.

Sen. D. Small: One-tenth of 1 percent. I have from the World Bank data stat as of 2015, one-tenth of 1 percent of total CO₂ production. Trinidad and Tobago is an insignificant contributor. I made that point in several forums internationally and I argued about this per capita. I do not want to hear about it because where we are, it is not that we do not care, but do not try to force things down our throat because of that. We are a developing country and we need to be able to get our ducks in a row in order to develop in a particular way. So forgive me for digressing, Mr. Vice-President. I just wanted put some data on the record. I appreciate that.

I have one or two more points before I close. Mr. Vice-President, I think that the measures outlined— I had a question about the tyre tax. In theory and the way the measure is outlined, I am not sure how it is supposed to work. So I see the collecting authority collects it, but after the dealer pays the authority for the environmental distribution, is there anything that stops them from just dumping the tyres? Is there a penalty if they are caught just dumping the tyres without sending it to the recycling centre? I do not know, because we live in Trinidad and Tobago and we have to understand the reality of how things work in Trinidad and Tobago. They might just pass on the \$20.00 to Sen. Mahabir when he goes to change his tyres every five years, and then when they get the used tyres they just take it and they dump it as they normally dump it. Is there anything to stop them from doing that? Is there a penalty? Because if we do not put that in place—I am seeing that it is a good measure and it will generate some revenue for the country, but whether or not it will have the desired effect of getting all the tyres that have been used and getting guarantee that they will get to the recycling centre, or the shredding centre, or whatever, I am not sure if that is going to happen unless you put some kind of penalty or structure that if you do not do it, or we have some measures to check how many tyres go through your enterprise and that it should end up at the shredding centre, I am not sure of the mechanics. I support it, the measure, but I am just concerned about the mechanics, about how it could work.

I am almost done, Mr. Vice-President. I want to quote from the usual suspects and a movie I particularly like, and one of the characters says “The greatest trick the Devil ever pulled was convincing the world he didn’t exist”, and I want to reference that to corruption. Corruption does not exist in Trinidad and Tobago. Why? Because nobody ever made a jail. Raj Rajaratnam is serving 11 years for insider trading; Allan Stanford is serving 110 years at a US penitentiary

in Florida for running a Ponzi scheme; the people who sat in charge of Clico, according to somebody, you are seeing them sitting down in Facebook having fun in Florida, nobody could lock them up. What is that about? I was part of this Parliament when a Bill was brought to protect the depositors of Hindu Credit Union, State had a bail out. A man was paying himself a million dollars a month, no penalties. When is it going to end? FCB IPO, where are the people who were found—I tried to get 1,000 shares and they said, “You, you not good enough to get ah 1,000. You could only get 500.” When are we going to treat with these things? And I say that deliberately.

I have one or two recommendations I want to put to the Government because while I take the point about revenue raising, I want to focus on efficiency in the use of the available resources. We have a challenge with our state enterprise sector and I want to put on the table some recommendations that we could try to see how we could fix that—short-term fix. Mr. Vice-President, I believe that one of the key things now to fix the state enterprise sector is that we need to hive off what exists as the Investments Division into a separate unit by itself. Separate it from all of the other systems within the Ministry of Finance. That is one. Two, you need to set up—one of the cries we often have is that the pool of people who would be interested in serving, I think, in my respectful position, that if you set up an independent investments division and ask to set up a register of persons who are interested in servicing on state boards, you might be surprised at how many people would really be interested in serving in an independent capacity. Three, I think that obviously in moving the investments division you need to increase the staff complement for it to be able to do its job. As it is now, it is doing work post facto. State enterprises send reports, three months after and then they look at it. It could never work.

Most importantly, Mr. Vice-President, every person who wants to serve as a director on a state board, AML and CFT training should be mandatory. Anti-money laundering and CFT, you should be cognizant of what is money laundering, and pass the online exam or whatever and refresh it every year. And one other thing, if we are doing that we need to increase the pay for directors. Five thousand dollars a month before tax to be a director on a state board, an A-rated company, is a pittance, and if we are having challenges with governance and wondering what is happening to state resources when it is under the control of people, one of those challenges is that people earning 3,000-something or whatever after tax, that is part of the problem and we need to address that.

Mr. Vice-President, as I begin to wind up—I had no plans to speak my whole time—I just wanted to raise a couple of points. I have one other point, missed opportunity. So we are trying here now to plug gas with all of these various measures—plug gas. Try to find ways in which we could try to see how in the Government's operating and trying to keep the economy on an even a keel as possible with the constrained revenue situation we have, these measures are things that the Government has come—this is their current cocktail of measures to try to see if we could keep the ship a sail floating, and I think that while I have probably one or two issues with some of them, these things have my support because the options are limited. We do not have—

You know there is a fable about killing the goose that lay the golden egg. Mr. Vice-President, several years ago there was something called an aluminium smelter project, and that would have been one of the biggest economic turners in this country now if it had been allowed to be completed. [*Desk thumping*]

Mr. Vice-President, I could speak to that definitively. I was part of the team supporting the development of that project in my other place and I saw the

economics, and all of the issues around environmental, I listened to them, I am not going to argue the legal points. All I could say for sure, is that I know the really damaging part of aluminium smelting. I have walked down the pot line of an aluminium smelter facility and in another place, and it is a clean operation. The really dangerous part is the spent pot lining and that was supposed to be exported overseas, and the other dirty part of aluminium smelting is if you have to process the alumina and you end up with something called red mud. We were importing a refined alumina. It was a clean project, and for whatever the good reasons were, that project went out the window. I worked on that from the beginning to when it stopped and I saw the value, and then the State was a 60 percent shareholder. So the value being generated from that would have come to us. Instead, missed opportunities.

Mr. Vice-President, these are the things I wish to talk about because I think that where we are as a country, we cannot afford to have missed opportunities again. I am happy about the royalty changes. Wood Mackenzie has said that that is a good thing to do and it will bring significant additional revenue to the Government, I support it. The measures that the Government has outlined to try to make sure that the economy does not go off the rails, I am hopeful that they are successful and they have my support because here is what, Mr. Vice-President. My navel string is actually buried in Rose Hill. I was born in Rose Hill. Not many people in this room would know where that is. So I am a humble fella. I am a regular citizen of Trinidad and Tobago and I try to tell people every day, what you see here is a high maintenance activity, but I came from nothing. I took every opportunity given to me. I came from nothing and I worked and I am still working. It is 10.04 p.m. and I am still working because I have a vested interest in seeing Trinidad and Tobago be successful. I have two young children and I want them to

be able to enjoy Trinidad and Tobago in the way in which I have enjoyed Trinidad and Tobago.

We have issues with how we manage waste. I just do not get—several speakers have spoken about how we treat with waste and waste management, and the beverage containers, we just do not seem to get it. We transfer those same persons to another locale and they fall in line. A good adage, Mr. Vice-President, in another part of this room, in this building, some officials of a state airline said, listen, the way in which the passengers treat the equipment on the aircraft and the seats, when they transport those same passengers and put them on another carrier, no feet are on the seats, nobody is tearing the back of the seat. Why? Because they will be in problems and we have to take care of our own. We have to want to make the best of our own. This is ours. This is our place and we have to take interest and pride in what we have in Trinidad and Tobago and see what we could do to make it better. Rather than look for recriminations and trying to make blame, let us try to see if we could make better.

[MADAM PRESIDENT *in the chair*]

That is what I am seeking here, Mr. Vice-President—Madam President, pardon me.

Madam President, with those few words, you have come at the end of my wind up and it is always a pleasure to be in your presence. I want to thank you for giving me the opportunity to speak. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): [*Desk thumping*] Thank you, Madam President. As I rise to wind up the debate, I would like to thank the Members of both Benches for contributing to the discussion, and I am going to seek to respond to as many of the questions and issues as I can. So I will begin with Sen. Mark who raised the issue of why the Government needs to

increase their borrowing limits, and again we go back. Why do we have to actually borrow? If we had the 11 billion interest free dollars that was lent to CL Financial under the previous Government, we may not have had to raise the borrowing limit. If we had any portion of the \$16 billion or \$12 billion—as they keep correcting us—that was taken from NGC during their tenure, we may not have had to increase the borrowing limit. If they had not run-up the borrowings from the Central Bank when they were in office, we may not have had to increase the borrowing limit. If they had not alienated the Green Fund by using it as collateral for loans that they took, we might not have had to increase the borrowing limit. If we did not have to settle a loan with an unusual clause that gave the lender a call option when our rating dropped, we may not have had to increase the borrowing limit.

So, Madam President, there are reasons why we have sought to explain to this House why we are in the place that we are. It is not something that we want to do. We are very reluctant, but we are forced to do it. I am happy that at least the Senators on the Independent Bench understand that we are where we are. We are seeking to reduce expenditure and we have started to do that. We have measures in place to increase revenue, but while we get from where we are to where we hope to get to in the not-too-distant future, we have expenses to settle. And as a result of that, the measure that will allow us to meet that cash gap while we generate the cash flows for 2018 is a necessary measure, and this is why it is in the Finance Bill.

Sen. Mark again—a couple of contributions by a couple of the Members led me to conclude, Madam President, that there was a misconception about the tyre tax. There is already a \$20 tax on new tyres. What we are doing is introducing a tax on used tyres, and the exception to that will be tyres in respect of agricultural vehicles and so on. So it is not that we are excusing the new and taxing the old. It is that we have already taxed the new, and this is why the amendment only

addressed the taxation on used tyres. So I just wanted to clear up that misconception.

A few of the Senators quite understandably raised the issue of what we will do with the money that is generated from this tax and suggested that we put it in a separate fund. Now, that was tried in the past. We thought we had set up a foolproof mechanism when we set up the Green Fund and said this fund can only be used for environmental purposes. It is in the legislation. We thought it was covered, and what happened? Borrowings against that Green Fund, we cannot touch it. It is in effect lost to the people of Trinidad and Tobago for an indefinite period. So that is not a foolproof measure. So what we are doing instead is, having introduced this tax, we are putting measures in place to ensure that one, the penalties that exist for illegal dumping of garbage is enforced on the one hand, and that we engage the services of somebody which we will do through the normal RFP route to collect and deal with the tyres. So that is what we are doing because we have come to the conclusion that merely setting up a fund does not address the issue. So we want to ensure that we put measures in place to convert the money that is collected into a proper system to address the disposal of tyres, and that is the plan that we have.

Sen. Mahabir asked how many prosecutions occurred under the hospitals Act and to date the approach has not been to prosecute. Investigations are done to ensure that the private hospitals are complying. When they are not complying, they are provided with advice and assistance to get them there, but we are getting to the stage where we have to do more than that. So one, it is hoped that a higher charge will act as a deterrent, and where it does not act as a deterrent there is a better basis for going after the people who are not complying because they find it significant and it will be felt and it would have an impact. So that is where we are in terms of

the private hospitals fine adjustment.

I was happy that my colleague, the Minister of Energy and Energy Industries dealt with the issue of the filling stations, and the Minister of Public Utilities dealt with other measures in respect of how we are dealing with other items of waste. As I had indicated, you said we only focused on tyres, and I focus on tyres because we were bringing a tyre measure, but we do have the statistics on everything that was collected in respect of all trash, including abandoned cars and those kinds of things. So we do have the statistics on that, but I am assuming that my colleague, the Minister of Rural Development and Local Government will come at some point and disclose that information and what we propose to do.

Sen. Mahabir, again you raised the issue of the policy of the Government with respect to VAT, that it seems to be inconsistent and again, perhaps based on a slight misconception of what we are doing in this piece of legislation. The Government is committed to as broad-based a VAT system as possible which is why we did a reversal on what was done under the previous regime. We re-broadened the base and reverted, or sought to revert to the point where relief only applied on basic items because that is the philosophy of the Government.

What this bit of legislation is doing is not granting relief. The relief is already there in the legislation pre-existing. What we are seeking to do is to reduce the abuse that has taken place in respect of the relief that is granted; to limit the relief to small vehicles because we do not think that the relief needs to be given in respect of luxury vehicles. If you can afford a luxury vehicle you could afford to contribute to the country's tax regime. And on that issue, Sen. Hosein made heavy weather of the PP Government's concern with regard to the environment. So let us look at the record of that Government when they were in office.

10.15 p.m.

In 2011, they brought 43 Bills to the House, none of them on the environment; in 2012, 27, none on the environment; in 2013, 26, one on the environment, the Beverage Containers Bill which lapsed and was never brought back. In 2014, they brought 13 Bills, none on the environment; in 2015, they brought one, the Waste Recycling Bill which also lapsed. So in 63 months in office with this huge concern in the environment and after 154 Bills, you did nothing in respect to the environment. [*Desk thumping and crosstalk*] So let us curb the hypocrisy. [*Crosstalk and laughter*]

There was a concern raised again about the Government agencies continuing to collect money in the form of cash and as the Minister of Works would have said in the not-to- distant past, measures are being put in place to address this starting with the Licensing Authority. By the end of the year, he promised there will be ATM machines and they will facilitate and as we move forward, we will spread and improve that measure because we are committed to ensuring that electronic payments can be made to reduce the risk of fraud and theft and that kind of thing. We are committed to doing that.

Sen. Dr. Mahabir: Would the Minister give way?

Sen. The Hon. A. West: Sure.

Sen. Dr. Mahabir: Thank you very much, Minister. I did ask a question with respect to the estimated revenue foregone on account of the tax concessions you are giving the automobile sector and I would like to know whether the Ministry of Finance did the necessary calculations on an annual basis or up to the year 2020. Really would like to know how much revenue the Government is sacrificing on account of the measures: VAT. All the taxes that you are giving, you must have quantified it. Thank you very much.

Sen. The Hon. A. West: Sorry that I forgot to mention that but as I indicated, this

Bill is not giving relief in respect to motor vehicles. It is plugging a hole in respect of relief that already exists. So while you would have done a quantification, and while I am sure the information is available, I did not bring that information because we were not providing relief in this legislation. So I can provide that for you but I do not have it with me, I apologize for that.

I appreciate the concerns raised by both Sen. Mahabir and Sen. Small regarding the banks' likelihood of seeking to pass on the increase in the taxes that they will suffer on the passage of this Bill from 30 to 35 percent on their profits, and as I would have indicated during the debate on the budget, the Minister of Finance and the rest of the Government is aware of this concern, is also concerned and we are monitoring that position to determine if and when we should take action. Now, the Government is reluctant to engage in doing anything that seems to be restricting private sector activity but we understand when things get to a position where they are untenable, that we need to act. So as I said, we are looking at it, we will take a determination in due course as to whether and when we take action and what action we take, but we take note of your continued concern in this area.

Sen. Mahabir had raised the issue of credit unions and the Government encouraging credit unions to get involved to relieve some of the pressures brought about by the bank charges and so on. Sen. Mahabir, I very recently made a presentation to an umbrella organization of the credit union movement and I implored them to seek to step into that space left that is created by the banks' actions because I, too, think that they can make a significant contribution. [*Crosstalk and laughter*] Yes, we are ad idem on that and I will continue to explore that option because I do think that there is a space for the small man, as we keep calling him, that can very easily be filled by the credit unions if they get together,

and I think that is an issue that they have. If they get together and work together to get themselves to the position where they can broaden the contribution that they make to the economy. So we will continue to look at that, Sen. Mahabir.

You mentioned that we should consider imposing a tax on the takings of the NLCB rather than just the winnings, but the reason why we go after the winnings, especially in the context of NLCB is that all profits of the NLCB are due to the Government in any event so there is no need to tax the profits. The tax on the winnings impacts not the NLCB but the person who wins and so that is the person on whom we are imposing the tax. The NLCB is merely acting as a collector of the revenue on behalf of the Government.

And since I am on that point, let me address the comments made by Sen. Ramdeen in respect of the NLCB. The Minister of Finance did, during a recent debate in the House, become aware of the fact that there were things happening at NLCB that were not tenable to this Government and as you said, he acted appropriately. But, Sen. Ramdeen, what you did not mention, Madam President, was the performance of the NLCB under the tenure of the last Government. You did not talk about \$2 million that they spent on the Soca Monarch prize; you did not talk about the real estate sponsorship in 2013; you did not talk about the smart speed foundation of \$25,000 a month which in respect of activity by people connected to NLCB officials. You did not talk about the contract for the drawing of Play Whe and Lotto which was tied to a Partnership Ministry Government. You did not talk about the action that is being investigated in respect of people who were engaged by the NLCB under your tenure, and there is no indication that anything was done by that Government in respect of any of these things. But this Government, this responsible Government [*Desk thumping*] found out what was happening in NLCB and immediately took action. We brought to the board of

NLCB and said this is what we understand is occurring, please confirm or deny. We got the response and we are taking action to deal with it. So our approach is completely different. We are determined to weed out wastage where it exists. The Ministry of Finance is not having a Christmas party because we recognize that we have to lead by example. We are communicating that message to the state agencies because everybody during this difficult time has to become responsible and we are taking measures to ensure that they follow that. So that is the action that we are taking. [*Crosstalk*] That is correct, everybody bring a dish. Back to the good old days.

Sen. Obika asked when the energy sector taxes were coming. Sen. Obika, I had explained to you that we have not abandoned the measure for the royalty, we are determined to bring that in and we will bring that, I would assume, in January so that it takes effect from 2018, 1st January so that we get our first payment of royalties at the end of March. That is the intention. But we did not want to bring that in a vacuum, we wanted to bring it in the context of the overall review of the petroleum sector taxes because while the energy companies accepted, during our discussions with them, that they understood the need for this royalty, they wanted to see how it impacted on the overall position. So we are coming with the overall position. We have not abandoned the measure. We have never said it is a panacea and it is a cure all, but we do recognize that it is an important measure and we are bringing it and it will be before this House shortly.

You expressed concern, Sen. Obika, that the increase in taxes on banks and other companies will create a bigger underground economy. The evidence before me does not suggest that that is true. Because we, for example, imposed a 35 percent tax on petroleum companies in the administration before the last one, there was no exodus, there was no loss of revenue. They accepted that their profits were

super profits and they were content to contribute to the economy. They continue to pay the 35 percent a day without complaint. Yes, I agree with you that we need to go after the non-compliant and we are seeking to do that, and the way we are seeking to do that is through the implementation of the Trinidad and Tobago Revenue Authority. I trust that when we bring this measure before this House to do what you say we need to do, that you will provide us with the support that we need. [*Desk thumping*] I trust that you will do that but time will tell. [*Crosstalk*] Time will tell.

Agricultural measures for the big boys. Seriously, Sen. Obika? The Minister of Agriculture was at pains and Sen. Avinash Singh was at pains during the budget debate to list all of the measures that we have put in place to support agriculture and the successes they have been having in that regard. What we are seeking to do now is to provide whatever support the Government can provide to increase the food production in Trinidad and Tobago. I do not see big boys rushing into agriculture but if they are and we can improve our food production and we can limit our food bill, I am all for it. Whoever is prepared to do it, whether they are big or small, I fully support the Government's move to encourage that. [*Crosstalk*]

Sen. Obika also said, Madam President, that two teachers cannot afford to send their children to school because they are not entitled to GATE support. Let me remind Sen. Obika that the new limits in respect to GATE support are as follows: if you earn up to \$10,000, you get 100 percent support; if you earn between \$10,000 and \$30,000, you get 75 percent support, and if you earn over \$20,000, you get 50 percent support. So that graduates, senior teachers, will qualify for support. They may not qualify for 100 percent support but it is the view of the Government that in these difficult economic times, that if you are earning above \$30,000 that it is not unreasonable to ask you to contribute to the education of your

children.

While the money was flowing like water, we could have afforded to open up the gates and let everybody take advantage of the GATE programme. But what happened as a result of that? Waste. Because you will start a programme, do it for a year, change your mind; you would start another programme—and that is what happened. So we are seeking to make people more responsible, we are contributing what the Government can afford to contribute while we continue to support the education of the children of Trinidad and Tobago, which has always been a significant issue supported by the Government of Trinidad and Tobago from Dr. Eric Williams to today. [*Desk thumping*] That will not change.

Sen. Shrikissoon, on the private hospital issue, asked whether it was meant to be a prohibition. It is meant to be a prohibition, it is not about raising revenue. It is about ensuring that the private hospitals operate the way they should. If we earn some revenue from that, we are not going to say no thanks but that is not the objective.

There is a concern that the gaming tax will cause people to shift from legitimate gambling to illegitimate gambling and that may be a real concern, but to counter that, I will say two things. The Government of Jamaica is one of the many Governments in the world that have introduced tax and taxes on gambling. Nobody can argue that Jamaica does not have a very healthy underground economy but their income after the introduction of the tax rose. I do not see why we cannot model that. Something that will allow us to, in fact, model that and ensure that there is not a migration of people into the illegal gambling is passing the gaming legislation which will allow us to regulate and properly tax that industry. The process for bringing that legislation is almost here, it is almost at an end, and the legislation, we expect to be introduced in the not-too-distant future. So that

combination of things provide me with comfort that we will not have a mass exodus of people who contribute to the activity of the National Lotteries Board.

You asked as well, Sen. Shrikissoon, about the impact of the tax on private activity that has to be approved by the gaming sector. I checked the legislation because I did not think that was an issue but when you raised it, I said let me double check and the legislation, in fact, defines what national lottery is. The taxes imposed on national lottery. The legislation defines “national lottery”, in section 2 of the National Lotteries Act, as:

“a lottery organised and conducted by the...”

—NLCB. So the fact that the NLCB is approving a private activity, to me, there is no question that the tax will apply on that until and unless—at least this measure will not apply on that. Right?

In the issue of the penalty, how it is to work and how it works in respect of other taxes where the Government gives the authority to somebody else, like the NLCB to or employers in respect of PAYE or persons who are making payments for non-residents in respect of withholding tax, where the Government gives the responsibility to somebody, a third party, to collect taxes from the person who is actually paying the tax, which is what is happening here, the Government tends to put a timeline on when that income has to be remitted to the Government and if it is not remitted, the penalty comes into force right away and interest starts to run from that day, so they both become effective right away. And the reason for that is that you want to deter people who are collecting money, that is somebody else's due to the Government, do not feel tempted to borrow that money, so we put a prohibitive charge on that. So that is the reason why it is where it is.

And to Sen. Ramdeen's point about the NLCB because of the activity it has been engaged in, not being fit to collect this tax, I will just say two things. Yes, the

NLCB has been loose with spending the money that is collected from its activity but there is no evidence that there is a lot of corrupt activity going on at the NLCB, one and secondly, there are lots of people in Trinidad and Tobago who are given the authority to collect taxes on behalf of the Government, I just named two groups: all employers, all VAT registrants, anybody who is making a payment to a non-resident person. They are all authorized to collect taxes on behalf of the Government and the authority to do so does not rest on how honest or how thrifty they are in their operations. That is why you put in place a mechanism to go after them to ensure that you collect the right amount of taxes.

Inland Revenue has been given the authority under this legislation to do that. And Inland Revenue, strengthened by the TTRA when it is introduced, will be able to properly police that to ensure that the Government collects its fair share of money. The Government knows how much—it is easy to determine how much income has been generated from NLCB, how much winnings have been made paid out and therefore, how much money is expected, so I do not think that there is a significant risk in the mechanism that has been put together to collect this tax.

Sen. Obika, I believe, again, mentioned that the 35 percent banks was a disincentive to the TTIFC measure which the Government is seeking to promote. And just for your edification, Sen. Obika, the persons who are allowed to operate under the TTIFC model are given incentives because their activity is activity that would not normally occur in Trinidad and Tobago so we are seeking to attract them to Trinidad and Tobago, and in terms of banking operations, its activity, that we do not expect to benefit the citizens of Trinidad and Tobago. So that the 35 percent will not be a disincentive to the TTIFC because they are a tax release for the TTIFC.

Sen. Ameen's contribution was largely not on the Bill before us but just to

respond to a couple of comments that she made about the UNC being committed to health care and accusing this Government of abandoning projects of the previous Government just out of “bad mind”, this Government does not operate like that. [*Desk thumping*] I would ask Sen. Ameen why nothing was done in the five years of their administration to deal with the chronic problem at the Port of Spain General Hospital where we have a central block which is ready to collapse and cause damage to people who are already sick, nothing was done to address that issue. Why it is that? Because it is in Port of Spain and not in one of your constituencies? [*Crosstalk and interruption*] You mentioned, Senator— [*Continuous crosstalk*]

Madam President: Minister. Members, please. Minister, continue, please.

Sen. The Hon. A. West: The objective, Sen. Ameen, is not to abandon projects started by the previous Government, is to assess the validity of these projects and determine what we think works best. So for example, you mentioned the public/private partnership where we would have referred public hospital citizens to the private hospital to get treatment and yes, while that worked, it is an expensive measure, so something that the Minister of Health is currently working on, which seems to be having a positive impact, is the Sunday surgery. So we have staff in the public service, we have staff who are willing to go the extra mile, they are now coming out on Sundays, every other Sunday, to provide care to the people who are on the surgery waiting list. So it is not that we are dismissing your measures, we are just looking to see how we can do it more efficiently and with the more limited funds at our disposal.

Sen. Raffoul, as usual, you have raised some very interesting suggestions. I always appreciate your approach so I thank you. We will certainly look into the social impact bond. I think it is an interesting concept so I will investigate it and

give it some thought to see if we can bring it to life. I agree with you that there needs to be more accountability in respect of public expenditure and this Government is trying to get us there. When we came into office, there was a situation where significant years of financial statements were missing from state organizations, and if you were paying attention, certainly since I have joined this honourable House, every week, we come and indicate these—financial statements are being laid. So we are trying to bring it up to date and once we get there, we are trying to keep them up to date because we do appreciate that we need to understand what is happening with the finances as they happen. In addition to that, the Minister of Finance is seeking to put measures in place where we monitor these expenses on a more current basis. So we are looking at that, we are committed to ensuring that there is improved accountability.

Crime and corruption, I am at least equally concerned and again, the Government is making every effort to get us where we need to get to. I will just say, without being specific, that we need the support of everybody in the nation to get us there, and I would implore Members of this House and outside of the House to provide that support.

We have looked at the IDB and CAF options and where we find that they do not work for us is where the—with an advance from some—well, not both of the organizations but at least one of them, you have an obligation to spend a lot of what is provided in consultancy and we want to get better bang for our buck, so where we can organize to do that, we will certainly pursue those options but we have not dismissed the opportunity. Reducing the role of the State, I would have addressed during my budget wind up. That is something we are committed too as well starting with the public/private partnerships and looking at outsourcing as well. And you will see that in the measures we have introduced in respect of the

housing, for example, and what we are seeking to do in agriculture.

Sen. Hosein, I am not a maths wiz but I have spent all my life dealing with taxes so I look at figures and I think I understand them. I am at a loss to comprehend how a \$300 tyre could cost \$400 when you add a \$20 tax. [*Crosstalk and laughter*] At some point, you must sit down with me and explain that but not today. Not today.

Sen. Small, I always appreciate your contributions, I see the passion and I see a reasonableness of approach, so I always appreciate that. You give us the good with the bad so continue to do that and challenge us. The private hospitals, that is one of the many avenues of leakage in tax. I agree completely and that is one of the things we are committed to fixing with the passage of the Revenue Authority in respect of which I know I will get support from Sen. Obika and his colleagues and I hope to get support from the Independent Bench as well. Because it really is absolutely unfair that some people slave day after day to earn their income and they get taxes and other people get away completely and make no contribution to the coffers of the Government of Trinidad and Tobago and therefore, to the state of development of the country. I am fully on board with that and we are fully committed to addressing that issue. So I give you that assurance. I already dealt with your comment on the penalty for dumping.

So I think I have addressed the major concerns that have been raised by Members of the other side.

Sen. Khan: “So yuh aint hear nothing on Sen. Baig, apart from Kamla?”
[*Laughter*]

Sen. The Hon. A. West: No, I am sorry. [*Laughter*] I listened carefully to Sen. Baig’s contribution and I did not find an issue or question that needed my attention. I must apologize for that.

So just to reiterate that the Government's approach in dealing with the current issues is to not—to keep things on an even keel, to not impose too heavy a burden on anybody but where a burden has to be placed, to seek to place it where it can best be absorbed and that is why we have restricted the main measures—some of which are here and some of which are not before you yet—to the energy sector, the banking sector and to come, the gambling sector. While we leave the taxes on individuals where it is and while we impose a no-more-than \$50,000 additional tax on other companies, as my colleague, Sen. Gopee-Scoon indicated, the increase in taxes may or may not be a temporary measure; this is something we will re-evaluate as things settle down and as the Revenue Authority becomes more efficient and revenue starts to match expenditure, something we can revisit.

But at this point in time it is an essential measure, and where we are limiting it to people who can afford it I cannot see the serious objection to that.

10.45p.m.

The Government does have a plan, contrary to what has been said by some of my colleagues on the other side. The Government does have a plan. The plan is to reduce expenditure. The plan is to increase our revenue collection. And there are two main measures, apart from the additional taxes which we are seeking to implement to do that; that is the revenue authority and the property tax; measures that ought to have been in place since 2010. They were abandoned. We are now seeking to reintroduce them and, as I said, I trust that recognizing the needs of the country, being concerned about the fact that there are people—[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. A. West: Thank you, Madam President—being concerned about the fact that there are people who are escaping the tax net, being concerned about the fact that we are forced to impose more taxes on some people. If you are truly

concerned about these things, it is incumbent on you to support these measures when they come before you, so that we can get Trinidad and Tobago back to the place where it needs to be, [*Crosstalk*] where it needs to be.

So, Madam President, in closing, I would like to thank you for the opportunity for addressing the Senate. I trust that I have adequately explained the measures and the reason behind them and allayed some of the concerns of my colleagues and we look forward to seeing an improvement in our circumstances in the not too distant future. This is a short-term measure. I mean the borrowing requirements, we are hoping to be short-term because we have put measures in place to ensure the realization of the CLICO assets early in the 2018 income year.

So we are not seeking to run up the debt for an indefinite period. We just want to ensure that we have cash flows to be able to meet our salary bills and meet our pension plan bills, and so on. We are not an irresponsible Government. We will continue to be responsible in the management of this economy. So we look forward to your support and we look forward to showing you the results of our activity in the not-too-distant future.

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

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. A. West: Thank you, Madam President. In accordance with Standing Order 57, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put: That the Bill be now read a third time.

Sen. Mark: Division.

The House divided: Ayes 23

Noes 0

AYES

Khan, Hon. F.

Gopee-Scoon, Hon. P.

Baptiste-Primus, Hon. J.

Rambharat, Hon. C.

Sinanan, Hon. R.

Moses, Hon. D.

Hosein, Hon. K.

West, Hon. A. Le Hunte, Hon. R.

Singh, A.

Cummings, F.

De Freitas, N.

Dookie, D.

Huggins, R.

Lewis, A.

Mahabir, Dr. D.

Small, D.

Shrikissoon, T.

Ramkissoon, Miss M.

Chote SC, Miss S.

Creese, S.

Raffoul, Miss J.

Richards, P.

The following Senators abstained: Mr. W. Mark, Miss K. Ameen, Mr. S. Hosein, Mr. T. Obika, Mr. G. Ramdeen, Mr. B. Baig.

Madam President: Hon. Senators, the results of the division are as follows: 23

Members voted for and 6 Members abstained. The Bill has therefore been passed.

[Desk thumping]

Question agreed to.

Bill accordingly read the third time and passed.

Madam President: Leader of Government Business.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I now beg to move that this Senate do now adjourn to a date to be fixed.

Madam President: Hon. Senators, before I put the question on the adjournment, leave has been granted for a matter to be raised on the Motion for the Adjournment of the Senate. Senator Mark. *[Desk thumping]*

Foreign Exchange Reserves

(Central Bank's Ability to Manage)

Sen. Wade Mark: Thank you very much. Madam President, I rise to deal what a matter focusing on the Central Bank and the whole management of that bank's ability to address the foreign exchange reserves of our country and looking particularly at its distribution and sale of foreign exchange to commercial banks in Trinidad and Tobago.

Madam President, it was in October of 2015, that the Minister of Finance issued a special directive to the former Governor of the Central Bank, ordering him to revert to the old distribution system, which he had changed, hoping against hope that that would solve, in some magical way, the problem of foreign exchange in our country. The problem has not been solved.

In fact, over the past two years the problem has worsened under this so-called new system that was introduced/reintroduced. So the question that must be

Motion on the Adjournment
Foreign Exchange Reserves
(Central Bank's Ability to Manage)
Sen. Mark (cont'd)

asked is whether the Minister of Finance will now direct the present Governor to modify that system that he has introduced, of foreign exchange, in order to allow for a more equitable distribution of foreign exchange across banks, the private sector and most importantly, ordinary members of the public.

Madam President, many sectors of this society are not receiving any foreign exchange. Only a small percentage of this country's population, the elite, are currently enjoying access to foreign exchange in this country, and you can see it, Madam President, in the amount of cars that they are importing, using foreign exchange. When you go to the stores you can see the shelves of these massive conglomerates well stocked, but ordinary people cannot gain foreign exchange.

Madam President, the question that we must ask: What is the Central Bank doing when commercial banks refuse to sell foreign exchange to ordinary customers? Is this not ground, Madam President, for their licenses to be revoked by the Central Bank because after all they are authorized dealers? Are they deliberately not selling foreign exchange to ordinary people so that they can reserve and conserve those foreign exchange resources for that small clique in this country? We would like to know, Madam President, what is the Governor of the Central Bank doing about that situation?

Madam President, I want to refer to the Article IV Consultation Report of the IMF, and where they are predicting, Madam President, if we continue along the current course, we are going to experience a collapse of foreign exchange from at the end of this year, which is about \$8.4 billion, the equivalent of 8.4 months of import cover, to some \$5.8 billion as at the end of 2022, or the equivalent of 5.4 months of import cover. This is what the IMF is predicting.

Motion on the Adjournment
Foreign Exchange Reserves
(Central Bank's Ability to Manage)
Sen. Mark (cont'd)

We would also like to ask the Minister of Finance, since the Minister of Finance is effectively the new Governor of the Central Bank. We would like to ask him, through the junior Minister, the Minister in the Ministry of Finance rather, what do we do with errant banks like the Republic Bank of this country which, Madam President, based on the distribution of foreign exchange through the sale by the Central Bank, this particular bank has, apparently, because they have not been able to produce evidence otherwise to prove, it appears that they have been using our foreign exchange to buy up banks in Ghana and to buy up banks in Suriname and to buy up banks in other islands of the Caribbean. And this is why I have been calling, on behalf of the United National Congress, for the Governor of the Central Bank to launch an audit into the use of our foreign exchange that have been sold to this particular bank, to determine whether, Madam President, this bank has been using our foreign exchange in a proper way, or whether they have been using our foreign exchange to finance their subsidiaries abroad.

Madam President, this is a very serious matter, because, as I indicated, if you want to get US \$200 from a commercial bank here in this land, it is very difficult for ordinary citizens to secure foreign exchange in Trinidad and Tobago. But as I said, the big boys from the PNM party are able to access foreign exchange, but ordinary people cannot. So we have called, through this particular matter on the Motion for the Adjournment, on the Minister of Finance to explain to this country what exactly is taking place with this country's foreign exchange, which is whittling away every day.

This Government inherited, Madam President, when they came in 2015, close to US \$10.5 billion in foreign exchange reserves. Today, we are down to \$8.5

Motion on the Adjournment
Foreign Exchange Reserves
(Central Bank's Ability to Manage)
Sen. Mark (cont'd)

billion or less, and as I said, Madam President, it is predicted that unless the Government does something creatively to generate new streams of foreign exchange, Madam President, we are going to end up by 2022, with less than US \$5.8 billion in our foreign exchange reserves, which is equivalent to 5.4 months of import coverage.

So I call on the hon. Minister in the Ministry of Finance, to explain to the people of this country, the state of our foreign exchange, and whether commercial banks, particularly Republic Bank, has been utilizing the sale of foreign exchange to purchase foreign banks in Ghana, in Suriname. And we also understand they have an interest in the Cayman Islands. So let us know if our foreign exchange is being used in that manner and that is not proper, and we want answers and we call on the Minister to answer to the people of Trinidad and Tobago. I thank you very much, Madam President. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): Thank you, Madam President. Madam President, responding to the question as put in the documentation, the response is as follows: during 2017, liquidity conditions in the domestic foreign exchange market continues to be tight as energy revenues have been relatively low, while the demand for foreign exchange remains unabated.

For the year to November 30, 2017, purchases by authorized dealers from the public fell to \$3,114,000,000 from \$3.8 billion for the corresponding period one year earlier. Accordingly, sales by authorized dealers to the public also declined falling to \$4.7 billion from \$5.2 billion.

During the period, the Central Bank sold \$1.7 billion to the market, compared with interventions amounting to \$1.5 billion over the first 11 months of

Motion on the Adjournment
Foreign Exchange Reserves
(Central Bank's Ability to Manage)
Sen. the Hon. A. West (cont'd)

2016. In addressing the liquidity concerns facing the domestic foreign exchange market, the Central Bank has been intervening in the market on a fortnightly basis and having regular communications with the authorized dealers to gain insights into new behavioural patterns and other emerging developments. Recently, the Central Bank implemented a US dollar cash facility, which is aimed at supplementing the supply of US cash in the system.

In addition, the Central Bank renewed its foreign exchange liquidity guarantee facility, which is intended to be an alternative avenue for authorized dealers to access foreign exchange when all other options have been exhausted.

Moreover, the bank continues to monitor development in the domestic foreign exchange market with the aim to improve liquidity conditions. Thank you, Madam President.

Christmas Greetings

Madam President: Hon. Senators, I will now invite you to bring greetings for Christmas. Minister of Labour and Small Enterprise Development.

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Thank you very much, Madam Chair. Madam President, at 11.04, you would forgive me, Madam President. I am indeed somewhat sleepy, normally rising at four o'clock.

Madam President, Senators, I rise to extend Christmas greetings to you and to the Members of this honourable Senate and to the staff of the Office of the Senate, on behalf of the hon. Prime Minister and the Government of Trinidad and Tobago, and in doing so, extend similar greetings to all the citizens of our beloved nation, Trinidad and Tobago.

Madam President, an exceptionally peaceful, harmonious and joyful spirit permeates the atmosphere year after year, as the season of Christmas comes upon us. There is fun and laughter. There is giving and receiving. There is loving and caring, even from Sen. Mark, I am sure, and above all an endearing spirit of hope, faith and charity abound. Friends and family and associates travel thousands of miles and assemble all over the world to share and experience the meaning and significance of the birth of Christ together. 'Tis the season like no other, an occasion which reminds us that 2017 years ago Almighty God, in an unprecedented, unparalleled, magnanimous and symbolic display of unconditional love, sent his only begotten son to dwell among us here on earth to redeem us, to show us the way, the truth and the life. Almighty God did so knowing full well that at some time in the future this wonderful Son in whom he is so well pleased will be made to sacrifice his precious life in order to save the world and to wipe the slate clean and to give us the opportunity to start all over again.

Madam President, as we ponder on the season and the reason for the season, we as parliamentarians would do well to take example. And while we may not be as courageous and strong as Christ was to give of our very lives, the lesson we learn from that horrendous experience should not escape us. It is that we are here within these hallowed walls because we have committed our lives to be our brothers' keepers and our sisters' keepers. We are here to give of our time, our energy, our experience, our knowledge, our wisdom and our understanding, to make this nation a better place, not only for us but for our grandchildren and the next generation to come.

Madam President, because this is what the true unadulterated meaning and significance of the celebration of Christmas was and still is all about, to give of ourselves, to give sincerely, wholesomely and genuinely to advance the purpose

Sen. the Hon. J. Baptiste-Primus (cont'd)

and serve the best interest of the kingdom, which was created on our benefit here on earth.

So that, Madam President, while we as a responsible Government, share with the wider society in the joy and jubilation of our development and progress over the years, we must not lose sight of the fact that there is still a great deal of work to be done, and that the best way that this can be done is with the grace of Almighty God and the hope that resides in the belief in His beloved Son whose special birth we all celebrate. We work together as one, one nation, one hope, one people, one vision under God.

To this philosophy, Madam President, we as the Government of Trinidad and Tobago, in honouring and respecting the noble tenets of our National Anthem, pledge our lives to all citizens and we commend this underpinning to all who enjoy the privilege of sitting in this gracious Chamber, reminding ourselves at all times that we have been called, not to represent ourselves but to give life to the dreams and aspirations, the goals and ambitions, the hopes and expectations and the values and the ideals of the precious people of the Republic of Trinidad and Tobago, who have faithfully entrusted their welfare and their wellbeing into our caring hands.

Madam President, to this vision, the PNM administration has always been and will forever be so committed. So, as we wish you, Madam President, the staff of this Parliament, this Chamber, our brothers and sisters, our fellow Senatorial colleagues on the Opposition Bench and on the Independent Bench, a holy and happy Christmas and extend to all the people of Trinidad and Tobago, including every little boy and girl the season best wishes, we call upon you to keep uppermost in mind that, and I quote:

It is not the glow you feel when the Poinsettia appears

It is not the Christmas card that we have sent for years

Not the joyful sound when church bells ring or the Christmas sounds we all sing

The many gifts we send on Christmas day will not bring back the multitudes we have turned away.

So may I suggest that the real significance of Christmas is not the greetings and goodies we share only at Christmas time, but the glad tidings we deliver and good things we do for all people all the year through.

Madam President, Merry Christmas and a Happy New Year, on behalf of the hon. Prime Minister of Trinidad and Tobago, the hon. Dr. Keith Christopher Rowley and the Government of Trinidad and Tobago. I thank you. [*Desk thumping*]

Madam President: Sen. Mark.

Sen. Wade Mark: Thank you very much, Madam President. Madam President, may I join my honourable colleague by first stating on behalf of the hon. Kamla Persad-Bissessar, Leader of the Opposition and the next Prime Minister of the Republic of Trinidad and Tobago, to extend on her behalf and on behalf of our colleagues on the Opposition Bench warmest season's greetings to you Madam President and to your family, the staff of the Parliament and indeed the entire citizenry of our great Republic.

As we approach this holy season, which is intended to commemorate the birth of one of the world's greatest prophets, Trinidad and Tobago finds itself in a very difficult place, with rising debt, ballooning fiscal deficit, negative external accounts, rising unemployment and a crime tsunami enveloping our entire nation, Madam President, citizens still live in fear and insecurity as we approach the season of goodwill and peace toward all mankind.

But, Madam President, not many of our citizens, including many little

children, will be able to spend, like that tiny elitist minority, a happy, joyous and peaceful Christmas. So, Madam President in this season—[*Interruption*]

Madam President: Senator Mark, just a moment. Sen. Ameen, I never thought I would have to invoke the Standing Orders when we are bringing Christmas greetings.

Sen. Ameen: Yeah.

Madam President: No, Sen. Ameen, I speaking to you. Could we please listen, Members, in silence, please? Sen. Mark.

Sen. W. Mark: Yes. Madam President, the poverty is real in our country and as we approach this season, thousands of our citizens may not be able to have three square meals on their table as we approach the season of goodwill.

Yet, Madam President—I am being disturbed—in the face of this, we are in the season of goodwill and peace toward all men and women. And we on the Opposition Benches wish to extend to our colleges the citizenry of our country, and I call on my colleagues on the opposite Benches to extend their arm and their reach to those who are voiceless and powerless and homeless and hopeless and helpless in this season of peace and goodwill toward all men.

11.15p.m.

But Madam President, in spite of all of the many challenges, we have to continue to promote love and goodwill to all manner of men and women at this time of the year. Let us ensure, Madam President, that during this period of grave challenges we do everything in our power to ensure that those who we come into contact with, may we bring love and permeate their spirit with happiness.

So on behalf of my family and our families on the Opposition Benches and on behalf of all of us. May I wish all of my colleagues on the Government Benches and my colleagues in the Independent Benches a very happy, holy and peaceful

season—

Hon. Senator: And safe.

Sen. W. Mark:—and also a very safe season. And of course, Madam President, a positive, enlightening and progressive 2018.

Madam President, may I also take this opportunity to extend to the staff, as I said, of the Parliament and more importantly the police officers, who have provided us with yeoman service—[*Desk thumping*]*—throughout the period we have been here.*

Madam President, may I extend best wishes to the Marshal of the Parliament, the Hansard—[*Crosstalk*]*—of the—the Hansard reporters—*

Hon. Senator: Tedious repetition.

Sen. W. Mark: No, I am picking out these people specially, as well as the members of the media who are watching us.

Madam President, I want to wish all my colleagues in spite of the interruptions, a happy, a holy, a peaceful, and a joyous season, Madam President.

And in closing, Madam President, [*Desk thumping*] [*Laughter*] and in closing Madam President, I want to tell you that in spite of all the darkness that envelops our nation—

Hon. Senator: The sun will rise.

Sen. W. Mark: There will be a piercing radiance of the rays of the rising sun [*Desk thumping*] that will be able to envelop all our citizenry, Madam President, as we lead our country collectively to a brighter, a better and a more prosperous future. I thank you, Madam President. Season's greetings to all my colleagues.

Hon. Senator: You have five more minutes. [*Desk thumping*] [*Laughter*]

Sen. Paul Richards: Thank you, Madam President. Although Sen. Mark is going to be a difficult act to follow, but I will keep it brief. I am honoured to be able to

bring greetings, Christmas greetings, on behalf of my colleagues on the Independent Bench. As I pondered what I was going to present, I thought I would keep it really simple, in terms of what is the real reason for the season and I am sure I will not have to be cited for tedious repetition. [*Laughter*]

But when you think about it, the life of Jesus Christ and as my colleague Sen. Baptiste-Primus indicated “for God so loved the world that he sent his only begotten son, Jesus Christ, for our salvation” and there are several main themes in the life and sacrifice of Jesus Christ that we can parallel in our own lives in Trinidad and Tobago. Especially in these times, I think when you look at—sometimes we look at what we do not have. We just debated a Bill and we cited darkness and doom and gloom. But if we really look at Trinidad and Tobago in a wider context, we have so much more to be thankful for than so many other countries. And I think that should not go unnoticed, that we must pause and give thanks, because we as a country have so much to be thankful for.

And collectively, we as a country must recognize this. That is why I always look at the American recognition of Thanksgiving Day, and the importance of that day, as a country, to stop for a day and give thanks for whatever little or whatever much you may have. And I think we have so much to be thankful for in Trinidad and Tobago. But the messages to me in Christmas, like in Eid, like in Divali, because we are multicultural and we are celebrating Christmas coming up, is really the different tribes coming together to celebrate like in Eid, like in Divali, though we may not be of those religious denominations we can still see the universal truth and messages in every religious denomination.

We see the difference one person can make in terms of what Jesus Christ came, and the changes he made on earth. And we can parallel that in our lives in terms of our individual responsibilities. Very often we like to pass the buck in

Trinidad and Tobago and say it is them, it is him, it is her. And we do not look at what we can do in making a difference in our country.

We look at the message of faith, belief in each other, in ourselves as a country to weather the storm and to all contribute to a brighter future. We look at the opportunity for reflection and to reset, because very often—and many countries go through this—in times of abundance we sometimes lose our way; and now that we have to look at things in a different way, it is time—opportunity for pause and reflection and reset in many different ways so that we can get back on the path to sustainable growth and prosperity.

We look at the message of being our brother's and our sister's keepers in Trinidad and Tobago, especially in this time when we may be able to fulfil the needs of our own families, but there are so many others in society who cannot. Now we can take from ourselves and share with them and that is part of the message of Christmas, sharing.

We look at the message of promise, but I think the most important message in Christmas is the message of hope – the hope that Jesus Christ brought for salvation and for a brighter future and for eternal life. And I think if we look at these messages especially in these times of challenge we can use this Christmas season and the message of Jesus Christ and the universal message of love, peace, hope and unity to make our country come together and weather the storm for a brighter future.

So with that said, I think we really need to use these opportunities to move us forward to unite us rather than divide us and I think that is the message—though we have challenges we will make it, we will face a brighter day. So on behalf of my colleagues on the Independent Bench, I would like to wish the members of the—my colleagues in the Senate and the Government Bench and the Opposition

Bench, a merry Christmas, a happy, holy Christmas, the staff in the Parliament who have provided yeoman service for us all through this session or through the start of this session, and certainly into the new year. Members of the protective services and certainly all of Trinidad and Tobago, who in their very small ways individually contribute to us being, still to me, the most wonderful country in the world. Despite our challenges we are still and we have to continue to believe that we are the most wonderful country in the world and I think it is that belief that will get us through.

Madam President, to you and your family also and to everyone in Trinidad and Tobago, a happy, holy, Christmas with friends and family sharing love and time and a bright, prosperous, safe and productive 2018 and beyond. Thank you so much. [*Desk thumping*]

Madam President: Hon. Members, I am pleased to join with you in bringing Christmas greetings to the people of Trinidad and Tobago. Although of Christian origin, Christmas is a celebration that has been embraced by the entire national community. Regardless of one's religion or beliefs, the messages of generosity, peace and hope that characterize the Christmas season resonate with us all.

For Christians in particular the religious season of Advent, which is the time of the four Sundays before Christmas day, is a time of expectant waiting and preparation for the arrival of the Christ-child. In our country today, this is an important theme, the theme of expectant and confident waiting for the arrival of a better day. Especially when times are difficult and the country's challenges are many, our collective duty is to put our fullest effort into each and every moment and having done so, to then wait in confident expectation that better days will come.

As parliamentarians, may we be blessed at Christmas time and always with

the strength and the wisdom to put our fullest effort into every moment we spend in this Chamber, in service of the people of Trinidad and Tobago. And hope and never despair that our efforts to improve the lives of those whom we serve will bear the desired fruit. May we conduct our business here in true Advent style giving only of our very best and resting in confident expectation that a better Trinidad and Tobago will be the result of our collective efforts.

As we gather at this special time of year with our family and friends, my hope is that our hearts will be filled with love and goodwill and that our confidence in our country and ourselves will never wane. I take this opportunity to wish Members and their families, the staff of the Parliament and their families, a happy, safe, and joyful Christmas and a blessed new year [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 11.27 p.m.