

SENATE

Thursday, July 07, 2016

The Senate met at 1.30 p.m.

PRAYERS



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

SENATOR'S APPOINTMENT

Mr. Vice-President: Hon. Senators, I am currently awaiting correspondence from the Office of the President, and, as such, beg your indulgence to revert to that item once said correspondence is received.

PAPERS LAID

1. Financial Statements of the National Information Communication Technology Company Limited for the year ended September 30, 2015. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Financial Statements of the Palo Seco Agricultural Enterprises Limited for the year ended September 30, 2015. [*Hon. C. Imbert*]
3. Financial Statements of the National Helicopter Services Limited for the year ended September 30, 2014. [*Hon. C. Imbert*]

JOINT SELECT COMMITTEE REPORTS

(Presentation)

Sen. Sarah Budhu: Mr. Vice-President, I have the honour to present the following reports as listed on the Supplemental Order Paper in my name:

Human Rights, Equality and Diversity

(Support Programmes and Services for Children)

First Report of the Joint Select Committee on Human Rights, Equality and Diversity (First Session, Eleventh Parliament) on the Support Programmes

and Services for children whose parent or guardian was the perpetrator or victim of a violent offence.

(Challenges Faced by Persons with Disabilities)

Second Report of the Joint Select Committee on Human Rights, Equality and Diversity (First Session, Eleventh Parliament) on the Challenges Faced by Persons with Disabilities with Specific Focus on Access to Services and Employment.

URGENT QUESTION

Secondary Entrance Assessment Exam Leak

(Measures Taken)

Sen. Wade Mark: Thank you, Mr. Vice-President. To the Minister of Education: In light of the admission by the Minister of a leak in the Secondary Entrance Assessment exam results, what immediate measures will be taken by the Ministry to address this development?

Mr. Vice-President: Hon. Minister of Education. [*Desk thumping*]

The Minister of Education (Hon. Anthony Garcia): Thank you very much, Mr. Vice-President. The Ministry of Education has established a committee comprising one of its deputy permanent secretaries, an investigating officer, two members of its legal team, the assistant security manager, and an independent information technology personnel. The mandate of this committee is to conduct a preliminary investigation to ascertain the veracity of the allegations of a leak of the SEA results. When the results of these investigations are conclusive, we will then decide if disciplinary action is necessary. This matter is not treated lightly as we understand the need to maintain the faith of the public in our national education system. We can confirm that the results were in no way compromised as we have stringent measures and systems in place to prevent this. Thank you. [*Desk*

thumping]

Mr. Vice-President: Sen. Mark.

Sen. Mark: Mr. Vice-President, through you to the hon. Minister of Education: hon. Minister, could you advise this honourable House as to what time frame this committee would be given to submit its report, findings and recommendations to your good self?

Mr. Vice-President: Hon. Minister of Education.

Hon. A. Garcia: Thank you very much. The committee has been given three weeks to conclude these investigations.

Sen. Mark: Mr. Vice-President, you will guide me on this one. Could the Minister advise us when the results of the SEA were issued to principals of secondary schools?

Mr. Vice-President: Sen. Mark, I do not think that is a supplemental question, you could ask that in another form, so therefore I would not allow that.

ORAL ANSWERS TO QUESTIONS

European Commission's Imposition of Sanctions

(Details of)

72. Sen. Wade Mark asked the hon. Minister of Agriculture, Land and Fisheries:

What steps are being taken by the authorities to prevent the imposition of sanctions on the country by the European Commission on the issue of illegal fishing?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Mr. Vice-President, this matter has its genesis in the 2013—2014 period as recorded in the final evaluation report of the European Union. On page 11 on that report, paragraph 34, and I quote—the Europeans say this and it is very

instructive:

Among the potential issues of non-compliance identified, Trinidad and Tobago received, in 2013 and 2014, two letters of concern from the International Commission for the Conservation of Atlantic Tunas regarding reporting deficiencies, and continued an increasing billfish overharvest for which no reply has been provided.

That, Mr. Vice-President—the failure of the last administration to respond to the concerns raised in 2013 and 2014, led to an official mission of the European Commission visiting Trinidad in November 2015 to evaluate the country's systems and programmes for addressing illegal, unreported and unregulated fishing. On the basis of that evaluation, the European Union identified a number of deficiencies in the country's implementation of its obligations relating to illegal unreported and unregulated fishing, and it is on that basis that the European Union indicated to the country that it was very concerned that the country faced official sanctions.

In order to prevent the imposition of these sanctions by the European Commission, Mr. Vice-President, the Ministry of Agriculture, Land and Fisheries has taken decisive action and has prepared and implemented a six-month action plan to address each of the deficiencies identified by the commission in its evaluation of the country's systems and programmes to address illegal, unreported and unregulated fishing. This action plan includes the following: the review of the Fisheries Act, which is outdated; the commission has offered legal and technical assistance; the Ministry of Agriculture, Land and Fisheries has accepted that offer to review the Draft Fisheries Management Bill, and implement the appropriate legislation to deal with the concerns.

The Ministry is preparing a national action plan to address the issue of illegal, unreported and unregulated fishing. The Ministry is initiating a process for

the adoption of the FAO Port State Measures Agreement to prevent, deter and eliminate illegal, unreported and unregulated fishing. The Government is working to establish an interministerial approach to the effective monitoring, control and surveillance of vessels at the ports of Trinidad and Tobago. The Government is strengthening the cooperation and collaboration among the national agencies involved in coastal management.

Finally, Mr. Vice-President, the European Commission has indicated that the decision to list Trinidad and Tobago as a non-cooperative country can be reversed at any time based on the efforts of the country. We are confident that Trinidad and Tobago will be removed from the list of countries facing the prospect of a red card from the European Union. Thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Mark.

Sen. Mark: Could the hon. Minister indicate what period this six-month action plan is supposed to be concluded? And would that plan be made available to the Parliament at the end of its conclusion?

Mr. Vice-President: Hon. Minister of Agriculture, Land and Fisheries.

Sen. The Hon. C. Rambharat: Mr. Vice-President, by its very nature a six-month action plan will be concluded in six months.

Mr. Vice-President: Sen. Mark.

Sen. Mark: Could the hon. Minister indicate to us when that plan commenced?—the six-month plan; in what month?—what date?—as the case may be.

Sen. The Hon. C. Rambharat: Mr. Vice-President, the six-month action plan commenced in March 2016. Thank you.

Mr. Vice-President: Sen. Mark.

Sen. Mark: Mr. Vice-President, could the hon. Minister indicate to us, in light of the six-month action plan, whether the European Union has taken a decision to

ease up on any intention on their part to impose sanctions on Trinidad and Tobago?

Mr. Vice-President: Hon. Minister of Agriculture, Land and Fisheries.

Sen. The Hon. C. Rambharat: Mr. Vice-President, as I have outlined, the European Commission is working with the country, providing legal and technical assistance, and it is on the basis of the country's adherence to the six-month action plan, and the actions that are set out, the European Union, or the European Commission, will determine the further action, or the absence of further action as appropriate.

Zika Virus Impact

(Reforming Abortion Law)

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

Does the Government intend to consider reforming the law in relation to abortion in light of the impact of the Zika virus?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you, Mr. Vice-President. The answer to Question No. 73 is no.

Mr. Vice-President: Sen. Mark.

Sen. Mark: I understand the answer is no; could you indicate whether the Government intends to pursue any discussions with stakeholders in the society with a view to coming up with some kind of position on the future of abortions in Trinidad and Tobago, hon. Minister?

Hon. T. Deyalsingh: The answer to that question at this time is no.

Mr. Vice-President: Sen. Mark.

Sen. Mark: Does the Government intend to engage in any alteration of the Constitution to allow Members of the national community to have a say via national referendum on this whole issue of abortion in Trinidad and Tobago?

Mr. Vice-President: Hon. Minister of Health.

Hon. T. Deyalsingh: The answer to that supplemental question is no.

Mr. Vice-President: Sen. Mark.

Sen. Mark: I have no more supplementals.

Mr. Vice-President: No more supplementals?

Sen. Mark: No, too many noes. The answer to that is no, as well.

Mr. Vice-President: Okay, then you can move on to the next question. I think you are the asker of the next question.

Sen. Mark: Thank you very much, Sir. Too many noes, Sir. I am “bazodee” with, noes. Thank you very much, Mr. No.

Hon. Member: Dr. No.

Sen. Mark: Dr. No. Mr. Vice-President, may I—[*Interruption*]

Hon. T. Deyalsingh: Mr. Vice-President, I am sure there is a Standing Order to correct that pejorative statement, and may I ask for that to be removed?

Mr. Vice-President: Yes, there is—[*Interruption*]

Sen. Ameen: What is the Standing Order? He is supposed to call the Standing Order.

Mr. Vice-President: Hold on. Hold on. Hold on. Let me rule. Yes, there is a Standing Order that does speak to imputing anything on the character of another Member, be it from the Lower House or otherwise; however, Sen. Mark, go ahead and ask your next question.

Government Assistance

(Laid Off Workers)

74. Sen. Wade Mark asked the hon. Minister of Labour and Small Enterprise Development:

In light of the recent suicide committed by David Francis, what assistance, apart from the distribution of food cards, does the Minister intend to take to

assist workers and their families who have been recently laid off?

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Thank you very much, Mr. Vice-President. In reply to question 74 posed by the hon. Sen. Wade Mark, I would like to share with this honourable House, and also with the hon. Senator, on behalf of the Government of Trinidad and Tobago I would like to once again extend condolences to the family members on the passing of Mr. David Francis. While we are not clear or certain as to the reason for this unfortunate act, Government is aware of the adverse effects of job loss on workers, their families, their communities, and the nation at large.

1.45 p.m.

Such a loss may affect not only one's livelihood, but also one's emotional and psychological well-being. I wish to assure this honourable House that this Government is truly committed and will do all that we have to do, all within our powers to preserve the lives and livelihood of our labour force.

Mr. Vice-President, this Government has taken a holistic approach in its provision of support and guidance to affected workers in the development and implementation of a 10-point plan entitled empowering unemployed persons "Turning Adversity into Opportunity". The implementation of the plan requires a multisectoral, multidimensional approach to counteracting the negative fallout of recent job losses. This includes the establishment of a National Retrenchment Register, provision of new job opportunities, provision of seed capital and start-up business financing and support in forming cooperatives, formation of small businesses and cooperative focus on training and development and hosting of a job empowerment expo for retrenched workers in April of this year.

Mr. Vice-President, one element of the plan is the establishment of a National Retrenchment Register which was launched in March of this year. To

date, over 400 persons have registered on this register. Also, the Ministry in collaboration with key stakeholders hosted an empowerment expo for unemployed persons themed “Turning Adversity into Opportunity” on April 5th of this year at the National Energy Skills Centre, Rivulet Road in Couva, Point Lisas at which over 1,000 persons participated. The job expo afforded unemployed persons the opportunity to register with the National Employment Service, interact with potential employers from various sectors and also to access information and assistance in the areas of financial literacy, health and wellness, counselling, training, retraining, certification and entrepreneurial development.

Mr. Vice-President, as part of the holistic approach of the 10-point plan, the Ministry of Labour and Small Enterprise Development is leading discussions with other Ministries and institutions to form a web of financial, health, psychological and social services, as well as a directory of services. And these services will allow the retrenched and unemployed worker to navigate or to be referred to the appropriate and necessary service within this web.

The National Employment Service is the lead implementing unit of the web and it is one of Government’s key services that provide an avenue for employment opportunities. Through the National Employment Service, job seekers can register, view vacancies and post their CVs online. They can also receive job counselling and advice on preparing CVs and getting ready for interviews. Employers also have the opportunity to register and to have their vacancies posted online on the Ministry’s website.

Mr. Vice-President, the Ministry has also held discussions with financial institutions such as the Co-operative Credit Union League, the Bankers Association of Trinidad and Tobago, the Trinidad and Tobago Mortgage Finance Company Limited, to facilitate adoption of a more humane approach to

unemployed persons who may have loans and mortgages with these institutions. The National Insurance Board and the Central Bank of Trinidad and Tobago have also given their commitment to provide financial guidance and support to unemployed persons.

Mr. Vice-President, at present relevant Ministries are also collaborating to ensure that unemployed persons, who are in need of assistance, are directed to appropriate services offered by the Ministry of Health, by the Ministry of Social Development and Family Services, and the Ministry of Community Development, Culture and the Arts inclusive of the Targeted Conditional Cash Transfer Programme.

Mr. Vice-President: Hon. Senator and Minister, your time is up. Sen. Mark.

Sen. Mark: Could the hon. Minister indicate to this House, this Senate, how many workers have been able to access the National Employment Service unit of the Ministry of Labour and Small Enterprise Development and how were they able to access various services? How many of them rather were able to access the various services as outlined by the hon. Minister?

Sen. The Hon. J. Baptiste-Primus: Mr. Vice-President, I am not in a position at this point in time to provide the necessary information the Senator searches for, but certainly that information can be provided subsequently. But I can assure him that once unemployed persons register with the National Employment Service, what that unit does it matches the CV of that unemployed person with the jobs that employers would have registered on our website, and once there is a match, then those names are forwarded to those employers.

Sen. Mark: Thank you, Mr. Vice-President. Could the hon. Minister indicate as well in terms of the start-ups, in terms of small business accessing financing, how many retrenched workers you would estimate have been able to access start-up

loans through various financing mechanisms as you have outlined?

Sen. The Hon. J. Baptiste-Primus: Mr. Vice-President, I do not have that information available at the moment, but I can certainly liaise with the other Ministries involved, for example, the Ministry Social Development and Family Services to identify because they offer the seed capital and I can seek to source that information for the hon. Senator.

STATEMENT BY MINISTER

Colonial Life Insurance Company Trinidad Limited

(Resolution Of)

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President. I am authorized by the Cabinet to make this statement on the resolution of Colonial Life Insurance Company (Trinidad) Limited.

Hon. Senators will be aware that in 2009, being of the opinion that the financial system of Trinidad and Tobago was in danger, the Central Bank of Trinidad and Tobago, pursuant to section 44D of the Central Bank Act, exercised its emergency powers and assumed control of Clico Investment Bank, Colonial Life Insurance (Trinidad) Limited and British American Insurance Company (Trinidad) Limited.

Further in 2011, the Purchase of Certain Rights and Validation Act, No. 17 of 2011 was enacted to validate and facilitate the then Government's "Bailout" plan.

The plan to restructure Clico and BAT involved the purchase by Government of certain rights belonging to holders of Short Term Investment Products with Clico and BAT, also known as policies. This plan included two components:

- (a) The repayment of \$27,927 Short Term Investment Products in both

Clico and British American with total liabilities amounting to \$12.6billion; and

- (b) The sale of the traditional insurance portfolios of Clico and British American to a suitable purchaser at a price consistent with independent valuations.

In March 2015, the Central Bank, after consultation with the then Minister of Finance and the Economy, announced the 2015 Clico Resolution Plan. Pursuant to this resolution plan which started on May 01, 2015, the Government received the cash component of its first partial distribution of 85 per cent of its Statutory Fund liability as an assignee of rights of Statutory Fund policyholders who accepted the Government's 2011 bailout offer.

In addition, over the period May 01 to August 31, 2015, approximately \$688.7 million was paid to 473 non-assenting Short Term Investment Product holders representing 53.7 per cent of the total Statutory Fund liability to non-assenting Short Term Investment Product holders. The plan also assumed that the sale of Clico's remaining methanol asset would proceed and would provide sufficient cash to fund a second distribution to the Government and the equivalent policyholders.

It is to be noted that the 2015 resolution plan intended that the Government be repaid the first tranche of 85 per cent of its Short Term Investment Product policies, \$7 billion, by way of \$4billion in cash which was paid in March 2015 and approximately \$3billion by transfer of three assets, that is, shares in Angostura Holdings Limited, shares in CL World Brands Limited whose main asset is shares in Angostura Holdings Limited, and shares in Home Construction Limited. These three assets were tentatively valued at \$3 billion, but the transfer to the Government of these shares was to be accomplished based on independent

valuations.

In this context I can report the valuations of Angostura Holdings Limited and CL World Brands have now been completed at \$935million for Angostura Holdings Limited, and \$973 million for CL World Brands.

The valuation of Home Construction Limited has not yet been completed and therefore, the Central Bank has offered to settle the balance with an immediate cash payment which has the advantage of providing the Government with immediate cash while the transfer of the shares in Angostura Holdings Limited and CL World Brands will allow for an ultimate disposal strategy that can consider all the options available for Angostura Holdings Limited and can take cognizance importantly that the majority interest of these assets is still controlled by CL Financial.

Members should note that Methanol Holdings International Limited is the holding company owned by Clico and Consolidated Energy Limited which in turn has as its main asset ownership of Oman Methanol Company, a methanol plant in Oman. The sale of Methanol Holdings International Limited and previously MHTL, the Trinidad methanol company, has always been one of the assets intended by the original shareholders' agreement between the Government and CL Financial as being sold to repay Government and other creditors.

Accordingly, the valuation of Methanol Holdings International Limited has been completed by a reputable international, independent valuator agreed to by Clico, CL Financial and the Government. It should be noted that Clico is bound by a shareholders' agreement with Consolidated Energy Limited which requires it to first offer the shares to existing shareholders of Methanol Holdings International Limited at a price to be determined by Clico.

Additionally, notwithstanding the fact that not all of the assets of Clico have

been disposed of, it is now proposed that all outstanding resident Statutory Fund Short Term Investment Products be paid in full which will result in a cash payment to the Government of about \$1.3billion for the balance of the Short Term Investment Products also known as EFPAs and the payment of about \$100million to other policyholders. This has the advantage resulting in a positive cash flow for the Government while also enabling a positive statement to be made that all outstanding resident Statutory Fund policyholders are now able to access all their funds.

2.00 p.m.

It should be noted that there remain two categories of third party policyholders who have yet to receive any payment. These are non-residential Short Term Investment Product policyholders who did not accept the Government's buyout offer, and the Mutual Fund policyholders who also did not accept the Government's offer. These two groups amount in value to approximately \$400 million, while the Government has outstanding policies valued at approximately \$2.1 billion in respect of the non-residential and mutual fund policyholders that accepted the offer at the time.

However, Clico does not currently have sufficient cash to repay the whole of this liability, and the Government has thus agreed that Clico can now repay the \$400 million due to third party policyholders in advance of making payment to the Government on its \$2.1 billion liability. This will not affect the amount which Government will receive on this liability, but will slightly change the timing. The Government will be paid upon the sale of Methanol Holdings International Limited, or given value on the completion of the valuation of Home Construction, whichever comes first.

At this stage, it is necessary to clarify some issues. There are two groups of policyholders: assenting and non-assenting. The assenting policyholders took advantage of the Government's 2011 offer to transfer their policies to the Government and accepted zero coupon bonds and Clico Investment Fund shares in exchange. This group gave up their right to accrued interest and these individuals no longer have a contractual arrangement with Clico, and do not form part of this resolution plan.

It should also be understood that in terms of the agreement signed between Clico and the Government—the previous Government—in 2011 to cover the legal basis of the Government assuming ownership of the policies owned by assenting policyholders, the Government is not entitled to any interest on its acquired policies, and it will only be repaid by Clico exactly the amount that it paid to the assenting policyholders. As a consequence, the Government has not received any interest for the period between the offer and now, and no claim for interest can now be made on Clico on behalf of the assenting policyholders.

I want to repeat, by virtue of an agreement signed between Clico and the Government in 2011—by the previous Government—to cover the basis for the Government assuming ownership of the policies owned by assenting policyholders, the Government has not received any interest, and no claim for interest can now be made on behalf of the assenting policyholders. However, the non-assenting resident policyholders will now all be paid the remaining 15 per cent value of their policies owed to them

Hon. Senators should note that the Clico resolution plan is ongoing, and as the plan unfolds, further information will be made on a regular basis. In due course, announcements will be made with respect to the arrangements proposed for other creditors of Clico.

Suffice it to say that as of July 2016, the auditors have confirmed that the amount expended by or due to the Government on the Clico bailout is close to \$22 billion. That is the figure I received today. The Government is hopeful at this stage that it can recover a significant amount of this sum, but this will depend on the success of the disposal of the remaining assets of Clico and of Clico Investment Bank, among things.

Finally, and in conclusion, I wish to confirm that Clico is still insolvent, and I want to repeat that, Mr. Vice-President, because there is a lot of misinformation on this in the public domain—Clico is still insolvent, with an excess of liabilities over assets of the order of \$1 billion. In other words, a deficit of \$1 billion, and as a result the Central Bank has indicated that it is not in a position to relinquish control of Clico at this time.

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

Sen. Hadeed: Through you, Mr. Vice-President, hon. Minister, could you indicate if there is a sale of assets, what is the process and procedure that you possibly can implement for fair value, and for competitive bidding?

Hon. C. Imbert: Thank you very much, Mr. Vice-President. With respect to the sale of the traditional portfolio of Colonial Life, this has been offered to 17 insurance companies and institutions in Trinidad and Tobago, and a process is now under way to evaluate the offers made by these entities to the Central Bank before a decision is made to dispose of the traditional portfolio of Colonial Life. This will also be guided by an independent valuation of the value of that portfolio. So, that is a traditional portfolio. It is being offered to 17 financial institutions, and they are evaluating bids at this time.

With respect to Angostura, CL World Brands and Home Construction, the shares held by Clico in these entities have been valued again by independent

valuators, agreed to by all the parties concerned, and as a result, the value of these shares will be transferred to the Government—the shares will be transferred and a credit given for the value. The Government itself will not keep long-term ownership of these shares.

With respect to other assets such as shares in Republic Bank and other assets of Clico Investment Bank, in every case an independent professional evaluation will be done before any decision is made with respect to the disposal of these assets.

FINANCE (NO. 2) BILL, 2016

Order for second reading read.

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President. Hon. Senators will have before them the Finance (No. 2) Bill as amended in the House of Representatives. The significant amendment made in the House, in the other place, which I will just deal with now before we move into this Bill itself, was the date, an extension of the date for the amnesty on income tax, corporation tax, petroleum tax, value added tax, and also for the filing of annual returns. Initially the—I see it is still in the Explanatory Note, so that is something we need to correct—the date for the expiry of the amnesty was August 31, 2016, but based on representation made by Members of the other place, from both sides of the House, we decided to extend the amnesty to September 16, 2016. And you will see in the various sections starting from Part VI, corporation tax, and going on to Part VII, petroleum tax, Part VIII, valued added tax, and so on, that the deadline for filing of annual returns and payment of outstanding taxes is now September 16, 2016. We felt we should give people a little more time.

The reason why it is still in September is because we need the money to come in in this financial year, and we did not want to interfere with the normal

collection period for taxes. Value added taxes are usually received from the 25th of the month, whereas corporation tax is received at the end of the month. So we wanted to end the amnesty before these deadlines in September. If we had put the amnesty to the end of September, people would have been submitting two different sets of payments and two different sets of documents. So that the BIR advised us that we should bring the amnesty to a close before the regular dates for collection of taxes.

Now, let me go into the sections of the Bill piece by piece. Quite a few of the measures are the formalization and legalization of a number of policy initiatives announced in the budget of October 2015, and also in the midyear review. But, the first item which deals with visiting forces is something that came up recently, and by way of explanation I would explain the purpose, the intent behind the measures. As I said, it did not originally form part of the fiscal measures announced in the 2016 budget. It treats with the Visiting Forces Act, Chap. 14:04. This Act provides for the presence, activities, privileges and immunities of members of visiting forces. The Act defines “visiting forces” as, among other things:

“...any body, contingent or detachment of the forces of a designated State for the time being present in Trinidad and Tobago in connection with official duties...”

As a result, the Government of Trinidad and Tobago and the Government of the United States of America entered into an agreement called the Status of Forces Agreement, or SOFA for short, in 2009. SOFA was concluded in advance of the hosting by the Government of Trinidad and Tobago of the Fifth Summit of the Americas. It was aimed at governing the presence of the United States military personnel in Trinidad and Tobago for the purpose of performing mutually agreed

activities during the 2009 calendar year associated with the Summit of the Americas. The intention was that SOFA would last just for the year 2009. However, it was decided subsequently to renew the Status of Forces Agreement in order to govern the conduct in Trinidad and Tobago of other mutually agreed activities by United States military personnel.

Part VI of the Visiting Forces Act provides for matters of taxation and exemptions to such taxation. For example, section 24 of the Act allows that a visiting force may import into Trinidad and Tobago, free of customs duty and any tax, equipment for the visiting force and such quantities of provisions, supplies and other goods for the exclusive use of the visiting force. However, it was recognized that the Act does not provide exemptions from the liability to pay any tax to contractors from a designated State. So, contractors from the United States, for example, providing services to the visiting forces were not exempt from tax.

The Act does not allow for tax exemptions to contractors from the United States in connection with activities under the SOFA. To correct this anomaly, we have decided that a new section 24A be inserted after section 24 of the Act to provide that a visiting forces contractor be exempt from the liability to pay tax. A visiting forces contractor would be any person other than a resident of Trinidad and Tobago who is contracted by a visiting force and approved by the Minister with responsibility for national security for the purpose of providing contracted services to the visiting force. The immediate effect of this amendment is that contractors from the United States of America present in Trinidad and Tobago, and conducting activities in relation to the Status of Forces Agreement, would be afforded exemptions from the liability to pay taxes and other charges in relation to such activities. There are also a number of consequential amendments arising from this change. That is quite a straightforward matter. It is customary to provide these

exemptions for foreign contingents and so on.

Let me move now to the second part, actually the third part which is national insurance, starting with clause 4. And at the outset, let me say that in the other place an issue was raised by the Leader of the Opposition with respect to the effect of the changes to the national insurance system, and I gave an undertaking there, and I will give it here as well, that over the next two months while the Parliament is on recess, I will, together with the officials from the Ministry of Finance and the National Insurance Board, and the Chief Parliamentary Counsel's office, examine the issue raised by the Leader of the Opposition with respect to the applicability of the new amendments. Apparently, there is a concern that some of the new benefits may not be applicable to all contributors to the National Insurance Scheme. And this assurance that I gave that we will look at it and we will come back in September and make whatever amendments are required, was accepted by the Leader of the Opposition in the other place, and I am assuming that the Leader of the Opposition in the Senate—

Hon. Senator: Hoping.

Hon. C. Imbert: No, I am assuming—is aware of that. Okay? [*Laughs*] Not hoping, I am assuming that Sen. Mark is aware of that fact.

2.15 p.m.

So, let us move now to what clause 4 does. Section 70 of the National Insurance Act provides for an actuarial review to be conducted of the national insurance system at five yearly or shorter intervals, to assess the balance between contributions and rates of benefits. In accordance with the Act, an actuarial review, the 9th Actuarial Review of the national insurance system was conducted over the three-year period from July 2010 to June 2013. This would be under the previous administration. The main objectives of the review were to assess the

long-term financial condition of the national insurance fund, and to look at possible ways to improve contributions and benefits provisions. The Act requires that the review be laid in Parliament. In fulfilment of such a requirement, you may recall that the actuarial review was laid in the other place on November 27th and it was laid in the Senate on December 08, 2015.

Coming out of this actuarial review, it is obvious that there is a need to plan for a combination of future contribution rate increases and measures to reduce the cost of the system. The present contribution rate of 12 per cent is not enough to support the present level of benefits in the long run. The recommendation coming out of the actuarial review, therefore, is that the contribution rate should be gradually increased, and a recommendation was made to increase the rate to 13.2 per cent, which was accepted and referred to by me in the national budget.

The actuarial review also highlighted that different elements of the national insurance system need to be adjusted to maintain value over time. One of these is the maximum insurable earnings. The recommendation is that the maximum insurable earnings be increased to \$13,600. The proposed increase corresponds to the increase of the average national wage over the period July 2010 to June 2013. Another element of the national insurance system is the earning class limits. It is recommended that these limits be increased by the lesser of the average inflation rate, and the average salary increase which would result in a 13.3 increase in all earning class bands.

Senators should note that the proposed increases in the maximum insurable earnings and the earnings class bands will cause the entire contribution rate table to shift upwards, with the result being an increase in the minimum insurable earnings from \$180 to \$200 per week, \$780 to \$867 per month. The amendments to the Act will impact the following: the table of earnings classes, the contribution amounts,

the table of conversion rates and the benefit table for the basic earned pension rate, increments for retirement and invalidity, survivor benefit, increment rates, sickness and maternity benefit rates, employment injury and death benefit rates.

It was initially proposed by the National Insurance Board, which recommendation I accepted, that these amendments come into force in July. However, as it turned out fortuitously, before I went to the other place with his Bill, the National Insurance Board requested that we defer implementation of the amendments to the 5th of September, 2016 because they wish to engage in wide ranging consultation with stakeholders associated with national insurance. And therefore the date is now the 5th of September and I say fortuitous, because around this time we will also return with any amendments that may be required to deal with the issue that was raised by the hon. Leader of the Opposition in the other place.

With respect to revenue raising, I draw attention to clauses 6, 7, 8 and 9 of the Bill. In previous years there has been a tremendous response to an amnesty granted to give a one off opportunity to taxpayers who failed to file returns to bring their tax status up to date. In fact, as I indicated in the other place there was an amnesty around 2011 or 2012 when Minister Dookeran was the Minister of Finance and I recall that the collections from taxes arising from that amnesty, the additional collections, were almost \$2 billion. We do not expect to raise \$2 billion, but we expect to raise about \$500 million.

Sen. Hadeed: You will get more than that.

Hon. C. Imbert: Well, we will see. And things are tight. So every penny counts. [*Crosstalk*] Things are not good.

In light of this, another amnesty is being recommended [*Crosstalk*] since it is believed that the taxes which the State stands to collect far outweigh the penalties

to be collected. Senators may or may not be aware that many taxpayers simply dispute the assessment done by Inland Revenue and then allow the matter to go to the Tax Appeal Board at the expiry of the six-year limit and then take the matter into the court thereafter, tying up the system for many, many years and since you are dealing with tribunals, the outcome is never certain. They say the court is a lottery and there is no two ways about that, it is true. So that the benefit of an amnesty, it encourages people to pay their taxes without having to deal with the problem of penalties so that the taxes that we stand to collect far outweigh the penalties to be collected.

The amnesty will also—and I have heard Sen. Hadeed, he must know something I do not know—encourage taxpayers' compliance, since Sen. Hadeed had said we will get more than \$500 million.

Sen. Hadeed: Normally you get more.

Hon. C. Imbert: We will see.

Sen. Hadeed: That is a fact.

Hon. C. Imbert: I do not doubt. Now, the amnesty is applicable to Income Tax, Corporation Tax, Business Levy, Green Fund Levy, Value Added Tax and for the first time, Petroleum Tax. The previous amnesties only dealt with Income Tax, Corporation Tax, Value Added Tax and so on. They did not deal with Petroleum Tax. And the reason why we have now included Petroleum Tax, based on certain decisions made recently with respect to past due taxes owed in the petroleum sector and collections by the Board of Inland Revenue, with respect to precedents that are being set, the Board of Inland Revenue has advised me that they believe that for the first time they can get oil and gas companies and energy sector companies to take advantage of an amnesty of this nature and to pay outstanding taxes that they might not otherwise have paid. So we are including the petroleum

sector in this amnesty. As I said, every penny counts.

Now, to benefit from the concession, the taxpayer must have filed their returns and paid all outstanding taxes on or before September 16th. And I want to reiterate the meaning of that date. When we were discussing this amnesty, the Board of Inland Revenue advised me that taxpayers can become confused if they have too many things to do in a short space of time. This is a short period of an amnesty. It will run from, if this Bill is approved today, it will run from maybe Monday when the Bill is assented to, which would be July 10th to September 16th. It is just about two months and if it achieves the intended effect there would be a mad rush down at Inland Revenue and at the Ministry of Legal Affairs. It was felt, it would confuse taxpayers if they have to also prepare their quarterly returns for the end of September, their Value Added Tax returns for September 25th and pay their outstanding taxes around that time.

So they told me and I accepted the advice, bring forward the date for the expiry of the amnesty to a period, just a week or so before the date for collection of the Value Added Tax. That is why we went to September 16th. And after September 16th those taxpayers who have not paid their outstanding taxes or filed outstanding returns will be liable to the full interest on penalties which would be revived after that date. The amnesty will be offered to all resident individuals and companies who have not filed returns of income for any year, up to and including the year 2015. So it is all preceding years up to and including the year of income 2015.

All interest on outstanding taxes including Business Levy and Green Fund Levy, due and payable as at December 31, 2015 will be waived where such taxes are paid by September 16, 2016. All interest charged on any payment made prior to July 01st in respect of any tax and Business Levy and Green Fund Levy due or

payable as at December 31, 2015 will be waived.

All penalties, further tax and additional tax due and payable on outstanding taxes, including Business Levy and Green Fund Levy as at December 31, 2015, will be waived where such taxes are paid by September 16, 2016. Penalties, further tax and additional tax in respect of taxes and Green Fund Levy due and payable as at December 31, 2015 and paid prior to July 01, 2016 will be waived where such penalties have not been paid.

Penalties on outstanding returns for the years of income up to and including the year 2015 will be waived, where such returns are filed by September 16, 2016. Penalties with respect to returns for the years of income up to and including the year 2015 and filed prior to July 01, 2016 will be waived where such penalties have not been paid.

And let me explain that. Quite often people file returns but they do not pay the penalties. They comply with the filing aspect of the law, but they do not comply with the penalty aspect of the law. But we are now going to waive any outstanding penalties where such returns were filed prior to July 01st. And where any returns, taxes and levy remain outstanding after September 16, 2016, the penalties, interest, further taxes and additional taxes which would have been payable on such returns will be revived and become payable as if the waiver had not been granted.

As I said in the other place, I will ask all hon. Senators and the population at large, make your best effort not to arrive at the Board of Inland Revenue on September 16th. I remember, and it is personal experience, where there was an amnesty in the past with respect to the filing of returns. I got to the Ministry of Legal Affairs at about quarter to four, 15 minutes before the deadline. So I have experiences myself where all Trinidadians do this sort of thing, Trinidadians and

Tobagonians do this sort of thing, so I would urge Members, anybody you can talk to and I will urge the national population once this Bill is assented to next week, can you please start filing your returns and paying your taxes.

The amnesty is meant to give citizens the opportunity to honour their obligations to the State without the cumulative penalties and interest accrued over the years. After the amnesty period, we will use our full legislative authority to ensure compliance.

The amnesty also applies to companies and this is in clause 11 of the Bill. This clause is intended to provide for compliance with section 516A of the Companies Act. The Companies Act provides that a person or company deliver to or file with the Registrar under the Act certain documents known as annual returns. Any failure to comply with the Act, in this regard entitles the Registrar to collect from that person or company a penalty of \$300 for every month or part thereof that the person or company fails to deliver or file a document. And I wish to stress, there is a big difference, a lot of people do not understand, there is a big difference between tax returns and annual returns. There seems to be some confusion out there that I personally do not understand. The annual returns are the names of the directors of the company, the shareholders, and any other, the secretary and any other pertinent matters that are required to be declared to the registrar of companies under the Companies Act. And that is required to be done on an annual basis. And some time ago under the former Government a penalty of \$300 a month or part thereof that a person or company fails to deliver these annual returns was imposed.

I have had many letters from NGOs, in particular, from charitable organizations, from religious bodies that have been incorporated 20 years ago and have told me that they were not aware, which I find incredible. They wrote me and told me that they were not aware that they were required to file annual returns.

Now they are incorporated and they fall under the Companies Act and section 516 is crystal clear to anybody who reads it, that you are required to file your returns of particulars on an annual basis. It is actually on the anniversary date of the incorporation of the entity.

But for some reason, there are large numbers of NGOs and charitable bodies in Trinidad and Tobago who simply have not filed their returns. Some have never filed returns after the first incorporation and the filing of documents at incorporation, they have never filed annual returns.

2.30 p.m.

In fact, listening to the Attorney General in the other place, the numbers are staggering. He said there could be as many as 30,000 companies and incorporated bodies that have not filed returns since incorporation. I think the number I heard was 28,000. So that all of you, hon. Senators, Mr. Vice-President, through you, who are familiar with these NGOs and these charitable bodies, and not-for-profit organizations who say that they did not know that they were supposed to file returns, please communicate with them. They now have a two-month opportunity to file all their returns and all penalties will be waived. The \$300 per month will be waived.

Some of these small entities owe as much as \$25,000. You can see how long they have not filed. They owe \$25,000 in penalties, and for some of these entities, well they simply cannot afford to pay that. So that this is a measure to deal with that problem and one hopes that all these entities will take advantage of this two-month amnesty. And it has complicated the whole record system because there so many persons and companies that have not complied with the filing obligations, and the cost of penalties has become a deterrent to filing returns.

In other words, by the time they discovered, or they came to realize that they

had to do this, they had to file annual returns, the cost was so prohibitive that they simply did not file because you are not allowed to file your annual returns unless you pay the penalties. But the filing of annual returns is critical because in these returns, as I said, you have the names of directors and shareholders, and other particulars like mortgages, and so on, on company assets and it is necessary to assist in financial investigations and to expose key company information to the public in the verification of details like company directors, the registered address of a company, the shareholders, share capital and so on.

So clause 11 proposes to waive the penalty under section 516A until September 16th to allow all affected entities to file their returns of shareholders and directors and so on. And this waiver, the waiver of penalties—because clause 11 waives the penalty, the \$300 a month—is subject to companies fulfilling the obligation to file and deliver any forms or documents to the Registrar of Companies by the due date, plus the filing fees. The filing fees are not large. Whereas the penalty is \$300 a month, the filing fee may be \$100 for the year. So that they still have to pay something and they would have had to pay it anyhow, because when you file your annual return you are required to pay the filing fee, a small sum.

With respect to renewable energy. In clauses 5, 6, 9 and 10, the measures coming out of these clauses are aimed at fulfilling two objectives, first to reduce the petroleum subsidy and the second to reduce Trinidad and Tobago's carbon footprint. There is hope that these incentives will encourage the public to make the shift away from conventional gasoline, or diesel engine vehicles to electric and hybrid vehicles, and vehicles manufactured to use compressed natural gas. And Members will know that this is something that I did promise that we would do, and we are here doing what I said I would do.

I can say, based on the last discussion we had in this Senate, when Sen. Mahabir was telling us about all of these wonderful electric and hybrid vehicles outside there, that I have observed that a lot of the major car companies are now making electric and hybrid vehicles that are within the range of a family, in ordinary Sedans and so on, with a cc rating of 1999 cc. Five years ago it was not so. These types of vehicles are either very small like the Toyota Prius, or very large like some of the sophisticated vehicles that Sen. Mahabir had referred to on the last occasion. But now you have the full range of vehicles being offered by the car companies as electric vehicles, CNG vehicles and hybrid vehicles and so on.

The Bill makes the entire suite of measures complete. All of the vehicles meeting the specifications will now be exempt from customs duty, valued added tax and motor vehicle tax. So all vehicles with an engine size of 1999 cc or less, or an engine power of 179 kilowatts—this is with respect to electric vehicles and electric component of the hybrid—would now be free from all taxes—customs duty, valued added tax and motor vehicle tax. It is a bold move, but we think if we can make a push now and get the public accustomed to and encourage the public to use these vehicles that would have far less emissions, would use forms of alternative energy, that this is the right time to do this sort of thing, Mr. Vice-President. So the measures, as I said, are self-explanatory, and in respect of vehicles with an engine size not exceeding 1999 cc, and with respect to electric power not exceeding 179 kilowatts.

This also deals with an anomaly that existed for maxi-taxis because some maxi-taxi operators have brought in vehicles, they were under the mistaken impression that maxi-taxis were covered by the previous measures related to CNG, and they were not. So we have sorted that out and included in the measures a provision to allow maxi-taxis using CNG to benefit from these measures.

The measures applied to both new and used vehicles. The only restriction on used vehicles is that the vehicles must not be older than four years from the year of manufacture, rather than the two years as currently provided in the law. So the current provisions had indicated that if you were bringing in a used vehicle using CNG it should not be more than two years old, we have changed that to four. We are harmonizing the arrangements with respect to used vehicles, so that all foreign used vehicles have a four-year restriction now. So we decided to include, in that four years, electric CNG and hybrid so that there will be no confusion with respect to different time frames for different types of vehicles.

With respect to CNG kits, the legislation allows for the inclusion in the suite of incentives for a wear and tear rate of 25 per cent for CNG kits. So it is not just initial acquisition, you now can get tax write-offs in terms of wear and tear.

With respect to the construction sector. The Income Tax Act now provides for the exemption from income tax gains or profits derived from the initial sale of a residential house site being part of a land development. The deadline date for the completion of these residential house sites is currently December 31, 2018. These measures were introduced in 2012/2013. I am aware that construction projects can take a long time, as I have indicated in the other place it can take you three or four years to get the approvals, one year to get the money, and then when you are finished with that you just have a couple years to finish the project and get your completion certification because that is a requirement to avail yourself of the exemptions.

So, in order to encourage people to get involved in the construction of land development, providing residential house sites, multistorey car parks and commercial buildings, we are increasing the timeline for the completion of these multistorey car parks, commercial buildings and land developments, providing

residential house sites from December 31, 2018 to December 31, 2025. Nine years from now, and we think that gives enough time for people to plan and to get their car parks, and their commercial buildings, and their house sites going. This has many benefits. It will encourage investment in the domestic economy, it will stimulate manufacture and sale of construction products, it will create employment, it will rejuvenate a number of areas that are currently dilapidated and most importantly, with respect to car parking, it will deal with a chronic problem that we have at this time.

The start date of October 01, 2012 has been maintained, so that this only applies to commercial buildings, multistorey car parks and land developments yielding residential sites that started on or after October 01, 2012, but they can now be completed by December 31, 2025. We have also included a new incentive and this is with respect to the construction of multifamily dwelling units—multistorey/multifamily dwelling units. We are now giving a similar incentive to developers who construct multifamily dwelling units, they will be exempted from income tax gains or profits from the sale or letting of multifamily dwelling units. Again, this will go until December 31, 2025, but will apply to multifamily dwelling units' projects that started after the July 01, 2016, because this is a—*[Interruption]* No, this is a brand new initiative. Previously it was only commercial buildings, car parks and land development leading to house site. We are now including multifamily dwelling units, and this will apply to multifamily dwelling units where the construction has started on or after July 01, 2016, and the incentive will apply until December 31, 2025. So this will bring the whole range of construction activities into play.

I just want to say something about the agricultural sector. In the budget I had indicated—and it is in our manifesto as well—that we would seek to exempt

all inputs into the agricultural sector from taxes of any kind. I want to state that under the value added tax at this time there is relief on the imposition of VAT for persons carrying out the business of commercial fishing; provides relief for importation of fishing boats, marine engines, fishing nets and other capital equipment solely used for the purpose of commercial fishing. And the way the law works, a person imports an item that I have just described—let me just repeat—it will be fishing boat, marine engine, fishing net, line or other capital equipment solely for the purpose of carrying out the business of commercial fishing. The person applies to the Minister with responsibility for marine exportation for tax on the entry of the imported goods to be waived, and there is a format and there are forms associated with that.

With respect to the eligibility, the Minister must give a certificate of waiver stating the applicant is a bona fide commercial fisherman, the imported goods are required solely for the purposes of carrying on the business of commercial fishing, tax on the entry of imported goods is waived.

With respect to value added tax, currently with the schedule that I introduced in this Parliament in January, any live bird, fish, crustacean, mollusc, or other animal of a kind generally used as or yielding or producing food for human consumption; any draft animal, animal feedings, seeds and other means of propagation of plants, food, feedstuff; preparations for agricultural use including peat moss, fertilizers, insecticides, herbicides and fungicides; and self-propelled agricultural equipment, agricultural tractors and agricultural implements for attachments to agricultural tractors and so on.

These are all zero-rated. That is based on the new Schedule 2 that I introduced in this place in January.

2.45 p.m.

With respect to customs and this is not well known, under section 9(2) of the Customs Act, the President, which means the Cabinet, by order, published in the *Gazette* can remit or refund and designate a person or any class of persons to whom a remittance or refund of customs duty may be made, described goods or class of goods in respect of which such remittance or refund shall be paid and specify the quantum of refund or remittance. So as Minister of Finance, I intend to formalize the application of section 9(2) of the Customs Act by way of a Note to Cabinet to determine all of the agricultural inputs, whether it be vessels, vehicles, tractors, equipment, implements et cetera. All of the inputs to agriculture, chemicals, et cetera, I intend to provide a framework, which is what was missing before; clarity was missing with respect to which items will now qualify for full exemption from duty and this will now be managed by the Ministry of Agriculture, Land and Fisheries.

Mr. Vice-President: Hon. Minister, you have five more minutes.

Hon. C. Imbert: No problem. I am nearly finished. Thank you very much. So since we have detailed provisions existing already for fishing boats and so on, marine engines, we need to bring that same sort of clarity in the value added tax for other types of agricultural activity. It is confined to fishermen so we need to bring this same sort of clarity in the Value Added Tax Act with respect to other types of agricultural personnel, farmers and so on. [*Interruption*] Coming to that.

And with respect to the motor vehicle tax, currently it is quite a convoluted system. So again, I intend to make it crystal clear that motor vehicle tax on agricultural vehicles will be exempt from motor vehicle tax; that will be done later in the year but the vehicles must be approved by the Minister of Agriculture, Land and Fisheries. Because you have a lot of people buy a Prado, which they never

would drive on a farm or estate, and say it is an agricultural vehicle. We are not going to allow that. So that the Minister of Agriculture, Land and Fisheries will have to determine the person is a bona fide farmer, they are using the vehicle for agricultural purposes. If they use it for some other purpose like running taxi, the exemptions will be revoked. So that framework will be put in place later in the year to allow motor vehicle tax to be waived for agricultural vehicles.

So we are going to harmonize it so that all of the incentives available to fishermen will also be available to other types of agricultural—people involved in agriculture. We are going to ensure that motor vehicle tax is waived on agricultural vehicles and we are going to ensure that our commitment, that all taxes—customs duty, value added tax, motor vehicle tax as applicable, will be exempt for the agricultural sector. There are several provisions there right now but they are confusing and they are not complete, they are a bit inadequate and this will all be sorted out within the next couple months.

With respect to the yachting industry, as I take my seat for—with the one or two minutes left. I have had a lot of representation from the yachting sector which has claimed that the imposition of value added tax on yacht services has created adverse effect on the number of foreign yachties that come to Trinidad and Tobago. One of the things we have to be very careful about though is that in exempting an entire sector, there are unintended effects, and there are a lot of Trinidadians, *[Interruption]* yes, who take advantage of these incentives. So we have to work out a framework that it is the people we wish to encourage to Trinidad and Tobago to stimulate employment and investment and foreign exchange and so on, that those are the ones who will benefit from an exemption of value added tax. But as you will know, Sen. Hadeed. *[Interruption]* “Ah say as you will know.” *[Laughter]*

Sen. Hadeed: I have no boat.

Hon. C. Imbert: Yeah, but as you will know, [*Laughter*] there are people who have multimillion-dollar yachts in Trinidad and Tobago who previously got exemptions from VAT. That was never the intention. So the framework we will work out over the next couple months will be focused on the maritime sector, focused on earning foreign exchange, focused on employment, focused on encouraging foreign yachties to come here rather than to go elsewhere, and serve the purpose that was intended, but we are going to provide appropriate relief.

Sen. Hadeed: You should look at the registration of vessels—

Hon. C. Imbert: And yes, we set—definitely have to look at all aspects of the maritime sector. So with those words, Mr. Vice-President, I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Thank you very much, Mr. Vice-President. We are dealing with the Finance (No. 2) Bill, 2016, which seeks to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature.

But before I deal with the revenue part or the expenditure part of this economy briefly and then get into the provisions that are before us, I always learn, as a basic principle from my training and background, when measures are introduced, how are these measures going to benefit the poor, the ordinary, working man and woman, the dispossessed in our society. Mr. Vice-President, you would have read, as I have read, poverty is rising: 24.5 per cent of the population have been classified as poor and in the poverty range. Just today, in today's papers, we read where yesterday, a mother, gripping her four-month baby, committed either murder and suicide. We do not know what it is. The reports are still coming in and when you look at tenement that housed her, one could well appreciate the poverty

challenges that she faced, along with her young baby.

Parents are now discovering as they collect their papers to transit their children from the primary into the secondary school stream that, for the first time, they have a new booklist to collect to go and buy books, for the first time in several years in this country. That never used to happen for several years. So parents on reduced income, workers who have been retrenched, now have to go and purchase schoolbooks in this country. Those are the realities. Students at UWI are frightened as to their future because GATE is about to be kicked out or considerably reduced, according to reports.

So whilst all these things are taking place, we are giving concessions, we are granting exemptions, we are providing incentives, to companies and individuals and groupings. I guess all in an effort to stimulate the economy of this country. We understand amnesty is in the air. People are going to benefit one way or the other which might be a good thing at the end of the day for some, but for many ordinary people in this country, the struggle to make two ends meet continue on a daily basis. So whilst financing and the raising of revenues, as being outlined by the Minister to some extent, and the provision of incentives for housing sites, commercial buildings, commercial car parks, multi-family dwelling units, very good. The capitalists, the big shots, are going to benefit from these incentives. But what will happen to the ordinary people?

We already know, Mr. Vice-President, that expenditure in this country is lower than initial estimates. We know that capital expenditure has slowed. The economy has stalled literally. The hon. Minister of Finance is attempting to kick-start the economy by announcing several initiatives and measures. We know that the construction industry has collapsed and, again, measures are being promoted to see how it could be revitalized. So there are major challenges facing this society.

And you know, I thought the hon. Minister might have brought this honourable House up to date with a status report on the financial performance of the Government in the first nine months of fiscal 2016, particularly when we take into account the provisions and the measures that are contained in this Finance Bill 2016. For example, Mr. Vice-President, we would have liked to know on our side of the House, what has been the out-turn with respect to any energy revenue. We know that there have been dips, flips and some kind of revival, limited as it may be. We would have liked to know the status and the state of play insofar as revenue from the energy sector is concerned. What is the state of value added tax collections as this time? What is the state of play as it relates to dividends from state enterprises? What is the state of our current expenditure? What is happening with our Public Sector Investment Programme? So we did not get those things.

And we know that the Minister has been engaged in a range of financing activity to fund the fiscal deficit which we understand is going to be larger than had originally been anticipated given the mid-year review that we were exposed to. We know for a fact that the Minister of Finance has borrowed some \$3 billion on the local capital market to fund a number of activities. We also know that the Minister of Finance has borrowed from a particular commercial bank recently, and he spoke about it—\$2 billion in addition to the \$3 billion that I have mentioned, through what can only be described as an unusual RFP process involving this particular commercial bank. We also know that the Minister of Finance has raided some \$2.5 billion from the Heritage and Stabilisation Fund.

All these are financing measures and mechanisms, as the hon. Minister seeks to address expenditure in his 2016 fiscal package.

3.00 p.m.

We also know, Mr. Vice-President, that the Minister has promised to go on a

roadshow, internationally, to raise some US \$1 billion. I do not why he did not go in March because the borrowing limits were increased in December. We should not wait until the British have left the European Union to go and raise funds. We should not wait until Moody's and Standard & Poor's have downgraded us to go and look for credit, internationally. We should not wait to withdraw US \$375 million or the equivalent of \$2.5 billion and then go on a roadshow. That is not making sense. So, the question that is emerging on the lips of the people is what assurances can the hon. Minister of Finance provide this country that he will raise that large amount of money when he goes on the international roadshow?

We also know, well I should not say we know, I should ask the Minister when he is winding up to advise us whether he has accessed, with the blessings of the Central Bank Governor, \$1.8 billion from the blocked account of the Central Bank. I would like the hon. Minister to tell this country, whether in borrowing he has accessed \$1.8 billion from the blocked account of the Central Bank. My information, Mr. Vice-President, is that these funds are supposed to be used for liquidity management and not for deficit financing through Treasury Bonds and Notes. So, we understand from reports that we have gone into that blocked Central Bank account. I would like the hon. Minister to tell us.

Mr. Vice-President, as we look at these measures, we look at those measures in the context of the financing realities and the economic realities, rather, that we face. We look at what are the Government's financing plans. We would like to know. We would also like to know, with three months to go before the end of this fiscal year, what are the growth and investment strategies of this Government. To us, on our side, there does not appear to be an integrated, coherent and comprehensive plan and/or strategy and/or policy for genuine, economic, social, cultural and sustainable development growth for this country. We have not been

able to see that thus far with three months to go before the close of the financial year 2016.

So in all, the population is asking and I mean no disrespect, but the population is asking whether the Government knows what it is doing. That is what the people are asking outside there. We seem to be going nowhere fast, and people are concerned. So we go to these measures in this Bill and we see a number of initiatives being undertaken by the Government, through the Minister of Finance. But I must say some of the initiatives, like CNG and the hybrid and the electric vehicles, in terms of exemptions, customs duties, motor vehicle tax, et cetera, these, as you know, started under the last administration, when all these things were in fact done. But, of course, the Minister has followed through and increased the cc engine size. Whereas it was 1599, it is now 1999, in terms of electric and hybrid and the incentives given to CNG, which is something that was started in the past. So, we are happy to see that the hon. Minister, you know, has continued and pursued this particular initiative and all in the interest, in terms of the environment.

Because, I was happy to learn today that internationally there is a report out, Mr. Vice-President, as you listened yourself this morning when we were addressed by the hon. Speaker, that from a report in this week's *Express* or one of the newspapers, there is a report showing that healing has begun, as it relates to the ozone layer, and that is a very positive development for the environment and for sustainable development. That is a very positive thing.

But one of the challenges, as we know we have, is fossil fuel and that is where we have to really button down and get a number of vehicles in the state sector in particular to transit from fossil fuel to CNG and of course the electric and the hybrid would also contribute. So that is a positive development for humanity, Mr. Vice-President.

So we know that the Government, up to now, has not articulated what I would like to describe as a credible plan for turning around this economy and achieving fiscal balance. But, Mr. Vice-President, if I may deal with some of the measures directly. I would like to ask, whilst we have no problem with forces visiting Trinidad and Tobago, whether they are from the United States or from Venezuela or from China or Japan, we have no problem with visiting forces coming here. But, I think that we need to probably do a more objective evaluation and assessment of this. This concept, Mr. Vice-President, the concessions and exemptions that we are extending, are these concessions and exemptions organized on a reciprocal basis? If our armed forces were to visit the United States or to visit Japan or wherever, Mr. Vice-President, would they get the same treatment, in terms of exemptions from tax, as the case may be, customs duty? We do not know. So that is an area that we need to pay attention to.

We also need to know what sort of controls we are going to be putting in place, Mr. Vice-President, to avoid abuse and misuse of these provisions and exemptions and concessions that we are granting to these visiting forces. And Mr. Vice-President, what is the revenue that we are going to lose as a result of these concessions that we are granting to visiting forces, at a time when the revenue challenge is so serious and severe in our country; at a time when the Minister had to dip in the HSF in order to finance expenditure? So there are some implications that my colleague, Sen. Hadeed, will address when he speaks on this matter in a much more detailed way.

Now, I agree with the hon. Minister, it was raised—that is, the national insurance matter was raised in the other place and that he has undertaken to look at this matter and I am happy that that is a commitment and undertaking given because my analysis, if I may help him even further as he proceeds in his

assessment and evaluation.

Mr. Vice-President, when we look at the national insurance amendment to Third Schedule Order, 2013, and we look at the earnings class, we go to class 14, we see where the new basic pension in 2014, on a weekly basis was \$730.92 and where the new monthly basic pension was about \$3,000. That was in 2014. What has happened in what the Minister has circulated here is that in the same class 14, earnings class, the new basic pension, on a weekly basis, goes up to \$832.50 and the monthly goes up to \$3,607.50. So, we have said: “Well look, that is a very good development. Everybody will now benefit from this new increase.” But we realize that that is only applicable to the new persons who are coming on the block.

When this thing is effected, as the hon. Minister said, from 5th September, 2016, only those new persons who are applying—who will be contributing, rather—will be benefiting when they retire, let us say in 2017. And those of us, and there are thousands of people who have retired and they are enjoying retirement pensions, they will continue to exist at \$3,000 per month, whilst the new persons who are on the block will be getting \$3,600 a month. That is discrimination of the highest order and I am happy that the Minister has taken a decision to examine that, to make sure that there is no discrimination as it relates to pensions re the NIS arrangement. Because not only are pensions involved but sickness benefit, maternity benefit, injury benefit, disablement pension, death benefit, survivors benefit, medical expenses, constant care and attendance allowance and invalidity pension. All these categories are going to be affected by the measure that is now before us.

So, again, Mr. Vice-President, I am very happy that the hon. Minister is going to look into this. Because I give him a promise, I give him a promise that I will be here to ensure that that commitment, that undertaking, that assurance and

that promise that he has given is fulfilled on behalf of the people.

Mr. Vice-President, I also want to advise the hon. Minister, if he is not aware and maybe he can advise me, what is the reason why the annual NIB reports for 2014 and 2015 are yet to be tabled in this honourable House? [*Interruption*] No, the last report we have from the NIB is 2013. Yes! So if I want to know, Mr. Vice-President, the state of play at NIB, I have to go to 2013. But I understand that those reports are with the Minister. [*Interruption*] Well, you better check because you need help you know. I think you need help. You are too lonely in that Ministry, too lonely. You need at least two other Ministers to help you, two more to help you. I am telling you. You need more. You need more help. So, Mr. Vice-President, if the Minister can table, very quickly, those reports, we would appreciate having those reports before us, so we can study them properly.

Mr. Vice-President, NIS is serious business. Over 517,000 insured citizens are in the NIS system. You multiply that by about three and it is over a million people who might be benefiting directly or indirectly from the NIS or the NIB arrangement in this country.

3.15 p.m.

So I think it is a matter that we need to pay attention to. It is a very serious situation and, Mr. Vice-President, I do not know if the Minister has factored this thing into his matrix. We know we have to increase the contributions, there is no doubt about it. When the hon. Minister spoke to the Parliament in November of last year, he provided the evidence for the increases that will take place from September. If we do not increase our contributions, the system will collapse, and nobody wants NIS to collapse. So we have to pay more, there is no doubt about it, but you know what is being predicted? Right now 3.7 workers sustain one retiree. If we continue how we are going, in 50 years' time, 1.1 worker will be sustaining

one retiree, that is not good business. So we have to ensure that we do something to keep this system properly intact—[*Interruption*]

Sen. Hadeed: Properly funded.

Sen. W. Mark—and funded. When Calder Hart was in this country, and he invested, Mr. Vice-President close to 60—[*Interruption*]

Sen. Hadeed: US \$36 million.

Sen. W. Mark:—US \$36 million in that failed WGTL project, and he himself wrote it off. It is us who contribute to the NIS. We suffered, bad decision making, in terms of investment, and the NIB suffered and we as contributors also suffered.

I want to also indicate to the Minister, that his attempt to deal with the environment, via removing motor vehicle tax on the importation of vehicles for private and commercial use, re: CNG, electric, hybrid, is something that no one can be upset with, because we signed the Paris Agreement in December last year, but we have to present an action plan to ratify that agreement. We have signed, but we are yet to ratify. So we are hoping that the Government will take action to deal with this matter of the Paris Agreement. And maybe the Minister could tell us as we seek to address carbon footprints, as we seek to phase out the use of fossil fuels, as we seek to incentivize citizens to purchase hybrid, electric and transition to CNG, he can probably share with this Senate, when this Government will be submitting its action plan to the United Nations, re: the Paris Agreement? Our information, Mr. Vice-President, is that you need to submit that action plan to the Secretary General of the United Nations, before you can ratify that particular agreement that 155 countries signed off on a couple months ago in Paris, the most countries that have ever signed off on such an agreement. So we look forward to that.

Mr. Vice-President, as I am on this question, I also would like the Minister

to tell us, what initiatives are being taken, what steps are being promoted to ensure that the PTSC, WASA, TSTT, T&TEC and Petrotrin migrate to CNG by 2020? We need to get those state entities on to the CNG route quickly.

I want to bring to the attention and the notice of the hon. Minister, maybe it is an oversight, maybe he is not aware, but I want to point out to the hon. Minister, that under Part VII of this Bill, where he proposes a waiver of interest and penalties on outstanding taxes for the petroleum industry, I would like to let him know that on closer scrutiny and analysis, there appears to be an error or an oversight in this matter.

Hon. Imbert: What is that?

Sen. W. Mark: The Bill in its current form amends only the table in section 16 of the Petroleum Taxes Act, by inserting section 103A of the Income Act, and this creates an amnesty or waiver of interest. However, section 16 of the Petroleum Taxes Act resides in Part I of that Act, and treats only with petroleum profits tax, because there are three types of petroleum taxes in this country. PPP, no, I was going to say the People's Popular Movement. [*Laughter*] People's Partnership? No. PPT, Petroleum Profit Tax, Mr. Vice-President, that is the first tax. Then we have the Supplemental Petroleum Tax, and then we have the Unemployment Levy, those three taxes govern the petroleum industry.

Hon. Imbert: Hon. Senator, would you give way?

Sen. W. Mark: Yes, go ahead.

Hon. Imbert: Thank you, Senator for giving way. As I indicated, this has never been done before. So we thought we would start with just Petroleum Profit Tax, rather than all the other taxes.

Sen. W. Mark: Well, my understanding, Mr. Vice-President, is that the real lump sum that we would need at this period of drought, financial drought is the SPT and

the—well, I am being advised.

Hon. Imbert: Yeah, no problem.

Sen. W. Mark: I am being advised that, you know, the SPT along with the Unemployment Levy, can generate around \$500 million for the Minister of Finance, and I understand the petroleum industry is not happy, especially the lease operators, those lease operators, there are about 25 to 30 of them. With the prices of oil so low, Mr. Vice-President, they are reeling under pressure, and they would have liked to really get an opportunity to survive by the waivers, that the Minister announced for the Petroleum Profit Taxes, but because the SPT has been left out, and the Unemployment Levy has been left out, those small lease operators—I understand there are about 25 to 30 of them in the oil industry or the energy sector, and they employ about 3,000 to 4,000 workers. They are going to have some difficulty, and they would have welcomed this initiative.

So I understand what the Minister is saying. It is a new experience and because of this, he does not want to go too far, but because of the need for hard revenue, the need for that stream of revenue to come into the coffers of the Consolidated Fund at this time, I would ask the hon. Minister, to give consideration to extending this provision, to the Supplemental Petroleum Tax area, as well as the Unemployment Levy area. So that, for instance, there will be an equal playing field in that industry, rather than, you know, some will get what is called amnesty as it relates to the PPT, but the SPT and the Unemployment Levy would not be touched at this time. I think it is a matter that the Minister ought to look at and examine and determine whether—

You see, Mr. Vice-President, if a proper assessment and analysis is done, as to what is the likely generation of income, that would—or revenue that would be generated, if the Minister were to apply it across the board, then the Minister

would have been able to realize along with his technocrats, that he has a long term stream of possible income flow into the Consolidated Fund, if he goes along with the SPT and the Unemployment Levy as well. So do not confine it merely to the Petroleum Profit Tax, I think you ought to examine the other area as well, because at this point in time—*[Interruption]*

Mr. Vice-President: Senator, you have five more minutes.

Sen. W. Mark: Yes, yes, Mr. Vice-President. At this point in time, as the Minister said, he is like, you know, he reminds me of Max Senhouse—*[Interruption]*

Sen. Hadeed: He needs the money.

Sen. W. Mark:—the late Max Senhouse, right?

Sen. Hadeed: He needs the money.

Sen. W. Mark: He needs the money, and if he needs the money, I believe we are a very responsible Opposition, because I did not have to come here and share this information with the Minister, *[Interruption]* but the more revenue there is in the Treasury and in the Consolidated Fund, is the more ordinary people will be able to access funding for a number of, you know, activities.

Sen. Hadeed: “We might geh back de Baby Grant.”

Sen. W. Mark: We might “geh back de Baby Grant”. We might be able to get back, you know, the grant for text books, so all of these things and so on. So we come here in honesty and sincerity, right?—because, you know, I know that even bpTT Chairman or President was saying some time ago, that there is too much bashing of the multi-national corporations, and even Sen. Gerry Hadeed, a businessman himself, is on record as saying in this Parliament, why are we bashing foreign investors? I mean to say, once we have laws in place to extract what is necessary to advance the interest of the people of this country, because we cannot

do it on our own. We have to be very careful how we go about dealing with it.

So where we have a shortfall in revenue, and the Minister through his efforts can improve the flow of that shortfall. I ask him, I call on him to examine this particular proposal. And if you have to call back your colleagues, you call them back, and they will understand that an emergency has arisen. You need to amend the law, and call them out, and amend the law to make sure, Mr. Vice-President, [*Laughter*] that we deal with this matter.

So, Mr. Vice-President, these are some of the issues [*Interruption*] that engaged my attention, and I thought it necessary to bring it the attention of the hon. Minister of Finance, to see what could be done to address them. So the first thing, you have to look carefully at the visiting forces, and how that is being done. My colleague will deal with that in a more detailed way.

The question about the various incentives, motor vehicles re: hybrid, electric, CNG, we cannot be against that. It is environmentally healthy, and we support that. There are two areas that we have concern with, NIS and an undertaking has been giving to get that right by September.

Sen. Hadeed: Not an under—an assurance.

Sen. W. Mark: An assurance, an undertaking, a promise, you call it what you will, it has been given.

Finally, Mr. Vice-President, I have brought to the hon. Minister's attention, the need for him to revisit that initiative and extend this tax, not only to PPT, Petroleum Profit Tax, but to also look at the Supplemental Petroleum Tax, as well as the Unemployment Levy.

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

3.30 p.m.

Sen. Dr. Dhanayshar Mahabir: Thank you very much, Mr. Vice-President, for granting me this opportunity to contribute in this afternoon's debate. Mr. Vice-President, as we know, today is the last day of sittings in the Parliament of Trinidad and Tobago before we go on our break for both Houses. I wish to go on record as disputing Sen. Mark's position that we could be re-summoned during the next two months. I would disagree vehemently with my colleague, Opposition Sen. Mark. We are looking forward to our break, Mr. Vice-President, notwithstanding genuine emergency. But it has been a long session of the Parliament, and today we are coming to really conclude the people's business so that during the period of the break that we are on, the country would be run efficiently.

As all of us are aware, Mr. Vice-President, we do not vote on a Bill such as this, so that the contribution of the Senate is simply to determine the extent to which we can influence public policy. When we examine the Finance Bill, we know that many of the measures which are before us for amendment are subject to continuous and continuing review. This is the nature of the economic environment in which we have found ourselves, and so I would take this opportunity this afternoon to seek to influence the Minister of Finance and, perhaps, even the Cabinet with respect to some of the policy measures which in relation to the Finance Bill may be considered in the best interest of the people of the Republic of Trinidad and Tobago.

First, Mr. Vice-President, I want to focus on this issue of the visiting force contractor. In the Finance Bill, we saw a very interesting position on the part of the Government that the contractors—I understand Sen. Hadeed will have some more to say on this—of a visiting force—that is a visiting military force—invited

by the Government of Trinidad and Tobago will be exempt from all duties and taxes.

I want to raise a few issues on visiting force contractors. What does this “visiting forces contractors” mean? It means, according to the Bill presented by the hon. Minister of Finance, it means:

“...a person”—and a person given the Interpretation Act will also be a company—“who is contracted by a visiting force and approved by the Minister for the purpose of providing a contracted service to the visiting force.”

Now, this begs the question, Mr. Vice-President, on what are these services that are provided to a visiting military force?

I would like with your leave, Mr. Vice-President, to quote three short passages, clarifying exactly what the visiting forces are, and I want to quote from a book by Rachel Maddow. It is entitled: *Drift: The Unmooring of American Military Power*. Who is Rachel Maddow? She is a PhD Oxford, a BA Stanford University, Political Science, so she fulfils my criteria of academic standards, and her book is interesting reading, published in 2012. Let me refer to page 161 of her book. We need to find out what these private contractors, which service the US military, actually do and with your leave, Mr. Vice-President, one paragraph. Page 161:

“Private for-profit companies had provided food service, garbage collection, and water bearing for previous missions but in Bosnia they’d do almost everything, and in huge numbers. When twenty thousand US soldiers were sent to help keep a fragile peace among the Serbs, Bosniaks, and Croats, who had been fighting a bloody three-way way in the former Yugoslavia, an equal number of private company employees went with”—them.

So we are not talking, Mr. Vice-President, about United States military detachment and a dozen or so employees from the private sector; 20,000 servicemen accompanied by an estimated 20,000 contractors.

What have these contractors become? Let me quote again from Dr Rachel Maddow, page 167. I am going somewhere because whenever I raise an issue I do have a solution. Let me quote from page 167 and on page 167 it says:

“Although a system of contractors for hire might seem reasonable to supplement and support U.S military presence,’...‘the outcome has been the creation of a band of mercenaries—a secretive, unregulated, well-paid, under-the-radar force that is larger than the U.S Army”.

Mr. Vice-President, we are in an area here where we need to tread very carefully.
[*Desk thumping*]

I have one more quotation from Rachel Maddow, a very well documented book. We need to find out who are these contractors. You see, Mr. Vice-President, we have always in the history of the Caribbean had private contractors associated with bona fide forces. In the long ago period, the British Monarchy issued letters of marque to privateers and to free-enterprise pirates to attack the Spanish Main and they did not come under the strictures of the British Naval discipline.

When I researched this particular phenomenon and, for me, it was just not relaxed reading, because in my profession we have always come to regard the national defence from the days of Adam Smith, as a function that is conducted principally and purely by the State with maybe minimal inputs from the private sector. Now we are seeing that the United States military has more and more become privatized. What has happened over the last 20 years? Very interesting reading. I do not have the time to do it in the 40 minutes that I have. There will

hopefully be an opportunity subsequently.

When we look at these private contractors, Mr. Vice-President, we see certain names, a name such as Academy. Could you imagine a company with a name like Academy serving the military in the United States? We see a name like Blackwater; we see a name like DynCorp and we see a name like Brown & Root Services. These names are not familiar to us, because many of us are quite familiar with, Mr. Vice-President, the huge defence contractors in the United States. Who are they? We are familiar with Northrop Grumman. That is the company that makes the missiles. We are quite familiar with Lockheed Martin. It is a company that makes the fighter crafts. We are quite familiar with General Dynamics, guided missiles. We are quite familiar with Boeing, both civilian and military hardware, but we are not familiar with these companies: Academy, Blackwater, DynCorp, Brown & Root.

Let us take a look at what a company like Brown & Root has done. I assure this honourable Senate that I am going somewhere, and I wish to influence Government policy, because we are in an area that is if not managed carefully potentially, not for certain, potentially problematic. I would like, finally, Mr. Vice-President, to quote from page 162, and I want to emphasize the types of functions these companies have done.

Mr. Vice-President, I am focusing only on the economics. I am not focusing on the social dynamics of these private contractors. It would be, in my mind, improper to highlight the civilian excesses of these companies and the Balkans well documented against children. I cannot quote those. I refuse to quote those. I leave it for another forum, but let us look at what two companies that I have quoted do. Page 162:

“Brown & Root employees built the barracks where US soldiers bunked,

made sure they were fed, their clothes and bedding laundered, their recreational needs seen to, their mail delivered, their e-mail working.”

And then there was another company called DynCorp.

“DynCorp’s biggest contract was from the State Department, to provide a private police force to support the larger UN mission and to train the local constabulary in Western law enforcement.

...DynCorp also had a smaller contract with Defence for things like maintaining US military aircraft in Bosnia.”

These contractors, Mr. Vice-President, are not simply performing civilian work. They are providing a great deal of work that you might consider military and combat, and they are not coming under the regulations of the standard US military. It is as Maddow indicated, they are a force that is largely mercenary. This is not my view, Mr. Vice-President, this is the view of the international community which has recognized these contractors engage in military services for an on behalf of the US military as mercenaries. The United States has not recognized it, but the international community has indicated that this is so.

But the point I am coming to, Mr. Vice-President, is this. How does all of this influence public policy? Let us probe deeper. You see, as an old researcher in the multi-product firm area of economics, I held the view that a company such as Brown & Root, which is part of a parent organization, perhaps had a relationship with Northrop Grumman. So that Northrop which makes the fighter aircrafts will have the subsidiary which will perform ancillary services on an outside base. It is not. Brown & Root and DynCorp are not part of General Dynamics, Boeing and Lockheed Martin.

When we drill deeper, the parent company of Brown & Root is a company with which we all familiar in Trinidad and Tobago. It is called Halliburton.

Halliburton is one of the world's largest contractors for oil well services for the energy sector. The question we want to raise is: how is Halliburton, very large in the oil and gas sector now, one of the largest companies in the world in providing these contract services paramilitary police services for the US military?

Well, the clue to that is the dedication of Rachel Maddow in her book to former Vice-President, Dick Cheney: "Oh, please let me interview you." Dick Cheney, of course, was one of the directors or one of the big individuals behind Halliburton and then became Secretary of Defence and, of course, you would have found a lot of contract work for that company in the Balkans and elsewhere where the US found themselves in present.

3.45 p.m.

What is the issue, Mr. Vice-President, for Trinidad and Tobago? Here we have a company like Brown & Root, which is a bona fide contractor for the US military, has a parent called Halliburton. Brown & Root will be entitled to duty-free concessions for inputs imported into Trinidad and Tobago. Have we made adequate provisions that the parent company, which is Halliburton, will not have access to these inputs? So that if Halliburton wishes to compete for contracts in Trinidad and Tobago, because Brown & Root is in fact in the construction business, if they wish to get into the construction sector will their parent company have an unfair advantage in Trinidad and Tobago when we come to compete for contracts? Have we put into place measures where the inputs for use by the military in Trinidad and Tobago, on behalf of the US, will not be made available to the parent? This is unsure. And, second, let us look at another scenario; the scenario is, suppose the US Government—I know we have a treaty—suppose the US Government wishes to establish a base on Monos Island, site of a large drug bust, and they said they would like to establish a site there to keep an eye on

individuals across the Gulf, whoever they may be, everything that is imported via the contractor, the contractors are now larger than the core military.

You see, what has happened is that the US Government has found a clever way to reduce the cost of the military, and as the incidences arise, they will expand, and as the debacles have disappeared they will contract the military simply by using the private sector. These companies that will service the US military on, say Nelson Island, Carrera Island, Chacachacare, wherever, to keep an eye on the mainland, is for the benefit principally of the United States Government. And nothing is wrong with that, we have a very good cordial relationship, but these companies will be earning huge profits from their operations that will be generated to their shareholders in North America, whoever their shareholders are. It is a benefit to the US Government. What are we getting out of it? As Sen. Mark indicated, and this is where we are in total agreement, the Minister needs the money. He needs the money, and this is an opportunity for revenue generation.

So, this is my recommendation, Mr. Vice-President. I would recommend that the Minister, the Cabinet give consideration to referring this matter of contractors to the Joint Select Committee on Foreign Affairs, of which I am a member, where this Joint Select Committee is responsible for all matters relating to the foreign policy of the Government and examining the implications and likely effect on Trinidad and Tobago. This issue, Mr. Vice-President, is new for Trinidad and Tobago, well-documented, and I think we need to tread very carefully so that Trinidad and Tobago can protect its interest, establish and keep cordial relations with the United States, but, at the same time, treaties must be reviewed continuously so that they are mutually beneficial.

Remember—you see, I raise this issue—this matter first arose, Mr. Vice-President, when we were establishing the Summit of the Americas

convention, so there was a toehold, now it has expanded into a treaty, and my concern is this, my concern is once these contractors are established in Trinidad, what impact is it going to have on the civilian economy? Reading the law, the Visiting Forces Act law, I see that these individuals who run afoul of civilian law will be brought to book in the civilian courts, but reading their experience in various jurisdictions, what we have seen is that whenever a member of the civilian force, this civilian contracting force commits an atrocity he is not subject to military and marshal law. The companies tend to just ship them out and so they escape the legal process in the country in which they have committed the infraction. That is the civilian part, but I am concerned really with the impact of these visiting contractors on the civilian economy and what advantage we could get from them.

We are making significant concessions, it is not a small matter, it is a huge matter, and we want to ensure that we protect the interest of our citizens and, at the same time, we do not wish to give the parent companies, like Halliburton, an unfair advantage over firms which may be competing with them in the oilfield business, because, you see, when I read the Order it says that inputs that they need will be duty-free. This is a huge—it seems as though everything can fall in a container military, and a lot of these we do not know whether they will find their way into the civilian sector to provide the unfair opportunity. I am sure, and the recommendation is, the Minister of Finance, together with the Minister of Foreign and Caricom Affairs should refer this matter for deeper study and detailed analysis.

Mr. Vice-President, let me see if again we could influence policy, and I commend the Minister of Finance for the changes which are made to the National Insurance Board. The National Insurance Board covers some 500,000 people. In a Joint Select Committee system we were able to get the NIB to waive certificates of

existence. Life certificates are on an annual basis which cost the retirees a significant sum every year simply to show that they are alive, and I am hoping that I could influence policy so that old-age pensioners too can have their life certificates waived, many of these people are immobile. So we can follow the position taken by NIB, and it is so simple, it is one of those simple solutions that generated millions of dollars of benefit for the poor people. You simply look at all your beneficiaries in a year, simply ask the Ministry of Legal Affairs for all the deaths in a year. You look at the deaths and you look at the beneficiaries, strike them out, and those who have not died are assumed to be alive, and you continue to pay them their fee. I would make a plea on behalf of all the senior citizens in this country who are in receipt of the Senior Citizens' Grant to exempt them from this onerous difficulty—[*Interruption*] Yeah. Yeah. Right. We will deal, Senator—you will have your turn to answer Sen. Mahabir, and you tell the elderly people to find themselves on a quarterly basis to make an appearance, but do not worry, we have a process already in place, NIB must be commended for this. NIB must be commended for this initiative, and we simply would like to extend it.

I understand, Mr. Vice-President, that the private sector has also followed; the private insurance sector who offer annuity. Sen. Hadeed would, of course, be better qualified than I am, but I know there are some private insurance firms that have also adopted the NIB model to waive life certificates. What I would recommend to the hon. Minister is that we, Mr. Vice-President, try to improve the efficiency of the NIB. Sen. Mark alluded to fact that their last report was 2013, that is one issue. The second issue is that of the thousands of people who retire on an annual basis, not only are they facing difficulties getting their pensions from the Comptroller of Accounts on an annual basis—on a timely basis, it is going to be a month and a year, Mr. Vice-President, since the last Parliament was dissolved, and

we have not received our little pension yet. I want to alert the national community, if Senators and MPs have had to wait for a year and a month for a simple bullet pension—we understand, we sympathize with the people out there, and I know the hon. Minister will do what is necessary to prod the public servants to ensure that we could pay a pension within a six-month period.

But there is an outstanding issue with the NIB, Mr. Vice-President, and that is the notion of missing contributions. There are people in this country, working-class people, their employers deduct regularly from their salaries, NIB contributions. When you go to check at NIB they will say, 1998, but we only have 10 contributions from you—and for everyone in this Chamber, please, I can tell you, check your NIB statements, reconcile them quickly, because when retirement time comes, it is going to be very, very difficult for you to get all your TD4 certificates because now you, the payer, you had nothing to do with that, you must prove to them that you actually were working, and it can be tedious. So I think we need to prod the NIB to ensure that missing contributions are reconciled as soon as possible.

Mr. Vice-President, today is the last day and in high school the last day for school was always a half day, and in the afternoon this is what we did, we did not go to school after lunch, but today is a hard day and we wore a white T-shirt under our shirt—I am confessing my miscreance in public now—and we would take off our monogram and go to Jubilee Cinema in Chaguanas, and in the afternoon we saw a movie, and, unfortunately, there was one Priest called Brother Leonard who did not bite nice, he came, and on that day that he got the “fellas” I was not there, so I have a clean record. But I did break the law on the last day, went to Jubilee, sat in pit with a T-shirt and you saw a movie—[*Interruption*] Well, no, no, I am not going that far, Sen. Hadeed, but today, as the last day in the Senate, I see we have a

lot of work to do, but let me continue with the work. [*Interruption*] I was tempted to bring a T-shirt only to the Parliament, but let me focus on the motor vehicles.

We have had much discussions with the hon. Minister on the motor vehicle issue, and there is—Mr. Vice-President, could you tell me how much time I have, because I have a fair amount—could you tell me how much?

Mr. Vice-President: You have until 10 past four.

Sen. D. Mahabir: Thank you very much, 13 minutes, I think I will be able to wrap up in that time, because it used to be in the old days, Mr. Vice-President, when the talk is going really well, a Senator will ask for a little extension but now even that right has gone, so we do have to complete within our 40 minutes.

Let me look at the concessions on motor vehicles. On the motor vehicles, Mr. Vice-President, I see that—and I am in agreement with the spirit, the letter, the intent of what the hon. Minister is attempting to do. I simply would like to raise, as a matter of public policy, whether we should not also consider the Beverage Containers Bill for the environment, follow Guyana's example where they have actually banned, Guyana and Haiti, the two poorest countries in the Caribbean have actually banned the use of styrofoam containers. They banned them, Guyana and Haiti.

Let us look from our Haitian colleagues in Caricom, because they did not want their beaches and their rivers and their wildlife clogging up. Let us look at that and ensure that we could control plastic bottles, and so on. May I suggest to all parliamentarians, today is the last day, when we go to the beach take a plastic bag, take some rubber gloves, pick up some garbage, let us lead by example. I would like to do that, let people see me picking up garbage—yeah—they see me picking up garbage. Anytime I go to Caura I always take a garbage bag and I pick up whatever—there is some garbage across the river, I cannot swim across there—

how it got there, I do not know, but on the right side of the bank I can collect. So let us talk the talk on the environment.

4.00 p.m.

But there is a concern, Mr. Vice-President, that I would like to raise and it refers to the hybrid vehicle that I had discussed with the Minister. It says:

“...a ‘hybrid vehicle’ means a vehicle, with an engine size not exceeding 1999cc, which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.”

This to my mind raises a potential avenue for escape for a citizen of this Republic who is bent on violating the spirit of the law. I know what the Minister wants, but I think in my experience now in writing the law, I like to spell out everything carefully, so I am not letting anything open for someone who wants to exploit the system.

We want midsize cars. We want that. That is the spirit. Midsize cars which are hybrids should be available to a family and not only the small cars. But again, I come back to the old BMW i8 which I raised with the hon. Minister. And the i8 is an example of the 20 or so cars that I examined. What are the features of the BMW i8? It has, Mr. Vice-President, a very small engine. The engine size of the i8 is 1499 cc, a small gasoline engine, but it has a horsepower of 357 hps. What it means and what the issue is here is, what is the function of the small engine? This small engine is an auxiliary engine. This car is largely going to be run on electrical power and once the power charge has subsided, the gas engine kicks in.

And someone had given my reading of the law, someone can simply say, well this BMW i8 that is retailing for US \$140,000 in America only has an engine size of 1499 cc, less than the 1999 cc outlined by the Minister. Unless the Minister

can give us the assurance, because it is not clear to me that he is talking about the total power of the car, and not only the power of the gasoline engine, I have sought a lot of advice on this. There are engineers on this Bench. The Minister himself is an engineer. The consensus is that the gasoline engine is an engine, but the electrical component is a motor and there is a disconnect between the two. And I would recommend, since it is unclear, let us close the gap.

I know we cannot return to the House of Representatives to do anything, but in the meantime I want to put it on record that I am of the view that, in addition to the cc rating, any car that is in excess of 140 horsepower whether it is pure electric, hybrid or gas, we look at horsepower, a 140 horsepower because I am not an engineer, I just love cars, but I am not an engineer. I was advised that you have a conversion rate of some 15 cc to one horsepower. We want a car in excess of 140 horsepower to pay the duties.

Because as it is written, hon. Minister, I can see someone telling the customs officers, customs officers, we are talking about 1999 cc, my Porsche, Lexus, BMW, Acura are all 1499 cc and they are able to escape paying you the taxes which you so desperately need. So in your wrapping up, if in fact this misinterpretation is going to occur, I think you are well within your rights as Minister of Finance to look at the horsepower rating of the engine, inform Customs that we are looking at midsize cars of a particular horsepower.

You see, the problem does not arise with internal combustion, it does not arise with gasoline, it arises only with the hybrids because there is an escape. What is the engine? Do we consider the battery rechargeable system as an engine?—only the gasoline as an engine. You have the motor system. Cars were electric at one time. Old Mr. Tesla after whom a new car is made, created a Tesla motor 100 years ago, but that is why we have the name of the motor car. The

motor car is a motor, electrical motor, and when you are looking at a cc rating, you are looking at a gas engine. So, hon. Minister of Finance, I know you will address because we are on the same page. We do not want these luxury cars pulling a slick one on the customs officers.

And with respect to, Mr. Vice-President, the issue of cars, I really would like for the Government to review its policies on the age of a car, and I will tell you why, the age of a foreign used car. The Government has a policy of four-year old cars. I would like the Government to review the policy on six-year old cars. The reason is, I have a lot of expertise in old cars. My Mazda is 37 years old and that Mazda— [*Crosstalk*] Yeah. All right. It is coming me. That Mazda, that Mazda was assembled in Amalgamated Industries on the highway by Santa Rosa, Trinidad assembled. There are Senators here who do not recall that there was a time when Trinidad actually assembled cars. The second car that I use on a daily basis is a Corolla 1983 that was assembled in Las Lomas. Five more minutes.

Mr. Vice-President: You have five more minutes.

Sen. Dr. D. Mahabir: Well I tell you, “talk now going good”, Mr. Vice-President. Last day for school and no one is cutting me a little slack.

Sen. Baptiste-Primus: He is checking your time.

Sen. Dr. D. Mahabir: Yes. Right. Mr. Vice-President, this is the reality. I want to advance the notion that a typical individual, a young professional when confronted with a six-year old Tiida that is doing 50,000 kilometres, well maintained, driven by somebody like me and has the option of buying that car or a three-year old Tiida, the three-year old Tiida is doing a 175,000 kilometres, has had one oil change and has not yet seen an under wash and an engine wash, I would say that a rational consumer, given the fact that automotive engineering is so advanced now, should be given the opportunity to purchase a six-year old car at

a significant discount.

The good thing with cars is this, it may be six years old for—Sen. Hadeed would be the expert—six years old for insurance purposes, but that does not mean it is so depreciated, you know. It has experienced economic depreciation, but not technological depreciation. The Minister, Sen. Jennifer Baptiste-Primus will understand that there are employees in the Ministry in life skills, OJTs, these are people, young people, and I am looking at the young people starting out. They are working one day in St. Augustine, the next day in Couva, third day in Chaguanas, fourth day in San Fernando Tech—[*Interruption*]

Sen. Baptiste-Primus: Not OJTs.

Sen. Dr. D. Mahabir: Not OJTs.

Sen. Baptiste-Primus: You have to agree on that.

Sen. Dr. D. Mahabir: Okay. All right. They are professionals. These are the roving guidance counsellors. These are the people—and we have seen them in the Joint Select Committees. These are individuals who no longer have a fixed work. They have to be mobile on a daily basis and if we could provide them some kind of opportunity to get a very good car, all we have to do is tell the dealers, limit the quota, give them a better guarantee of say six months and bring in cars for 50,000 kilometres and less.

Mr. Vice-President, the Minister indicated that we have concessions on agricultural products. Well, the Minister of Agriculture, Land and Fisheries is not here, but the Parliamentary Secretary in agriculture is here. I would really like as a matter of policy, since there is no VAT on local food, that is a good thing, but you know, Mr. Vice-President, it concerns me that we import a lot of chemicals for the agricultural sector. Some of them may be toxic. I would like the Ministry of Agriculture, Land and Fisheries, because Sen. Raffoul at one time indicated that

the prostate cancer rate in Trinidad and Tobago is amongst the highest in the world may be linked to the type of toxins we take in from the sprays used in agriculture. Could we regulate the inputs in agriculture? If we regulate the inputs in agriculture, then we could be sure that the local products that we are producing would meet a particular standard.

Mr. Vice-President, recently we had an issue about imported chicken. I can say again, there is nothing wrong with frozen chicken. The only concern with me about frozen chicken is this. If you pay \$1 a pound, “doh” sell it for five, sell it for two. And I would really like to ask the Ministry of Agriculture, Land and Fisheries whether the chickens raised in Trinidad by the poultry association who bash the foreign suppliers, are raised under the same standards as American chickens with respect to hormone and other chemical content. Let us make sure we harmonize the rearing of our chickens as well.

Mr. Vice-President, I have only two more minutes, I would imagine, before I wrap up. Two more minutes? One minute. Mr. Vice-President, I am not getting my just even from you today on the last day, but the last point I want to make is this. The Minister has given a concession for the construction of multistorey dwellings. I applaud it. I agree this is something we need to do. But I want for public policy consideration, since we have given the concession for the construction, can the Minister ask the Rent Appeal Board to look at these construction units and ensure that for the people who will rent in Trinidad and Tobago, that they are going to experience some matter of rent control over the next few years while they sign those leases. So they get a concession, but they should not have the power, Mr. Vice-President, to raise their rents to the detriment of the renters of Trinidad and Tobago.

And the final, final point is this. We need to give our citizens hope. And we

need to give our citizens, those who came in the top 100, and I want to congratulate all of them in the common entrance, and those who came in the bottom 100, the last 100 of those students, we want to give all of them hope. I am hoping that the Minister of Finance when he gives concessions to the building of these things for rent, should also give consideration to working with the private sector, the local private construction sector. The Minister is a civil engineer. Can we now ensure that people in this country, young people starting off school for the first time can aspire to owning their own home? Could we work with the private sector so that they can produce condominiums that I have seen in every major city in North America, coming in a one bedroom at under \$699,000, a two bedroom at under \$999,000. I think if we can do that we can move our society away from renting to give everyone, the top 100 and the bottom 100, the chance that he would be able in Trinidad and Tobago to own his home. I think, Mr. Vice-President, if we give that kind of hope to our poor people in this country, when election time comes you do not have to ask for millions from party financiers, your policy to the poor will promote your party to the people. I thank you very much. [*Desk thumping*]

ARRANGEMENT OF BUSINESS

Mr. Vice-President: Hon. Senators, before I invite the next speaker, permit me to revert to Item 3 on the Order Paper.

REVOCATION OF APPOINTMENT

Mr. Vice-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 and Commander-in-Chief of the
Armed Forces of the Republic of Trinidad
and Tobago.

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

TO: MR. GERALD RAMDEEN

WHEREAS by Instrument dated 4th July, 2016, I appointed you to act
as a temporary Senator, with effect from 4th July, 2016 and continuing
during the absence from Trinidad and Tobago of Senator Daniel Solomon:

In exercise of the power vested in me by section 44 of the
Constitution, and acting in accordance with the advice of the Leader of the
Opposition, I, ANTHONY THOMAS AQUINAS CARMONA, President as
aforesaid, do hereby revoke, with immediate effect, your appointment to act
as temporary Senator.

Given under my Hand and the Seal of the
President of the Republic of Trinidad
and Tobago at the Office of the
President, St. Ann's, this 7th day of
July, 2016."

SENATOR'S APPOINTMENT

Mr. Vice-President: Hon. Senators:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND
TOBAGO

UNREVISED

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

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

TO: MR. WAYNE MUNRO

WHEREAS Senator Daniel Solomon is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, ANTHONY THOMAS AQUINAS CARMONA, President as aforesaid, in exercise of the power vested in me 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, WAYNE MUNRO, to be temporarily a member of the Senate, with effect from 7th July, 2016 and continuing during the absence from Trinidad and Tobago of the said Senator Daniel Solomon.

Given under my Hand and the Seal of the
President of the Republic of Trinidad
and Tobago at the Office of the
President, St. Ann's, this 7th day of
July, 2016."

OATH OF ALLEGIANCE

Senator Wayne Munro took and subscribed the Oath of Allegiance as required by law.

UNREVISED

Mr. Vice-President: Hon. Senators, the time is now 4.15 p.m., and I think it is a good time to take the tea break, as such this House will now stand suspended until 5.00 p.m.

4.15 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Mr. Vice-President: Hon. Minister of Labour and Small Enterprise Development.
The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Thank you, Mr. Vice-President. It gives me great pleasure to address this honourable House, and the people of Trinidad and Tobago, on the Finance (No. 2) Bill, 2016, on behalf of the Leader of Government Business, the hon. Franklin Khan, who is unable to do so himself. It is also my privilege to contribute to the debate on this Bill, and I wish to congratulate the hon. Minister of Finance and his team for doing an exceptional job in presenting this Bill, as we move towards improving the state of our economy.

Mr. Vice-President, allow me to take this opportunity to express my complete confidence in the Government and the policies being implemented, which will bring about change and provide tangible solutions to the economic challenges currently being experienced. We as a nation must engage our creativity and be strong and resilient to respond to the present challenges while preserving who we are as a people, and finding new and sustainable ways of enhancing the economy for the betterment of all the citizens of Trinidad and Tobago. This current administration has conducted very careful examination of our national financial situation as evidenced in the Finance Bill, 2016, the midterm review, and this Finance (No. 2) Bill, 2016. It is a means of addressing the manifold economic issues facing us right now. This administration is seeking to increase revenues by providing amnesties for all types of taxes, thereby encouraging increased payment

of outstanding taxes while protecting vulnerable groups in society and encouraging environmental responsibility.

Mr. Vice-President, this is a very critical year for our nation as there is need to make these very hard decisions that our nation needs, or it would mean the beginning of the further decline of our economy. Simply put, this year is critical for the future economic state of Trinidad and Tobago. Unless we fix the public finances of Trinidad and Tobago, all the progress that has been made could be easily reversed. Since this Government came into office it was faced with the sudden plummet in the oil prices to below \$30 per barrel. As such, we were forced to review the 2016 budget, which was based on the price of \$45 per barrel. Having no choice but to adjust to the global situation, we were forced into the position of reviewing the economy and charting a way forward to a more refined and realistic path.

In this context, Mr. Vice-President, this Finance (No. 2) Bill, will allow for the variation of certain duties and taxes, as well as make provisions of a fiscal nature, and for other related matters that have been brought forward. I just want to focus a short bit on the incentivizing tax payments. We have given lip service in the past with respect to a change in our culture and tapping into unused resources. In this climate of economic decline, we must now look forward for answers. We already have what we need. Our finance team is seeking to implement tight fiscal measures to help steady our economy and steer us in the right direction. We can now use the revenues that we gain from uncollected taxes to fund expenditure, and more importantly, to fund the exploration of new growth areas that can generate jobs, activity, and diversify the economy away from its energy base.

Mr. Vice-President, there is indeed a silver lining to the economic decline. However, it is dependent on an accurate response on our part. The decline can

cause or force changes in the way we do things in this country as a whole. It presents an opportunity to become more efficient, more responsive, more inclined to create and develop new paths to economic growth. Our population is an intelligent, well-educated, creative and highly skilled one, and our people are up to the challenge of finding new ways to do business that brings about economic prosperity. I dare say that the fiscal measures outlined by the Government will enhance the sense of responsibility and duty of all our citizens towards taxation payments, and to help shape a change in the national culture to one of understanding that all of us must do our part in building this beautiful country of ours.

Mr. Vice-President, Government recognizes that individuals, companies, non-governmental organizations, and even charitable organizations, for one reason or another, they are sometimes somewhat negligent in filing their annual tax returns, and the payment of penalties owed to the State. In this economic downturn where our expenditure is concerned, we therefore need to find the necessary funds to meet the country's expenses, especially to meet very basic needs: the health care needs, housing, education and employment generation. In this context, there is an urgent need to ensure adequate levels of revenue.

One of the ways Government is seeking to raise the necessary revenue is through the collection of outstanding taxes from all citizens and corporations. As such, Government has decided to implement a tax amnesty for the period July 01, 2016 to September 16, 2016 in order to give citizens an opportunity to honour their tax obligations to the State. The tax amnesty is applicable to income tax, corporation tax, petroleum tax, value added tax, withholding tax, business levies and penalties for failure to file or deliver documents to the Registrar of Companies.

This tax amnesty is expected to result in revenue generation, according to

the Minister of Finance, of \$500 million. We want to discourage delinquency and encourage tax compliance by all our citizens, thereby promoting a change in the culture and psyche of the citizenry. I want to reiterate the hon. Minister of Finance's call to all citizens, to file your outstanding returns, pay your outstanding taxes, file and deliver your documents to the Registrar of Companies on or before Friday, September 16, 2016, to avoid the legislative authority that the Minister of Finance has warned.

Mr. Vice-President, I would want to turn my very brief attention to the Visiting Forces Act, Chap. 14:04. The Finance (No. 2) Bill seeks to amend the Visiting Forces Act, which was first introduced in 2007. This Act seeks to provide for the presence, activities, privileges, and immunities of members of visiting forces, and for matters connected therewith. The hon. Minister of Finance has already elaborated on the importance of this Act, both in the debate in the other place on Monday, July 4th, and earlier today in this august Chamber.

The amendments which are proposed to the Visiting Forces Act are aimed at giving effect to the Status of Forces Agreement, also known as SOFA, between the United States of America and Trinidad and Tobago—an agreement which was made in 2009 prior to the hosting by Trinidad and Tobago of the Fifth Summit of the Americas, and subsequently renewed a number of times. As the hon. Attorney General indicated in his contribution in the Lower House, the previous administration had the benefit of such an agreement which governs the temporary presence of United States military or defence personnel in Trinidad and Tobago for mutually agreed activities. Mutually agreed activities refer to such activities to which the Government of the Republic of Trinidad and Tobago shall transmit its approval in writing through diplomatic channels to the United States authorities.

Mr. Vice-President, this agreement seeks to strengthen the good relationship

shared between the United States of America and Trinidad and Tobago, while in no way at all compromising the sovereignty of both states. The Finance (No. 2) Bill, 2016 proposes two major amendments to the Visiting Forces Act, to ensure compliance with the SOFA. These are the insertion of a number of definitions, including that of visiting forces contractors and provisions for exemption from taxes applicable to visiting forces contractors

One of the major concerns that some persons may have with respect to the proposed amendments to this Act is whether we are safeguarding our national interest. It must be emphasized that SOFA and the Act emphasize mutually agreed activities. What this simply means is that Trinidad and Tobago must agree to the areas of involvement in which the visiting forces are engaged. We must embrace this Act and its proposed amendments as identified in the Finance (No. 2) Bill, because it is a means of strengthening the benefits to Trinidad and Tobago in the areas of technical assistance and training which the visiting forces arrangements have facilitated.

On this note, permit me to join with my colleagues in extending our congratulations to the Trinidad and Tobago Coast Guard on what has been described as the largest drug bust in our waters, estimated at \$39.5 million. We understand that our coast guard would have received training by US military personnel and have shown the effectiveness of such training in the execution of their duties.

5.15 p.m.

Mr. Vice-President, I now turn to the National Insurance Act, Chap. 32:01 and the National Insurance (Contribution) Regulations. Mr. Vice-President, the National Insurance Board has paid in excess of \$30 billion in benefits since its inception in 1972. And it currently manages a fund of approximately \$26 billion.

The National Insurance Board provides comprehensive long-term, short-term and employment injury benefits to approximately 517,000 workers with over \$4 billion currently paid to beneficiaries on an annual basis.

Mr. Vice-President, in light of the findings of the Ninth Actuarial Review of the national insurance system conducted way back in 2013, proposed amendments to the National Insurance Act and the National Insurance (Contribution) Regulations would include amendments to: employment injury benefit, death benefit, survivors pension, retirement and invalidity pension, sickness and maternity benefits and contributions payable to or by an eligible person.

Increasing the maximum insurable earnings from \$12,000 to \$13,600 monthly and the contribution rate from 12 per cent to 13.2 per cent would ensure sustainability of this absolutely vital programme for the short to medium term. The Minister of Finance has agreed that there is scope for adjustments to these measures given concerns raised on the impact on the current beneficiaries before the measures take effect in September of this year.

Mr. Vice-President, I look now at measures to encourage use of environmentally friendly vehicles. The Finance (No. 2) Bill proposes major changes to the Motor Vehicles and Road Traffic Act, the Income Tax Act, Customs Act. The intention is to exempt vehicles manufactured to use compressed natural gas—what we popularly refer to as CNG—electric-powered vehicles and hybrid vehicles from motor vehicle tax and import duty, given certain conditions are met. Once those conditions are met, as well as to provide tax incentives to CNG producers and motor vehicle owners to install these CNG kits and cylinders.

Mr. Vice-President, these changes are in keeping with this Government's commitment to implement initiatives to reduce the carbon footprint in Trinidad and Tobago. I want to remind that in this Government's policy framework we have

articulated our commitment to, and I want to quote what we have in that very important policy document, to:

“...foster the efficient use of resources by introducing alternative energy technologies such as solar and wind, support recycling efforts and encourage private sector investment in such areas as low carbon technologies to create jobs within local communities and reduce our carbon footprint.”

Mr. Vice-President, the Opposition has purported that if we are serious about reducing the carbon footprint we need to adopt more comprehensive policies and we need an integrated approach to developing a green economy.

Permit me, Mr. Vice-President, to emphasize that it is as a consequence of our comprehensive approach to environmental protection and preservation that we can now put forward amendments of this nature to the Motor Vehicles and Road Traffic Act. We have advocated in our policy framework the commitment to place environmental considerations at the very heart of development, and in so doing we will undertake critical actions such as: develop climate change adaptation and mitigation strategies, reconnect people with nature by increasing the acreage for green public spaces, promote energy efficiency and renewable energy sources, award financial incentives to ventures that create jobs and businesses in green financial product, renewable green energy, an improved resource efficiency, and lastly, intensify environmental awareness programmes among our children and our youth within our schools and in our villages and rural communities.

Mr. Vice-President, our resolve to preserve the environment, to place greater emphasis on renewable energy and to promote sustainability in all its forms is supported by the international commitment as articulated in the Paris Agreement on climate change of 2015. Under this agreement, Trinidad and Tobago has committed to unconditionally reduce its public transportation emission by 30 per

cent compared to 2013 levels and to do all that by December 31, 2030. The exemptions proposed in the Finance (No. 2) Bill and motor vehicle taxes for vehicles using CNG, electric powered vehicles and hybrid vehicles are intended to serve as incentives to encourage greater use of such vehicles, Mr. Vice-President.

Additionally, these amendments will support a decrease in the fuel subsidy which has been placing significant pressure on the fiscal accounts of Trinidad and Tobago, evident from the \$19 billion which it amounted to over the period 2011 to 2015.

Mr. Vice-President, as a means to reduce the need for non-renewable resources and to reduce the carbon footprint of Trinidad and Tobago, the amendment of the Customs Act, Chap. 78:01, will exempt the following from import duties: new and used electric vehicles; new and used hybrid vehicles and related component parts. These exemptions will apply up to December 31, 2020 and would work hand in hand together with the amendments to the Motor Vehicles and Road Traffic Act, Chap.75:02, to encourage all the citizens of Trinidad and Tobago to purchase more energy efficient vehicles and thereby contribute towards the green economy.

Mr. Vice-President, as I conclude, I wish to state that this Government continues to implement measures to steer our economy onto the path of sustainable growth and economic growth. We are committed to investing in our country, to reap the benefits of more and better jobs, efficient businesses, increase productivity and a more diversified sustainable and green economy. To do so, requires very careful management of our finite resources and in particular our financial resources and finding creative avenues to gain revenues.

Mr. Vice-President, our administration has been in office for just about 10 months, and we recognize the need for extensive work to be done to take our

beautiful Trinidad and Tobago into a path of prosperity that will improve the welfare of all our citizens. Therefore, it is imperative that we continue to review our revenue resources and expenditure to take us along that path. I believe that, faced with economic and social challenges in our society, Trinidad and Tobago as a people will continue to meet the challenges which lie ahead. Each and every individual of this country must recognize that they do indeed play a key role in steadying the economy by meeting their various tax responsibilities through this time for the betterment for all of us. I thank you, Mr. Vice-President. [*Desk thumping*]

Sen. Gerald Hadeed: Thank you, Mr. Vice-President, for allowing me the opportunity today to contribute to this debate on the Finance (No. 2) Bill, 2016.

Mr. Vice-President, I must say that I am dissatisfied with the manner in which this Bill has been thrust upon us in the Opposition, given no time to really study the implications of the debate here today. However, I will limit my contribution to just two areas in the Finance (No. 2) Bill, which seeks to amend—first of all, I will limit my contribution to the changes proposed in clause 3 of the Bill which seeks to amend the Visiting Forces Act, Chap. 14:04, in order to give effect to the terms of the Status of Forces Agreement between the Government of Trinidad and Tobago and the Government of the United States of America with respect to the visiting forces contractors. According to the Bill Essentials provided by the Parliament:

“This agreement is intended to strengthen the existing excellent relationship between Trinidad and Tobago and the United States in matters of national and regional security.”

What is the Status of Forces Agreement so far? What is it and how has it been utilized? And I will give some information that I did some research and it

came out of the Congressional Research Service, 2012:

“SOFAs provide for rights and privileges of covered individuals while in a foreign jurisdiction and address how the domestic laws of the foreign jurisdiction apply to U.S. personnel. SOFAs may include many provisions, but the most common issue addressed is which country may exercise criminal jurisdiction over U.S. personnel. The United States has agreements where it maintains exclusive jurisdiction over its personnel, but more often the agreement calls for shared jurisdiction with the receiving country.”

The history of SOFA of Trinidad and Tobago—it was first signed in 2007; in 2009, the first SOFA between Trinidad and Tobago was signed to facilitate this country’s hosting of the Summit of the Americas.

In 2011, the second SOFA was signed and in 2013 the People’s Partnership Government and the United States of America agreed to the SOFA agreement. The agreement came into effect on May 22, 2013 and expired on December 13, 2015. In 2016, what we are discussing today, the amendments proposed in clause 3 of the Finance (No. 2) Bill, 2016 will operationalize the 2016 SOFA agreement. An initial perusal of the proposed amendments to the Visiting Forces Act may indicate that these amendments are very minor and do not require much debate. But as the Minister of Finance is fond of saying, “the proof of the pudding is in the eating”. [*Crosstalk*]

Mr. Vice-President, permit me to list some of the proposed amendments to the Visiting Forces Act, Chap. 14:04, as outlined in this Bill. They are as follows. Proposed amendments inserted:

“‘resident of Trinidad and Tobago’ means—

- (a) a ‘citizen of Trinidad and Tobago’ or a ‘resident’ as defined in section 2 of the Immigration Act; or

(b) a 'company' as defined in section 4 of the Companies Act;"

Company means a body corporate that is incorporated or continued under this Act.

“(b)(iv) ‘visiting forces contractor’ means a person, other than a resident of Trinidad and Tobago, who is contracted by a visiting force and approved by the Minister for the purpose of providing a contracted service to the visiting force;

(d) declare that section 24A applies in respect of a visiting forces contractor or an employee of a visiting forces contractor of a designated State.”

5.30 p.m.

“24A. (1) Subject to the subsection (2), and for the purpose of providing a contracted service to a visiting force, a visiting forces contractor—

(a) may import into Trinidad and Tobago, free of Customs duty and any tax, equipment and such quantities of provisions, supplies and other goods;

(b) is exempt from paying any tax or fee in respect of—

(i) the licensing or registration of a service vehicle of the visiting forces contractor; or

(ii) the use of that service vehicle on any road in Trinidad and Tobago; and

(c) is exempt from paying customs duty or tax on any fuel, oil or lubricants intended for use exclusively in a service vehicle, aircraft or vessel of a visiting force, or visiting forces contractor.”

(2) Subsection (1) applies in respect of a visiting forces contractor if the

President so declares by Order...”

Mr. Vice-President, I am greatly concerned with the proposed insertion of a new clause 24(1) and clause 24A(2) to the Visiting Forces Act. During the course of my contribution, I will raise certain concerns which I would like to be addressed.

Mr. Vice-President, let me go back to the Status of Forces Agreement for a few minutes. The Status of Forces Agreement between the United States of America and the Government of Trinidad and Tobago is not unique in our two countries. In fact, according to the International Security Advisory Board of the US Department of State, January 2015, Report on Status on Forces Agreements:

“The United States has some form of SOFA agreement with more than 100 nations, about half under the NATO or the Partnership for Peace SOFAs, which apply, respectively to all NATO allies”—and more particularly for peace partners.—“In addition, there are comprehensive agreements with long standing U.S. allies and partners like Australia, Israel, Japan and Korea, and a variety of less comprehensive agreements with other nations.”

There is no uniform SOFA agreement which the United States and host nations each agree is specific to two parties. However, we have seen examples where the existing of a SOFA agreement does not always allow for a harmonious relationship, and that is why in the 2013 agreement we included the following provision:

Where a case is of particular importance to the Government of Trinidad and Tobago, any differences concerning whether an action was taken in the course of official duties shall be subject of consultation between parties, with the view of arriving at a mutually satisfactory agreement.

Consultation, Mr. Vice-President. How often consultation is not described in an

agreement and it is just as if it is nothing whatever? The provision was included to ensure that under certain circumstances where there are concerns about official duties, then the Government of Trinidad and Tobago and our US counterparts could initiate a discussion on the specific matter.

Mr. Vice-President, since we have not seen a copy of the 2016 agreement, we do not know if this critically important provision remains. I have searched every area to find where the 2016 agreement is. Without a 2016 agreement provided to this honourable Senate, I am asking a question. I do not know what changes have been made in the 2016 agreement that could have consequences for this country. I am thankful that the hon. Senator and Minister of Foreign and Caricom Affairs Dennis Moses is here with us. Maybe he can give us an explanation as to what are the changes of this 2016 agreement? It is to me, and to this Senate, and to the people of Trinidad and Tobago, Mr. Vice-President, wars are fought over minerals.

You go as far back as the beginning of time and you will find that they overthrow Governments in Africa. Patrice Lumumba is an example of a man being overthrown. The legitimate Government was overthrown because Belgium wanted to control minerals in the Belgian Congo at the time. They got their independence, he became President, they overthrew him. Mercenaries did it at the behest of the Government of Belgium. We look at the times prior to the invasion of Iraq. Contractors stored equipment, all sorts of equipment in Kuwait prior to the invasion of Iraq. Recently, just recently, maybe two or three days ago, a commission of enquiry in England condemned the then Prime Minister, Tony Blair, for his involvement in an illegal war.

We are looking at a situation today close to us. There is in Guyana a situation of a border problem, and with the oil find in Guyana we are seeing this

unseen document of 2016. Senate is giving permission for visiting forces to bring whatever they want into this country, and the problem between Guyana and Venezuela, and the problem between the United States and Venezuela, this could be very, very ticklish for a small country like Trinidad and Tobago.

I am saying without seeing the document, we must never and we must not allow foreign forces to come within our boundaries to do and create situations that a small nation like Trinidad and Tobago will get involved in. So please, Sir, could you please advise us today what is in this new agreement so that we can have a knowledge of what we are doing here with respect to what is in the 2016 agreement. You cannot find anything anywhere. Not in the United States it is not published, not here it is not published, and it is not published in any of the Caricom research places that I looked for the information. Trinidad must not be used as the launching pad for any illicit activities against our neighbours. [*Desk thumping*]

The Opposition is aware that members of this country's military were unable to participate in training courses as the United States and TT did not have a SOFA agreement. This was articulated by no less a person than the current Minister of Public Utilities, a former Brigadier General of Trinidad and Tobago, Mr. Ancil Antoine. He said, for a number of years when Sally Cowal was the US Ambassador to this country, because we could not sign into SOFA, we were denied training opportunities from 1994 to 1999. In 2013 an agreement was signed on May 22nd, and expired on December 31, 2015.

Mr. Vice-President, based on the changes proposed to clauses 24(1) and 24A(2), the Visitors Forces Act, I would like to ask the Minister of Finance what type of equipment does he envisage that a visiting forces contractor, as defined in this Bill, having to import into or export out of Trinidad and Tobago:

- Would this be motorized equipment, cars, trucks, helicopter, tanks;

- Would this be electronic equipment used to monitor an individual or groups, activities such as the telecommunications interceptors and drones?

Yes, this Bill comes just after the SSA introduction in this Senate, and I am concerned, very, very concerned, that the contractors in this SSA agreement have jurisdiction over the telecommunication spectrum. They do have and can command spectrum space. And to me, again, are these special forces coming here to do work for this Government? Are these forces working with this Government, going to work alongside the Government and the Ministry of National Security to utilize the technology at the detriment of citizens of Trinidad and Tobago? Could these contractors work with their drones and with their helicopters to do and collect information on behalf of the Government of Trinidad and Tobago now that the SSA Bill is passed? These are questions that are serious, and until we see the 2016 agreement and understand what the 2016 agreement contains, how could we give approval, blanket as it is, to the visiting forces? Yes, it is a good initiative to do it, but we must know what we are getting into. We cannot just come here and approve something without knowing what is in that 2016 agreement.

Mr. Vice-President, I close this chapter of the Visiting Forces Act and there are serious consequences that can be derived from this, allowing all of these things to happen without understanding and knowing what is in the 2016 agreement. I now would like to turn shortly to the financial side of the 2016 Bill. The 2016 Bill proposes to introduce a number of measures including yet another amnesty in respect of outstanding taxes.

Mr. Vice-President, it has been reported that the Minister of Finance estimates that such a measure could raise approximately TT \$500 million. It is also interesting to note that the amnesty will encompass the following taxes:

income tax, corporation tax, withholding tax, value added tax, business levy, green fund levy. Interestingly, in the Minister's wisdom, he has sought to include for the first time petroleum taxes within the ambit of this measure. It should be noted, however, the Bill as currently drafted only encompasses petroleum profit tax, which is calculated at the rate of 50 per cent of profits from the production of oil and gas, but has excluded:

1. Unemployment levy rate of 5 per cent of profits from the production of oil and gas;
2. Supplementary petroleum tax, a windfall from the gross disposal of crude oil, revenues at prices above US \$50 per barrel.

The exclusion of these taxes from the amnesty and, in particular the SPT, could seriously hinder the Minister's collection objectives.

Given that oil prices, were north of US \$100,000 per barrel and I urge him to consider making the appropriate amendments whenever he can. I know he cannot do it now but whenever he can, he should do it.

5.45 p.m.

But let us now focus on the big picture. This amnesty is one of five which various Governments have granted to taxpayers of Trinidad and Tobago over the many years. And whilst such amnesty allows for a quick inflow of tax dollars, its failure to address the core issue: why is non-compliance of the tax law so prevalent in Trinidad and Tobago? Structurally, Mr. Vice-President, the system is broken. Tax compliance is the function of the institutional respect that taxpayers have for the revenue collection agency of the Government. We are all too familiar with the fierce reputation of the Inland Revenue Service, IRS, in the United States of America, as well as Her Majesty's Revenue and Customs Collection Agency.

But what about that of our very own Board of Inland Revenue? Do

taxpayers really respect this institution to the point that they are feared into being compliant? I say no. Absolutely not. We have to fix a broken system. We cannot continue every three years when the Government has a problem for cash flow. It only arises when a Government has problems for cash flow that they go to this system of giving, allowing the taxes to be paid without penalty; “is when they are in a cash flow situation”. The BIR is the accounting receivable arm of the Government and in any business, in tough times, it is imperative that cash collection is most efficient. Any businessman will tell you that. When it is tough times, you look at your expenses, you look at your revenues. You ensure your revenues come in so you could pay your expenses and you reduce your expenses if you can, and you should be able to, be able to balance your budget. So the time is now. Now is the time we must try to fix the BIR. We must try.

The BIR’s human resource capability has been diluted, not only by the demands and better remunerations offered by the private sector but also by the State. For example, at the Financial Intelligence Unit and the Integrity Commission, they have been pulling people out of the BIR. So the BIR is not getting the people and keeping the people because the salaries that are paid by private sector are greater than what is paid by the Government in that area. The Government can quickly remedy this situation.

I will give an example to ensure that tax collection is efficient and tax compliant is at an optimum level by taking a page out of the book of our Caribbean neighbourhoods. In the Eastern Caribbean, the tax agency, in one country, sought the expert of an experienced Canadian tax collector to work alongside the public servants in an effort to drive credible tax assessments, thereby exponentially raising the institutional respect of the agency. Why can Trinidad and Tobago not do the same thing? Why can we not bring in five or six tax-collect arm

consultants, put them to work with the BIR from jurisdictions where the laws are similar to Trinidad and Tobago, like Canada and like the United Kingdom and have them support the Government's efforts to improve tax collection?

These foreign individuals working on assignment, through work permits, would be unavailable to the private sector and therefore, can allow for medium-term reform of the institution. If they are contracted to the Government, the work permits are issued in the name of the Government, they cannot be poached by the private sector. Then and only then will tax amnesty be a thing of the past. It is not honourable every three to five years, a Government will give a tax amnesty. It is not right. People earn money, they must pay taxes. Businessmen earn money, they must pay taxes. There must be no shying away from it. I am a businessman and I am calling on the businessmen of this country to please pay your taxes, the country needs it. You are making money here, pay what is due. The taxation regime in Trinidad and Tobago is one of the best in the world. It is one of the best in the world, we have no right to have our BIR not functioning at 100 per cent proficiency.

So Minister of Finance, if it makes any sense, I would suggest that we look to Canada and the United Kingdom for some expert to come down and assist us in the assessment side of the business.. Imagine a man paying \$100,000 a year in taxes but his assets are worth \$500 million. I mean, it is only in Trinidad this thing could happen, you know. It is only here this thing could happen. We must be able to assess people's wealth and have them explain how they received money to be so wealthy without paying taxes. I believe the laws are in the books. It is only a matter of enforcing laws and that is something I do not know what has happened.

In the 2016 mid-year review, the Minister of Finance stated and I quote:

“In 2014, given the prognosis for oil and gas production and the emerging

demand for gas, the then Government took the decision to amend the oil and gas fiscal regime to allow oil companies to write off their capital investment in one calendar year. These incentives have done what they were intended to do, i.e. to stimulate investment in the energy sector...”

And I think he went to on say that was the cost of the exchequer. The Minister, while recognizing that the then Government acted appropriately to the needs of the oil and gas industry, continues to contradict himself in the public domain to gain political points. This is a serious issue for Trinidad and Tobago and the Minister needs to send a clear and unequivocal message to the investors of his plans for this sector.

His mid-term review, on page 25, I quote:

“Madam Speaker, we intend to review this regime further, to encourage production in marginal fields and areas of so-called ‘stranded gas’, to encourage drilling and increased production of oil and gas in general and to review the penalty imposed by the supplemental petroleum tax on oil...moderately higher than US \$50...”

Further, with the reactivated Energy subcommittee of Cabinet, which now meets on a regular basis, decision-making on matters of oil and gas will now be much quicker and far more purposeful and focused than previously. This is especially important since in the short term, after we get over the current slump, and while we pursue alternative streams of income, the energy sector will continue to be a major source of revenue. The Cabinet has now adopted the position that every barrel of oil and every cubic foot of gas matters and we will do whatever we can to accelerate and maximize income generating activity in our energy sector.”

He promised it. I will ask you, Minister of Finance, please, look at it. There is

stranded oil, stranded gas in small amounts. BP has a field, I think it is Angelin, extend the time. Give them another year to try and get this extra oil and gas into our system. By 2017, we should have a growth in the GDP but in 2018, the additional gas that we would recover would start to wane again. We have to continually look at the opportunities for our oil and gas sector to grow and the way for it, as you correctly stated in your statement of the 2016 mid-year review, that that was the intention of the Cabinet.

So in closing, I want to switch quickly and briefly to the collection of revenue by the National Insurance Board. Mr. Vice-President, I would like to urge the Minister of Finance to consider making provisions for sole traders, consultants and other similar persons to be able to make national insurance contributions. Many of these persons would like to make payments to the national insurance system, however, they are unable to do so because of current legislation which does not allow for those persons who make payments.

And in closing, a national insurance, I believe that the figures presented—I cannot remember, but I think it was—we can go up to \$13,000 per month? Salaries for people, up to \$13,000, the last band. I think it is \$13,800, I am not certain. However, there are thousands of persons in Trinidad and Tobago, through you, Mr. Vice-President, that earn in excess of \$70,000 and \$80,000 per month. I would recommend you create bands for the rich to pay a little more for the establishment and for the collection of more revenues rather than leaving it at \$13,500 or \$13,800. [*Desk thumping*]

I thank you very much, Mr. Vice-President, for giving me the opportunity and I hope the Minister of Finance will give consideration to the numerous things I have made out, and also, I am waiting to hear or get a copy of the 2016 document on the SOFA Bill. I thank you very much. [*Desk thumping*]

Sen. Taurel Shrikissoon: Thank you, Mr. Vice-President. Thank you for allowing me the opportunity to enter into this debate at this time and as this debate pertains to some adjustments to the legal framework that the Government seeks to make at this point in time to achieve its objectives outlined, some of them outlined in their budget presentation of 2015/2016 and in keeping with their mid-year review.

We all recognize that Trinidad and Tobago, in terms of a revenue generation, is at a place where we need to maximize the amount of revenue that we can, at this point in time, to be able to rally this ship of Trinidad and Tobago forward and we recognize that and the pieces of legislation brought before us here today, in my mind, is in keeping with a revenue drive of the Government.

6.00 p.m.

And so we must recognize the position that the Government is in and at least commend the initiatives being taken to take Trinidad and Tobago forward and I would hope, in minimising the level of debt that we would incur, especially if revenue or cash can actually be earned locally.

So, with that said I want to just go into the piece of legislation before us, because a lot has been said about it and I am not going to repeat what has been already said, just a couple points in addition that I would like to be considered.

Clause 4 of the Finance Bill seeks to amend both the National Insurance Act and the National Insurance Contribution Regulations by amending the contributions that are now going to be requested of our citizens, our working citizens, as well as adjusting the benefits that they are going to receive, the employment injury benefit, the death benefit, survivors pension, retirement and invalidity pension, sickness and maternity benefit. So what we are seeing here today is an element or an adjustment, with respect to contributions and benefits at

the NIB, being proposed before this honourable Senate.

I just want to quote a little from the Ninth Actuarial Review. It has been used before. It says here that the total number of pensioners is projected to increase over the next 50 years. So we are seeing an upward trend in the number of pensioners or dependents from the NIB. While, at the same time, the number of contributors would be decreasing over the next 50 years, so much so that it is almost going to be a one to one ratio if left unchecked.

In March 2013, pensions and payments were increased by 25 per cent while fixed rate benefits and minimum survivors benefits were increased by 50 per cent, and in 2014, a pension increase of 20 per cent, all from the actuarial review. That actuarial review also recommended that the maximum insurable earnings limit be moved from \$12,000 to \$13,600 and an increase in the rates of contribution.

Now, I understand that this is a recommendation of the actuarial review and that is why it is here before us. But just a basic simple calculation that I would have done, if you analyze the increases in some of these benefits by category and I just used the last couple classes. We saw that the average increase in the death benefit was about 13.2 per cent; survivors' pension, 14 per cent; retirement and invalidity pension, 13.9 per cent; and the sickness and maternity benefit averages about 13.3 per cent. So we are seeing an increase in these benefits in or around 13 to 14 per cent.

But the question is: By how much did contributions increase? Because if we are saying the trend, according to the actuarial review, that the number of pensioners will increase and the number of contributors will decrease then is the pay out of the NIB in sync with the contributions to be received? And if we are paying out at a faster rate than we are collecting, then we are saying that the NIB may have to dip into some element of reserves to fund this activity.

And so today I am going to ask the question: Given the NIB's position, that if it is that current contributions can fund the existing liabilities, with respect to the benefits to be paid? My analysis or my checks, based on the 2012 financial report of the NIB, showed that contribution income was \$2.8 billion, but benefit expenditure with administrative expenses was \$2.9 billion and that is at 2012. So our benefit expenditure is greater than our contribution at that point in time. So we are in a net deficit position at this time.

Now, we are proposing a rate of increase here, but if you look at the climate or the economic position of our country you would realize that we have an unemployment rate that is rising and we have workers losing their jobs. So if we have the number of people who are employed decreasing, then it is a possibility that the contributions will also decrease, and my concern here is the net effect of contributions to benefits. Can it be funded and at what point in time if it cannot, that the investment income of the NIB will have to be tapped into to fund these benefits?

Now, the reason why I am asking that question is because when I try to gather the data or collect the data from the NIB, the 2013, as Sen. Mark was alluding to, was not available online and there is a little pop-up note that says: "this report cannot be viewed because the report is not yet laid in Parliament", and we are talking about 2013. We are in 2016.

Then we have a situation, and I want to quote. So that what we have here, at this point in time is financial reports not yet made available to the public in the current year, even as up to 2015. So financial reports are not made available for viewing.

We have another situation, and I just want to refer to an article in the *Daily Express* and it says here: Very questionable investments by NIB, published on

June04, 2014. It says here that:

We have learnt from the *Sunday Express* June01 that restaurant buildings around the Queen's Park Savannah have been bought by National Insurance Board (NIB) for \$37million, almost \$10million more than the highest appraisal on record and that \$5 million additionally will be spent. The owners would lease back the buildings for \$96,000 and \$125,000 per month for two consecutive terms of five years.

Sen. Baptiste-Primus: When was that done?

Hon. Imbert: What you calling that for? That was under the UNC.

Sen. T. Shrikissoon: No. Mr. Vice-President, so I am using this article to show that the NIB is also making investments at a time and the investments do not meet the investment criteria that will bring back a return. And I am not here to say who did it.

Then we have a situation that Sen. Mahabir referred to that talks about the inaccuracy of records at the NIB as it pertains to contributions. So here, with respect to the NIB, what is going on there, is we have a situation of financial reports not being made available on time, if prepared at all. We have a situation where investments are being made that are not prudent and we do not have the financial information to understand or to scrutinize the level of investment. And you have a situation at the NIB with inaccurate records being presented. So all of these present a challenge at NIB. But yet we have a proposal before this honourable Senate today for a request for an increase in contributions.

Therein, in my mind, lies the issue that if we are going to request an increase in contributions then we should at least say why and give the current update, a ready update, a status update at its present day. It is like putting the cart before the horse, where you have a situation where the organization is not functioning in the

best way and because they are in this position, a request for greater funding is requested and it comes before this honourable Senate so that we can approve it. So that is the challenge in my mind here.

If as a nation we have to progress then these inefficiencies must be corrected and cannot be disguised and propelled into the future by a request for contributions brought before the Senate that requires a legislative change. That is not right. It should be justified, and the NIB should be a feasible and viable institution or organization, because the contributions are mandatory. So you have a ready source of income. So why is there this problem at the NIB, or why are these problems plaguing the NIB and why are we funding it? I want to say at this point in time I am not going to object to the increase in contributions, but I am highlighting a situation that I would like to be addressed. That is with respect to the NIB.

We have heard a lot about the motor vehicle taxes in this Senate, and I really want to commend the Minister for taking, as he said in his own words, a bold initiative to remove all motor vehicle taxes, custom duties and VAT on vehicles that are alternatively-powered, whether it is a hybrid vehicle, an electrically-powered vehicle or a CNG vehicle. And that really has a positive implication where it reduces the price of a vehicle and makes it very affordable to the average citizen. So it is an extremely good initiative where the price of a car, which is a necessity, comes down and being made more affordable.

But I want to say here at this point in time, when we move the powered or the gasoline engines or when we move away from a dependence on those, we have institutions or organizations in our country which are dependent on that industry. I said it in this Senate before, one would be the fuel stations and one of our very own state companies, National Petroleum. What will occur when these fuel stations or gas stations, what would happen to their business now operating on a gross margin

of 6 per cent and requiring volume as we move away from this dependence on gasoline-powered engines? What would happen to them as volume comes down? Do we have a plan? Are we helping them? How are we going to unfold this new initiative and still ensure that this sector remains viable?

Further, with respect to this point, we want to look at what is happening at National Petroleum. How will the revenue of National Petroleum be affected by this move away from gasoline-powered vehicles, when the primary source of their income comes from the sale of fuel?

I want to make one more point, with respect to this section of the legislation before us, as it pertains to motor vehicles and traffic. In April of this year, I think it was April 28th, if I remember correctly, we debated a Motion in this Senate for an increase in motor vehicle taxes and custom duties on cars or vehicles over 1999 ccs and we debated that Motion for an increase in motor vehicle tax and custom duties. That Motion, that amendment to the legislation was passed. That legislation had the implication that it would take vehicles over 1999 ccs, would increase the price of those vehicles so much so that some vehicles actually, once they cross, I think, three litres would have actually had a price increase of about 25 per cent.

The hon. Minister at that point in time specified that it was not a revenue-generating measure, but it was one of behavioural change, and I want to quote from the *Hansard* that says:

I want to stress at the outset that this is not intended primarily to be a revenue-generating device, because this issue came up in the other place. It is intended to influence public behaviour.

I would provide some learning on that matter in due course.

And so I am saying today that when we look at the piece of legislation

before us, we are seeing cars with engine sizes of 1999 ccs and less benefit from this reduced taxation, the removal of VAT, custom duties and motor vehicle tax. But if the question or if the issue of increasing the taxation in April was to take the price of gasoline-powered engines up so as to reduce the demand for it and move the public away from gasoline-powered engines to alternatively-powered engines, then the question is: If a three-litre hybrid car that is being brought into this Senate, will it attract the same level of taxation that was imposed to disincentivize the use of a three litre gasoline engine?

Just to put this in context, it is saying here, based on the legislation before us, a three-litre gasoline-powered engine has the same level of taxation as a three-litre hybrid car. And if it is that the person who wants to buy that car is really taking the initiative to move away from the gasoline-powered engine and to reduce the carbon footprint and buys the hybrid vehicle, then why is he susceptible to the same level of taxation? Because the question or the motive behind the increase on April 28, this year, was a behavioural adjustment. And so the person who decides to buy this car, has adjusted his behaviour, is saying: I am cognisant of what is going on and my intention is to reduce the carbon footprint, so I will not buy the three-litre gasoline-powered engine. I will buy the hybrid but the level of taxation remains the same.

6.15 p.m.

So I am asking the hon. Minister, if he can give this some element of consideration, and while we understand that it is a time that Trinidad and Tobago needs revenue, and that the taxation at that level is still needed especially in his words “to ease the burden of the adjustment”, I am still okay with that, but can we all least consider the level of taxation before the increase that was used to discourage the gasoline-powered engines? Can we consider the old rates just

before April for that size? And that is just to say well, for those who decide or desire that type of vehicle, that we understand that you are still making the effort to reduce the carbon footprint and change behaviour, which I think was the intent of the legislation brought before this House, so there would be equity, there would be balance, and the objective of the legislation brought in April, would still be achieved. Could we consider that, please?

The next point I want to look at, and I really want to commend the Minister and his Government for this initiative, is that of the tax holidays, I want to use that term, given to companies or individuals that would be building multi-storey car parks, commercial buildings and newly introduced multifamily dwelling units; excellent. I think the reason that is important is because it is a benefit to the private sector, majorly private-sector initiative, that can end—and the private sector can actually become involved more aggressively, and that can help stimulate activity in the economy. So it is an incentive for private sector, but it has a rippling effect throughout the economy, that can generate some activity while using private capital. I really think that that is a good initiative. My one concern with that, and I just want to quote from the amendment here and it says here, and I am just quoting from the middle of it, 45C:

“...the gains or profits derived from the initial sale of a residential house site, being part of a land development project, provided the owner of the land produces a certificate from the Minister...”

I am just thinking that with the initiative being proposed, and the number of people that may want do so, especially nine-year period, is it really an efficient process to have the Minister alone, in this case, provide the certificate that is needed to get the tax exemption? Can the statutory authorities that are inspecting these facilities, once the statutory requirements are conformed to, can there be an

alternative measure, alternative venue, alternative office that can be more easily accessed, so the certificate can be attained? Reason being, if it is delayed, then what would be the basis for asking for the exemption? Is it possible that it can be a little bit more efficient especially given the demand that would probably occur or that we hope to achieve or create?

Then my last point—and Sen. Hadeed addressed it somewhat, and it really pertains to the amnesties. Again, I understand the position that the Government is in. The amnesty that is being provided, has a benefit that we enjoyed earlier on as a country, where it generated revenue in 2011 of about \$2 billion. The amnesty in 2014/2015, it was reported that it generated about \$500 million, and now we are seeing an amnesty being afforded again. Whether or not that level of revenue would be attained, I am unsure, but the inclusion of the amnesty on petroleum taxes, I believe, could have the potential to bring in the level of revenue, that will be able to help us rally through this period that we are in. But I want to quote again from an article, that is the *Daily Express*, the date would be September 11, 2014:

“Tax amnesties can encourage bad habits”

And it says here.

“CHAIRMAN of the Institute of Chartered Accountants Nicole Joseph says the continual granting of tax amnesties will encourage the bad habits of “persistent delinquent taxpayers” who may have the impression that noncompliance to tax regulations may actually pay off.”

And I just want to come down to a little bit lower and she says, and this is at September 2014:

““This is the third tax amnesty in approximately eight years with the last amnesty being presented in the 2011...”

We are somewhat two years later and we are seeing another amnesty. So it will be the fourth in about 10 years, and we are also seeing an extension of the amnesty to now include that of petroleum taxes. So that if it is, that in anyway, that the amnesties before allowed or created a delinquent pattern of behaviour, by now extending it into a new category, are we now saying to those companies that, “Aye, it may be just okay to not conform and hope for an amnesty to come again”. I am saying at this point in time, while I understand the financial position of the Government, continuous amnesties will create a type of delinquent behaviour that can persist. Four amnesties in 10 years is a lot by any margin; is a lot.

So I want to say that while I understand the position of the Government, that this tax amnesty being afforded, especially given the fact that each amnesty covered a period of the past, that after this year we are hoping that individuals, citizens and companies of Trinidad and Tobago become more compliant, but the framework required to collect the taxes in Trinidad and Tobago becomes stronger. So we have to look for compliance from our citizens, but we have to look for efficacy in the offices that have been assigned to collect this revenue, and that is very important in my mind. So that it is not just about the amnesty generating revenue. It is about how we move forward from here.

So this entire piece of legislation—as I close—that is before us here, has the potential to increase revenue, and we are at a position where our expenditure is running away from our revenue, and we are at the largest deficit for a long time in this country. So the question that really is before us, while we are amending multiple pieces of legislation, to improve revenue generation or revenue collection, I should say in this country, or at this point in time, then what is it that we are going to do in years to come, if it is that our expenditure continues to run away from our revenue?

In my opening contribution in the budget debate, I said that expenditure in this country, Government expenditure is like a runaway horse, and it has to be bridled at some point in time, and sooner rather than later. All of these measures, the amnesty measures that we are using, these measures are meant for short-term revenue collection, and cannot be sustained into the future and, therefore, our expenditure needs to be managed.

With these few words, Mr. Vice-President, I thank you. [*Desk thumping*]

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you, Mr. Vice-President. Let me open on the topic of agriculture, to reiterate two points made by the hon. Minister of Finance in piloting this Bill. The first is that the Government has made a promise, to farmers and fisherfolk and those engaged in agriculture, to make available to them a series of concessions, including VAT free, duty free, chemicals and approved vessels and vehicles, and a wide range of things for use in agriculture.

The hon. Minister has spoken about an examination that has taken place, of the existing law, and the existing administrative provisions, especially those within the Ministry of Agriculture, Land and Fisheries, those at customs and those within the Ministry of Finance, in relation to the application of various concessions which already exist.

So in relation to agriculture, two things are intended to happen. The hon. Minister of Finance will exercise his existing powers, in relation to the grant of some of these concessions, but he would also, together with the Ministry of Agriculture, Land and Fisheries, put in place very robust administrative arrangements to ensure, Mr. Vice-President, what we fear the most, that in our society in trying to help a particular group, that we recognize needs, support of taxpayers and the support of the State, we open the door for abuse, and nothing presents itself easier for abuse

than the abuse of motor vehicles.

The Minister of Finance has run the example of the Prado, and even in equipment that that could be used in agriculture, there is no guarantee that it would be used in agriculture. Even vessels, fishing vessels which could be used for fishing, may not be used for fishing. So in creating and setting up the series of concessions that we intend to, we must also set in place the administrative and a very robust administrative structure, as the Minister exercises his existing powers.

The second element of what we intend to do, and what we have promised the country, is that new provisions would be brought to the Parliament to deal with those areas which are not already covered in the existing powers. The Minister has said that he intends to do that.

But on this point of agriculture, Mr. Vice-President, let me remind you, last year when the Government announced its intention to make these concessions available to farmers in particular, there was a sound coming from the other side, and I remember it very clearly. They were saying, "But these already really exist. There are no duties on the importation of chemicals for agriculture use". To the point, Mr. Vice-President, that on Sunday, October 11, 2015, the *Express* carried a story based on the hysteria they created in their usual manner. The story opened with, and I quote:

“Managing director of Caribbean Chemicals Joe Pires is accusing Finance Minister Colm Imbert of creating problems for local chemical importers by announcing the Government’s proposal to make approved chemicals and pesticides tax and duty exempt, beginning next January.

Pires said Imbert’s statement had led farmers to query chemical importers as to how much they were going to reduce the cost of chemicals, which they sold to agricultural shops.

Pires said he became perplexed and confused by Imbert's announcement since duties and VAT on all agricultural chemicals were waived years ago." This is one of the biggest importers of chemicals and other inputs into agriculture, saying he was perplexed and confused about our announcement, in relation to making these things exempt. And we insisted and we stood our ground, because we knew what we were talking about. Fast forward to Monday, June 13, 2016, in the *Guardian*, under the headline:

"Consumers to pay more for local food"

And I quote:

"In the coming weeks, consumers would have to pay more for locally grown food as chemical importers are now forced to pay duties on herbicides. The move has come like a thief in the night, leaving importers in a quandary and furious.

At least two of the country's largest chemical importers—Caribbean Chemicals..."

Mr. Pires.

"...and Massy Distribution Agri and Industrial Chemicals—have confirmed they have had to pay Customs and Excise Division 20 per cent duty on their overall bill."

6.30 p.m.

"This is in total contradiction to what was outlined in last October's budget presentation..."

It goes on:

"Managing director of Caribbean Chemicals Joe Pires said in an interview that he was so upset by the duties charged that he wrote Minister of Agriculture, Land and Fisheries, Clarence Rambharat on June 7, calling for

his immediate intervention into the matter.”

And, Mr. Vice-President, up comes Dr. David Lee, the Chairman of the United National Congress. He issues a press release:

Government is today being accused—under the headline, this is the report—of deceiving the public on the issue of import duties on agricultural chemicals.

And Dr. Lee is accusing the Government of imposing duties on chemicals even though we promised to make chemicals duty-free.

My response, at that time, Mr. Vice-President, of 13th June, 2016 is very simple and I would quote:

I am shocked to read a media release from the Chairman of the UNC Dr. David Lee, regarding import duties on agricultural chemicals.

The Government is firmly committed to the removal of duties and taxes in the agriculture sector, including approved chemicals, pest control, approved vehicles, approved vessels and equipment.

The recent problems facing importers are restricted to herbicides imported in packages in sizes less than six kilograms.

The current 20 per cent duty on this category of herbicides arises from a March 2015 decision by the previous UNC Government to remove the duty-free concessions on these herbicides and replace them with a 20 per cent duty.

You see, Mr. Vice-President, when the Government said, when we said in the budget and thereafter that we intended to make all these input duty-free and VAT-free and to remove the taxes and so on, we understood. We understood at the time very clearly also that the UNC in Government had reversed long-standing practices introduced by the PNM to make these things duty-free in the first place.

We understood and it emerged when Mr. Pires was faced with his 20 per cent duty it was understood that without informing anybody, the UNC very quietly in 2015 placed duties on inputs on agriculture that were previously duty-free. It is in that context that this Government has given a promise to the farmers and the fisherfolk in this country that we will remove those duties, remove those taxes and give them the advantage they require in order to compete fairly in the marketplace. It is that simple. And the confusion was created by those on the other side without taking into consideration that they are the ones who had put these duties in place in the first place, and that is on agriculture.

So it is our intention, Mr. Vice-President, to do exactly what we say we would do, to use the existing powers with robust administrative arrangements in relation to agriculture, and to clean up and create consistency and harmony between all the procedures so the farmers and the fishermen in this country would be able to know in advance and be very clear on what they are entitled to in relation to the benefits we have promised them.

Let me now turn to Sen. Mahabir in relation to three things on which he has spoken. The first is in relation to visiting forces. And, Mr. Vice-President, I never imagined that the visiting forces provision in this Bill would attract so such attention, not to mention sensationalism and, for once, not coming from Sen. Mark. Mr. Vice-President, this inclusion of a definition for “visiting forces contractor” contains the appropriate safeguard in its wording. So the “visiting forces contractor” definition includes a requirement that such a contractor—let me go to the definition and I read:

“‘visiting forces contractor’ means a person, other than a resident of Trinidad and Tobago, who is contracted by a visiting force and approved by the Minister for the purpose of providing a contracted service to the visiting

force.”;

So, a visiting forces contractor is not going to be able to walk into Trinidad and claim any concession. The definition includes the safeguard that Sen. Dr. Mahabir is looking for, that the Minister of National Security will approve that person as a visiting forces contractor.

But I am quite surprised, because Sen. Mahabir, in relation to Halliburton and other US contractors sounded sensational and I wondered where was all this anti-US rhetoric coming from. Because, Mr. Vice-President, for a long time this country has relied on the United States and US contractors and suppliers in national security.

In fact the radar system on which offshore vessels, on which aircraft and on which national security—every agency of national security relies on a radar system brought first, established by the US Government using the contractor Harris Corporation maintained, and it has been in place for a long time without any fear and without any concern.

The last administration used Agusta Helicopters in a very expensive long-term contract. The last administration turned to LiDAR USA for the speed guns that were recently put to use and, of course, my friend Sen. Munro is very right. It is the last Government that brought into the country a Chinese contractor to work in the intelligence apparatus, in particular, the IT, notwithstanding the fact that that contractor was blacklisted by the United States Government. So there is no fear. There should be no fear. This country has a long relationship with the United States and the amendments being included in this Bill are merely to give effect to what section 24 of the parent Act already provides.

Sen. Ameen: Mr. Vice-President, I was just wondering if the Minister could indicate the name of the contractor for the record.

Mr. Vice-President: But you have to ask the hon. Minister if he would like to give way and then you can ask him directly.

Sen. The Hon. C. Rambharat: As I was saying, Mr. Vice-President, Sen. Mahabir has also raised two issues relating to agriculture—I was not in my seat, but I was listening—the important issue of pesticides. Let me assure you, Senator, that the Ministry and the Government, notwithstanding these duty-free concessions, has no intention of allowing the prolific use of pesticides in a manner that would harm the citizens and consumers in this country. So the introduction of the duty-free concessions is not an invitation to farmers for abuse. It is the Government's intention to put in place the appropriate policies relating to the use of pesticides, but there is also something more important that we intend to do.

We are currently working on revising the current list of pesticides, herbicides and other chemicals being imported into the country, because we recognize, Mr. Vice-President, that on the list of chemicals and pesticides, herbicides that we allow into the country, there are chemicals listed there that are banned in other parts of the world and are used in Trinidad. As part of what the Minister of Finance has described as the cleaning-up and harmonizing and putting in place the appropriate administrative arrangements, the review of what is being allowed is part of that exercise.

Sen. Dr. Mahabir: Would the Minister give way just for clarification? Thank you very much, hon. Minister. I think, Minister, this is a very critical issue with respect to the health and welfare of the citizens of Trinidad and Tobago. Given that the Chemistry, Food and Drugs administration is not fully functional, does the Ministry of Agriculture, Land and Fisheries have any plans to undertake random testing of locally grown produce so that you could indicate to the general population a place like CARIRI or something that the products that are currently

used, grown and consumed in Trinidad pose little or no health risk currently for the people who are buying them? Thank you.

Sen. The Hon. C. Rambharat: Well I will tell you, Senator, NAMDEVCO routinely, as part of its operations, conducts these tests on produce that is available for sale. It is something that is routinely done. But we have all heard about the issues relating to food safety and food quality and so on, and the Government has already established a working group amongst Ministries in order to address the issue of food safety.

So I would go to the next point you raised on poultry, only to say that the standards which are proposed for poultry and the industry in Trinidad are standards which are being advocated in the main by the poultry industry, the sector. They are doing that because they are very confident that they meet all the international standards in relation to processing and production of poultry.

I know Sen. Mahabir talks specifically about hormones, but I recall the various public pronouncements made by the poultry associations. They have made it clear that they produce their product in safe conditions and with minimal use of hormones and with other chemicals and so on. From my observation and my interaction with the processors, I believe the local poultry product is something that the country ought to be proud about, and the intended standards are meant to level the playing field against the imports that we have all complained about.

Mr. Vice-President, let me now turn very quickly to Sen. Mark. I welcome—the last occasion I described his contribution as part pain and part pleasure. Today it was almost all pleasure, so much so that towards the end, Mr. Vice-President, Sen. Mark was almost unrecognizable. When I heard Sen. Mark criticizing the attack on multinationals, because one multinational in particular, bp, if I recall, made the comment that we should stop the attack on multinationals. It is

something that Sen. Mark was also saying, we should stop the attack on multinationals. As a former trade unionist, I found that that was so welcome. But then I recall, Mr. Vice-President, a couple months ago, sitting right here and listening to Sen. Mark rant and rave about multinationals, and then I recalled this newspaper publication again, April 12, 2016 *Trinidad Guardian* in reference to Sen. Mark's contribution in this place the day before, and I quote:

“There would be social upheaval if Government continues to ‘pressurise’, ‘bleed’, ‘brutalize’ and ‘crucify’ the poor, said Opposition Senator Wade Mark...Mark urged Government to deal with the ‘tax dodgers and tax evaders’, not the poor. Mark said multinationals in the energy sector had set up shell companies all over the world and were robbing the country of billions every year.”

6.45 p.m.

So if ever there was an attack on multinationals, especially those in oil and gas, Mr. Vice-President, in my mind, that attack came from right there. I welcome, not the pain today but the pleasurable side of Sen. Mark when he stands in defence of the multinationals like bp who feel they are being attacked. And, of course, I do not want to repeat what Sen. Shrikissoon said when Sen. Mark made the comment about the investment by NIB. That issue of the Apsara Restaurant, Mr. Vice-President, is upsetting, very upsetting, and since we have had no other report on it, surely not one produced by the last administration, I have to again go back to the newspaper, the *Express*, May 31, 2014, talking about the acquisition of the NIB, of the property which once housed Apsara Restaurant at a price of \$37 million, and this *Express* article cites a value, and I quote:

“The Sunday Express understands the property was valued at \$16.5 million in January”—a few months before.

At the heart of this financial arrangement, Mr. Vice-President, was the fact that the owners of the building were being handed \$37 million of contributors' money by NIB, and then NIB in turn would have received a rent for the building over a 10-year period, in addition to which NIB was providing, or putting up \$5 million for the renovation of the building.

So it shocked me as strange, that here was Sen. Mark critical of an investment made by NIB, an investment decision, absolutely and totally ignoring, in the normal course of life for him, the fact that under his administration this deal was created for which today there is absolutely no explanation to the contributors to the National Insurance Board. Let me just close, Mr. Vice-President, on the issue of the national insurance changes, and I will just make eight quick points in relation to the actuarial review, the most recent. I just want to say to Sen. Shrikissoon, he made a comment that these provisions in relation to national insurance are here because of the actuarial report; well, that is not true. The Government is not bound by the actuarial report. In fact, much of the actuarial report, and the series of them that have gone before have not been acted upon. Some recommendations appear from the first actuarial review, right up to the ninth. The Government, like the NIB, is guided by the actuarial review but it is not bound by the actuarial review.

I make eight quick points, the first is that there have been changes in the benefits, as Sen. Shrikissoon pointed out, there have been changes since March, 2013 on the basis of the previous actuarial review, the one for the period that commenced 2010. The second is that—and Sen. Shrikissoon made the point but did not realize it was already being done—the state of NIB's finances has always been a cause of concern. In fact, every social security fund of that nature, anywhere in the world, the state of the fund is generally a source of concern,

because of the nature in which it is funded and the risk that what you pay out will always exceed what comes in, and that is why you have periodic actuarial reviews.

But I would quote from the actuarial review, the Ninth Actuarial Review, in response to what Sen. Shrikissoon saw as a possibility, and I quote:

“Financial projections reveal that, under the present conditions, system’s expenditures exceed contribution income in the financial year 2013—14. The total assets of the NIS will however continue to increase until 2018—19 because part of the investment income will be used, in addition to contributions, to support the expenditures of the system.”

So the actuarial review recognized that contributions were already less than expenditure, and NIB already had recourse to the investment income of the fund. And, of course, once you start to use the investment income, it means that you have less of the investment income to reinvest and, of course, the projections are expenses will continue to be more than your contributions. The report—I will make the third point on the report—the report says:

“The present contribution rate of 12.0”—percent—“is not sufficient to support the present level of benefits in the long run. It is not even sufficient to meet current benefit...which represent 13.8 per cent of the payroll in 2013—14. Investment earnings have to be used presently to support the expenditures of the system.

I will make the fourth point, almost every actuarial review of NIB’s fund makes this recommendation, that:

“An automatic mechanism should be introduced in the law for the determination of future contribution rates, on the basis of periodic actuarial reviews.”

In other words, the actuaries in their report have consistently recommended that instead of having to come back here every time, seeking increases and making

changes, that there be some sort of automatic mechanism indexed to inflation, or indexed to something else. Successive governments have resisted that recommendation for the simple reason that the fund is so significant, the benefits are so important to the taxpayers and citizens of this country that successive governments, like this Government, are wedded to the view that Parliament is the place to discuss this particular issue, and the matter of increases in benefits and increases in contributions ought to be brought to the Parliament for debate. In that case, that is one recommendation that has been consistently resisted, and that is why we are here today.

I will make the fifth point about the actuarial review, and that is what presents—this observation is what has presented an ongoing problem to the NIB. The actuaries have said:

“The present NIS minimum retirement pension is very high by international standards and also when put in relation to the national average wage and the official minimum wage.”

It is very high. In fact, they used the expression, “generous”, and that is what creates the problem of having to do things, successive administrations, having to increase benefits, having to put in a minimum pension, and having to do other things, contrary to what Sen. Shrikissoon has suggested, having to do things which are not necessarily supported by the health of the fund but which are necessary for the benefit of the citizens of the country. So the two, the contributions and the expenses, are many times out of tandem because governments sometimes have to do things which are not supported by the actuarial review.

So, Mr. Vice-President, this is a very simple piece of legislation set to do several things, some of which my colleagues have already spoken about. There is absolutely nothing to fear in this Bill. This is pro-Trinidad and Tobago in support

of Government's policy in the context of what we have promised to do for the citizens of this country in this term, 2015 to 2020. There is nothing to fear, and only the citizens of this country will benefit from what is contained in this Bill. I thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Ameen.

Sen. Khadijah Ameen: Thank you very much. [*Desk thumping*] Thank you very much, Mr. Vice-President. I thank you for the opportunity to contribute in this debate, and I will be very short today. Mr. Vice-President, as I go into the Bill before us, the Finance Bill (No. 2), 2016, I will go straight into the proposals that are made. I wish to begin with Part II, Visiting Forces. I share the concerns of Members expressed earlier with regard to further examining the implications of contractors, the amendment that will give visiting forces—sorry—that would amend the Visiting Forces Act, Chap. 14:04, in order to give effect to the terms of the Status of Forces Agreement between this Government and the Government of the United States with respect to visiting forces contractors, and, Mr. Vice-President, I feel that there is no harm in sending this matter to the Joint Select Committee responsible for foreign policy and foreign affairs matters for it to be further examined and to look at the implications.

Mr. Vice-President, with regard to Part III on National Insurance, national insurance payments and contributions are compulsory by law in Trinidad and Tobago, and based on this the income for National Insurance Board is almost guaranteed. While it is agreed that from time to time there will be need for an increase in contributions, the increase, Mr. Vice-President, I feel, must be well-justified. At present, the Minister has indicated that the National Insurance Board has asked for some time to do consultations with employers in particular, but other stakeholders, and that the provision suggested, the amendment suggested will take

effect from September 05, 2016.

Mr. Vice-President, I am concerned with the proposals for the changes in employment injury benefit, death benefit, survivors' pensions, retirement and invalidity pension, sickness and maternity benefit that makes a recommendation for an increase in new beneficiaries from the 5th of September, but those who are presently in receipt will continue to receive, from my understanding, the benefit that they do receive now. They will not benefit from an increase. This is the first time in the history of the National Insurance Board that you have such a difference taking place, and usually when there is an increase, the increase is across the board. And, perhaps, given that September 5th is so close to budget 2016/2017, it might be worthwhile for the National Insurance Board to take the time to do their consultation and bring something more wholesome to the Minister to become a part of the recommendations in the budget that he will read. So that instead of taking effect from September 5th, something more comprehensive and with less discriminating factors could take effect right after the budget, which should also be around that time, just after that September 5th time. [*Desk thumping*]

7.00 p.m.

So that, Minister, I do not know if you would like to consider that and I know that you gave your commitment to have more wholesome recommendations out of the National Insurance Board come forward after the September 5th change in the contributions, as well as in the benefits. But I see no harm in having, if it is just about having three or four weeks difference between September 5th and the expected time of budget 2016/2017. Apart from allowing the National Insurance Board time to put everything on the table, it also means that you would prevent measures that really discriminate against the present beneficiaries.

Mr. Vice-President, with regard to Part IV, Motor Vehicles and Road

Traffic, that the proposal to:

“...amend the Motor Vehicle and Road Traffic, Chap. 48:50 to remove the obligation to pay motor vehicle tax on the importation of vehicles for private and commercial use that are...manufactured to use compressed natural gas,...new and used electric vehicles...and new and used hybrid vehicle...”

I do not know if I am correct to assume that this provision with regard to hybrid vehicles sort of takes—when it comes to the recommendations, well not recommendations, but the luxury vehicle tax that recently came into being, that the vehicles that are hybrid vehicles that would fall in that category—which do you consider? And this may present a problem later on in that a person who is purchasing or importing a hybrid vehicle that is over the 1999 ccs, may run into that issue where, because it is over the—well because it falls into cc measurement for a luxury vehicle, it would qualify for a certain level of taxation. And because it is a hybrid vehicle it may be considered here for exemption. So later on people who are purchasing the vehicle might run into that issue with regard to whether they should pay or whether they would be exempted. So I do not know if this provision here would take precedence over the recommendation for the luxury vehicles. And I am sure the persons from the Ministry of Finance may be able to insert a very short phrase that could clarify that matter.

Mr. Vice-President, with regard to Part V, Income Tax, the:

“Clause 6 that would provide for the amendment of the Income Tax Act, Chap. 75:01 to waive interest, penalties and other liabilities on taxes and other liabilities that were due and payable up to December, 2015.”—and—
“provided for the amnesty in respect of income tax, withholding tax and business levy during the period July1, 2016 to August 31, 2016.”

And yes, and amnesty, a period of amnesty does cause many people who were not

compliant to bring in their returns, but I do not want to repeat what Sen. Shrikissoo indicated because those were my same points, that we have given tax amnesties in the past, so that persons who are not compliant would file their information. But what it does in the long run is reward those who are errant. It rewards those who have not been paying over time and they pay no penalties.

But in terms of the efficiency of the system, the Minister also expressed that many organizations including non-government organizations who register companies, limited liability companies, because of lack of knowledge many of them are not compliant. But one of the challenges, I believe, is that the lack of penalties and lack of punishment beyond the payment of late fees and so on, it really does not provide a strong enough encouragement for organizations and companies to pay. If companies believe that they will face serious, I do not want to use the word “penalties”, but they will face serious consequences, then they are more likely to be compliant and rather than having an amnesty every few years, to me it really defeats the purpose.

So I want to encourage the Minister as he indicated that he intends to make tax collection in this country more efficient. I know he did indicate that in the budget, that as a way of ensuring the revenue for Trinidad and Tobago is on stream, that with regard to that and other taxes that he wants to improve on the tax collection in this country, we may have a lot of work to do where that is concerned.

And part of it, a big part of it, I believe, has to do with the education of citizens, companies, yes, but citizens in general, private citizens who may not be required to pay large amounts when it comes to the different categories of taxes, but simply to have a culture of compliance you must have education. And I feel that that is an area that we are seriously lacking and I trust that the Minister will be able to come forward with a programme that could see the efficiency of tax

collection in general improved, so that we do not have to be going continuously into giving these concessions and so on. So while I have no objection to this particular measure at this time, somewhere it has to get better. And the same would apply for, of course, corporation tax and the petroleum taxes.

Mr. Vice-President, with regard to the Minister's proposal indicating that, which is Part VIII that they:

"...would amend the Value Added Tax Act, Chap. 75:06 to include on the list of zero-rated items on Schedule 2 to the Act, new and used (1) electric vehicles...(2)"—new and used—"hybrid vehicles imported for private or commercial use...(3)..."—new and used—"...vehicles manufactured to use compressed natural gas...Electric and hybrid vehicles..."

Mr. Vice-President, the whole idea of providing exemptions for vehicles that use less in terms of that whole green approach, the terms of the idea of being more environmentally friendly and so on, I hope to see from the Government more measures that would, in terms of a holistic approach to a green economy and aimed at reducing the environmental risks and ecological scarcities and that provides for sustainable development without degrading the environment.

In addition to simply having exemptions from vehicles, you must have an alternative vision for growth and development and this, Mr. Vice-President, would also provide economic opportunities for wealth generation, for jobs, especially in a time when many persons in the oil sector and other areas are losing jobs and you would want to create other avenues for poverty eradication and job creation.

Previously, I know there were proposals and, in fact, programmes to enhance energy efficiency in building to provide incentives for buildings with solar lighting. And if I am not mistaken, there was also an incentive for persons who wanted to install solar energy in their homes. But, Mr. Vice-President, we also

have to look at the management and the use of electricity in building. When we talk about reducing the carbon footprint and so on, and if we look at the number of vehicles on our roads, yes, but we use a lot of electricity in buildings, and we must begin with state buildings. Even this very Parliament building is often so cold that everybody in the building is so uncomfortable and that is unnecessary. All of the lights stay on every day and every night and those are things that must we consider as well.

So while this incentive may be good, there are other aspects of green economy that the Government should look at. So that is a more holistic approach to reducing the carbon footprint.

But, Mr. Vice-President, unfortunately while electric vehicles and hybrid vehicles and CNG vehicles have now made it to the list of zero-rated items for VAT, books and computers still remain on list for VAT. We still pay VAT on books. This is something that I have spoken about before and education is one of the most powerful weapons that we can use to change the world.

Mr. Vice-President, there are families in this country who do not even aspire to own a vehicle because they feel that they cannot afford it, but an education for their children is what will change the next generation. And while having exemptions for these vehicles is something good, I believe that part of our movement from darkness to light has, must include the education of our children and the availability of educational materials.

We are in a situation where even now books are not being provided, certain text books that were once provided free of charge in the schools, are no longer being provided. And when you talk about the cost of books to parents, having to pay VAT on books continues, of course, will have an impact on the price. And one of the beautiful things about learning is that, nobody can take that away from you.

It is investment in the future of our country that cannot be removed. And when we think about escaping poverty and the obstacles that—one of the greatest obstacles to escaping poverty, Mr. Vice-President, is the cost of education. And I believe that any government who is willing to fight the war against ignorance and poverty will seek to continue to make education as accessible as possible. And there were a number of measures that the People's Partnership put in place to ensure that education from nursery to tertiary was more accessible to more people. And I know that from personal experience that education could change the course of a life.

And so I want to implore, Minister, while I commend the measures to have electric vehicles, hybrid vehicles and CNG vehicles on the zero-rated list where VAT is concerned, that you consider the importance of books.

Mr. Vice-President, with that, I want to thank you for the opportunity to contribute today. Thanks. [*Desk thumping*]

7.15 p.m.

Sen. Stephen Creese: Thank you, Mr. Vice-President. I think it is Brother Valentino's calypso from whom this quotation came:

“Trinidad is nice, Trinidad is a paradise

Trinidad is nice for men like Sabga, Kirpalani...and Y de Lima.”

And it reminds me of my other more famous quote, I have used it a few more times, out of a West Indian history text:

They smuggled and grumbled, and grumbled and smuggled.

This to me was the most apt description of the West Indian planter past, from the 17th, 18th and 19th Centuries, and I defy anyone to prove that after 300 years such a culture could change on the mere declaration of documentary independence.

They smuggled and grumbled, and grumbled and smuggled.

What does this have to do with this No. 2 of 2016? It has everything to do with it. It is a persistent and bedevilling culture that has almost digested all of us across the Caribbean, but more particularly in Trinidad and Tobago where the presence of oil and oil revenues has led to a kind of personality and a kind of politics that makes it obvious to the discerning eye. You really just have to step back and you begin to see that governments come and governments go, and the status quo remains the same. Because Valentino's lines about Trinidad is nice Trinidad is a paradise, and who Trinidad is nice for? I think it is at the Central Bank, just across the road, he will be celebrating his 75th, so I must have heard this about 40 years ago. Because, I think this calypso came out of the 1970s and we are in 2016. To the young people today, Valentino is an old grey-haired Rastaman, much the same to be said for Black Stalin, and our other famous musician, now retired, Roy Cape; old grey-haired Rastamen, whose better days were in the '70s. As Zeno Obi Constance puts it, *De Roaring 70's*.

Well, Trinidad is still nice with these people, it would appear. Because, I think it was Sen. Ameen who just a while referred to the frequency with which amnesties have been granted, and I think it was Sen. Shrikissoon who informed me during the tea break about the number of amnesties over the seven years. It is five over seven years? [*Crosstalk*] Correct? And per chance the most famous amnesty was not Abu Bakr's amnesty, over which a lot of people have shed tears, that he should now walk free. But, I think, we should shed a bigger tear starting with the 2009 amnesty which is the run-up to the 2010 election, must have had significant meaning in this society. And I think it was in the run-up to those elections that a certain gentleman, now deceased, was summoned to Glencoe—tell me if I am wrong?—[*Desk thumping*] He was summoned to Glencoe—[*Interruption*]

Sen. Baptiste-Primus: How you know that?

Sen. S. Creese: I could tell you more and on whose papers too. And it is at that point I realized how relevant Valentino was, is, and will be for a long time to come. The trouble with our society is that we do not honour our people while they are alive. We do not recognize their worth. [*Desk thumping*] So, some of them live in very humble circumstances but are really worth millions. And the West Indian of whom I am very proud is a fella called Eddie Grant, because he embarked on a policy of acquiring the copyrights of West Indian songwriters and musicians, and he paid them top dollar for it.

In some cases he paid them more than they earned in their entire lives, because he recognized what they were worth. Whereas, the administrations with which we have been blessed seem only to recognize the worth of the wealthy, and they respond quickly and decisively when they are duly summoned by the wealthy. That is a fact of our lives in this here Caribbean. Sad, but true. For whom Trinidad is nice, for whom Trinidad is a paradise. So they do the adjustment thing on the cards, and I think it was Sen. Shrikissoon pointed out the issue with the cars, and it would appear that our classification methodology is really outdated in that we are focusing on cubic centimetres of a certain engine type, when the question of horsepower is becoming the more salient issue, and we need to be able to have a tax structure that captures twin aspects of that reality of what constitutes a motorized vehicle.

So that is something we need to address at the classification level. But, that is a minor issue. The broader issue really is the class alliance that continues to permeate and dominate decision-making in this society. And you could find evidence of that class alliance, not just in this piece of legislation, but throughout the major happenings. I think the last time I was here, I was referring to the class alliance inherent in the Akiel Chambers matter, how certain people do not find

themselves in court; I refer then to a certain priest—and for clarity I would say Anglican priest, so you do not confuse it with any other priest, because we have Hindu priest, we have Muslim priest and so on—who was able to abscond to England and make a mockery of our judicial system and our jurisprudence, generally.

I am also aware, and I wish to use this opportunity to put into the *Hansard* record, about someone once employed at the Office of the Ombudsman who was charged in connection—remember the days of EC—with that EC scandal and who, son of a prominent West Indian knight, was allowed to abscond. He himself being of Jamaican ancestry, and had been a Canadian citizen for a while, and then came to work in Trinidad and Tobago, and was right in Barbados and never ever brought back to face those charges which are still on our law books in relation to—in those days you had to apply to the Central Bank, the EC form and so on, to get foreign exchange. Right in Barbados. West Indian by birth. Son of a Jamaican who was knighted, so the name is very famous. Class alliance. At the end of the day, the issue in Trinidad is not really race. I keep telling people that. It is not race. It is about class. And it is about absorption into a ruling class and identification with a pathway to be in that that begins to explain to us the meanderings of our various administrations.

That class alliance that allows people to evade our legal system, in this case our taxation system, because they can rest assured that the boys would do the right thing, that the boys know on which side of their bread butter is applied, and somehow the rest of us who are summoned every five years, or whatever number of years to vote for them, never really see that aspect of the situation. We are just foddering the system and this thing is all set up to, as it were, whether it is through the common entrance, SEA system, whatever, the educational system, to absorb

you up and into the ruling elites, and once you get there you would behave according to the norms and the mores of that society for which you slaved all your life to join.

So that you are not interested in taking any steps, when you are revising any of these taxes, to deal with the people's favourite meal on a Saturday, making sure there is equity, that you are not taxing the tail of an ox the way you would tax the hindquarter. But, like I say, how the people party is not how they vote. I think that is Rudder's favourite line. [*Desk thumping*] So the people have their lessons to learn too. You are not interested—you say you have housing issues to deal with, I think it was way back in the '70s Lloyd Best used to make the point back then, we should be building 10,000 houses a year and we have never reached that figure 40, 50, 60 years later. And what are we proposing by way of trying to bridge that huge gap with the housing shortfall? Multiplexes? How revolutionary.

Instead of engaging, seriously engaging our alternative financial sector, and there is a credit union sector which is an alternative to the banks that we all come here and berate. We are not hearing anything about that. We seem just not to learn. The children do better in SEA than we would probably do now. So a simple matter, which ironically enough NIB has corrected, the National Insurance Board pays pensions to stipulated credit union accounts. So that when I was retiring two years ago I went into NIB, I gave them my favourite credit union, which the Minister of Labour and Small Enterprise Development would know, and my pension goes there. Pension from NIB that is. But, my state pension, as a retired public servant, does not go and cannot go there.

Imagine the impact that would have on the credit union movement and the state sector credit union movement, if you estimate what the number of public servants are, the number of retired public servants who are alive, and these days

life expectancy is higher than it used to be. So people are not going home and die. Imagine the impact that would have if we were to funnel those funds, rather than through the banks who are giving people less than 1 per cent, it went to the credit unions so they are giving people a range these days from 3 to 7 per cent, imagine the impact that would have. Imagine there is leverage with those unions, sitting down with them and saying, “Well, listen, what are you all putting in your housing mortgage portfolio as a result?? That is the debate we should be having.

And the other aspect of that housing debate, because at the end of the day, people need to get a job, they need to be employed, they need to house themselves, and, of course, in the process, having a job and having a house you would not only have a place to feed yourself, but a means to feed yourself.

7.30 p.m.

It is really simple basic needs strategy that we need to return to, you know. We get so high up there in these tall buildings that we have lost our way, we have lost our view. We are missing the woods for the trees. It is that sad. Imagine the impact that would have if we sat with the credit unions, say “Listen, we recognize the banks are not interested in delivering our people, okay, to take them into any promised land.” Less than 1 per cent is what they are targeting. They will give you for all that money you pumped into the bank and made them wealthy and they are flaunting it in your face and telling you less than 1 per cent. Every last month the charges going up left, right and centre. And we elect Governments to power who are not treating with that. It is almost as if they are impotent. Some say they lack the political will, that they only know how to work hard to win elections and then coast in the next one. Sad but true.

So the whole class alliance thing, the Government absorption to that, the refusal to deal seriously with the housing problem, because the other aspect of that

housing problem would involve two Ministries, inclusive of the Ministry of Labour Small and Enterprise Development, the co-op division section. Because the way they have been going in the United States of America is co-op housing. The State is funding and supporting co-op housing initiatives. That is what is going down, but we are always at the backward end of the capitalist sector, always. What they stopped doing yesterday we after that, you know. So we are still into corporal punishment and capital punishment and so on, when that is their 19th Century and 18th Century lifestyle, but we learn what we want to learn and we ignore the rest.

So we should be talking co-op housing, our Ministry with responsibility for cooperatives and our Ministry for housing should really be leading the charge to ensure that in home development and in home ownership, that is the new intellectual direction. But we just not in the game and we do not have the will to change the rules of the game. That is what is really sad.

I remember when I just got into the service, the secretary to the Ombudsman—I think they changed the name and the title to a post of an executive officer. But take me down actually to Parliament because the Ombudsman is a division of the Parliament, to sign up, buy whatever papers and so on, information about myself. And there was a bit of traffic coming down Frederick Street, and he showed me a retired judge, and he said, “Dem fellas bawling, you know”. Well not being from around Port of Spain, I did not have a clue who the guy walking the road was. So he named him, he was a retired high court judge I think. And he say well, you know, your starting out salary in the service is more than his pension, and I never forgot that.

He explained to me how the pension system works. That is a public servant by the name of Rex Dew Hurst. He explained to me how the pension system works and he says, when you are going home it does look like plenty money, you

know. But two/three inflation and “aye” somebody come into the service just like you getting more money than a man who contribute at the level of a high court judge.

So I went immediately and took out an annuity. From '85 to now I have never been without an annuity. Because I recognized then that if the State was going to hire me and keep me to retirement and was going to leave me because I am sure I was not going to rise to the level of an Appeal Court Judge—was going to leave me recycling clothes like the way the fella was, then I needed to invest in me and protect me and set up my own security system. And today, I am glad that I have done that and I would recommend it to all public servants, to everybody everywhere who has a job or if you do not have a job, get yourself employed, set up your own retirement plan, because NIS, which is where I am going with this, is going to betray you.

I got out of high school in 1972, which is I think the year NIS started. Yeah, left high school in 1972, A Level certificate and thinking you are bright. In NIS since then—in NIS in the highest class since then, retired in the highest class right through, tell me now, what is supposed to be the NIS pension if you retire in the highest class and have been there for that length of time? Is it true that there is only a \$3,000 NIS pension? Is there supposed to be a higher rate? Does anybody know if there is a higher rate? If there is anybody getting a higher rate, I would like you to write me and let me know, because I keep hearing these rumours that there is a higher rate and I was never in town long enough to go and find out. I will one of these days and I will come back and let you know, but if anybody here knows, if there is a higher rate and how you qualify for it I would like to know, because I am sure I am qualified for it, do not know if I am getting it.

But the thing with NIS and NIPDEC and all of that really, is that it really

was a tax, you know. I do not know if you were deceived, but I was not. From day one I knew it was a tax. And I will tell you why, I am sure it is a tax. The first time I saw an NIS claim form, filled out an NIS claim form, it was six months before my 60th birthday. And I was fulling out the claim form to get the NIS pension. And I am sure there are thousands of males, if not females, but certainly males like myself, because the males unless some magic has taken place and “nobody eh tell meh I cannot claim maternity benefit”. And even industry according to what sector, the industry you are in, injury claims at work might be handled by the company for whom you work without recourse to any NIS claim. Certainly the oilfield sector, that happens all the time. They have their own dispensaries and hospitals and so on. So you never enter the state system even if you have multiple injuries.

So NIS has been a tax. So this talk recently, well look, NIS is not paying its way. Well, taxes are not supposed to pay their way, they are just part of a national budget. What is the overall budget balance since it does not matter what coming in at any particular stream. So let us not kid ourselves. Maybe now we will get down to the business of NIS being a scheme, but that is an unfortunate word, national insurance scheme. Tax, scheme same thing. Maybe we will get down to it now being a welfare system, that is right.

So as part of a welfare system what the actuaries have to say, we begin to be heard. You see. Because there is a wakeup call, you know. And we keep deferring it. There is a wakeup call that oil is not what it used to be. There are dreams of some that this war, you see the last time we had this shake up was when the Arabs woke up and decided to suck it to the Americans, back in the '70s and they did their thing back then and say, “Listen, you say what price we must pay for Chevrolet, we are going to say what price you must pay for oil.” That was it,

bottom line. And today it is much the same, you know. They are saying to them, you want to bring up shale oil and bring down the price of oil and make money of oil, after we suffer we are going to teach you a lesson. We are going to “send all of all yuh shale oil diggers and refiners packing”. And that is what is going down, you know, that is what it is all about and they will stay out there until that is achieved. That is their objective. And they have the wealth and the capacity so to do. So all of us who are dreaming for some short term magic to happen and serve the Saudis to back off—

Sen. Baptiste-Primus: Sen. Creese, permit me please.

PROCEDURAL MOTION

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Mr. Vice-President, in accordance with Standing Order 14(5), I beg to move that this Senate continues to meet until the completion of the business at hand.

Question put and agreed to.

FINANCE (NO. 2) BILL, 2016

Sen. S. Creese: Yes, Mr. Vice-President, so that looking for a quick fix, you know we just have to rally till 2018/2019, and this thing is a pipe dream. And the sooner we wake up from that and realize this thing is long lasting and that we have to get down to the serious business of making adjustments, of adjusting our anticipations, the sooner we get down to that the better. The more we postpone it, because it is going to be, pop up with a few taxes here, we dip into the fun there to meet monthly payroll, if this was our personal roti shop, is so we would run it? We do not take long-term money to fix short-term problems. No. In no school of accounting they will teach you that. That is not the way to go.

You have structural problems, you have to come up with structural solutions.

And we have a structural problem and we are not putting on the table any serious structural solutions. Because I heard the goodly Senator, hon. Minister of Agriculture, Land and Fisheries and I thought that I would have heard some indication of how the food issue—because agriculture is about food production, and how we are going to ramp up food production and nothing has been said in any way indicative of a ramping up of food production. And I say this as a farmer myself. I have heard nothing about ramping up that. I have heard nothing about, you know, really revolutionary means of moving human resource into that area. Nothing of the sort.

So we are not talking as sometimes they used to, about the URP human resource, the CEPEP human resource. Instead of painting stones and chipping at the side of road, “aye man” it have farmers out there who cannot pay the current cost of labour, because if out there, right down the road, is 250 to be a labourer on a job site building somebody’s house, how on earth could a farmer compete with that? No way. It might make more sense for him to give up his farming ambition and go and take a job as a labourer around the corner and that is how DEWD had spoilt the country. If we have money to pour into these kinds of social services because we recognize we need to monetarize some people’s lives to keep them out of trouble, I will be first to recognize that. If you want to keep them out of trouble you have to put money in their pocket, but gainfully employ them, “nah”. Put them on our farms, put them on our lands. There is no way you cannot function on anybody's farm without learning something before the day is through about planting, maintenance, harvesting of crops. That is the direction which to go and these little petty taxes we fiddling here, we literally fiddling while the country is burning. It is like watching the flames on the hills every dry season. Plenty talk, but nothing new happens each dry season on those hills, except the fires and

hopefully the rain comes soon and save some of the flora and fauna.

We are fiddling while the country burning. We fiddling while the oil and the gas going out. We literally fiddling. All these petty little measures here, is fiddling. This is petty stuff. But you know and to take even one of these petty measures which brings me back to my point about the class alliance, that permeates the society, that holds the society together and that retrains however ambitious the young politicians may be, that retrains and reorients them and pulls them into a mainstream away from the roots from which they first emerged. [*Desk thumping*]

7.45 p.m.

We have no mass transit system. The administration in power, I think, was the one who destroyed the first mass transit system, the railway that went from Siparia to town, that went from Arima and so on to town, that went from Princes Town and Chaguanas to town—destroyed that. So we have none. So people do not have the capacity of enjoying the natural resources of which we boast.

If you want to get to a beach on Sunday, especially down in the south, it “ain’t ha” bus taking you to no beach. There is no bus stop by near the beaches down in the south. I could tell you, I have been to all of them. There is no bus stop at Los Iros. You stand up in San Fernando by the bus terminal, you will not see a bus going to Los Iros. No day in the year. You will not see one going to Quinam, which is the only beach without a single coconut tree because it is in the middle of a forest reserve. It is unique in that regard. You will not see a bus marked Quinam, nor Morne Diablo for that matter. You probably might get one to the Moruga area, but be prepared to spend the day because it “eh ha” no return bus in a hurry, and that is what we have for a rural transit system.

So what is the alternative for the average man raising a little family and he

wants to take them out on a Sunday, which is no middle-class ambition. It is a simply natural thing to do, buy some little old car, but the State tells you stop at four years old, brother. Do not try to import anything older than four years old. So they put a price fixed one time at what your aspirations can be. Bottom line! So much for freedom of trade. I keep telling you, we talk a lot about the great democracy to the north, but we do not copy their habits eh. Restriction on trade.

You cannot import anything older than four years old. So there is a price. There is price reference one time. Now whose benefit is that in? That is why I say there is a class alliance. According to Valentino, “Trinidad is nice, Trinidad is a paradise. Trinidad is nice for men like Sabga, Kirpalani and Y De Lima”. So I paid a particular attention to the battle going between the used car dealers and the new car dealers, whom you do not hear at all because they have people to speak for them in places like this, who speak loudly for them. Sad, but true. They speak very loudly for them to ensure that that little poor guy cannot get no six-year-old car to buy.

So you see with it, he could buy a 25-year-old Trinidad car. Now tell me, at one stage they are telling you that State is doing this to protect the consumer. Eh heh? Well then why they do not have any particular legislation dealing with the 25-year-old car I could buy in Trinidad. So it is not about protecting consumer rights. It is about protecting new car dealership rights. [*Desk thumping*] Bottom line! Shamelessly so, because the little poor guy who “coulda” buy a seven-old-year car, or a six-year-old foreign used car, cannot do that. He have to rent if he want to access a car, or come up with the kind of money. These jobs these fellas have on construction site and CEPEP and so on, you know they cannot access mortgage facilities, loan facilities—bottom line. So they are going to rent or, as they say, beg, borrow or steal. So we setting it up. That is the ball game that we

are in, making sure business continues as usual.

And amidst all of that, you know you hear a sort of platitudinous proliferation of epithets about greenery, and that comes out every now and again about the state of the carbon footprint. When I hear that, eh, blood does crawl. Because the place in which they say that—I remember they used to have this thing called the environmental police. When last you see one of that? You could tell me the colour of the regular police car, you could tell me emblem of the municipal police car, you could tell me the blue and yellow—*[Interruption]*

Mr. Vice-President: Senator, you have five more minutes.

Sen. S. Creese: All right—of the highway patrol, what does an environmental police vehicle look like? When last has any one of you seen one?

Sen. Sturge: It is invisible, but I do not see them—*[Interruption]*

Sen. S. Creese: Is probably the one that you see. I have never seen it in the south of Trinidad, and I have been living in the south of Trinidad for 60 or 62 years.

So that is just old talk. That is convenient to the argument. I say, you know, Ministers have speech writers and the speech writers come out of UWI, and the latest generation out of UWI is full of the green talk, lingo. Good? But that is just about it. It is green talk lingo, no more and no less. There is really no political will to do all these things. So the hills will burn year after year and that is a fact. The plastic bottles will gather at the river mouths and the estuaries because that is a fact. That is where it is and, you know, you will get these removal of tax duties and so on but no serious revolutionary attempt to change what has been happening. The more things change actually, in fact the more they remain the same, which is why I am of the view really that this should be referred to a select committee of this Senate.

I feel this is the way to go, that we really should not have this last day for

school debate, and a matter so important, so fundamental as the survival of this country because really we are fiddling. These little petty measures here is fiddling. Just as when the budget last time the Minister said he had to be back in six months, and the six months was gone, and he come back, and he coming back again, you now. This is what this is, is the Minister back again and he will be back again because this will not cut it, because the Arabs are waging a war and we are part of the victims of that war, and if we go not understand where we are in the scheme of things, then we will need to feel and feel soon we will, and those of us have this notion that God is a Trini. Well I will tell you at the end of Ramadan, he is more likely than Arab [*Laughter*] because they have oil.

It remind me of the calypsonian who say, “You think Trinidad and Tobago have sugar? You lie. Cuba have more sugar than Trinidad, oh me lad.” Well, Saudi Arabia have more oil than Trinidad, and Venezuela for all its oil came here to negotiate some chicken. Put that in your pipe and smoke it. I think the person who these days making that phrase famous is lying in State about putting things in your pipe and smoke it. But we need to put that in our pipe and smoke it; deal with that reality.

In closing, Mr. Vice-President, I am of the view that there are three things that are critical right now: housing, food production and, of course, the quality of food that we eat. So I had hope that when the Minister is wrapping up, he will expand on what the Minister of Agriculture, Land and Fisheries indicated was the testing of produce that is done all the time by NAMDEVCO because I am concerned. I am not too sure what testing facilities they are using, whether is CARIRI, certainly it is not the food and drug people. So I would appreciate knowing some more about that so I will know whether to go by NAMDEVCO down in Debe, or just settle for what I could plant I will eat because I know what I

put into it, and therefore, could trust myself.

Like I say, I would like to reiterate that we need in all of us, in and out of this Senate, to decide who Trinidad is nice for, whether it is a paradise; and, if so, if it is for men like Sabga, Kirpalani and Y De Lima because it would seem to me 40 years after Valentino sang that, he is going to be singing it again later this month and it is just as relevant back then as it is now. We have to ask ourselves whether those who presume to lead us, are in fact leading us well or just marking time because it would appear that we have not travelled very far in all these 40 years.

I thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Dookie.

Sen. Daniel Dookie: Thank you so kindly, Mr. Vice-President. I am very delighted to have the opportunity to join this debate, in what has been described as the last day of school. But let me state by way of introduction, Mr. Vice-President, that the Government of Trinidad and Tobago is responsible, and the Government of Trinidad and Tobago continues to confront and manage the issues that face us. The Government continues to communicate to the population truthfully, and the Government of this nation is very optimistic about our future, and we have demonstrated confidence that our actions and actions of all stakeholders would lead us to recovery.

So at all times, Mr. Vice-President, we act with faith, we act with hope as we believe our actions will position Trinidad and Tobago to take advantage of the opportunities that exist, and what lies before us in this Bill I believe demonstrate that the Government is progressive and positive. And having the opportunity over the last 10 months or so to assess our situation better, the Government is now in a better position to engineer or reengineer solutions to bring us to fiscal prudence,

fiscal stability and a better Trinidad and Tobago.

I do not think it is about fiddling. Mr. Vice-President. It is about assessing where we are, it is about understanding what is taking place in the international context, and continuously adjusting what has to be done locally so that we can continue to align our local economy with the demands of the external environment.

[Desk thumping]

So while I cannot recall Brother Valentino's calypso as referred by the very distinguished Sen. Creese, I can recall Black Stalin's calypso that "We can make it if we try." *[Desk thumping]* Mr. Vice-President, I believe what lies before us in this Bill cannot be viewed in isolation, but has to be viewed in a wider context; it has to be viewed in relation to how we manage our finances, how we promote behavioural changes as a Government, and how we manage our current circumstances. In terms of how we manage our finances, we have to examine our revenue situation and address the issue of revenue generation and revenue collection, as well as expenditure management and expenditure control.

In terms of how we promote behavioural changes, we have to examine how we engage in actions and initiatives that will allow us and our citizens to move away from the business as usual paradigm to a paradigm of value creation and productivity.

In terms of how we manage and engage our current circumstances, it is important that we confront our deficit and we confront the changes in both the international environment and our local environment.

8.00 p.m.

Accordingly, Mr. Vice-President, in terms of what lies before us, the Government of Trinidad and Tobago had indicated that it will address the matter of revenue collection and it is doing so now. What is before us cannot be looked at in

isolation because the Government of Trinidad and Tobago had proposed and implemented initiatives previously to bring about improvements in the tax administration processes in our country, indeed improvements that the Government believes would reduce tax avoidance and improve our tax efficiency.

Of course, we could recall that the Government would have indicated as well its intention to bring about actions and measures to incorporate the informal economy into the local economy, and what is before us here, Madam President, in terms of increasing revenue as—sorry, Mr. Vice-President. What lies before us in terms of increasing revenue as contained in clause 7 and other aspects of the Bill is a component part of Government's overall package to deal with revenue collection.

The Government also indicated that it will address the issue of our fuel consumption habits, and I think, Mr. Vice-President, that this Government may be the first Government to demonstrate in a meaningful and progressive and reasonable way, its intention to deal with the fuel subsidy, both in terms of a fiscal nature and in terms of an environmental nature. I think the Government ought to be complimented for that. [*Desk thumping*] And indeed, the Government's action would have allowed for conversations that are taking place today on this very critical matter. The Minister of Finance had indicated previously in this honourable institution that the fuel subsidy oftentimes tend to benefit the wealthy and would have signalled his intentions to make the relevant adjustments so that the poorer class can also benefit from the wealth of the nation.

And as we manage our finances, the Government had demonstrated by its actions that it is committed to protecting the working class and the vulnerable in our society, and the measures articulated and recorded in clause 4 of the Bill, that deals with the adjustment to the National Insurance Act, demonstrates the willingness of the Government to take the right decisions to deal and protect and

ensure the survival and longevity of the national insurance system in Trinidad and Tobago.

I will, over the next few minutes, Madam President—Mr. Vice-President, I am so sorry, once again—address some of these issues in more detail. Let me look at clauses 5, 9 and 10 that deal with the tax exemption for alternatively powered vehicles, hybrid, CNG powered, or electric powered vehicles. I want to state that the journey of a million miles begins with the first footstep and oftentimes, visionaries see the future, believe in what must be created and work backwards to the beginning to begin the journey. And in fact, what the Government of Trinidad and Tobago is seeing when the Government engages itself in actions and interventions to manage our fuel efficiency, our energy efficiency, what the Government of Trinidad and Tobago is seeing is a cleaner Trinidad and Tobago; a nation that is more energy efficient; a healthier Trinidad and Tobago, and a more productive Trinidad and Tobago. What the Government is doing by these interventions, Mr. Vice-President—I got it right this time—is engaging in actions that will bring about a paradigm shift in the way we look at energy consumption and management that would lead to a quantum leap in performance of our nation.

And I think it is quite unfortunate for those who cannot see it like this, for those who cannot see the vision for a Trinidad and Tobago that is cleaner, healthier, more productive. We stand and sit in a facility today that is the product of a visionary and oftentimes when the vision is articulated, it is criticized until we can see and enjoy the beauty of the final product. So I have every confidence that this intervention would lead to a reduction in our fuel consumption, a decrease in the cost to the operator over time, and also lead to a demand-based reduction in vehicle emissions. Mr. Vice-President, the future is here and I think with this Government, the future of Trinidad and Tobago is going to be bright. [*Desk*

thumping]

But let me throw out a challenge to the business community and in doing so, let me refer to an example of business model innovation that was engaged by a particular insurer in the United States as they implemented a product referred to as PAYD, Pay As You Drive. And this product that they offered the industry charged insurance premium to vehicle owners based on a number of variables, including how fast they drive, how often they drive, the speed at which they drive and other variables, and it became a major strategic advantage to the particular insurer by being a little bit more innovative than the competitors. And the challenge I wish to throw to the business sector, to our local insurers, is to engage in some sort of assessment to determine what kind of market incentives they can offer car owners in Trinidad and Tobago to encourage them to utilize and purchase these vehicles with alternative sources of power. That is a challenge I throw to the local insurance sector.

So, Mr. Vice-President, I commend these recommendations and these measures contained in the Bill and as I often do, as I am being taught and trained to do, is to look at what is being recommended; look at what is the expected outcome; what is being recommended as these incentives as an independent variable; look at the outcome in terms of a healthier, more productive Trinidad and Tobago, more energy efficient nation, and create a conceptual framework. It is clear to me that the incentives being offered and proposed by the Government would increase the usage of vehicles with alternative sources of power that will make a positive and significant impact on energy efficiency leading to a more productive Trinidad and Tobago and a healthier Trinidad and Tobago.

And if, Mr. Vice-President, you go to the literature regarding the matter, you would find tremendous support that the incentives offered, or market incentives

and Government incentives, definitely supported the literature to make a positive and significant impact on the demand for vehicles with alternative sources of power and that in itself, Mr. Vice-President, impacts the health of the nation, the productivity of the nation and leads to greater energy efficiency. Market incentives and Government incentives have proven to be a fundamental driver in the improvement of the economic well-being of nations.

Let me briefly address some of the recommendations contained in clause 4 of the Bill as it relates to the National Insurance Act and to examine it in relation to funding, benefits and responsibility. As you know, it seeks to increase the maximum insurable earnings from \$12,000 to \$13,600 and to increase the contribution rate from 12 per cent to 13.2 per cent. And as I examine it, Mr. Vice-President, let me refer to some of the information, findings and projections contained in the Ninth Actuarial Review of the National Insurance System. One of the projections over time, as documented in the report, states that there would be a lower mortality rate in Trinidad and Tobago, and while that is good, it necessitates the need for proper planning. It also states that there would be an increase in population size and again, while that is positive, it also signals the importance of proper planning. But it also tell us that there would be a decrease in the age group 16 years old to 59 years old and what that tell us is that there will be a reduction in the number of contributors to the fund in the future.

These findings, in my mind, support the need for the changes that are being proposed because when you look at the management of these national insurance systems, it is important to ensure that you have a contribution to system expenditure ratio that is acceptable. In other words, if this ratio of contribution to system expenditure is not managed properly, what you can have and what you do not want to have is an erosion of coverage; what you can have and what you do not

want to have is a fall in confidence, and what you can have and what you do not want to have is a shock to the system that will cause significant and maybe unrepairable damage.

And if you engage, again, studies relating to the management of national health insurance and national insurance systems, they will tell you that it is very important to utilize an incrementalist and pragmatic approach to the management of these systems. And what we are seeing being offered today by the Government embraces the concept of being pragmatic and adopting an “incrementalist” approach to the management of what confronts us with our national insurance system. So I commend and accept these recommendations as needed as they would improve the funding of the system over time but just as importantly, Mr. Vice-President, it will promote benefit maintenance, in other words, no erosion of coverage.

But I want to just speak for a couple of minutes on the issue of personal responsibility and corporate responsibility.

8.15 p.m.

And I want to state, Mr. Vice-President, that we have to take, as individuals, personal responsibility, as it relates to protecting ourselves against some of these unforeseen circumstances. First of all, I want to state that we must take personal responsibility to protect the system from fraud.

Health insurance in the private sector is a major loss earner, primarily because of fraudulent activities and, likewise, Mr. Vice-President, in the public sector national health insurance is sometimes exposed to fraudulent activities. And we as individuals must recognize and understand that the system was designed for our own benefit and we must take whatever measures that we can as individuals to ensure that the system is protected.

But more than that, I wish to add, Mr. Vice-President, that we have to take personal responsibility to ensure that as individuals we are better prepared for unforeseen circumstances such as illness, injury, death and retirement. I am very happy to hear that Sen. Creese indicated that since 1985 he took out an annuity plan. I do not know if Sen. Cummings could say the same thing. But if not, I recommend that he does likewise. [*Laughter*] It is important that we ensure as individuals that we are best prepared for these circumstances, because there is a benefit to ourselves in doing so and there is a benefit to our family.

But from a national perspective, I wish to point out that there is also a national benefit. For when we become more responsible as individuals and we take personal responsibility, as Sen. Creese did, what it does is that it reduces the need for social assistance from the national purse, and it is important, Mr. Vice-President, that I think as individuals we take personal responsibility for these situations.

But at the corporate level, which I think we have some issues with, there must also be corporate responsibility. And the first thing I want to say in this regard is to encourage the corporate citizens of our country to ensure that contributions are paid and are paid on time.

The corporate citizen that is responsible, Mr. Vice-President, would also ensure that there are better safe-work systems and also encourage wellness programmes within their organizations, because the result of that is a reduction in claims and a reduction in claims would help improve the contribution to system expenditure ratio, and that, Mr. Vice-President, is fundamental if we are to ensure that the national insurance system continues to provide the support it has done for the working class. So, Mr. Vice-President, I commend and support the measures contained, regarding the national insurance system and the adjustments proposed

by the Minister.

Let me just say a short word on the waiver of interest and penalties, the amnesty provision, contained in clauses 6, 7 and 8 of the Bill. What are the facts? The fact is we have a fiscal deficit. The fact is that over the last six years or so expenditure had increased significantly by approximately \$20 billion. The fact is that there is a fall in the prices of commodities, and the fact is, Mr. Vice-President, that the Government is faced with a huge quantity and amounts of unpaid bills. The reality is the Government must ramp up its revenue collection efforts. And what is being proposed, Mr. Vice-President, by the Government of Trinidad and Tobago regarding this amnesty, a short period which I think would be intense, which I think would encourage both the corporate world and private individuals to engage in the right type of behaviour that will bring about a behavioural change in the future, that will ensure that the Government meets its expectation regarding revenue collection. And as I said before, Mr. Vice-President, what is being proposed here by the Government of Trinidad and Tobago is part of a wider programme to bring about tax reform to Trinidad and Tobago.

Finally, let me say a few words on the exemption on income, income tax exemption, from the sale or letting of multi-family dwelling units and the extension of the exemptions in relation to commercial buildings and multi-storey car parks. It is an incentive to the private sector to invest. I believe that they would act on it and engage in activities that will bring about solutions to the parking challenges facing our nation, as well as the housing challenges or challenges relating to providing suitable housing accommodation for our country.

And I think, Mr. Vice-President, that the private sector will get involved and continue to make its contribution, and I know Sen. Creese would have said a lot about our housing situation. But let me state that there is no administration other

than the People's National Movement administration that would have seriously tackled the housing situation in Trinidad and Tobago and would have done so with much success over time. [*Desk thumping*]

I am confident in saying that despite our challenges, what is being proposed by the Government, in terms of a public/private partnership arrangement and what is being proposed by the Minister of Housing and Urban Development, in short order this philosophy of providing low-cost housing for our citizens who cannot afford housing in the private sector would be pursued with great success by this administration. And while we acknowledge that there is a challenge, I have every confidence that this Government would meet the challenges with great success.

So Mr. Vice-President, as I conclude how can I summarize? What is before us, in my mind, presents significant benefit to the individual, to the corporate citizen and to the nation. The individual, Mr. Vice-President, would benefit from the tax amnesty, would benefit from improvements and the sustainability of the national insurance system, would benefit from the opportunities that would come their way in relation to the incentives offered by the Government to purchase cars with alternative sources of supply.

The corporate world would also benefit, Mr. Vice-President, from the waiver and the business opportunities and the incentives given by the Government to engage in the construction matters that I referred to earlier. And, of course, when you put everything together, I believe the nation would benefit. The nation would become a healthier nation, a more productive nation. Business development would continue. Employment would be generated, which would lead to a wider distribution of income for our citizens and all in all, Mr. Vice-President, what this honourable institution is being asked to endorse, I believe, will add value to Trinidad and Tobago.

So, Mr. Vice-President, what a joy it has been to participate in this debate. I trust that my contribution would have added value and I most sincerely thank you.

Sen. Wayne Munro: Pleasant evening, everyone. Mr. Vice-President, I thank you very much for this opportunity at this time, 8.25, in this honourable Senate to contribute towards a Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for other related matters.

Mr. Vice-President, before I start my contribution, I would like to take this time at this moment to congratulate all the SEA students for a wonderful job they have done in the SEA results. [*Desk thumping*]

Mr. Vice-President, I am an educator. I first started off in Belmont Junior Secondary, unable to read, and moved on to Malick Comprehensive then to UWI. My history expands a wide gap. I was a maxi-taxi driver, a taxi driver, now university lecturer, Senator. So my experience, in terms of being in touch with the grassroots, it is significant.

Mr. Vice-President, for the SEA, the run-up to the SEA exams, there are a number of poor persons in my constituency, Tunapuna, and I took them in, who could not have afforded SEA classes and I am happy to say at this point that all the students who I tutored, all got distinctions in their mathematics examinations. [*Desk thumping*]

Mr. Vice-President, in the spirit of the debate, others went before me and they did a number of quotes. Some quoted from books. Others quoted from songs. So I am asking your indulgence that I could also quote a thing or two.

Hon. Senator: Sing an extempo.

Sen. W. Munro: No, I cannot extempo. Extempo is for somebody else. Right? Mr. Vice-President, as I sat down here a while ago and I was going through all the different contributions of the hon. Senators in this esteemed Senate what came to

my mind is a show. To me it is the best show, the best sci-fi. I am into sci-fi. And this sci-fi show is called the *Matrix* and I am sure Senators—the hon. Jennifer Baptiste-Primus is shaking her head and I am glad. It is a matrix and in the matrix, Mr. Vice-President, persons are unaware of what is going on. She is shaking her head. She is in agreement; total unaware. As what? As individuals are hooked up to a system, to a machinery, PNM machinery. And what? They do not know what is going on in the society.

Sen. Baptiste-Primus: That same machinery beat you very bad in the last election.

Sen. W. Munro: Mr. Vice-President, I beg for your protection, please. Mr. Vice-President, who started the attack? Who started the attack? And as I sat here we did not start the attack and I am glad I am speaking after the Assistant General Secretary of the PNM. I am glad I am speaking after him, who is a part of the machinery, the election machinery.

Now, let me explain now in my whole contribution, I will show you all that a matrix exists. The matrix exists to the extent that persons do not know what is going on in this economy on that side. I will explain.

The first thing is that whilst sitting here I heard the hon. Daniel Dookie speaking and one of the things that he spoke about, Mr. Vice-President, is the fuel subsidy, an economic area, the fuel subsidy.

8.30 p.m.

He stated specifically that with the fuel subsidy, it will impact on the wealthy the most. His administration. He said so. He also went on further, Mr. Vice-President, I am showing you the matrix we are living in. He went on to say that it will benefit the poor class. If you are in a matrix and the show *The Matrix* indicate that persons who are plugged into the system do not know what is going

on. They are not in touch with the reality of what is happening. For one to say that there is a benefit, that the poor persons are benefiting from the fuel subsidy, one has to bring matrix to this House. What is the sum of money that was saved in the fuel subsidy that was transferred to the poor? You must have some level of what?—statistics to back your statement. Not just wild statements—[*Interruption*]

Sen. Dookie: Would you give way, hon. Senator?

Sen. W. Munro: Yes.

Sen. Dookie: I had not in my contribution said that it benefits only the wealthy. What I said was that the Minister of Finance would have said in this House previously, that oftentimes, these are my words, the fuel subsidy benefits the wealthy, and it is important to transfer some of this benefit to the poor. That is what I said. [*Desk thumping*]

Sen. W. Munro: I sent for the *Hansard*. So during the course of my debate, I will come back to what you said.

Sen. Dookie: You do not need it. What I said is factual.

Sen. W. Munro: I will come back, right?

Mr. Vice-President, the Finance (No. 2) Bill, 2016, provides for variation of certain duties and taxes, and introduce provisions of a fiscal nature and for other related matters. The first thing is that looking at a Finance (No. 2) Bill, 2016, a Finance Bill is a money Bill. It deals with money. And money is important because money could determine how an economy can grow over time. Money is important because it provides a level of complementarity in the economy. Money is important because it is used as a measuring rod, for measuring economic growth and development in Trinidad and Tobago.

Now, with this Bill is a fiscal—it speaks specifically to fiscal measures. It does not point to monetary measures, because there are two ways in which one can

pump-prime an economy. There are two ways in which one can influence an economy. There are two ways in which one can get an economy started up. One can use the fiscal side, which we are debating now, and there is the monetary side, but the Bill speaks specifically to the fiscal side, and it deals with money management on the fiscal end.

When one speaks about fiscal policy, Mr. Vice-President, the fiscal policy could deal with either the revenue generation aspects, in terms of getting adequate funding and money, to run the country, one the one hand, and on the other hand, it has an expenditure component. The expenditure component speaks to putting money in avenues in order to facilitate satisfaction among individuals and at the same time, putting some money aside for investment purposes on the expenditure side.

When I look at the Bill in its entirety, what I realise is that this money Bill presented to this House, in my humble view, respectable view, is that, more time should have been given for analysis, because there are so much things that could come out of a Bill like this, and is of utmost significance to the people of Trinidad and Tobago; any finance Bill. One of this nature, because every fiscal aspect in the country at this point is important to get us along, what you call, a knife-edge growth path. Once a country is in a depression or revenue shortfall occurs, there is a need to pump-prime the economy and push the economy up along a growth path.

If these measures put forward in this, the Finance (No. 2) Bill, 2016 provide for the variation of certain duties and taxes, and to introduce provisions of a fiscal nature, and for other related matters, does not pull the economy out of the stagnation that it finds itself, it means that the country is caught up in a matrix. There are several amendments here to the legislation, which I am going to go in detail to indicate what is the economic impact to Trinidad and Tobago, of each of

these measures put forward.

Mr. Vice-President, in order to talk about good economy policy, good economic policy means that over time from a fiscal standpoint, good economic policy means that there must be some level of consistency. There must be a level from one linking to another linkage, to another linkage. Good fiscal policy means that the objective of the Government must be clear. Good fiscal policy means that the objective of the Government must be to bring the economy out of its stagnated level, which it finds itself today and provide some level of relief to the poor and the vulnerable members in our society.

Mr. Vice-President, if such is not accomplished via this legislation, it would mean that everything is like a matrix, in that the system is not working how it is supposed to work, because there is a bad mix of policy as it relates to stabilizing the economy, and to bring in the economy along that growth path, that is necessary for growth and development to take place in Trinidad and Tobago.

One must first consider, what are the time issues involved in a policy like this? One of the major time issue involved in a policy like this is that the Act, the Finance (No. 2) Bill, it came out of what happened before. And what happened before? Specifically, in terms of continuity of policy in 2015, Finance (No. 1) Bill, was brought before us. Then the budget review in April 2016, very good; and now today, we have Finance (No. 2) Bill, 2016. When one looks at each one of these Bills, the Bills and the review, which is normal. It is normal to have a review, to have a change of heart, to give a little bit. When we look at the Finance (No. 2) Bill, 2016, I am questioning whether there is a consistency in policy prescription as it relates to bringing the economy out of the position it finds itself in.

If I go on a sojourn for two minutes, and you look at Finance (No. 1) Bill, 2015, one thing the population of Trinidad and Tobago will remember vividly,

would remember clearly is, soon after the Finance (No. 1) Bill, 2015 was read, that a large number of individuals, they ran to the gas stations to fill up there tanks. The question is, what kind of policy one would put in place that will cause us, Trinidad and Tobago, to go back to an error in economic, in terms of economic policy prescriptions, that will cause our citizens now, to go back in the days, back in time to rush to the pumps to fill up gas? Then we go now to budget review of April 2016, and now we are today looking at the Finance (No.2) Bill, 2016.

And I said before, good Government policy must have a flow. If I am pump-priming the economy in year one, I am pump-priming the economy in year one. If I am injecting money in year one, I am injecting money in year one. If along the fiscal spectrum on the one hand, I am contracting the economy, in the budget review I come to further what?—to contract the economy, I am coming now to the Finance (No. 2) Bill, to contract the economy. If all three cases lead to what?—contraction of the economy, then it will mean that we are living in a matrix and persons are suffering in this country.

Mr. Vice-President, there are a number of amendments here, one of the amendments which I will speak to now, is the Visiting Forces Act, Chap. 14:04, enough was said on that. So I will now go into as much detail as I expected to, because other speakers they went into detail, and they itemized a number of things. Mr. Vice-President, one of the issues that one would need to consider as it relates to the visiting forces, and a critical question one needs to put in mind is that, for this visiting forces that are coming to Trinidad and Tobago, the visiting forces and the amendment is to include a number of amendments, including contractors. The question that one needs to answer or the question I have in my mind that needs and answer is that these visiting forces come here in Trinidad and Tobago, getting tax exemptions from payments, and the question I am asking is this, I am looking at

promoting local industry.

I want to promote my local industry. Promotion of local industry impacts on the agricultural sector, and here I have contractors coming in from another country, exempted from a slew of items. When they come here would that not be in direct competition with my local market? And if they are in direct competition with my local market, it will mean that instead of promoting employment creation and economic activities in Trinidad and Tobago, it will mean that you will take away from that economic, the potential economic progress, it will take away employment from Trinidad and Tobago, as a result of them providing, bringing down these goods and services for themselves.

So the provision of employment is one factor, Mr. Vice-President, but most importantly, I have not seen anywhere in this legislation that deals with sensitive information as it relates to national security issues in Trinidad and Tobago. These contractors coming down from another country, is there any provisions in the legislation that will not allow our confidential data or information to be leaked outside of Trinidad and Tobago?—and that concerns me the most.

So in addition to what the contributions that other Members made in this House, Mr. Vice-President, that is the only contribution I would like to add, as it relates to the vising forces, because it is important that information—we are in an information age, and someone is coming to your house, to my house and they could have access to important security information. Is there anything in place that these persons now, will be able to swear to some level of what?—secrecy, or not give out my national security information outside there. We know what kind of environment we are living in. We are living in a global marketplace, and as we are living in a global marketplace now, we know that information is an important driver of economics. We know that we move away from the goods aspect, but

there is also the service concern.

The goods aspect, it relates to the non-use of domestic resources these contractors will not be using, so it will be an opportunity cost. Instead of using our local inputs, they are bringing down their own inputs. When I check online, the literature has shown that in other countries, these persons coming to your country, and they could bring in things like foodstuff, they can bring in things like construction material, and as such, these goods now will not be able to be what?—to generate a multiplier effect within my country, within Trinidad and Tobago, Mr. Vice-President.

On the service side, it is important to know that the service aspect, it relates to things that are not goods, intangible things. Like what?—information, important information, confidential information.

I know the topic has been exhausted, and this is my input on this particular topic, Mr. Vice-President.

8.45 p.m.

Then we go now to the other part which deals with the Finance (No. 2) Bill. The Finance (No. 2) Bill, it looks at the variation in taxes and it looks at a number of benefits that could be accrued and it looks at, particularly, the National Insurance Act, Chap. 32:01. Now national insurance is something that is used in a large number of countries and it is very important. It is very important because national insurance provides for the elderly and provides a number of benefits that could accrue to a wide number of individuals, especially in their old age. The record is that amendments to this Act, there have been several amendments to this Act. So it means that over time changes were made to the legislation, welcome changes. As to the one proposed by the hon. Minister, welcome, and it would take effect come September 2016, approximately two months from now, which is good.

Now, it is important to know that citizens who have contributed to the scheme also contributed towards economic growth and development, because the money from the scheme could be used for investment purposes. Once you invest the money in investment purposes, it could lead further to growth and development, and it could impact positively upon the overall economy.

The scheme also requires contributions not only from the employer but also from the employee. The Minister make note about the actuarial report that was laid sighting a number of factors that were put forward in order to increase the contribution to the fund, which is good. There are countries such as Japan whose national insurance system is not as good as ours. In fact, the population of Japan is an ageing population—children are not being born and—and as such, before long, their national insurance system could crumble before them, but here in Trinidad and Tobago out of the actuarial report we decide to, what? To make some increases to the national insurance system.

Now, the problem that is going on in Japan right now, one has to mirror to see what is happening in Japan and what is happening in Trinidad and Tobago. The first thing is that citizens are living longer. If I do a parallel to the matrix, it would mean that persons are plugged into the system a little longer. The other factor is that the longevity, long life, is a function of exercise and diet. So people live longer because of their dietary habits now and they tend to exercise a lot. A major factor of good health is drinking clean water, H₂O.

Mr. Vice-President, in other words, we are saying that persons living longer because they have less health challenges. So once you have less health challenges, it means that it would be a bigger burden, for want of a better word, of the national insurance system. But if I am living in a matrix, it means that I am only seeing what the machine wants me to see, and I am not seeing what is actually going on

out there with the poor and the underprivileged people in Trinidad and Tobago, because I am hooked up to the matrix. But if I am not hooked up to the matrix and I am seeing that old persons, and our society is becoming an old society. Mr. Vice-President I am very, very old. I am older than I look. Very soon I, too, within a couple years, would have to retire like everybody else. I am much older than I look. So the matrix now is not catering for that.

Mr. Vice-President, in the matrix, after the system is finished with you, they plug you out, they flush you down and they recycle you and they feed you back into the system. That is the matrix. But what is happening here? Are there any provisions as the hon. Sen. Dookie indicated that—and he would correct me and I would sit down—is it the poor would benefit? The poor could benefit. So if the poor could benefit—if the poor will benefit or have been benefiting under the PNM, where are the old people's homes? Where are the incentives for the old people's homes? Because as we speak right now, you are admitting that the population is getting older. If you care about the people—you keep them plugged into the matrix, they have no homes. Under the People's Partnership Government there were a number for old people's homes. [*Desk thumping*] There were incentives in place to take care of the old, but is that so under the matrix that we are in right now plugged into? No.

All we are seeing is one thing, Mr. Vice-President, is that, what? The emphasis is to increase which is good, but we are not living in a matrix. We are living in a wider society where there are wider societal concerns. The old people's home, I want to be in an old persons' home because of the good treatment you get there. But under the PNM Government a number of old persons' homes have been closed down. Where are the incentives for the old people's home? Where are they?

So we are looking now at increasing contributions over time, and then one has to consider that the old citizen, Mr. Vice-President,—if you are an old person—and we know prices are increasing over time. Mr. Vice-President, there is a link between increases in fuel prices and the price of basic foodstuff items in Trinidad and Tobago. Fuel cost is an input, and if you cannot see fuel cost is an input that impacts on all prices in Trinidad and Tobago, it means that you are plugged into the matrix, the matrix on that side. You are plugged into the matrix on that side, and you are not seeing that link. It is a result of prices increasing across the board a number of persons in Trinidad and Tobago are suffering.

Mr. Vice-President, in Tunapuna, my wife and I went to—I should not call the supermarket—opposite Courts. When we went there we pulled up—
[Interruption]

Hon. Senator: Which Courts?

Sen. W. Munro: Which Courts? We went to the supermarket and we pulled up. When we pulled up, I had my son in my hand—my son Ace was in my hand, Mr. Vice-President. A lady was being escorted by a police officer, and she had a child in her hand similar to my child's age, a year and a half. My wife looked at me and then my wife started to cry, and then the child who the mother was holding was crying as well, and then my son started to cry. And then the police walked up to me and said Mr. Munro. I said what? What is going on? He said this is too much. This woman was caught shoplifting. In one week there have been several cases of shoplifting. Why is that so? People are struggling. It is hardship in this country.

If you look outside the matrix you would realize that persons who are out there are suffering, and there are no injections of money within the economy. Has any of these measures, from last year to this year, helped that situation? Mr. Vice-President, I could even go further. A house away from me there is a lady. I would

not call her name. She lives in a mud house, a senior citizen. The mud house collapsed. She went to the representative for Tunapuna who is part of the machine, and guess what they did? They took a record. Up to now, do you know what her sleeping condition is? She has a galvanize—I contributed some gravel and some sand. But she went for assistance and there was no assistance for her. She went to the constituency office and no help was given to that lady, and she is part of what? She is a part of the matrix. She is an old lady. This has nothing to do with it.

She went to the Ministry of Social Development and Family Services and they told her to bring a letter from the representative. She went to the representative. He is either not there or his family is in the office or something.

Sen. Baptiste-Primus: It sounds like a nancy story.

Sen. W. Munro: It is not a nancy story. I could give you the number. I could call her name now and give you the number.

Mr. Vice-President: Senator, focus on the Chair.

Sen. W. Munro: Mr. Vice-President, I apologize. [*Crosstalk*]

Mr. Vice-President: Sen. Ameen. Sen. Ameen. [*Crosstalk*] Continue. [*Crosstalk*]

Sen. W. Munro: Mr. Vice-President, and there are a number of cases where persons are not in the matrix and they are suffering. All we are saying is, what? That is not true, that is not a true story, it is impossible, but there are persons suffering. There are persons who are suffering who are their supporters [*Desk thumping*] and they come by me for help. [*Desk thumping*] I keep telling them that this is your representative, talk to your representative. He passes by now and then. No representation.

Do you know how many gangs there are now, construction gangs, in Tunapuna, Mr. Vice-President? From the several gangs it had to alleviate

unemployment in Tunapuna, there are now only four gangs. There are persons who have children to see about, who cannot see about their children again. There are no food cards. That is what is going on in this country, because what? Persons are no longer plugged into the matrix on that side, and they are seeing the harsh reality of what the PNM Government is doing. [*Desk thumping*]

They are contracting the economy. They are bringing down the economy. [*Desk thumping*] Where is the pump-priming? Where is the growth that is necessary? Where is the employment generation? And all they are getting, Mr. Vice-President, is what? Come and register. That is all. Come and register. But people register, they register, they register, but registering for a job and not getting a job is two different things. There are poor persons who are suffering. There is no food on the table.

Sen. Baptiste-Primus: When you register with the Ministry of Labour and Small Enterprise Development, you do get a job once it matches up.

Sen. W. Munro: For how much days, Mr. Vice-President? Mr. Vice-President, we need to have some level of sustainability in the NIS system, a nice good health system that provide services that would include self-employed persons that people mentioned, which are not going to—and then now we go into the Act to exempt the Motor Vehicles Act.

Mr. Vice-President, I am happy that the Minister, the hon. Minister, came to this Senate with such a piece of legislation that is so crystal clear, very clear. I need to get it here, crystal clear. He spoke about, that the measure as it relates to tax exemption on vehicles would change human behaviour, reduce carbon emission, which is nice, and reduce diesel consumption which is perfect.

He went on further to say—he went now to talk about extending some benefits to 2020. It sounds good. It sounds as if we are in a matrix, because in a

matrix everything sounds good. What is the benchmark? Other countries have emission benchmark for 2020, what is our benchmark? I could sit down now and let the Minister explain, or in his winding up. He should take note that in other countries there are benchmark as it relates to emission control or the percentage of the reduction in the carbon footprint. That was not given in the presentation.

Mr. Vice-President, three years ago, my cousin came back from America, and when she came back—three years ago she came back from America after spending 15 years abroad. When she came back, Mr. Vice-President, do you know what she saw? She saw this big, big bus, this large bus.

Hon. Imbert: What clause is that?

Sen. W. Munro: I am coming to it. The emissions. It is the emissions. Mr. Vice-President, and this bus had a logo at the side of it “Powered by CNG” and she took pictures of the bus.

9.00 p.m.

She took pictures of the bus, Mr. Vice-President, and after she had taken the pictures of the bus she said, this is the size of our bus? I said, yes. She said when she left Trinidad it was a smaller bus. Mr. Vice-President, I went on to tell her that in Trinidad and Tobago the PTSC system is in the process of phasing in CNG, such that more than 50 per cent of our buses will be CNG compliant, and then she said, Wayne, you all really concerned about the environment as well then? I said, yes, we are. To date, how far—[*Interruption*]

Mr. Vice-President: You have five more minutes, Senator.

Sen. W. Munro: “Oh gosh”, I have so much to talk about and I am now feeling to talk, last day of school—last day of school, right? Now let me fast-forward a bit, and if I fast-forward a bit I want to talk to the Minister directly, through the Chair, of course, directly, and I am going to talk about this hybrid vehicle, and I hope I

could get the point across, right?

Maxi-taxi driver, taxi driver, hybrid vehicle, excellent idea, but in Trinidad and Tobago there are the mechanics, what is it in there for the mechanics? Trinidad and Tobago, what is it in there for the foreign car dealership? It is cheaper to take your old vehicle and purchase the components on that vehicle and install it via electronic. Let me say that again, it costs less to take your old vehicle, or take your vehicle, buy the motor and put that on your own vehicle, and it costs less. Let me tell you the challenge we face, Mr. Vice-President. Let us say Mr. X, he wants to buy the hybrid vehicle; the hybrid vehicle costs, let us say \$100,000; I am being moderate. He goes now—*[Interruption]*—it is the Accent—he goes now to the bank and says, I want to get US dollars to buy a hybrid vehicle.

Let me explain what happen, eh, when he goes to get US money to buy the hybrid vehicle he is only allowed to get, how much?—one hundred dollars or two hundred dollars, “if he lucky”. Only if you are living in a matrix you would not see the connectivity between economic policy and the impact on the point, Trinidad and Tobago, and that is my point. They are plugged into the PNM matrix. They are suffering people, not seeing the suffering that is going on in Trinidad and Tobago. Mr. Vice-President, I take my leave, thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Henry. [*Desk thumping*]

Sen. Dr. Lester Henry: Thank you, Mr. Vice-President, for allowing me to join in the debate at this late stage, and I had the misfortune to walk back in when Sen. Munro was making his contribution. I think Sen. Munro’s entire contribution was made from within the matrix, because he talked about when you are in the matrix you are confused, and that was certainly a confusing contribution. I figured that, you know, I was waiting to get to the meat—I was waiting to get to the meat, you

know, and there was nothing coming, you know, so—[*Interruption*] No. No. No. If you said nothing, I heard nothing. All six of you combined, basically—[*Interruption*]

Mr. Vice-President: Senators, Sen. Henry, I just want to commend everybody, for the majority of the day everybody was silent, and I have to believe we are getting grumpy because either we are hungry or it is getting late, but the noise level is escalating quite a bit since we turned the hour at nine o'clock. So what I am trying to say is if we could just take it down a little bit, let Dr. Henry, or Sen. Henry wrap up, and the Minister of Finance will then wrap up after. Go ahead.

Sen. Dr. L. Henry: Thank you, Mr. Vice-President, for that intervention and offering me some protection from a lot of noise from the other side. But on a serious note, Mr. Vice-President, we were here today to put in place certain measures of a fiscal nature to rationalize certain applications of certain measures and to do something that the UNC failed to do in their five years in office, to help try to generate some revenue.

It was one of the areas of abject failure of the past Government in terms of being responsible and putting into place measures that could bring additional revenue to the Government, especially in the difficult times that we face. I want to say just a few things, I would not be long. At this late stage, I know everybody wants to get out. I want to say a few things about the situation that we are in, and one of the main things, my main contribution tonight—my main point is the lack of serious dislocation over the past 10 months since the PNM has come into power. Now, some of you may find that a little bit strange that he would take that point, because my view is certainly that the UNC left us, as I said last year, with a potentially poisoned chalice, and they expected us, and the Minister of Finance in particular, to implement measures to cause mass disruptions of the well-being of

the population, and over the past 10 months we have not done so.

The Minister has been very careful not to engage in the kinds of policies that the UNC thought we would in the sense of putting things in place that would cause major dislocations in the economy, because the kind of spending, and so on, that they did in the run-up to the election, and also wasting almost \$400 billion in revenue over the four and a half to five years that they collected, they had all hopes that the PNM would somehow crumble economically because we would have nothing to work with, and, lo and behold, the price of oil went even lower after we took office in September last year. So what we had was a dire situation, and we have helped through meticulous policy implementation to stabilize the situation without creating massive dislocation in the economy.

As we all know, we have a space in where the Government is going to try to borrow some money. We have some fiscal space in terms of our debt-to-GDP ratio being relatively low, and we have plans to finance that internally and externally in terms of the borrowing. So what we have in the current situation is that the Government is trying its best to steady the ship and help create the massive mess that was left behind in terms of revenue forgone, revenue squandered, and revenue just actually wasted, frittered away all over the place at a time when oil prices used to be \$80, \$90, \$100 a barrel. I know they do not want to hear this and they want us to move on, but we must remind the population that we are only in office 10 months and the difficult fiscal situation that the Minister found himself in upon assuming office.

When you look back at the run-up to the election and what they did, in the irresponsible way they went about spending every cent that they could have gotten, it was clear that they were trying to set up the new Government for failure from an economic point of view, and then that would translate into political unpopularity,

cause us to lose favour with the population, and who knows what will happen following that. So I want to emphasize the point to the population out there that one of the main things that is not really, we are not being given credit for, and the Minister is not given enough credit, is stabilizing the situation. If we look forward to the next six months to the year with a slight but positive continuous recovery of oil prices, we know it is somewhere between \$45 and \$50 mainly over the past month or so, if we get further increases in oil price—the Minister mentioned gas prices had also showed an upward trend—we might be able to steady the ship and pull this thing together.

One of my friends at the university said, Henry, it will take you all 30 years; I said, 30 years to do what? He said, to clean up the mess left behind by the UNC—30 years. [*Crosstalk*] I think I keep harping on this because I want the population to understand this is no underestimation of the mess that they created. Sen. Munro talked about fiscal policy and responsibility, and, I mean, you could not find a more fiscally irresponsible Government than the UNC. What they did, of course, including the negotiations and stuff last year when they knew revenue was falling and the price of oil was bottoming out and the money dwindling, offered very, very high pay increases and saddled the Government to come with it.

So you could see a deliberate strategy. I would say it was a deliberate strategy to derail the new Government, to make us unpopular, and say, look, look at what we did, we offered the people this, because every time they came, all they talked about was spending, you know, they never talked—only when they are in Opposition now, their natural place, they get a lot of sense, you know, they know about policy and responsibility. They know about—[*Interruption*]*—*all of a sudden they get very good. They are being very logical and very rational when they are in Opposition. They come here with meticulous arguments about what

you should do and what you should not do. [*Interruption*]

Sen. Hadeed: “Dais our wuk.”

Sen. Dr. L. Henry: But you do not do it, and when you are in Government you do the opposite of everything that makes sense. It is almost as though that is your intention, to create chaos and mischief while you are in Government, and then try to go back into Opposition now and act like if, okay, we have all the answers.

They come here and try to give us advice; well, I do not know, I guess the Minister himself would comment on how much advice he got from Sen. Munro. [*Laughter*] So, Mr. Vice-President, what we are dealing with now is a period of stabilizing the economy if we get the continued rise, as I mentioned, in oil prices and the already upward trend in gas, we will be able to pull this thing back on track in the months ahead, to the disappointment of those on the other side, but it is also in keeping with traditional steady stewardship of PNM administration. Because if you compare the last time the oil price dropped to low levels back in 2008 to 2009, and the manner in which that situation was handled under the hon. Patrick Manning as Prime Minister, God rest his soul, there were times during that period when most of the population did not even know there was a financial crisis, because there was very little dislocation because we had accumulated national savings and there was something to fall back on during that period. So we could have drawn down on national savings to keep the economy going until oil prices started to recover, but by that time the disaster happened and they were in office. And it was a disaster, it was not short of that—the Palestinians call it al-Nakbah, the catastrophe—from May 2010 to September 2015.

9.15 p.m.

And during that period everything was on track for a nice economic recovery and they came in and they messed everything up. In the case, since

September 2015, no such thing. We have had the difficulties, of course, many people have mentioned it, the revenue shortfalls, in fact, the tremendous revenue shortfalls. I have data here from the Central Bank, but I would not go into it, but serious revenue shortages from the energy sector. The Minister before, in some previous contribution talked about the big decreases from the gas and oil sector which we had to deal with and the big hole left in the budget by those shortfalls.

So we have managed to stabilize things. So I say full credit to the Minister of Finance and we have begun to see signs that we could pull this thing together over the next six months into next year. And it is my belief in my own business as an economist that we could see a significant recovery in oil and gas prices later this year into next year, a continued increase because many people thought we could go back to the bottom in the '20s and that does not seem to be happening right now. International events could happen in such a way that trigger oil prices to increase and further increases in oil and gas and we could make the kind of contribution and correct the lost five years of development for this country. Thank you, Mr. Vice-President. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President. [*Desk thumping*] Let me just deal with a particular matter and get it out of the way, and this is this whole issue that has been raised about the visiting forces amendments, the amendments for the Visiting Forces Act. We had comments from Sen. Mark, Sen. Hadeed Sen. Munro and Sen. Mahabir. I will excuse Sen. Mahabir because he was not a Member of Government of the UNC that in May 2013 entered into an agreement between the United States of America and Trinidad and Tobago. And this agreement was effected by the UNC Government by an exchange of notes in Port of Spain in May, 2013, in fact, culminating on May 22, 2013.

And the agreement with respect to the status of forces that the previous Government entered into, when one reads the terms of the agreement and I will read exactly what transpired. The previous administration agreed that all personnel, all military personnel and all items imported by the military into Trinidad and Tobago shall not be liable to tax or any charge assessed in connections with activities under this agreement.

So the former administration in May, 2013 agreed with the United States Government that with respect to visiting forces:

“United States Department of Defense and United States military personnel shall not liable to pay any tax or similar charge assessed in connection with the activities under this Agreement...and that United States Department of Defense and United States personnel...”—would be allowed—“...to import into, export out of, and use in Trinidad and Tobago any personal property, equipment, supplies, material, technology, training, and services in connection with activities under the Agreement. Such importation...”—would—“...be exempt from any inspection, (any) license, (any) restrictions, (any) customs duties, taxes or any charges assessed within Trinidad and Tobago.”

This is what the former government agreed to.

But they also agreed to vessels and vehicles operating by the United States Department of Defense could:

“...enter and exit and...move freely within the Territory of Trinidad and Tobago.”

But most importantly, Mr. Vice-President, the former government agreed with the United States of America:

“...that the United States Department of Defense (could) contract for any

material, supplies, equipment and services...to be furnished or undertaken in Trinidad and Tobago without restriction as to the choice of contractor, supplier or person who provides such materials,...services. Such contracts...—to be—“...awarded,...in accordance with the laws of United States...”

And this is the one that the former administration of which political party Sen. Mark, Sen. Hadeed, Sen. Ameen, Sen. Sturge, Sen. Samuel, Sen. Munro belong to, the former government agreed in 2013 that the United States contractors, contractors of the:

“...United States...shall not be liable to pay any tax or similar charge assessed within Trinidad and Tobago in connection with activities under this Agreement and that such contractors...”—this is beyond military personnel can—“...import into, export out of, and use in Trinidad and Tobago any personal property, equipment, supplies, material, technology,...”—“cote ce cote la”—“...in fulfilment of contracts with the United States Department of Defense...and...be exempt from any license,...restrictions,...duty, taxes or...”—anything of that nature.

Hon. Senator: They know about this?

Hon. C. Imbert: They agreed to this. I am reading the agreement signed by the UNC Government. They also went on to say—[*Crosstalk*]

Sen. Hadeed: Where is the 2016 agreement?

Hon. C. Imbert: Mr. Vice-President, could you protect me from Sen. Hadeed. Protect me from Sen. Hadeed.

Sen. Hadeed: Where is the 2016 agreement? That is what I was talking about.

Mr. Vice-President: Sen. Hadeed, are you going to rise on a point of order or are you going to ask the hon. Minister of Finance to give way?

Sen. Hadeed: Would you give way, Sir?

Hon. C. Imbert: No.

Sen. Hadeed: That is why I—[*Inaudible*]

Mr. Vice-President: Continue, Minister of Finance.

Hon. C. Imbert: And most importantly in addition to agreeing that contractors from the United States could enter freely without restriction, without taxes, without license—[*Crosstalk*] Mr. Vice-President, please, he is just continuing.

Mr. Vice-President: Sen. Hadeed. Senators, Senators, it is 9.22 p.m., the Minister of Finance is wrapping up. Please, allow him to do so in silence. Thank you.

Hon. C. Imbert: And the former Government agreed that the United States Department of Defense would be allowed to operate its own telecommunication system and have:

“...the right to utilize such means and services as required...and (have) the right to use radio spectrum...in Trinidad and Tobago...”

Need I go on, Mr. Vice-President? Need I go on?

So this was the proposal coming from the United States to the UNC Government and, what did the Trinidad and Tobago Government have to say at the time? Here is what our Government of the UNC had to say in response to all these requests to allow contractors to enter freely without licence, without let, without hindrance, without tax, use spectrum, do what they want, bring what they want, go when they want, do whatever they want. This is what the UNC Government had to say to these requests.

The Government has the honour to confirm it is in agreement with the proposal [*Desk thumping*] which together with this affirmative reply constitutes the final act required to bring the agreement between the

Government of the Republic of Trinidad and Tobago and the Government of the United States of America into force.

Sen. Baptiste-Primus: Mr. Matrix, listen. [*Crosstalk*]

Hon. C. Imbert: And so—[*Interruption*]

Mr. Vice-President: We have been very good for almost eight hours in regard to every contribution being done with the House being in silence. The Minister of Finance is wrapping up, he has 40 minutes do so, well less than 40 minutes because he started for a little while now. Please, allow him to do so in silence. Thank you.

Hon. C. Imbert: Thank you, Mr. Vice-President. If Sen. Hadeed had taken the time to read—one of the biggest problems with hon. Members opposite is that they do not read. [*Desk thumping*] If he had taken the time to read this agreement that his Government entered into and then read the Finance Act (No. 2) which I am certain he has not read properly, he will see that what we are doing is simply implementing the terms, verbatim, identical to what was agreed by the former Government of Trinidad and Tobago. [*Desk thumping*] That is all we are doing. Because all we are doing, Mr. Vice-President, all we are doing is putting into law what is already in a treaty between Trinidad and Tobago and the United States of America to allow contractors to be exempt from taxes and licences and so on. That is all this Bill is doing.

Sen. Dr. Mahabir: Will the Member give way?

Hon. C. Imbert: Oh, certainly to you, Sen. Mahabir, of course.

Sen. Dr. Mahabir: Thank you very much. Yeah. Hon. Minister, it is understood that this was an agreement that was entered into in 2013, but I refer to Standing Order 95 and on the Committee on Foreign Affairs, and it says that:

“The Committee on Foreign Affairs shall have the duty of considering, from

time to time, and reporting wherever necessary, on—

- (b) International treaties and other agreements entered into by the Government on behalf of the State and advising the Parliament of their likely impact on Trinidad and Tobago;”

Is the Minister of the view that this particular treaty, given the information that has now come to light with respect to the idiosyncrasies of this contract should be referred for further analysis to the committee of foreign affairs so we can report to the Parliament on the likely impacts of this treaty? Thank you.

Hon. C. Imbert: Mr. Vice-President, what I was dealing with was the hypocrisy of the UNC Government [*Desk thumping*] who did not say a word when their Government who did not say a word when their Government entered into an agreement that was far more far reaching than the simple provisions in this piece of legislation which simply exempt contractors.

With respect to the matter raised by Sen. Mahabir, that is a matter for the Parliament. That is, you know, the Joint Select Committee on Foreign Affairs could look at anything, just as we do in the Joint Select Committee on Energy Affairs and they are doing in the Joint Select Committee on National Security. The Joint Select Committee on Foreign Affairs is empowered and entitled and perfectly within its rights to examine any treaty including this one. I really do not think that is something that we should contest.

Sen. Dr. Mahabir: Just clarification. Hon. Minister, just on the point. Once the matter is referred to the committee from the Cabinet or from the House of Representatives, it immediately takes priority. You are right. You are quite right, but it takes priority in the deliberations and the analysis of the committee.

Hon. C. Imbert: Okay. Mr. Vice-President, I really would like to get back to the Bill. Okay. I do not know—who is the chairman of the committee on Foreign

Affairs? Not Miss Mc Donald? I will have a chat with her. But the fact is this Bill before the House simply seeks to codify something already agreed to by the former administration. They agreed to the use of spectrum, they agreed to the use of contractors, they agreed to the exemptions, they entered into it with their eyes wide open. So what was all this screaming and carrying on about tonight as if it was something new? What is all this ranting and raving about the 2016 agreement? There is no 2016 agreement. This is simply codifying what was agreed to by your government. So that deals with that.

Now there was another point made by Sen. Mark, complaining bitterly about the National Insurance Board annual reports. And I have asked for clarification and I have received clarification and I wish to report to the Senate and in particular to Sen. Mark. And again, you have to wonder what is really going on, on that side.

9.30 p.m.

I discovered that the 2013 annual report was sent to the former Minister of Finance in September 2013, and was buried in the Ministry of Finance by the former administration. I also discovered that the 2014 annual report of NIB was sent to the former Minister of Finance in October 2014, and was buried by the former government, and the 2015 report has not yet been sent to the Ministry of Finance. And now that I have discovered that my predecessor, UNC Minister, received these reports and, in violation of its statutory obligations, did not lay them in the Parliament, I can assure, I laid the Ninth Actuarial Report. [*Desk thumping*] It was gathering dust. It was gathering dust in the Ministry of Finance when I got there, and it was this Minister of Finance that picked up that actuarial report which they had received, and for some reason decided not to lay in the Parliament, I laid it in the Parliament. And I would like to thank Sen. Mark for exposing the delinquency of his administration, so I can now lay the 2013 and 2014 reports

which they have kept hidden for the last 18 months. [*Desk thumping*] So, thank you very much Sen. Mark.

Now, let us move on. I saw a comment coming from Sen. Mahabir about life certificates. I really have to check with the National Insurance Board and find out what procedure they have used that could be used for the Senior Citizens' Grant. It has not been properly explained. We need to look at that. There was a question about gratuity for MP's.

Sen. Mark: Yes, gratuity.

Hon. C. Imbert: Well, I can let Sen. Mark know that you are on the list of beneficiaries that would soon get, and other Senators. The fact is that because of the—I have investigated this matter, because I have been a Member of Parliament now for a very long time, and I have received gratuity previously and it never took this long. You know, sometimes you get it in six months, sometimes less than six months. This is a long, long time, because the Parliament was dissolved in June of 2015, so we have crossed a year already.

What I discovered is that because of the activism of the PSA, they had shut down a number of government buildings, including the unit in the Treasury that deals with pensions and gratuity, and that set them back tremendously, and there was a huge backlog, and have now employed additional staff, so we are now getting the gratuity payments out. So, to deal specifically with MP's, Senators and so on, your gratuity payments will now come much faster than they did before, and so will the gratuity payments of public servants and the pensions of public servants, because public servants are waiting—government pensioners are now waiting a very, very long time, and it is an intolerable situation.

With respect to the comment about the BMW i8 hybrid vehicles, that is a very interested point, where you say it has a small 1500 cc engine but 358

horsepower? That was never the intention. As you can see with the electric vehicles, we have limited the power of the electric vehicle to 179 kilowatts, so we will definitely have to do that. We will also have to put a limit on the output of the motor in the hybrid vehicle. Because you are quite right, persons could bring in these high-end hybrids with small engines and escape the provisions of the legislation. And while I am on that, Sen. Shrikissoon, sorry to say, you seem to have a liking for high-performance large engine vehicles. You know this came up before, and I just wanted to say I looked at the fuel efficiency of large engine hybrid vehicles, and I will give you an example: the fuel efficiency of a Lexus GS450 hybrid with a 3.5 litre engine, the fuel consumption is 30 miles per gallon; whereas the Lexus CT200 hybrid with a 1.8 litre engine has a fuel consumption of 42 miles per gallon.

So that it follows the same pattern. The larger the engine, hybrid or not, the higher the fuel consumption, and this is not something we want to encourage. So that setting the limit at 1999 cc is to encourage more efficient vehicles with a lower fuel consumption. So, that is why we would not be exempting hybrid vehicles with 3 litre engines. We will not. It defeats the whole purpose of what we are trying to do. It defeats the purpose of trying to encourage people to avoid luxury cars, and it defeats the purpose of trying to get people to avoid buying gas guzzlers. Because, this 3.5 litre hybrid is not fuel efficient. It only gives you a mileage of 30 miles per gallon, whereas the more modern vehicles, you are getting up to 50-miles a gallon now in the United States with some of the more efficient hybrids. And, for further information I suggest you check with Sen. Mahabir, he knows a lot about these things.

In fact, President Obama has encouraged car manufacturers in the United States to try and achieve 50 miles per gallon. That is the target he has set for them

and he has set certain incentives, and we are going in the same direction. So we are really trying to discourage large engine cars, whether they are hybrids or not.

Sen. Ameen: Mr. Vice-President, I hope the Minister would accept a question.

Hon. C. Imbert: Sure.

Sen. Ameen: With regard to your point, would we need to insert a phrase to indicate where the tax break for hybrid vehicles, that it is up to certain limit?

Hon. C. Imbert: Well, at the present time the tax concessions for hybrid vehicles are limited to hybrid vehicles with a maximum engine size of 1999 cc. That is the law before us today. The issue is not the engine size. What Sen. Mahabir has pointed out is that car manufacturers can cheat by having a small gasoline engine and a very powerful electric engine. So it defeats the whole purpose of what we are trying to achieve.

I want to deal with this things about inserting or changing: there was some confusion in this place—I was not here—about the last session before the recess, and that confusion arose from a lacuna in the Standing Orders. So, when the Standing Orders were done by Sen. Mark—I see he is running away—he put in the Standing Orders, and we all agreed to it at the time, because we did not pick up the mistake, that the recess shall be from the first week in July to the first week in September. Unfortunately, it did not say from the beginning of the first week, or from the end of the first week. So, when we came to set the last sitting for this session before the recess, we said, “but, what does this mean?” Does it mean the middle of the week? The beginning of the week? The end of the week? We got an interpretation from the Clerk that it should be the end of the week, and we got a further interpretation that the week begins on Sunday and therefore the interpretation was that the end of the first week in July is tomorrow.

But I decided, of course, I did not want to get into any confusion over words

and the meaning of words. But, the point is, this is the last sitting of the Parliament for both Houses before we go into recess. After this, that is it. The Standing Order provide for a recall for emergencies, but that means an outbreak of war, a natural disaster, or something that is really a crisis. It would be against the spirit and the intent and even the letter of the Standing Orders to recall the Parliament to deal with an enhancement to this particular thing. So what I want to tell you Sen. Ameen, I will deal with it in the next Finance Bill. I am totally sold on this point that people can bring in hybrid cars and get around the engine size by bringing in these particular models that have the small combustion engine and the large electric motor, and it really defeats what we are trying to do. So, I want to give you that assurance Sen. Ameen, I take your point, I take your point also Sen. Mahabir, and we will deal with that.

What did Sen. Hadeed have to say? Well, he carried on and carried on about the Visiting Forces agreement for no reason, for no reason whatsoever. He also asked that we should amend the NIS to allow sole traders to make contributions. Now, we have dealt with this before Sen. Hadeed. You need to pay attention. This matter came up in this Parliament. In fact I think it was Sen. Mark that raised it, and I made the point at the time that we simply cannot afford it at this point in time with, and this deals with a point that Sen. Shrikissoon was making, benefits are already being paid from investment income. We have long passed the point where benefits, pension, NIS pension and survivors benefits and so on were paid for solely out of contributions. Those days left us years ago. And for many years now benefits are being paid by a combination of contributions and returns from the National Insurance Fund. And the point the actuaries have made is that we will get to the point where the quantum of benefits will exceed the quantum of contributions and the returns from the investment fund. That is the point they are

making. And, if you bring self-employed people into the system, you are going to have to make some sort of lump sum payment to allow them to come into the system without paying all their contributions and so on. There is going to be a cost attached to it. So we cannot introduce self-employed people into the system at this time until we resolve the funding problems of the National Insurance System.

With respect to that question of investment by the National Insurance Board, made by the UNC Government, I just want to emphasize, because I noticed Sen. Shrikissoon when you were talking about this, some of the UNC Senators were saying, “Oooh”, not realizing it was they that did this. And this bought a restaurant around the savannah for \$37 million, and I am looking into this right now, and I have a valuation report of \$16 million. That is the valuation report I have. They paid \$37 million and the thing worth \$16 million, and there is no justification for this kind of wanton—

Hon. Senator: Waste.

Hon. C. Imbert: Not just waste, wanton and shameless misappropriation. These are pensioners' funds. So, you take pension funds, and you paid \$37 million for a building that is valued at \$16 million. Mr. Vice-President, through you, I asked a question in this Parliament in 2014 and in 2015, about that acquisition, and the Minister refused to answer it. The question lapsed in 2014. They deferred the question indefinitely, let it lapsed in 2014, and then they let it lapsed again when Parliament was dissolved in 2015. It is ironic that now I am the Minister I can tell this Parliament that the building was worth \$16 million and UNC paid \$37 million for it. And I can tell you this kind of secrecy will not occur under this Minister and under this Government. [*Desk thumping*] And just for clarification, that is the total value, land and building, \$16 million.

Now, with respect to how the concessions on unconventional vehicles would affect

NP. Well, the whole point is to reduce the fuel subsidy. So, you are trying to encourage people to move away from fossil fuels and you are trying to reduce fuel consumption, so you will reduce the fuel subsidy which is far more important than any effect that may occur with respect to NP. With respect to tax waivers, I am afraid these have to be granted by a Minister. I will tell you why. The only persons accountable to Parliament is a Minister. So, if you want to review the actions of the Minister with respect to granting of concessions, the only way you do it is through Parliament; through a Joint Select Committee, through a question to a minister. You cannot have someone else who is not accountable to Parliament granting these concessions. That is just the general principle of the thing. I know it is tedious, I know it is difficult, that is just how it is. In our parliamentary system Ministers are accountable to Parliament. And that is why Ministers grant licences, and grant concessions, and grant waivers, and grant exemptions, so the Parliament can then call upon the Minister to justify and explain what he or she has done. If you have a public servant doing it, that person is not accountable to Parliament. The Constitution makes the point that Ministers are accountable to Parliament. Okay, I dealt with the three-litre hybrid—sorry, no such luck.

9.45 p.m.

Sen. Ameen had said perhaps we could make some adjustments, but it really cannot work. As I said, today is the last day and then the Parliament will prorogue on September 22nd because it convened on September 23rd of last year, so it prorogues the day before. Because of the Standing Order, we now have to start back around the end of the first week in September because we are closing off in the end of the first week in July. So we have to start back in the end of the first week in September, because the intention always was to give two months of recess.

So there is really no time to deal with this matter, in other words, to defer the

matter beyond the budget and what I really intend to do is to come sometime between September 05th and September 22nd and get this matter out of the way. I have all the lawyers looking at it and I am certain within a month I will have an answer. And that will be one month before we return in September of this year. So I think we can settle whatever discriminatory provisions there are or whatever anomalies there are and get this through both Houses of Parliament by September 22nd.

With respect to a holistic approach, I must tell you that when I was writing the manifesto I put a measure in there which we are very serious about, that 10 per cent of all energy produced in Trinidad and Tobago will reproduce from renewable energy resources by the year 2021. Now I took that from something that was taking place in the European Union. The European Union passed a resolution, which is binding on all member states, that by the year 2020, 20 per cent of energy produced in the European Union would come from renewable resources. And I think every member country of the 27 is going to make that. There are some countries passed that long time. Some of the Scandinavian countries, like Norway and so on, are already up to 50 per cent of energy coming from renewable energy source. I thought that—this thing is in its infancy in Trinidad and Tobago. We have no culture in this country of solar energy, of wind energy, of energy from renewable sources, but I thought that if I set a target of 10 per cent and then as we move forward, we are dealing with vehicles now, as we move forward we are dealing with promoting solar energy and wind energy, and green buildings and building management systems. I totally agree, we have no culture of building management systems in this country.

A building management system is a simple arrangement whereby a computer will control the energy usage in the building, the lights, the air

conditioning and so on, and will switch on and switch off these devices as required by a computer programme. It will sense the temperature in the building, it will sense the requirement for energy usage and it will control the energy usage and optimizing and minimize it. In fact—would be beyond optimization, to minimization. This is what we have to do in this country, as we go forward, as we build buildings, government buildings, we have to encourage the commercial sector, the private sector to do this. We have to encourage people to get solar water heaters. If you go to Barbados, almost every house has a solar water heater on it. These are subsidized 50 per cent by the Government of Barbados. This is the kind of thing we have to do. We have to push it, because if we do not then we will just continue talking about it and we would not really achieve anything in Trinidad and Tobago.

So I can assure you as we move on, we will be doing whatever we need to do. I think these measures, exempting from all taxes, electric cars, hybrid cars and CNG powered vehicles, will cause a sort of mini explosion, because these vehicles will now be competitive. And it also applies to foreign used. It is not just new cars. Foreign used CNG cars, electric cars and hybrid cars will also benefit from this and I have cured an anomaly with respect to maxi-taxis, where there was an aura in the law, where it gave these CNG exemptions to goods vehicles and private vehicles, but a maxi-taxi is not a goods vehicle, it is a commercial vehicle. So if you look in this law that we have brought here I have used the terminology, “commercial”, so it now allows the maxi-taxi operators to bring in CNG powered vehicles.

Sen. Creese, when that Calypsonian, Valentino, in 1975 sang his calypso, “Dis Place Nice” which is the correct terminology, he was talking about the effects of the first oil boom on Trinidad and Tobago. In 1973 there was an Arab/Israeli

conflict called the Yom Kippur War. And the United States supported Israel and the Arab States declared an oil embargo on United States, the result of which the price of oil went from \$3 in 1973 to \$12 in 1974. The price of oil quadrupled and that laid the foundation for the modern state of Trinidad and Tobago as we see it now, our national income went up 400 per cent in just a couple of years. And as a result of this new-found wealth, people's salaries were increased significantly. I do not know if you remember those days when people used to get 50 per cent increase. I remember, I was in university at the time. I remember hearing about the PSA settling for 50 per cent. I mean unbelievable, but true.

Sen. Baptiste-Primus: 51 per cent.

Hon. C. Imbert: Fifty-one. Madam Minister, you would know. Valentino was talking about the behaviour of Trinidadians with respect to their new-found wealth and their new salaries and the consumerism and the conspicuous consumption which led to the purchase of consumer goods and that is how Sabga, Kirpalani, Y De Lima and so on came into play. What Valentino was saying, "all this money all yuh have now", these big salaries, all they doing is taking this money and giving it to the merchants who are selling you fridge and stove and dining room set and sort of thing. I do not think that is an accurate parallel to what has happened now, what has happened in the last couple of years in—the last five years, for example. We have been in recession for the last five years. We have had no oil boom per se in Trinidad and Tobago and therefore the conditions do not exist in the same way that Valentino spoke about what was happening to Trinidadians and Tobagonians in 1975.

And I will also like to tell you that the measures in this Bill were driven by economic realities. Nobody lobbied this Government, or me for that matter, with respect to the amnesty. All that happened is that I looked at the success of

amnesties in the past and things tight, money tight and we decided to see if we could get some additional revenue to assist us with fiscal 2016.

With respect to housing, registered traders in housing have been exempt from tax for more than 30 years. All of the housing developers outside there have enjoyed tax exemptions. In fact, if you look at tax returns of a housing developer you would see that the vast majority of their income is exempt from tax once they are registered with the Housing Development Corporation as a registered trader in housing. What we are doing is continuously modifying the system. The UNC increased the amount, the value of a housing unit that was eligible for tax exemptions for registered developers from about \$400,000 to \$1.5 million. That was a significant move that the UNC made and it did encourage a lot of private sector developers to get involved in housing, because prior to that they were unable to construct and sell a house for \$400,000, but sending it to \$1.5 million made a significant difference.

However, the incentives were limited to 2018 and what I have done is taking those same incentives and extending them to the year 2025 to continue the momentum. What we have also done is improved on the matrix and—[*Laughter*] no pun intended. I am talking about a real matrix, the matrix of various housing incentives. So you have concessions for housing developments which yield housing sites; you have concessions for traders in single family homes; you have concessions for traders in multifamily units and we also have concessions for people who construct commercial buildings and car parks. So this is not unusual and it is part of a matrix of housing development.

And I may tell you Sen. Creese, that in 1981, the former Minister of Housing who was then the hon. Wendell Mottley, built 10,123 houses in that single year. [*Desk thumping*] And I happened to know this because when I was a lecturer at

UWI, between 1986 and 1991, a group of us went to a housing conference in the United States and I did a paper on: “Mass Public Housing”, the history of Mass Public Housing in Trinidad and Tobago starting from 1905 coming right up to 1987 which is when I delivered the paper.

I examined the production of housing in Trinidad and Tobago over that period of 80 odd years and discovered that in 1981, and that is when the units up at Maloney and La Horquetta and so on were built and Mr. Mottley, in fact, achieved that record of 10,000 houses in one year. What has happened since, is that momentum has never been achieved since. I think the most amount of houses in any particular year that had been built since then was perhaps 4,000 or 5,000. But it is an objective, it is a target we are trying to get to and you have to use a mix of public sector initiatives, public sector construction and you have to stimulate housing construction by the private sector. One of the things—how much more time do I have?

Mr. Vice-President: Five minutes.

Hon. C. Imbert: Thank you very much. One of things that we are looking at as a Government is creating the conditions to match qualified applicants for housing who are being screened by the Trinidad and Tobago Mortgage Finance Company Limited, or by a bank in terms of their eligibility for a mortgage loan, match qualified applicants to projects and give the private sector the incentives to design, finance and construct housing developments and give them an out take, a takeout as it is called, in terms of either purchasing the houses from them or matching qualified applicants to the houses. And this together with the Government’s housing programme will, I believe, take us up to our ultimate target, get it right back up to the 10,000 mark. Because if we do not do that, if we do not get up to that 10,000 mark again we will just be spinning top in mud. Right now there are

over 100,000 applicants for—and this number is not going down. Every time we look at that number it goes up. It is 100,000, 105,000, 110,000.

So rest assured Sen. Creese and I have taken on board your suggestion about cooperative housing. I am quite familiar with it. It is widely used in the United States, it is not something we had looked at before in any great detail and I can give you the assurance, I will look at it.

Sen. Mark: Hon.

Hon. C. Imbert: I only have about one more minute.

Sen. Mark: I just want to ask you, if you had done any re-examination of the proposition I had advanced earlier in terms of the PPT, the SPT and the unemployment levy?

Hon. C. Imbert: The fact is, the SPT only kicks in at \$50, but we are dealing with arrears of taxes so it could be from past years where the oil price was \$100, where SPT was due. But we decided that since this was the first time we are dealing with petroleum taxes and amnesty, let us see what we get out of it. If it works, then we could look at an amnesty for SPT, specific types of amnesty, in the future. We did not want to complicate it at this point in time. I am not downplaying your proposal at all. It is a very, very, useful suggestion.

Just let me finish dealing with the world oil situation. The world oil production right now is 97million barrels per day. World oil demand is 96 million barrels per day. Now, the reason why we are in the situation we are in right now, is that the United States whose production peaked at 9.5 million barrels a day in 1970, its oil production declined to five million barrels a day by the 1980s because the United States is the oldest oil province in the world. So they had mature fields with declining production. But then came the discovery of shale oil and the United States production has gone from a low of five million barrels a day to 9.5 million

barrels a day. Again, it has gone right back up and this is what has caused the oversupply in the world and this is what caused the reaction by Saudi Arabia who saw the United States now as a threat. Because prior to last year, the United States was not allowed to export oil to another country. It changed its law and the United States started to export oil into the Far East, into the markets that the OPEC countries had control for so long. So OPEC reacted by driving down the price of oil by over production in order to destroy the shale oil industry in the United States. But they have failed.

10.00 p.m.

They have failed and OPEC is no longer the power that it used to be, and now the price of oil is defined by outages. If you have a storm in Canada, or you have a disruption in Nigeria, that is what affects the price of oil now. No longer is OPEC in control. I am reasonably confident that within the next year we will see a steady increase in the price of oil, \$50, \$60, \$70—I am not pessimistic—and the Arabs no longer control the price of oil as they used to do.

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

Question put and agreed to.

Bill accordingly read a second time.

Hon. C. Imbert: Mr. Vice-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 and agreed to: That the Bill be read a third time.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Mr. Vice-President, I beg to move that this Senate do

Adjournment (cont'd)

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Sen. The Hon. J. Baptiste-Primus (cont'd)

now adjourn to a date to be fixed.

Mr. Vice-President: Hon. Senators, before I put the question on the adjournment, let me first commend and congratulate everyone, temporary Senators and substantive Senators alike, on 10 months of service completed. We have had short days and we have had long days, and never wavering, we knowingly do it for love of country.

That being said, I bid everyone a restful and relaxing recess so that you may all return rejuvenated and ready to serve. With the many contributions today, and all that has been said, it is just left for me to say, may God forever and always continue to bless our nation. [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.03 p.m.