

HOUSE OF REPRESENTATIVES

Friday, December 8, 2017

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, Dr. Fuad Khan, MP, Member for Barataria/San Juan; Dr. Lackram Bodoie, MP, Member for Fyzabad and Mr. Prakash Ramadhar, MP, Member for St. Augustine, have asked to be excused from today's sitting of the House. The leave which the Members seek is granted.

PAPERS LAID

1. Audited Financial Statements of the University of Trinidad and Tobago for the financial year ended September 30, 2014. [*The Minister of Finance (Hon. Colm Imbert)*]
To be referred to the Public Accounts Committee.
2. Ministerial Response of the Ministry of Agriculture, Land and Fisheries to the Fourth Report of the Public Administration and Appropriations Committee on an Examination of the System of Internal Audit within the Public Service. [*The Minister of Planning and Development (Hon. Camille Robinson-Regis)*]
3. Response of the Personnel Department to the Third Report of the Public Administration and Appropriations Committee on an Examination of the System of Inventory Control within the Public Service. [*Hon. C. Robinson-Regis*]
4. Response of the Personnel Department to the Fourth Report of the Public Administration and Appropriations Committee on an Examination of the

UNREVISED

System of Internal Audit within the Public Service. [*Hon. C. Robinson-Regis*]

5. Annual Administrative Report of the former Ministry of Community Development for fiscal year 2014/2015. [*The Minister of Community Development, Culture and the Arts (Hon. Dr. Nyan Gadsby-Dolly)*]
6. Annual Report of the Industrial Court of Trinidad and Tobago for 2015-2016. [*Hon. C. Robinson-Regis*]
7. Annual Administrative Report of the Evolving Technologies and Enterprise Development Company Limited for the year ended September 30, 2015. [*Hon. C. Robinson-Regis*]
8. Administrative Report of the Ministry of Energy and Energy Affairs for fiscal year ending September 30, 2015. [*Hon. C. Robinson-Regis*]

URGENT QUESTIONS

Reasons for Resignation

(Petrotrin's President)

Dr. Roodal Moonilal (*Oropouche East*): Thank you very much, Madam Speaker. To the Minister of Energy and Energy Industries: Can the Minister indicate the reason/s for the sudden resignation of Petrotrin's President, Fitzroy Harewood?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Madam Speaker. On 2017, November 30th, Mr. Fitzroy Harewood submitted his resignation to the Chairman of the Board of Petrotrin, giving the company three months' notice, making his effective date of resignation February 28, 2018. Madam Speaker, the President of Petrotrin resigned for personal reasons.

Madam Speaker: Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you very much. Minister, supplemental to you. Given the sensitive nature of the office of President of Petrotrin and the current ongoing

Urgent Questions (cont'd)

2017.12.08

investigation into the fake oil scandal, do you think it is prudent that this president should occupy the office until February 28th next year?

Madam Speaker: I am not going to allow that as a supplemental. Member for Oropouche East, supplemental.

Dr. Moonilal: Thank you. Minister, given resignations before from Trevor Lynch, CEPEP; Denise Demming, TDC; Christine Sahadeo, the port; Arnold Piggott, education and now the president, do you think this is a sign of some deeper problem in the State sector?

Madam Speaker: I am not going to allow that as a supplemental question. Member for Oropouche East.

Petrotrin Employee

(Confirmation of Job Status)

Dr. Roodal Moonilal (*Oropouche East*): To the Minister of Energy and Energy Industries. Thank you. Can the Minister confirm whether or not one of Petrotrin's employees named in the "fake oil" scandal, Vidya Deokiesingh is back at his job at Petrotrin?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam Speaker. Mr. Vidya Deokiesingh returned to Petrotrin on December 06, 2017, and is now the subject of the company's disciplinary proceedings.

Madam Speaker: Supplemental, Member for Oropouche East.

Dr. Moonilal: Could I ask the Minister? Thank you for the response. Is it prudent that the person, Mr. Deokiesingh, should be back at the job at Petrotrin while the subject of an investigation by Petrotrin [*Desk thumping*] on this very critical matter?

Madam Speaker: I am not going to allow that as a supplemental question.

Member for Oropouche East, supplemental.

Dr. Moonilal: Thank you very much. Could the Minister indicate on this “fake oil” matter whether this matter has been referred to the Trinidad and Tobago Police Service?

Sen. The Hon. F. Khan: The matter is under the purview of the Board of Petrotrin and it has not been referred officially to the police.

Minister of Agriculture, Land and Fisheries

(Details of Housing Allowance)

Dr. Roodal Moonilal (*Oropouche East*): To the Minister of Agriculture, Lands and Fisheries: Can the Minister indicate whether he is receiving or has ever received a housing allowance while in occupation of government housing?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam Speaker, based on a response to a question asked in the other place and based on a newspaper report, it is public knowledge that I was erroneously paid a housing allowance and promptly repaid that amount to the Comptroller of Accounts. Thank you.

Madam Speaker: Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you very much, Minister. In light of the erroneous payment to you, could you indicate how much extra monies were deposited into your account and whether you discovered this yourself or was alerted by the Ministry?

Madam Speaker: All right, so it is one question, I will allow the first question.

Sen. The Hon. C. Rambharat: Madam Speaker, I alerted the Ministry of the erroneous payment when it was made. [*Desk thumping*]

Robbery at Piarco International Airport

(Measures to Secure Facility)

Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*): Thank you, Madam

Speaker. To the Minister of National Security: In relation to the recent robbery at the Piarco International Airport, can the Minister indicate what measures will be implemented to secure customers utilizing the facility as well as the goods and other equipment that would be shipped?

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): Thank you very much, Madam Speaker. While there are several measures being adopted, such as providing additional training to airport security personnel, improving liaison and operational support between airport security personnel, Trinidad and Tobago police elements, Customs and Excise, and quick response mechanisms involving the Police, Defence Force, Air Guard, land support that is, Strategic Services Agency, also an analysis and improvement of CCTV coverage and monitoring across agencies, the real issue, Madam Speaker, the root cause of this incident was a gang-related activity which was in fact told by the Attorney General to the Member for Oropouche West, gang related—Siparia in fact, to Siparia.

Madam Speaker, why gang related? There were illegal guns, more than one person involved. When you look at the Bill that was proposed, Madam Speaker, the First Schedule: possession of bullet-proof vest, firearms, ammunition, prohibited weapons for the benefit of gangs, demanding money with menace, robbery, robbery with aggravation, robbery with violence, possession and use of firearms and ammunition with intent to endanger lives. These are the issues, Madam Speaker, in terms of the Anti-Gang Bill that they did not support. *Desk thumping*] How can they come now today and ask this kind of question, Madam Speaker, when they did not support the Bill—in fact, a gang-related activity that we are treating with? [*Crosstalk*]

Madam Speaker: Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you so much.

Madam Speaker: Order.

Dr. Moonilal: Madam Speaker, a question to the animated Minister of National Security, if the Minister will calm himself down. Madam Speaker, could I ask the Minister—

Madam Speaker: Please, it is very early in the proceedings. I am not going to allow any personal reflections. You can ask your question. You have 15 seconds.

Dr. Moonilal: Madam, with the same animation, I will ask. Is the Minister aware of a recent change—a private security at the Airports Authority, where a private security company is linked to a Government Member and was that change a result of this? [*Desk thumping*]

Madam Speaker: Member, I am not going to allow that as a supplemental. Member for Oropouche West, supplemental.

Mrs. Gayadeen-Gopeesingh: Supplemental, hon. Minister. Would you deem it as a lapse in security?

Hon. Maj. Gen. E. Dillon: Madam Speaker, I deem it as a gang-related activity. [*Desk thumping*]

Madam Speaker: I guess the Member for Couva South, it is most probably how you are sitting that you do not see me on my legs. Member for Oropouche West.

Street Vending in San Fernando

(Safety Measures for)

Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*): Thank you, Madam Speaker. To the Minister of Rural Development and Local Government: In light of the recent reports indicating that street vending is now permissible in San Fernando, can the Minister indicate what measures are in place to ensure the safety of pedestrians and customers?

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very much, Madam Speaker. Thank you for the question on behalf of the Minister of Rural Development and Local Government. The Mayor and administration of the City of San Fernando met with the Trinidad and Tobago Police Service and the San Fernando Municipal Police to discuss the decision to move street vendors to a designated area within the city. This area was deemed to have the appropriate space to ensure safe pedestrian traffic concurrent with the street vending. These are the same vendors who have been present in the city for more than 30 years. However, in an effort to regularize this practice, they are now being asked to use this designated area. To ensure the safety of all persons, pedestrians, customers and vendors in this zone of the city, both the TTPS and the municipal police have increased foot and vehicular patrols. Thank you very much, Madam Speaker.

1.45 p.m.

Mr. Padarath: Thank you, Madam Speaker. Madam Speaker, to the hon. Minister. Hon. Minister, in light of the answer that you just provided: With respect to the municipal police that will be assisting in that regard, can you say out of the 100 municipal officers that were promised to every regional corporation, how many exist at San Fernando out of that 100?

Hon. C. Robinson-Regis: I do not know.

Mr. Padarath: My point precisely. [*Crosstalk*]

ANSWERS TO QUESTIONS

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Madam Speaker, we will be answering all questions for oral answer and there are no questions for written answer.

ORAL ANSWERS TO QUESTIONS

Employees' Transition to Revenue Authority

(PSA Agreement to Facilitate)

42. Mr. Rudranath Indarsingh (*Couva South*) asked the hon. Minister of Finance:

Given reports that the Ministry of Finance has begun to transition employees of the Board of Inland Revenue and Customs and Excise Division into the Trinidad and Tobago Revenue Authority, could the Minister inform this House if a formal agreement has been reached with the Public Services Association to facilitate same?

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, the Ministry of Finance is currently exploring all available options for the smooth transitioning of employees from the Board of Inland Revenue and the Customs and Excise Division to the proposed Trinidad and Tobago Revenue Authority. Discussions with the Public Service Association are ongoing, but no formal agreement has been reached with the Public Service Association at this time.

Madam Speaker: Supplemental. Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker. Could the Minister give a firm commitment to all of the employees of the Board of Inland Revenue and Customs and Excise that there will be no job loss in terms of the transitioning between the Board of Inland Revenue and Customs and Excise and into the new entity?

Hon. C. Imbert: Thank you, Madam Speaker. As is public knowledge, the Government has made it very clear that employees in these two departments—the Board of Inland Revenue and the Customs and Excise Division—will have three options available to them, one of which would be transfer to the proposed Revenue Authority and all of the current employees of the Board of Inland Revenue and the

Customs and Excise Division will have the option to transfer to the proposed authority, every single one.

Madam Speaker: Supplemental. Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker. Will the Ministry of Finance be facilitating successorship from a recognized majority union status point of view into the Trinidad and Tobago Revenue Authority?

Hon. C. Imbert: Madam Speaker, that matter forms part of current ongoing discussions with the Public Service Association, and that matter has not reached its final resolution yet.

Madam Speaker: Supplemental, Member for Caroni East.

Dr. Gopeesingh: Bearing in mind that some might transfer and some might elect to stay, what will be the conditions of employment for those who elect to the stay when the Revenue Authority is full scale?

Hon. C. Imbert: Thank you, Madam Speaker. As is public knowledge, there are three options. I mentioned one option in response to the query from the Member for Couva South. The other two options are, remain in the public service and the third option is retire from the public service. They are all voluntary options, the other two. So transfer, remain or retire.

Public Sector and Municipal Corporations

(Non-Payment of Salaries)

43. Mr. Rudranath Indarsingh (*Couva South*) asked the hon. Minister of Finance:

Could the Minister advise this House of the measures being taken to rectify the reported non-payment of salaries and wages to workers in the public sector and municipal corporations?

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. Ministries and Departments have the responsibility to effect payments to their employees once the funds have been released by the Ministry of Finance. In an effort to improve the efficiency of the application process to release funds and to prevent delays in the payment of salaries, wages and other expenditure, Ministries and Departments are given deadlines for submitting requests for releases to the Budget Division of the Ministry of Finance.

The deadline to submit requests for releases to meet expenditure for the period October to December 2017 has passed and all Ministries and Departments have successfully submitted their relevant requests for releases. The Ministry is also cognizant of the fact that Ministries and Departments, as well as commercial banks, would also require time to facilitate their own administrative processes. Accordingly, the Ministry grants approval for the release of funds to meet the payment of salaries and wages within a reasonable time frame to allow for all the administrative processes to be completed barring unforeseen circumstances.

Madam Speaker: Supplemental. Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker. Having listened to the Minister of Finance, is the Minister of Finance aware that salary deductions, in his capacity as Corporation Sole also, is he aware, for example, that in today's *Guardian* there was a headline, "MTS sorry, cites cash flow woes" as it relates to workers' salary deductions not being paid?

Hon. C. Imbert: Madam Speaker, I am afraid, I was so busy today I have not yet read the *Guardian* newspaper. However, I will endeavour to do so during a period of this debate, but the question that was asked relates to workers in the public sector and municipal corporations, not state enterprise sector, but I will certainly look into that matter and take whatever corrective action needs to be taken.

Nurses' Salary Payments Delay

(Details of)

45. Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*) asked the hon. Minister of Health:

Could the Minister indicate:

- a) the reasons for the reported delay in salary payments to nurses; and
- b) the actions taken to ensure payments are issued and received on time in the future?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you, Madam Speaker, and I want to thank the Member for Oropouche West for the question. Some nurses received salary payments in October 2017, just one day after the scheduled pay date, one day, due to unavoidable delays in the printing of cheques. However, most nurses received payments on time. Answer to part (b), barring unforeseen circumstances, it is anticipated that salary payments for the remainder of this fiscal year will be made by the scheduled pay dates. Thank you very much.

Rising Number of Homeless Persons

(Provisions of Accommodation for)

46. Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*) asked the hon. Minister of Social Development and Family Services:

Could the Minister indicate the actions taken to provide accommodation for the rising number of homeless persons in Trinidad and Tobago?

The Minister of Social Development and Family Services (Hon. Cherrie-Ann Crichlow-Cockburn): Thank you, Madam Speaker. Madam Speaker, perceptions that the homeless population is spiralling are not supported by the relevant research done in the area. The Ministry of Social Development and Family Services

conducts street counts, as far as possible, at least once per year in our major cities and towns. A review of the street count statistics shows that between 2015 and 2016, there was an increase of 17 persons in the street dweller population in Trinidad. Notably, the number in Port of Spain showed a small decrease of three persons.

The Ministry conducted its most recent street count in November 2017 and the team is finalizing the compilation of the results. This exercise will bring some currency to the data available to this social phenomenon. Notwithstanding, the Ministry has made significant investment to ensure that provisions are made for the care and well-being of this population.

The Ministry provides subventions to two NGOs for the management and operation of shelters: The Centre for Socially Displaced Persons or (CSDP) in Port of Spain operated by the Society of St. Vincent de Paul and the CSDP in San Fernando operated by Court Shamrock. The Port of Spain location has a capacity for 200 persons while the centre in San Fernando accommodates 78 persons. A subvention is paid to Nazareth House of the St. Vincent de Paul Society to provide accommodation and other support services to mentally ill socially displaced persons.

Accommodation and care are also provided through three other facilities operated by St. Vincent de Paul: the Salvation Army and two privately owned facilities. Those are West Coast Villas and Shalom Senior Citizens Home. Additionally, provisions are made under the Community Care Programme to prevent socially displaced persons in the various hospitals from moving to the streets. Currently 60 such persons are provided with accommodation and care at several privately operated geriatric homes across the country.

The Ministry of Social Development and Family Services also operates two

facilities where housing and other support services are provided for this population. Hernandez Place in Arima has a capacity of 17, while New Horizons in Piparo has a capacity for 80 persons. These facilities currently house 40 persons.

The Ministry recognizes that the issue of street dwelling is complex and multi-dimensional in nature and would be best addressed using a multi-sectoral approach. A multi-disciplinary committee with representation from the public and private sector centre was, therefore, appointed to examine in greater detail the street dwelling situation and to identify and make recommendations for addressing the issue. The recommendations of the committee were agreed to by Cabinet in August 2017 and included:

- establishment of shelters in major cities and towns;
- establishment of a street dweller assessment centre;
- provision of transitional housing/hostel accommodation in collaboration with the NGO sector; and
- expansion of the Community Care Programme to establish or identify suitable accommodation options for persons 18 to 54 years of age who are unable to maintain themselves or have no means of subsistence or place of residence.

The implementation of the aforementioned would result in increased accommodation for the homeless. I thank you, Madam Speaker. [*Desk thumping*]

Live Music District

(Projected Costs and Returns)

47. Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*) asked the hon. Minister of Trade and Industry:

Could the Minister provide the projected costs to launch in March 2018 the Live Music District in collaboration with MusicTT and the anticipated returns on this initiative?

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very much, Madam Speaker. On behalf of the Minister of Trade and Industry, the Live Music District to be launched by the Trinidad and Tobago Music Company, MusicTT, in 2018, is projected to cost \$250,000.

The specific areas of expenditure are as follows: assessment and engagement of potential venues, \$15,000; development of potential business models, \$100,000; marketing and communications campaign, \$85,000; monitoring and evaluation of phase one of the Live Music District, \$25,000.

The anticipated returns on the implementation of the Live Music District are as follows: increased opportunities for artistes to develop their stage performance skills in preparation for larger audiences outside of Trinidad and Tobago; easier access to investors who have more opportunities to view artistes' live performances; increased economic activity in the city of Port of Spain and its environs; increased employment opportunities resulting from entertainment venues boosting their capacity in order to sustain greater patronage; and increased international visitor arrivals to the Live Music District and Trinidad and Tobago as a whole.

This project, Madam Speaker, will provide a commercially viable business model, which will allow future artistes to be fairly remunerated for their services. Madam Speaker, I would just like to add that this project at the cost of \$250,000 for all of these potential returns would be much cheaper than the \$5 million that was paid to one artiste by the Ministry of Planning and Sustainable Development as it then was. [*Desk thumping*]

Madam Speaker: Supplemental question. Member for Oropouche West.

Mrs. Gayadeen-Gopeesingh: What is the plan for monetizing intellectual properties since there might be rebranding of the music?

Madam Speaker: I am not going to allow that as supplemental question.

PERSONAL EXPLANATION

Anti-Gang Bill, 2017

(Media Comments/Statements)

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, I wish to thank you for granting me leave to make the following personal explanation pursuant to Standing Order 23. Madam Speaker, following the debate on the Anti-Gang Bill, 2017, which commenced on Wednesday 6th December and ended in the early hours of Thursday 7th December, several comments and statements have been made in daily newspapers, on the radio and television stations in relation to my participation during the committee stage of the Bill. Madam Speaker, in my 31 years as a parliamentarian, I have never experienced the manner of objectionable and vile attack such as the one that I am now being subjected to. Members of Parliament, my very own colleagues, led by the Leader of the Opposition, herself a former Prime Minister, have engaged in an orchestrated course of malicious character assassination against me, by seriously misrepresenting events which occurred in this House earlier this week. Madam Speaker, I feel—[*Crosstalk*]

Mr. Charles: On a point of order.

Hon. Member: Which one?

Mr. Charles: Standing Order 23. Point of order. It says no controversial matter may be brought forward. [*Crosstalk*]

Madam Speaker: I rule against you. And Member for Caroni East, I would just like you to know that your statements are reaching my ear and if one reads

Standing Order 23 properly, you all would see that the Chair has granted leave. Please continue, Member.

Hon. Dr. K. Rowley: Thank you very much, Madam Speaker, for the granting of this leave. Madam Speaker, I feel personally affronted and offended because as Prime Minister of this country, I extended myself and made a very concerted effort to ensure that this Government reach across the aisle to give serious considerations to the concerns of the Opposition on this particular Bill.

As some of you may be now aware, the Anti-Gang Bill sought to address serious challenges faced by the Trinidad and Tobago Police Service in treating with the problem of organized crime in this country. What compounds the offensiveness of this matter is the fact that the person at the helm of this most abominable and contemptible attack on both myself as well as on the records of this House, once held the office I now hold and, like me, is a long-standing Member of this House.

Dr. Moonilal: Madam Speaker, Standing Order—[*Crosstalk*]

Mr. Imbert: Which one?

Madam Speaker: Member, what objection are you raising?

Dr. Moonilal: Member Speaker, could you please interpret for me what no controversial—

Madam Speaker: Member, as I have said, I have ruled and allowed it.

Hon. Dr. K. Rowley: Madam Speaker, I have listened very closely to the comments and statements being made and I have been forced to ask myself, why this sustained effort is being made to misrepresent what I said and did during the consideration of this Bill. Upon reflection, the only conclusion that I have been able to arrive at is that the intended effects are to damage me personally as a Member of Parliament for Diego Martin West and as Prime Minister.

Madam Speaker, I categorically reject any assertion or suggestion that I refused to negotiate or was uncooperative during deliberations of the Anti-Gang Bill. In the final analysis, Madam Speaker, the Anti-Gang Bill was first read and introduced in this House and was substantially amended to give effect to the many requests made by the Opposition.

During the consideration of the Bill, several issues were discussed and compromises reached. In fact, the inclusion of a sunset clause as a proposed Government amendment was a result of my own initiative. Madam Speaker, the amendment was included after I listened to the Opposition's view on the issue, held discussions with the drafters and Members of the Government's Bench and, more particularly, made a personal intervention with the Opposition Chief Whip, the Member for Pointe-a-Pierre, when we met at my request behind the Speaker's Chair.

In keeping with the established procedures and the Standing Orders, after exhaustive discussions and the exchange of ideas on the duration of the sunset clause, which I insisted should be inserted in the Bill to give effect to the Opposition's concerns, the question on the inclusion of a sunset clause for a period of four years was put. Absolutely no Member of the Opposition voted no against the proposals as this specific clause was put.

Madam Speaker, I have served in Opposition for 14 years and it has been my experience and understanding that when an Opposition feels strongly about any particular issue, the consideration taking place on a Bill in committee, they will usually register their disagreement when the question is put on the particular issue. This did not happen on this occasion.

The official report of the debates held in this House, otherwise called *Hansard*, provides a clear and faithful transcription of words spoken during the proceedings.

The *Hansard* ensures that democracy is accessible and transparent. Via the *Hansard* any citizen has the opportunity to inform himself about decisions made by the Parliament and to verify the records to see what was said about any Bill or issue by every single Member of Parliament.

In this case, Madam Speaker, the *Hansard* record will clearly show that the question for the inclusion of a new sunset clause was put to all Members of this honourable House three times, and on each occasion there was not one single dissenting voice. So it is indeed shocking to hear the Leader of the Opposition who led her Members to vote against the Bill, thereby defeating it, now seeking to defend her actions by claiming that this position was motivated by my refusal to include a sunset clause in the Bill.

Madam Speaker, we call each other in this House “honourable”, so for Members of this House to misrepresent me with respect to the proceedings of this House is an act that goes beneath the dignity expected of this honourable House and hon. Members. I therefore invite those who have heard the reflections made on my words and actions during committee stage on the Anti-Gang Bill, 2017, to evaluate the events on the basis of the records of *Hansard* since the *Hansard* is where the only truth resides.

Madam Speaker, I wish to conclude by expressing my deepest disappointment that the Leader of the Opposition and any other Member opposite is capable of engaging in such reprehensible conduct which is in essence a misrepresentation of the *Hansard* record, the official record of what is said and done in this House. One would assume that Members would appreciate through their own experience, honesty and integrity the effect that this course of action would have. However, having made this personal explanation, I now leave it for the people of Trinidad and Tobago to read the *Hansard* and view the footage of the debate to arrive at the

true position.

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

FINANCE BILL, 2017

Order for second reading read.

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. I beg to move:

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

Madam Speaker, before the House this afternoon is the Finance Bill, 2017, which is aimed at putting in place fiscal measures and matters related thereto which were announced in this House during the budget statement on October 02, 2017. There are other matters, Madam Speaker, that were not mentioned on the day that the budget statement was presented that these matters also go towards many of the mechanisms required for the implementation of the plans outlined in the 2017 budget, Madam Speaker.

Allow me to give you a quick overview of the 2018 budget measures. On October 2nd the prices for petroleum products and the gross margin related to those products were increased by way of an Order. On October 23, 2017, the Provisional Collection of Taxes Order, 2017, was put into effect. The resolution to confirm the measures contained in that Order, the Provisional Collection of Taxes Order, was passed on November 10, 2017, in this House.

In those documents, and in that debate, I dealt with taxes and duties for the gaming and gambling industry, taxes and duties for the alternative fuel technology relating to hybrid, electric and compressed natural gas or CNG vehicles. Incentives were also put in place to make motorcycles of a particular size more affordable to

persons who are likely to purchase this type of motorcycle, 300 cc and below.

The Provisional Collection of Taxes Order also dealt with the harmonization of custom duty relating to tyres. And the reason for that, at the time, was that the rate of duty on new tyres was of the order of 30 per cent whilst the rate of duty on used tyres is 5 per cent, and there was some significant cheating taking place where persons were importing new tyres and declaring them to be used tyres thereby avoiding 25 per cent in customs duties. So we felt in order to take away the opportunity for tax evasion and cheating, we would simply harmonize the duty relating to taxes.

Additionally, we decided to increase—a long-overdue increase—in inspection fees to be paid by registered owners of private motor vehicles and motorcycles five years old or more, when produced for inspection by an examiner. These fees had been in place for many, many years, Madam Speaker. In fact, if my memory serves me correctly, these fees have been in place for 20 years and had been set at \$165 for that period. We have increased that to \$300 to give more revenue to the examination stations who felt they just could not survive on their share of that \$165 because they only got part of it. The new inspection fees for motor vehicles was put in place by way of an Order earlier in December this month, 2017. That would be an Order issued by the Minister of Works and Transport.

Allow me now to just deal with the Finance Bill itself. Clause 1 of the Bill is self-explanatory. It is simply the title. Clause 2 deals with commencement provisions. The vast majority of the measures will take effect on the 1st of January, 2018, with the exception of one measure, which is the measure for the imposition of the lottery winnings tax, and when I come to that clause in the Bill, I will explain why we have put a commencement provision for the lottery winnings tax.

In fact if I read clause 2, it states that:

- “(1) Sections 3, 4, 5, 6, 7, 8 and 10 come into operation on 1st January, 2018.
- (2) Section 9(a) comes into operation on such day as is fixed by the President by Proclamation.”

So that day will be established in the future, and at that the time the lottery winnings tax will take effect.

Clause 3 deals with private hospitals, and we have amended the Private Hospitals Act in section 29—or is seeking to amend it in section 29(a) by deleting the words “ten thousand” and substituting the words “one hundred thousand” and that ten thousand was the licence fee for private hospitals. The annual fee, believe it or not, Madam Speaker, was just \$10,000. So, we have increased that to \$100,000; and in the second part of this amendment, we have changed the daily fine from \$200 to \$1,500 for persons who continue with the offence.

2.15 p.m.

But let me move straight to the lottery winnings tax. I saw some speculation in the media recently, and, in fact, I had cause to explain to a media house what we were doing with respect to the lottery winnings tax, because there was a statement in the budget that this would take effect on the 1st of December. So on the 1st of December, arms of the media went to speak to lottery vendors and discovered that the tax was not yet in effect, and then began to make a story out of it, but they had the foresight to call me to ask me what was going on, and I will explain that shortly. I would like to say the imposition of a tax on lottery winnings is not a novel or unique idea. In Jamaica, for example, Madam

Speaker, a tax is imposed on all lottery winnings in excess of Jamaica \$15,000. Now that may seem like a lot, but, Madam Speaker, Jamaica \$15,000 is just TT \$810.

So that as you go along you will see that we are imposing the tax on winnings in excess of \$1,000. So we are similar to Jamaica but, in fact—*[Interruption]* Yeah, \$1,000. All winnings above \$1,000 will be subject to the 10 per cent lottery winnings tax. In Jamaica, they impose a tax on all lottery winnings above the equivalent of TT \$810, so our position and the Jamaican position is almost identical. Madam Speaker, in Jamaica they also impose taxes. It is not just that they have a threshold for the amount of the prize winning on which a tax is imposed, once you cross TT \$810 equivalent in Jamaica a tax is imposed, but their tax is very different to ours. The tax rates range from 20 per cent to 25 per cent on games like Cash Pot, Lucky Five, Pick 2, Pick 3, Pick 4, instant games, Super Lotto Dollars, Lotto, Money Time and Top Draw.

So in Jamaica once the prize exceeds \$810 the tax rates range from 20 per cent to 25 per cent on a variety of different games that they have in Jamaica just like ours, Pick 2, Pick 3, which is the equivalent of the Play Whe, and all that sort of thing. So that our tax regime of 10 per cent on lottery winnings in excess of TT \$1,000 is in fact far softer than the taxation regime in Jamaica where the tax is on all of their games range from 20 per cent to 25 per cent; we as imposing 10 per cent. In Florida, a 25 per cent federal withholding tax is applied on prizes greater than US \$5,000 if the winner is a citizen or resident of the United States. Additionally, a 28 per cent federal withholding tax is applied to

winnings in excess of US 600 where the winner does not have a social security number. A 30 per cent tax rate is applied in Florida on all lottery prizes in circumstances where the person is neither a citizen nor a resident of the United States.

In the Bill, Madam Speaker, section 22A is simply definitions; the Board is the Board of the National Lotteries, what is defined in the Lotteries Act, and the Tax Authority is the Board of Inland Revenue. Section 22B in the Bill:

“A tax, to be called ‘a lottery winnings tax’ shall be charged on all prize money paid out in respect of any paper, ticket or token sold...that is in excess of one thousand dollars.”

—and this creates the tax called the lottery winnings tax. In 22C, it confirms that the rate will be 10 per cent. Section 22B gives you the threshold that the taxes charged on any winnings in excess of \$1,000, and 22C indicates the rate shall be 10 per cent in comparison to Jamaica with its 25 per cent and Florida with its 30 per cent.

In 22D, Madam Speaker, it is clear that the Board, the National Lotteries Control Board and its agents will be responsible for withholding the lottery winnings tax before the payment of any prize money. However, it is only the National Lotteries Control Board that would be responsible for paying over the tax to the Government that is withheld by it or any of its agents with paying it over to the Board of Inland Revenue. The National Lotteries must pay the tax, or pay over the tax on or before the 15th day of the following month in which its agents withheld the tax, and there are standard provisions which are already in the tax laws that the

failure by the National Lotteries Control Board and its agents to withhold the tax will attract a 25 per cent penalty and interest.

However, since there will always be situations where there are mitigating circumstances, section 22F of the Miscellaneous Taxes Act:

“The President”—which would be the Cabinet—“may remit or refund lottery winnings tax to the Board or any penalty associated with the non-payment of lottery winnings tax if the Tax Authority is satisfied that it would be just and equitable to do so.”

So, for example, if there is a technology failure, a breakdown in the national lotteries' computer systems and they were unable to pay the tax on the 15th day after, the month after, that would be justification for the Cabinet to remit or refund any tax or any penalty, any interest and/or penalty on late payments of the lottery winnings tax.

In section 22G of the Miscellaneous Taxes Act, the Board of Inland Revenue may at any time audit the National Lotteries Control Board to ensure that it has received the correct lottery winnings taxes from the National Lotteries Control Board. And the BIR can, in respect of the collection and recovery of the lottery winnings tax, and an audit of the National Lotteries Control Board, have all the powers which it has in relation to income tax under the Income Tax Act. Now, let us come to the point I made earlier. I had been advised, and it does have merit, that it will take the National Lotteries Control Board some time, and, in particular, their vendors, some time to get accustomed to the new regime of withholding taxes on lottery winnings. And, therefore, we have decided since it will take them some time, we have the commencement

clause in the Bill which allows that this particular provision, these provisions will come into operation on such day as is fixed by the President by proclamation, and we are targeting early in 2018, the calendar year, for the proclamation of these sections that would initiate the process of collection of the lottery winnings tax by the National Lotteries Control Board, and the payment over to the Board of Inland Revenue, as well as the proper education and training of vendors in terms of the remittance of this tax to the National Lotteries Control Board for onward payment to the Board of Inland Revenue. And that is the reason why this tax did not take effect on the 1st of December, we felt all of the players, all of the stakeholders, all of the vendors needed some time to acclimatize to the new system.

The next matter in the Bill that I would like to address is the environmental tyre tax, and the environmental tyre tax is a new section. Section 27C of the Miscellaneous Taxes Act will provide that the tax authority in this particular case would be the Comptroller of Customs and Excise; you can have different tax authorities. Section 27D, the new proposed section 27D of the Miscellaneous Taxes Act creates this tax called the environmental tyre tax, and this tax will be in the amount of \$20 per tyre. The tax would be charged on tyres imported into Trinidad and Tobago under tariff headings 4012.20.10, 4012.20.90, and 4012.20.00, and the tax is payable by the importer of the tyre at the port to the Comptroller of Customs and Excise.

Now, you may wonder why I took the time to read out the tariff numbers. The explanation is that we did not want to create any confusion

with respect to tyres used on agricultural tractors, and things of that nature. This tax is primarily intended at the main users of tyres, the main importers of tyres, tyres for passenger vehicles, and so on. So we are making it specific to these tariff numbers to avoid any ambiguity as to which tyres would attract this tax and which would not. Of course, it creates challenges for enforcement; I could see somebody bringing in tyres for a passenger car and saying it is a tyre for an agricultural tractor, but we will deal with that on a case by case basis because there are not many imports along those lines, but we felt we would just deal with the main offenders. And all of us will know, all of us who have constituencies, and that is everybody inside of here, you will see how people dump tyres on the side of roads, in forested areas, in streams, in ravines, they just dump it all over the place. So apart from creating an eyesore and creating garbage dump, it also breeds *Aedes aegypti* mosquitoes, and creates all sorts of hazards and problems.

So, we are going to get involved in the retrieval and disposal of these tyres, and this tax will be used for that in the future. In fact, the members of the private sector have approached the Government and they wish to get into a public-private partnership with respect to the disposal and the possible recycling of tyres. There are some parts of tyres that can be easily recycled, others not so easy, but the private sector has approached us and this tax would be applied to that activity once all the issues surrounding the partnership between the private sector and the Government are resolved. This \$20 tax would be used to cover the cost of their operations in the collection, disposal and recycling of tyres, and

it will assist in no small measure in dealing with this scourge which we are subject to at this point in time.

Another provision amends or introduces section 27E of the Miscellaneous Taxes Act, and provides that:

“The Comptroller of Customs and Excise may exercise the powers given for the collection, enforcement and management of duty under the Customs Act and any other written law in respect of”—this—“environmental tyre tax.”

And, again, the power of the President, the Cabinet, to remit or refund duty with respect to this tax will apply, *mutatis mutandis*, to the environmental tyre tax, and this is found at section 27F the Act. This tax will come into force on the date of assent of this legislation before us, which has to go to the other place. So it will come into force, I would say, within the next week or so, the environmental tyre tax.

Part VI of the Bill deals with the imposition of corporation tax. In January, 2017, actually on January 1st, a dual tax rate per annum was introduced on the chargeable profits of companies that are liable to tax. A tax rate of 25 per cent, before the passage of this legislation, is now applied to every dollar of the first \$1 million of chargeable profits of companies. A tax rate of 30 per cent is charged on every dollar above the first \$1 million. That measure, also known as the millionaire tax, was introduced in an effort to deal with the significant financial challenges that the Government faces in terms of bridging the gap between expenditure and revenue due to the calamitous fall in petroleum prices and also the significant decline in production of oil and gas in Trinidad

and Tobago.

Madam Speaker, even though in recent times the price of oil has crossed \$50—I think when I checked today it was about \$57; \$57 is still severely depressed oil price when you consider that the average—and I am talking about West Texas Intermediate, Brent would be \$63, somewhere around there, but we use West Texas Intermediate as our benchmark for crude oil in Trinidad and Tobago for budgetary purposes. And even though the price of WTI is \$57 as we speak today, it is still way below the average oil price enjoyed over the 2010 to 2015 period which was close to \$100 per barrel.

The price of natural gas as well continues to be severely depressed and way below the prices enjoyed over the 2010 to 2015 period, and I am speaking about the prices that were obtained in markets outside of North America, markets that our liquefied natural gas was going to, such as South America to Chile, and so on, and Europe to Spain, and other countries in Europe, and also to the Far East to Japan, and so on. During the 2010 to 2015 period, our LNG fetched prices up to \$20 per MMBtu, Madam Speaker. That sort of price regime no longer exists, and now you are getting \$7, \$8 in the Far East, \$5, \$6 in Chile, and \$3 or less in North America. So that oil prices are still significantly down; oil production is significantly down, and gas prices are severely down, and also gas production is down.

So that the challenge to bridge the gap between revenue and expenditure remains, so that we decided to harmonize and to make the tax on companies 30 per cent across the board, and this measure is found at

clause 7(a) of the Bill, and it will take effect from the 1st of January, 2018, because that is the usual manner in which income tax is imposed in Trinidad and Tobago. It is usually imposed from the 1st of January of every year. And this is all part of sharing the burden of adjustment, Madam Speaker, everybody in Trinidad and Tobago, whether you are rich or not so rich, we are calling upon everybody, the wealthy, in particular, to share the burden of adjustment. So this 30 per cent on corporations is part of the sharing of the burden of adjustment.

I now come to another measure designed for even more sharing of the burden of adjustment. Madam Speaker, if you look at the Financial Stability Report for the year 2016, prepared by the Central Bank for the banking sector, you will see that the banking sector, which comprises commercial banks and non-bank financial institutions, generated approximately \$4.2 billion in profit for the year 2016. Let me repeat that, the banking sector generated \$4.2 billion for the year 2016 in profits, and this was an increase from the profits that they generated in the year 2015. So while oil prices are going down, tax collections are going down, oil production is going down, gas prices are going down, natural gas prices, and natural gas production is going down, bank profits were going up. [*Interruption*]

Mr. Young: In the past month two of them declared record profits.

Hon. C. Imbert: Yes. And as my colleague to my right has reminded me, in the last month, two of our premier banks have declared record profits in this period of recession.

Hon. Member: Which in itself is good.

Hon. C. Imbert: Yes, it is good. It is good from a commercial point of view but there is no gainsay in the fact that the banks are making super profits, and we felt in terms of sharing the burden of adjustment that since the banks are making billions of dollars in profits per annum, we would impose a special tax on banks of 35 per cent.

The corporation tax measures, the harmonization of corporation tax for companies to 30 per cent for all income, including income below \$1 million will come into effect on the 1st of January, and the increase in the tax rate for commercial banks will come into effect—the 35 per cent rate will come into effect on January 01. Madam Speaker, let me just deal with an issue that perhaps I should have dealt with as I was going in sequence. In Part IV of the Bill on page 4, clause 5, there were proposed amendments to the Maxi-Taxi Act which would have removed the power of the Minister of Works and Transport to set limits on the number of maxi-taxis in any particular band or in any particular region or district in Trinidad and Tobago. So in the Maxi-Taxi Act at this point in time the Minister with the responsibility for transport has the power to limit the number of maxi-taxis, whether it is yellow band or red band, in a particular route. That is contained in the Maxi-Taxi Act at this point in time, and the effect of clause 5 of this Bill would have been to retake that power away from the Minister. But, Madam Speaker, based on discussions with the Maxi-Taxi Association and maxi-taxi owners, we have decided that discussions and consultations will continue, and we are not therefore going to implement this particular measure at this point in time.

So, at the appropriate stage I will be moving an amendment to delete

clause 5 of this Bill so that the proposed measures with respect to removing the Minister's power to limit the number of maxi-taxis on any particular route will not be affected by this Bill. They are going to be deleted from this Bill, and that will be addressed at a later date some point in time in the future after further consultation and discussions with Maxi-Taxi Association and maxi-taxi owners. I just want to make it clear, we are deleting clause 5 so we will not be affecting the current power of the Minister to limit the number of maxis in any particular route. Madam Speaker, let me move on now. With respect to Central Bank advances to the Government, the Exchequer Account, Madam Speaker, the Government's current and main account, it is no secret that this account has been very close to the allowable overdraft limit on virtually a daily basis since September 2015. In fact, as I have said before, and I will say again, within a couple of days of being appointed Minister of Finance in September 2015, I was visited by the then Governor of the Central Bank who told me that the overdraft was so close to the limit that there was only enough money to run the country for about two days.

So that, Madam Speaker, from September 2015 to now, this is more than two years, we have been operating this overdraft limit very close to the maximum on virtually a daily basis. It has been very, very, very challenging. And you know, Madam Speaker, it is a complete paradigm shift for everybody in the system, and that is what is causing some of the issues. The Minister of Health told you that in October some nurses in the health sector—some not all—got their salary one day late. So if they

were supposed to get it on the 29th of October, they got it on the 30th of October. And that was because of the fact that we were so close to the overdraft limit that we had to make adjustments to ensure that releases could be sent to the Ministry of Health, and the appropriate credit received from the Treasury and the Central Bank to ensure that when the Ministry of Health sent the cheque payments to the RHAs, and then the RHAs sent this money to their employees, that the cheques would be honoured, and that was one of the reasons why we had a one-day delay in October for some of the nurses in the health sector. And that is because we have been managing this overdraft on a daily basis, almost close to the limit.

I looked at it this morning and it was 97 per cent. We had 3 per cent left in the overdraft at the Central Bank, 3 per cent, Madam Speaker, which runs the country for about two days. So that we have had a very, very difficult job in terms of managing the country's finances. The overdraft is prescribed by section 46 of the Central Bank Act, Chap. 79:02, and it allows the Central Bank to make temporary advances to the Government on such terms and conditions as may be agreed upon between the bank and the Minister of Finance. The Act provides that the total amount of these advances made under this section must not at any time exceed 15 per cent of the estimates of annual revenue of the Government for the financial year in which these advances are made. The annual revenue is what is stated in the annual budget exercise, comprising a total of recurrent revenue and capital revenue, exclusive of loan—something. And the overdraft has, on a previous occasion, reached as high as 99.9

per cent of the legal limit. There was a time in the last 12 months where we hit the limit; we had to stop. We had to stop writing cheques in the Government system, but we managed—we managed.

On that occasion, we were fortunate according to the rules to be able to withdraw from the Stabilisation Fund in order to manage that particular situation. But, Madam Speaker, we cannot continue like this. It has been very difficult, and we cannot run a country like, and given the likelihood of shortfalls in revenue inflows in the short term, because we do expect to start turning the corner towards the end of this fiscal year, it is imperative that the Government has the opinion to meet any unforeseen cash flow constraint that may arise during the fiscal year in a timely matter. We have therefore proposed—in fact, this matter was approved by Cabinet almost two years ago at the same time that I took a submission to Cabinet to improve the limits on the debt ceilings. We also took a proposal to increase the overdraft limit from 15 per cent to 20 per cent, and we have now decided that it is time to implement that so that we can avoid disruptions to the Government's fiscal operations, and that people can receive their salaries, their wages, their pensions, their social welfare benefits, and so on. Clause 11 under Part X of this Bill addresses this matter and will come into operation on the assent of this Act within the next week or so.

I would also like to indicate, Madam Speaker, I will be moving an amendment to increase the limit of Treasury Bills that can be issued for financing Government's operations, and let me explain why. I was recently visited by some consultants because we have been availing

ourselves of the best possible advice from all corners of the world, so we reached out to the Commonwealth Debt Management Unit. They have a very sophisticated unit in the Commonwealth Secretariat, and we have consultants here right now as we speak from the Commonwealth Secretariat Debt Management Unit. They provide technical advice to countries around the world in terms of debt management, and they pointed out to us that the overdraft at the Central Bank is subjected to an interest penalty of equivalent to the repo rate. The repo rate is what banks charge—the Central Bank charges banks for money. It is currently 4.75 per cent, and, therefore, whenever the Government is in overdraft the Central Bank charges the Government 4.75 per cent on the amount of the overdraft.

2.45 p.m.

The Commonwealth Secretariat Debt Management Unit—and this has been the case in Trinidad and Tobago for the last 30 years; you know, it is amazing how you can get into a sense of complacency in a country. I am not talking about any government now because I said 30 years. This has been going on for 30 years. So the Central Bank will fix the repo rate because it is the bank that fixes the repo rate and then they apply that to the Government's overdraft. And it really came into fore in 2012 because for the first time this country went into permanent overdraft, in the year 2012; prior to that, the country might have gone into overdraft on a very temporary basis, but as revenue came in, the Government's account went back into credit.

So from 2012, the Government went into permanent overdraft, under the former administration, and the repo rate is applied to the overdraft. So the Commonwealth

consultants made the point that the interest rates on Treasury Bills, which are short-term debt instruments, are far lower than the rate on the Government's overdraft.

And in fact, I actually have the rates here before me, Madam Speaker. So the interest rate on a Treasury Bill, a six-month Treasury Bill—because you borrow it and then you pay it back, it is just like an overdraft—is 1.75 per cent. The interest rate on a one-year Treasury Bill is 2.72 per cent and the interest rate on a two-year Treasury Bill is 2.94 per cent. So the Commonwealth's experts made the point that instead of using the overdraft where we have to pay 4.75 per cent, we should use Treasury Bills, revolving Treasury Bills where we would pay 1.75 per cent and save ourselves 3 per cent in terms of cash available to the Government. And if you think about an overdraft of \$8 billion, 3 per cent of that is \$240 million that we are now able to save in terms of this measure.

So I will be moving an amendment to increase the limit on Treasury Bills at a later stage, but the purpose will be to give the Government the flexibility to either use the overdraft at the Central Bank or to issue short-term revolving Treasury Bills. It is part of the fiscal management of this Government, you know, trying to exercise prudence and using the best advice available to us.

Dr. Gopeesingh: Will you give way?

Hon. C. Imbert: Certainly.

Dr. Gopeesingh: If the \$8 billion is the overdraft and you pay the interest to the Central Bank after the \$8 billion or for the entire \$8 billion during the year?

Hon. C. Imbert: Finished?

Dr. Gopeesingh: Yeah.

Hon. C. Imbert: Interest is an annual sum, so that interest is charged on a daily

basis. Anybody who would have taken out a loan will know this. I do not know if the Member for Caroni East does not know anything about loan financing, he probably deals with everything on a cash basis, so he does not understand that interest is calculated by the banks on a daily basis. [*Crosstalk*] So I understand—and a bag of money. I understand. But anyhow, Madam Speaker, let me just move on. So I have spoken about the private hospitals. [*Crosstalk*] In the five minutes available to me, just let me deal with some particular issues.

Madam Speaker, we are also adjusting—[*Crosstalk*]—Madam Speaker, please? I only have five minutes and—talk to—

Madam Speaker: Please, proceed, Minister of Finance.

Hon. C. Imbert: Madam Speaker, the gains or profits from commercial farms carried out in an approved agricultural holding are exempt from tax for a period of 10 years from the date of approval of the agricultural holding. So all farmers will know this, that if you are making profits from your farming operations you can apply for and receive tax exemption for a period of 10 years, a 10-year tax holiday.

But for some reason, sometime in the past, a government decided that this tax holiday which is standard in the industry should not apply to farms in excess of 100 acres. It makes absolutely no sense because if they are fiscal incentives available to the agricultural sector, you would want them to be available to the fella with two acres, with 20 acres, with 100 acres, with 200 acres. That is the only way we can stimulate that sector, Madam Speaker—give them fiscal incentives.

So, we are removing the current restriction which restricts the accessibility of fiscal incentives in agriculture to farms of 100 acres and less. It makes absolutely no sense, but it is one of these archaic things that have been in existence for a long time, so we are taking that out. So whether you have a big farm or a

small farm, you can apply for and if you are eligible, you will receive tax incentives. This is in clause 6 of the Bill and will come into effect on the 1st of January, 2018.

Madam Speaker, the other clauses—4, 8 and 10—are designed to clean up some measures that we imposed with the Provisional Collection of Taxes Order. When we imposed the new arrangements for hybrid vehicles and electric vehicles and CNG vehicles, the intention was to encourage the population to switch from fossil fuels to renewable energy thereby reducing Trinidad and Tobago's carbon footprint and encouraging people to purchase more fuel-efficient vehicles.

The changes we have made this year were addressed in the Provisional Collection of Taxes Order, 2017; however, the incentive for hybrid, electric and CNG-powered vehicles for commercial use was inadvertently omitted. So that the clauses in this Bill towards the end are simply designed to incorporate the incentives for hybrid, electric and CNG-powered vehicles for commercial use. The entire suite of incentives for alternative fuel technology will come into effect on the 1st of January.

Now, Madam Speaker, I think I have one minute available to me? In my winding-up, since I cannot do justice to it now, I am going to give details of two matters which have severely affected the ability of the Government of Trinidad and Tobago to meet its cash and financial commitments. I will speak about this in my winding-up. One is a put option notice taken out under the Panday administration in 2000, and the other one is a derivative portfolio taken out under the Bissessar administration in 2013 and interest rates swap and currency swap. Both of these strange instruments, Madam Speaker, have put the Government under severe pressure. The put option, for example, we were given 15 days, a couple days ago,

to find \$660 million immediately to pay off a particular facility taken out by the Panday administration, but I will deal with that in my winding-up.

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

Question proposed.

Dr. Bhoendradatt Tewarie (*Caroni Central*): Thank you very much, Madam Speaker. The Minister of Finance was very straightforward in his presentation until the end when he got worked up a little bit about matters that he will deal with in the winding-up of the debate. Generally that is his style, you know. He will be almost deadpan in his presentation. Right? Almost deadpan in his presentation and at the end of his presentation, in his winding-up he is generally very hot under the collar. [*Crosstalk*] We have come to understand and expect that now.

But he outlined the taxes that are going to be imposed and he rationalizes them, he explains why the taxes are being imposed. And the big rationalization is the sharing of the burden of adjustment, and I am not sure if people feel from the taxes they are already feeling and the ones that are coming on them whether, in fact, it is a fair sharing of the burden of adjustment. And he, in outlining the issues here, he locates the measures that he is putting forward in the context where the Government is in a bad situation financially and, therefore, the Government must use everything at its disposal to generate revenue and to manage the economy. To some extent that is true, but it is not the whole story.

I think that there are eight items, more than that, I think there are 10 items here in the Bill, but I just want to deal with three of them, I want to focus on three aspects. One is the corporation tax. I want to deal a little bit on the value added tax and I want to briefly address the issue of the amendment to the Central Bank Act to increase what is essentially an overdraft limit available to Government from 15 per

cent to 20 per cent.

If we can begin with the corporation tax, I think we feel in the economy that the corporation tax and its imposition, although not yet formally felt, because it is due on the 1st of January, has already crippled business confidence in the country. [*Desk thumping*] It has severely undermined the investment environment, Madam Speaker, and it has revealed this Government to be very anti-business in fact, despite any talk that we might here to the contrary.

The management of the value added tax has become a kind of fiasco really. The adjustment made to the tax which is to tax everything, to reduce VAT to 12½ per cent with its built-in bias for luxury items; collections not meeting the revenue targets; and an inability to make the VAT system work as it should so that businesses could get their refunds on time—all of these things have put the management of VAT in a very undesirable place. This Government has shown, in my estimation, no aptitude for good management, for good governance or for good government. [*Desk thumping*]

Clause 2 of the Bill will amend the Central Bank Act to increase the amount of advances that the Central Bank can make to Government, which means that the Central Bank overdraft limit to Government will be increased. This raises serious issues, Madam Speaker, about the use of the overdraft facility at the Central Bank by Government, about Government's borrowing intentions, and what this will mean for the safety and security of our country in financial and economic terms.

And from what the Minister of Finance said in his presentation, I think we can expect that in addition to the other challenges that we might face as a country, we will actually be living on overdraft and living on short-term and longer-term Treasury Bills over the next few years.

Let us take the corporation tax. I have a few comments on the tax, on the VAT, on the Central Bank's overdraft. Let us take corporation tax to examine what is happening in the business sector and what is happening or will happen to our country because of these additional tax impositions.

Corporation tax on profits now goes up 5 per cent to 30 per cent. Corporation tax for banks goes up 10 per cent to 35 per cent. The problem with these impositions is that they are viewed as revenue-generating measures only. That is the real problem with the taxation approach policy, if you want to call it that, of the Government, that they see taxation as a revenue generating measure only. And you can see that in the way the Minister talked about the banks. They are making super profits, he said, and as a result they are entitled to pay higher taxes.

But taxation requires a fuller appreciation of what is likely to be the impact on business behaviour, and consequently on the national economy. Taxes and the way you impose taxes and the way people respond to taxes determine how they behave, and how they behave affects an economy.

This 35 and 30 per cent tax has to be added to a 1 per cent tax on a \$1 million profit imposed in 2017. It has to be added to increased contributions to the Green Fund and to the unemployment levy imposed in the 2016 budget. Business in Trinidad and Tobago has been hit by all of these in the last two years, Madam Speaker.

In addition, there are the delays in VAT refunds which impact directly on cash flow of any business affected, and then there is the foreign exchange crunch which continues unabated, unrelieved, without policy-coherent decisions by this Government, and then there is the increased cost of security that you have to add to any business.

When you add the various taxes, the effect of these cumulative increases, the cash flow impact of late VAT refunds, the pressure for foreign exchange and the increased security cost, we have to readily admit that businesses in Trinidad and Tobago are in some trouble.

Let us take investment. To diversify, we need investments outside of oil and gas. The financial sector has been identified for investment growth and expansion, and the financial sector is the only sector that is not in decline at this time, according to the *Review of the Economy*. But why would anyone invest in the financial sector in Trinidad and Tobago of all places with a tax rate which in real terms turns out to be cumulatively about 37 per cent?

So there is no rational link between taxation policy and the International Financial Centre which is an institution that has been designed to promote financial investment, and there is no link either to finance as a driver of diversification in the economy. So the taxation measures undermine your diversification strategy and they undermine your emphasis on finance as one of those sectors that must drive diversification.

You may say that the banks make a good profit and you did say so, Minister, and I agree, and that the financial sector businesses are doing well and that is true in relative terms, but who pays ultimately for increased taxes and who pays for reduced profit margins by the banks or any other businesses—if not the consumer, the ordinary citizen—who must deal with a bank or financial institution to function in the society? Whatever taxes you impose, whatever costs you impose on the business sector, on the corporate sector or on the banking sector, ultimately the person that is hit is the consumer in the marketplace. And therefore, when you are doing taxation you have to think not just of your diversification strategy in the case

of finance or of the role of finance in that diversification strategy, you also have to think ultimately how is that going to hit the ordinary consumer in the system.

What about the business sector outside of finance, Madam Speaker? We have conglomerates, what are they doing in this climate of no confidence, economic decline and recession and scarce foreign exchange? Well, they are investing elsewhere where taxes are more favourable, where foreign exchange is readily available or, at least, more readily available, and where business confidence and consumer confidence are better.

It is quite possible over time that the headquarters of such companies may come to be located elsewhere than Trinidad and Tobago where it makes for them more financial, more economic and more taxation sense for the companies involved.

What about small and medium enterprises in this country? This is the largest group of functioning businesses in Trinidad and Tobago. They are in manufacturing, they are in services, they are in retail and their export capability is limited. How is the Eximbank facility doing with the manufacturing sector, Mr. Minister? Tell us something about that, perhaps it is going well and I certainly hope so. Has it been capitalized? The manufacturing sector is partially dependent, in varying degrees, on imported inputs for their production; and therefore they are foreign- exchange dependent. This facility was supposed to come in, kick in, to create a different stream than the normal banking stream for this particular sector. Is this facility by the Eximbank in use, and are manufacturers drawing on the facility; are they exporting more; are they producing more; are they winning more foreign exchange to repay the Eximbank so that it does not have to be constantly recapitalized; and are they making more profits and growing?

What about the services sector? Are we expanding exports in this sector? When I

was Minister of Planning and Sustainable Development, I left in place an IDB-funded facility to stimulate services investment at home that are export oriented and to support ICT services businesses to export more.

I know the Minister of Planning and Development is supportive of this project, and I just want to ask: Are we making any headway in making foreign exchange earnings possible in this service sector; and what is happening with exports generally?

I saw the Minister of Trade and Industry recently renaming exporTT as Export House now. What difference will that make if you change the name and all else remains the same? ExporTT spokespersons say they will double exports by 2020. How; what are the products; what are the markets; what companies? Talk is always cheap and because of that it is plentiful, but actually getting things done requires planned execution, and execution is the missing ingredient with this Government; hence the result, which is dismal performance.

What about the retail sector entirely dependent on foreign exchange, Madam Speaker? I heard the president of the Chaguanas Chamber, Mr. Vishnu Charran, recently speaking about agro-based manufacturing for export and calling on retailers to get involved in such businesses. That will be a good thing if they were able to finesse it, if they were able to manage it, but like everything else it takes time from conception to execution and ultimately, of course, to what really matters, which is results. What is going to happen to the retailers in the meantime? And all of this is directly related to taxes if the economy is shrinking. And this is the point I am making, Madam Speaker.

If the economy is shrinking; if confidence is low, if businesses are doing badly and are not profitable, if exports are not growing, if foreign exchange demand cannot

be met and does not discriminate between import and export activity, some businesses will collapse, banks will foreclose as they are doing already, people will shut their businesses down as some are doing. And who then, Madam Speaker, will the Minister of Finance collect taxes from? [*Desk thumping*] Is it not better to have lower taxes, a buoyant economy, stimulated exports, more foreign exchange earnings, more business and consumer confidence, and more businesses paying taxes, and more consumers paying VAT?

Because I want to say that this VAT-related matter in this particular instance it is about—and I will talk about the policy contradiction—in this particular instance, it is removing the concession to people who are importing high-end cars that do not add pollution to the system, electric, CNG, et cetera.

But this whole business of VAT, the concept of VAT in taxation is based on an economy that is vibrant. It is based on the notion that consumers will purchase, and what will happen is that the repeat of VAT on purchase after purchase will generate revenue for the State or the tax person, for the tax institution.

If you have a weak economy, if you have declining sectors, if you have a situation in which in Trinidad and Tobago businesses are not buoyant, they are looking for greener pastures outside simply to manage their businesses at home because they cannot generate the foreign exchange from here. What is going to happen, Madam Speaker, is that even the VAT domain which requires consumer confidence and consumer participation in the economy is going to be affected negatively.

The flaw in the taxation strategy, therefore, is that you will get less by taxing more. And I want to say that to the Minister, I do not mean that in any way to be overly critical, but you can tax more and get less, which is what we have been seeing; the evidence is there. [*Desk thumping*] And you can get more by taxing less if you

build business confidence, if you attract investment, if you grow businesses, if you focus government expenditure on productive endeavour to stimulate the economy further, and which would also draw in the private sector and action by the private sector. You can do it by growing and expanding exports by diversifying the sources of production and the sources of foreign exchange.

I think, Minister, by going for high taxes and hoping that you will get high revenue, I think that you are on the wrong track. [*Desk thumping*] You are creating a problem, a further problem, rather than providing a solution to a buoyant economy, a growth economy, a diversifying economy an investment-oriented economy.

So value added tax, this is another messed-up situation you might say, Madam Speaker. The Government wants to have a policy on low carbon emission, but they do not want people to take advantage of the tax concession by buying big cars. So here you have a contradiction in policy. I understand why you would do it, but again, from a policy point of view, there is a contradiction. So, a tax VAT is now imposed on hybrid, CNG and electric cars. I would not quarrel with that, but I am talking about contradictory signals given by the Government about policy.

3.15 p.m.

In this particular issue of taxation on high-end cars, which is an imposition of a 12½ per cent VAT cost on the car, VAT raises other issues concerning VAT when you mention the issue of VAT. The \$5.5 billion owed to the private sector business for instance, which was mentioned recently; the \$5.5 billion owed to the private sector, the private sector raised issues about it sometime ago, about two maybe three weeks ago, the Minister of Finance responded in a—I would say, a kind of hostile way to the businesses, and basically every time they respond to the private

sector they take the view that the private sector is the problem, not Government.

You know what, Madam Speaker, the release of \$5.5 billion can do for businesses? And it is their money for refund. You know what that can do if it goes into the business community, legitimately due to them? Do you know the positive impact that so much money can have on cash flow in individual businesses, and in businesses as a whole? [*Crosstalk*] The impact it can have on operations? On operations management? The management of operations? Madam Speaker, I did not say anything but, I mean, they are talking a lot and disturbing me.

Madam Speaker: Members, can I remind you all of Standing Order 53? Again, I point to the fact that you all know the limitations of the Chamber, and therefore if there is going to be talking, please let it be in hushed tones and not sustained. Continue, Member for Caroni Central.

Dr. B. Tewarie: Thank you, Madam Speaker, I appreciate it. Do you know the impact it can have on the management of operations? The impact it can have on receivables? The impact on the circulation of money in the economy, and the sustainable of business clusters? You see, because that is how businesses work. When you tax a business, and the confidence is lost, and you have a problem, and they are not doing well, you have about 20 or 30 other businesses that are suppliers or receivers of one form or another that are affected by the process. And that is what basically stymies ultimately the cluster and creates the conditions in which you really have a kind of shutdown, a slowdown; you really have a contracting of the economy.

Now, I notice that in the IMF report, which I have here, Madam Speaker, they do speak in that report of the need for a tax policy unit. So, I do not think it is just me saying that we have a problem of contradiction of policy, and you have a problem

of how you apply the policy. I think the IMF is saying, and you know they tend to be more subtle than harsh in their pronouncement. When they say that you need a policy unit, it means that policy on taxation is not really coordinated, that something is missing and it needs to have more coherence.

They talk about more comprehensive collections, so I am not being unreasonable when I say that look if you had less taxes and you had more comprehensive collections, if you actually got better compliance. And this is another issue. If you have high taxes people will find means of evasion. If you have reasonable taxes people are more likely to comply, and higher compliance will lead to higher revenue.

And the third thing is that the IMF is also very, very sanguine about the fact that you cannot have policies that are fiscally oriented, or that are taxation oriented, or that have to do with the management of foreign exchange without a very, very comprehensive framework of policy in which these things fit, you see. And this is very important, and I think that is the missing ingredient in all of these budgets.

Remember, we have had three budgets and two mid-year reviews now. We had the 2016 budget, which was Restoring Confidence and Rebuilding Trust: Let Us Do This Together, I do not think we can say that that budget restored confidence and built trust. The second budget, the 2017 budget was, Shaping a Brighter Future: A Blueprint for Transformation and Growth, I do not think we saw any of the structural changes to the economy that would lead to transformation and growth. And in all of these documents, in the 2017 budget for instance, we see on page 13 here, Madam Speaker, the revised revenue for 2016 is \$15 billion lower than originally estimated.

So they made an estimation, we told them here during that particular budget

debate, it would never be realized, and it turned out that the budget was short. In the 2018 budget, which I have here, which is Changing the Paradigm: Putting the Economy on a Sustainable Path, which I do not think will happen. I do not think the paradigm is shifted. I do not think this budget will put us on a sustainable path. It says here again on page 7, total revenue in 2017 was thus roughly \$10 billion lower than envisaged largely because of the shortfall in the above-mentioned areas. So, the taxation policy, the revenue-generating policy, is not working. We are not getting the money from the taxes. We are not raising the money from the VAT. We are not coherent enough in the policy to make things happen in a significant way, and therefore we have no choice—and that is where we are going—but to go into borrowing. And that is the significance of the amendment that the Minister wants on Treasury Bills, and that is the significance of his amendment to section 46(2) of the Central Bank Act in which he amends 15 to 20 and that entire section reads:

“The total amount of outstanding advances made under this section shall not at any time exceed fifteen per cent of that portion of the estimates of annual revenue of the Government which comprises the sum of total recurrent revenues and capital receipts (exclusive of local and external loans) for the financial year in which the advances were initially made.”

So he is taking that up to 20 per cent. Now, the Minister said that, you know, we put the—

Madam Speaker: Member for Caroni Central, your original speaking time is now spent. You are entitled to 15 more minutes, if you wish to avail yourself.

Dr. B. Tewarie: Thank you very much, Madam Speaker.

Madam Speaker: Please proceed.

Dr. B. Tewarie: The Minister and Member for Diego Martin North/East said that

we put the overdraft in permanent overdraft condition in 2012. That is not true and the evidence will show that. [*Desk thumping*] The evidence will show that from 2005, because we went through this in the Public Accounts Committee. We went through this with the Auditor General's report. I wrote to the Governor of the Central Bank asking him to clarify certain things through the secretary of the committee and he wrote back clarifying it. And he made it very clear that the overdraft in the Central Bank was used from about 2005, and that it would fluctuate from time to time, and this was whether a government had a lot of revenue or they did not have revenue.

Because the reason they would use it is because you could get short-term cash which had to be replaced, and that is why governments use it. It is, I think in this particular instance, that we are seeing that the overdraft is going to become a permanent condition for Trinidad and Tobago, and I want to warn against it. We are now about 63 per cent debt-to-GDP ratio in this country, and one of the things that the IMF report talks about in here, and the thing that they are most frightened about, Madam Speaker, is the growing debt-to-GDP ratio, the declining GDP, and the inability of the country under any circumstances to be able to repay that debt. This is a serious, very, very serious matter and I want to—I am looking for a document here which I prepared, I am not finding it.

But the IMF, I think more than anything else, it is concerned about that. It is concerned about the fact that we are not achieving our revenue targets and that the policies are not working. It is concerned about the fact that the expenditure is not going down. As a matter of fact they say at one point that we need a targeted 6½ per cent cut. But I think the more important issue that they raise is the issue of the pattern of expenditure—you know, what is it you spend your money on. What are

your priorities?

Now, the last time I spoke about the IMF, the Member for St. Joseph got up and said since when I am such a fan or a—

Mr. Deyalsingh: You stood up right here. [*Indicates with hand*]

Dr. B. Tewarie: Who?

Mr. Deyalsingh: You stood up right there and said that.

Dr. B. Tewarie: No, no, I said the last time I spoke in this House here I mentioned the IMF and he said he does not understand “why I become such an endorser of IMF policies” and so on. I am not an endorsing IMF policies. The next assessment of Trinidad and Tobago is going to be in 12 months, and what they have given here is a trajectory of where we are at the present time and what is likely to happen over the year, and they take into account what Government has said and they have put forward certain positions.

I am not saying—the IMF report is not to be taken and swallowed, and you do everything that they say. But I think anybody would be foolish and certainly not on this right side of caution if they did not look at the IMF report and see what they are saying and thinking before embarking on policy action and policy initiatives. You must do that. You have to take it into account. And the thing that they are most concerned about is the issue of debt. They are worried that we are going to get ourselves in a situation where we cannot pay, and at that time what we will have to worry about is not so much the IMF coming to take us over here, we will have to be worried about more than that. We will have to worry about things like civil unrest, we will have to worry about the deteriorating state of the economy and what it will do to our intellectual capital. We already have a capital-flight issue in this country with the foreign exchange. We are already beginning to have an

intellectual capital-flight issue because of the conditions in which people are operating.

Anybody who deals with the business community will tell you that people are very concerned about what is happening to their children, whether they should tell them to come back and so on, and you are talking about different ranges of business here. When you talk to people who are abroad and studying, citizens of Trinidad and Tobago in their 20s, in their 30s, they are very worried. So what is required of the Government is to give the country a sense of confidence, a sense of security about what our situation here is and what it is going to be.

And one of the big problems with these budgets, three of them now, is that at the end of the budgets and at the adoption of the measures, as we are doing here today, you do not know what direction the country is headed. [*Desk thumping*] You cannot tell what new stage we are going to arrive at 12 months from now, and what that platform will be to allow you maybe to go on for another 12 months and to build on it, and this is where listening to what the IMF says is important.

It seems from their report that the IMF does view the continuing economic decline and persistence of the recession in Trinidad and Tobago as troubling. Indeed, there are certain things that have alarmed them. The large terms of trade shock, okay, which is now that we do not have the energy exports, we are not getting the revenue from exports in other areas to substantiate it, to replace it. The level of fiscal debt which they anticipate will reach 13 per cent of GDP. The foreign exchange shortage which they talked about, and I must say in reading the IMF report I was quite surprised, because the IMF did not make any recommendation for a dramatic movement of the foreign exchange. They said that that was necessary but they recommended a band within which one might manage the

foreign exchange in order to create the conditions where things are better. They are worried about other things too, for instance what they call the minimal yields of revenue measures, that is to say revenue shortfalls.

Madam Speaker: Member for Caroni Central, I just want to remind you, this is not a general budget debate or a general debate about the state of the economy. I understood some of what you ventured into to tie into the particular measures, but my view is that you are now going outside of that, and I would like you to quickly connect what you are doing to the measures that we are considering.

Dr. B. Tewarie: Okay. Thank you, Madam Speaker. The point I am making, Madam Speaker, is that this is our third budget and we are no closer in terms of the direction [*Desk thumping*] of the economy. This is our third budget and we are no better off in terms of knowing where we are headed. This is our third budget and we are now imposing the taxation measures, and the confidence in the economy is worse than it has ever been before.

And what I am saying, Madam Speaker, is that the Government needs to take into account that nothing will happen in this country without confidence, without investment, without growth. If these things are not seen as the things of paramount concern, the issues that we are dealing with here in this particular Bill, the Finance Bill, will really make no impact on the economy. And at the end of the day what you want are people working, people earning, and an economy in which consumers are consuming, an economy in which business is growing internally—that is to say inside the country—but also growing outside the country, that is to say through exports and so on. And in that particular situation, I think that there are more significant things that need to be done than what the Government is doing now.

Thank you. [*Desk thumping*]

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very kindly, Madam Speaker. Madam Speaker, I have listened in amazement to the Member for Caroni Central, who consistently portrays himself as an economist, someone who is versed in business development, someone who is the purveyor of all knowledge on the economy. And, Madam Speaker, I just want to remind this House and the national community that the Member for Caroni Central has a degree in English; the Member for Caroni Central has never run a business; the Member for Caroni Central has never run even a parlour.

Mr. Charles: Neither you.

Hon. C. Robinson-Regis: I do not portray myself to be a business person. I am an attorney-at-law, [*Desk thumping*] and at this point, I am a Member of Parliament and a representative of the people of Trinidad and Tobago. [*Desk thumping*]

And, Madam Speaker, consistently on each occasion that the Member for Caroni Central stands in this House, he tries to advocate to the people of Trinidad and Tobago that they must have a certain level of lack of confidence in the economy, a lack of confidence in what this Government is doing for the people of Trinidad and Tobago, and for the country that is Trinidad and Tobago. And, Madam Speaker, when we on this side stand and say that they on the other side are unpatriotic, we will say it consistently because on every single occasion that they stand in this Parliament they display a lack of patriotism. [*Desk thumping*]

And, Madam Speaker, let me remind the national community that several decades ago with the People's National Movement in Government, it was those on the other side who consistently told people that they should be fearful, that they should be fearful of the Government that was in power, and as a result of that several persons left this country seek refugee status in Canada. Madam Speaker, I am sure you could remember that. They sought refugee status in Canada. They told the

Canadian authorities a series of untruths, including that the police would not listen to them, including that they were being raped, including several totally untrue statements that resulted eventually in the Canadian authorities saying that Trinidad and Tobago had to be a country that had to have a visa to go to Canada. And that was because of the narrative that was put across by those on the other side. [*Desk thumping*]

And, Madam Speaker, today we are facing a similar situation with the level of fake news that has been taking place and perpetrated by supports of those on the other side, and also just today the Member for Caroni Central is talking about capital flight. We have no evidence of capital flight taking place in this country. Madam Speaker, we have no evidence of businesses saying—[*Continuous crosstalk*]

Madam Speaker: Any Member who intends to join the debate would be given an opportunity to join the debate when the time comes, once I catch their eyes. I am not going to tolerate all of the crosstalk and the improper interjections. Please continue, Member for Arouca/Maloney.

Hon. C. Robinson-Regis: Thank you very kindly, Madam Speaker. We have absolutely no evidence of any capital flight taking place. Madam Speaker, what are the facts? The facts are that, at this time, business is being asked to share in the burden as everybody else in this country. [*Desk thumping*] Madam Speaker, what are the facts? It is a PNM Government that moved the tax rate from 75 per cent to 25 per cent over a period of time. Seventy-five per cent was once the tax rate in this country.

And, Madam Speaker, what are the facts today? The Member for Caroni Central talked about the VAT, the non-repayment of VAT. But during their tenure the VAT non-repayment level was at the level of \$6 billion. And, Madam Speaker,

let me remind you that when that happens, what is really happening is that the Government is taking a loan of the VAT funds. That \$6 billion was another of their loans that they took from the people of Trinidad and Tobago. And, Madam Speaker, we have brought it down at this time to just over \$4billion in the two-year period that we have been in Government. [*Desk thumping*]

Madam Speaker, in addition to that, inflation is down at one of the lowest levels that it has been for the past seven years. Madam Speaker, what is the truth? Unemployment levels are also down. We have not seen any major lay-offs in this country. We have heard them saying that 25,000 people are on the breadline. Totally inaccurate. Totally inaccurate. The official figures show that the number is in the region of just over 2,000 persons. [*Interruption*]

Hon. C. Robinson-Regis: Yes, the official figures show that. And, Madam Speaker, when we ask business people—who are experiencing, as my colleague said, super profits—to pay a little more, what is wrong with that? What is wrong with that? Especially at a time when our country is going through a challenging period.

And, Madam Speaker, despite the fact that this is a challenging period for Trinidad and Tobago, we as a Government have been able to keep this economy stable, and it is expected to experience a slight growth in this fiscal year. And, Madam Speaker, the question that we on this side would like to ask is, why is it so consistent that those on the other side consistently tell the people of Trinidad and Tobago to have no confidence in the economy? To feel that they must not pay their taxes? They do not want to pay property tax, they do not want the people to pay property tax. We have imposed an increase in taxation on the businesses that are doing well, they do not want the business people to pay that tax. What is their

agenda? What is their agenda? And, Madam Speaker, whilst they say do not pay taxes, they would not bring back any of the money that they have taken from the Treasury. [*Desk thumping*] Not one cent!

Mr. Lee: Madam Speaker, 48(6). [*Crosstalk*]

Madam Speaker: Please continue, Member for Arouca/Maloney.

Hon. C. Robinson-Regis: Madam Speaker, the question we have to ask on this side, do you want persons who are not making profits to pay the extra tax? It is the persons who are making profits who we are asking to pay the tax. And, Madam Speaker, despite the fact they are not voluntarily bringing back the money, it will be brought back because we will go and get it. [*Desk thumping*]

Madam Speaker, we have heard the Attorney General talk about follow the money and all the different pieces of legislation that are being brought, every one of them on that side, whatever they took will be returned to the Treasury.

Mr. Charles: Madam Speaker, 48(4), I did not take any money out of the country. [*Continuous crosstalk*]

Madam Speaker: Member for Naparima, is there a point of order?

Mr. Charles: I did say it, Standing Order 48(4), insulting language. [*Crosstalk*]
[*Madam Speaker motions for the Member to continue*]

Hon. C. Robinson-Regis: Thank you very kindly, Madam Speaker. Madam Speaker, I hope the Member for Naparima's conscience is not beating him. But, Madam Speaker, I want to remind our colleagues on the other side that the foreign exchange that has been injected into this economy between 2015 and to date is as follows:

- In 2015 the Central Bank injected into the commercial banking sector US \$2.64 billion;

- In 2016 the injection was US \$1.81 billion;
- 2017 to date, it is US \$1.71 billion.

3.45 p.m.

So, Madam Speaker, when those on the other side talk about lack of confidence that those who are making profits should not pay an additional tax and, in fact, that additional tax in reality, the effective tax rate is only in the order of 18 per cent. So whereas we have said it will increase by 5 per cent, the effective tax rate is only 18 per cent, not 35 per cent. The effective tax rate is 18 per cent. And, Madam Speaker, I see the Member for Caroni Central leaving. [*Crosstalk*]

But, Madam Speaker, let me say that it is not the Minister of Finance saying that, it is not the Minister of Planning and Development saying that, it is trained economists telling us that the effective tax rate is 18 per cent. And whereas the Member for Caroni Central has said, again fake news, that the PNM “doh” like business and the PNM against business, Madam Speaker, it is the PNM that has built business in this country, [*Desk thumping*] because of the number of incentives, hundreds of incentives, that under PNM administrations have been put in place.

Madam Speaker, incentives like the import substitution, there are tourism incentives; there are hotel incentives. In every sphere of business endeavour, the People’s National Movement over the years in Government has put incentives to encourage business in this country. Manufacturers have incentives, agricultural production has incentives, tourism has incentives, education has incentives. Madam Speaker, it is in every sphere of endeavour—senior citizens’ homes have incentives. It is in every—Member for Naparima, I know you would be happy to hear that. It is in every sphere of endeavour.

And, Madam Speaker, I want to remind those who are opposite us that it is clear that they feel that business people should not operate in a way that redounds to the benefit of the people of Trinidad and Tobago and that is why under the tenure of the Member for Caroni Central there was an attempt to give away Invader's Bay without using the proper procedure. That is a situation that we are still dealing with in the courts of Trinidad and Tobago; we are before the Privy Council in that matter.

Madam Speaker, in the same way the Eddie Hart Ground was being used without let or hindrance previously, but under the Member for Caroni Central there was an attempt to stymie the use of the Eddie Hart Ground so that the residents of the area could not use the ground. It is the same attitude that led them to use the land at Chaguaramas in a way that we are still attempting to unravel, because they are of the clear view that businesses should not operate in a way that redounds to the benefit of all the people of Trinidad and Tobago. And that is why we have put at this time, where the Minister of Finance has said, he is shifting the paradigm, all of us must bear the burden of adjustment, business people are being asked to pay more.

Madam Speaker, it was the First Citizens Bank after the 2017/2018 budget was presented said, overall, the 2017/2018 budget unveils a commitment by the present administration to fiscal prudence and continued focus on more sustainable levels of spending. Additionally, Ernst & Young said, the hon. Minister of Finance has attempted to prepare a budget that seeks to provide fiscal incentives, such as promoting housing development and farming. He has also sought to implement revenue-generating measures, such as increasing the burden of taxes on standard rating corporations, commercial banks and energy companies. Madam Speaker,

well-accepted practice.

Mr. Al-Rawi: And fair.

Hon. C. Robinson-Regis: Well-accepted practice, fair to corporations alike across the board, Madam Speaker. And today as we come with the Finance Bill to implement, to legalize those taxes, those on the other side are of the view that that should not take place. But, Madam Speaker, it is in the same breath as what they did with regard to the anti-gang legislation, trying and making every attempt to stymie what is good for the people of Trinidad and Tobago. [*Desk thumping*] Trying with every breath to make sure that what is good for all the people must not be put in place by this Government.

But, Madam Speaker, in the same way that they have not decided to appoint their members to the Vision 2030 Joint Select Committee, that is not going to stop us. We are going to fight crime from the north, the south, the east, the west—

Dr. Rowley: And in the Parliament too.

Hon. C. Robinson-Regis: And we would also fight crime in the Parliament of Trinidad and Tobago if it rears its head. [*Desk thumping*] And, Madam Speaker, in that same way we will ensure that this economy under very challenging circumstances does not collapse, which is what they would like to see happen. [*Crosstalk*] Yes, Member for Naparima, we know that is what you all want, but that is not going to happen under the leadership of the Member of Parliament for Diego Martin West. [*Desk thumping*]

Madam Speaker, we have said consistently that all must share in the burden of adjustment. We have said consistently that all who owe taxes must pay taxes. I take this opportunity to support the Minister of Finance in this, “A Bill to provide

for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”. And, Madam Speaker, all of us on this side will work consistently to ensure that Trinidad and Tobago continues to strive and thrive even during these difficult times, even during these challenging times.

Madam Speaker, I want to pay particular attention to the environmental tyre tax as it is called. One of the major pillars of the Vision 2030 is to deal with environmental issues in Trinidad and Tobago. We have seen a situation developing where persons have brought in tyres that they claimed to be used that are not used tyres or that they claimed to be new that are not new tyres. And this environmental tax is to deal with that issue and also the issue of ensuring the proper disposal of tyres, and that is an important aspect of the environmental issue of recycling.

Madam Speaker, this is particularly heart-warming to us in the Ministry of Planning and Development. Ours is a mission to ensure that this economy which was damaged over the period 2010 to 2015—[*Crosstalk*]—Madam Speaker, ours is a mission to ensure that this economy which was damaged during the period 2010 to 2015 by corruption, by mismanagement, by waste, that this economy is returned to an even keel, is returned to a level of sanity, that productivity and a true work ethic is returned to this country. And by every opportunity, that those of us get to do that, we will do that in the interest of the people, all the people of Trinidad and Tobago. [*Desk thumping*]

Madam Speaker, I thank you.

Mr. Fazal Karim (*Chaguanas East*): Thank you very much, Madam Speaker, for recognizing me and allowing me to make my contribution on this Bill, “A Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”.

Madam Speaker, before I get into the substance of my contribution, permit me to just make a few rebuttals in a sense or responses to my colleague, the Member for Arouca/Maloney. The Member for Arouca/Maloney was indicating in her contribution that we in a sense, if I may paraphrase, find glee and happiness when the economy is not performing well.

Mr. Imbert: That is true.

Mr. F. Karim: And it is predicated on the fact that we are unpatriotic. Madam Speaker, I want to tell you—[*Crosstalk*]

[*Madam Speaker stands*]

Mr. F. Karim: Madam Speaker, those who listen attentively will learn most. [*Desk thumping*] I want to give the unconditional assurance that every one of us on this side, as citizens of this beloved Republic of Trinidad and Tobago, we were born here, we continue to live here and we may die here. We are patriots like anybody else on the other side. Right? [*Crosstalk*] I will not respond to some of my very good friends on the other side. I will leave that to pass, but I want to just say that the aspect of loss of confidence in the economy abounds across everywhere.

Madam Speaker, it is evident that people are not putting their money; they are not investing significantly and there is a Private Motion which I have filed in my name where we are going to debate this extensively. [*Desk thumping*] The evidence is there. People are scared, they are uncertain. I can tell you, for example, from first-hand information of people who I have spoken to, that even persons who are in the School Feeding Programme, while they may have been paid some money, they are still owed substantial amount of moneys. They have

been paid about 10 or 20 per cent up to the month of May, and many of them, I find it very difficult to understand, how will they be able to make ends meet when the new school term starts. I am saying that in the context of this loss of confidence.

Madam Speaker, who it does not happen to will not realize and understand the context. People are dipping into their savings in this country to make ends meet. And then we are also saying that there are several decades ago of this kind of feeling. We are saying as well that people should not be fearful, but we know that people are fearful. They are afraid of losing their jobs. Madam Speaker, they are afraid of so many things in this country. You look at what is happening at the University of Trinidad and Tobago, my colleague, the Member for Arima is asking the union to give him proposals as to how we will continue to survive as a university. So fear abounds everywhere and I “doh” take any happiness or any glee in that. In fact, it bothers me, it concerns me and it worries me when we see this happening, because never have we seen our nation plunge into this level of depression [*Desk thumping*] and hopelessness.

Madam Speaker, if you wanted to know whether there is still capital flight or whether there is still human flight, I can give you two examples. You pass any day or every day by particularly one embassy in Queen's Park West and you will see people continue to line up. And when you ask the question, what are you lining up for? Is it a visitor's visa? Many people want to migrate. And that is the truth. And why are they doing that? People again as well in terms of—you want to get an

example of human flight, locally right here in terms of internal occupational migration, I will give you an example and I am sure my friend, the Minister of Education will understand this first-hand. People are leaving the University of Trinidad and Tobago out of fear that they may lose their jobs and they are looking elsewhere and there is a haemorrhage almost, but I want to get into the substantive part of my contribution, Madam Speaker. But let me just respond with one more item. That aspect of inflation. The Member for Arouca/Maloney indicated that inflation is down. Madam Speaker, anybody who did Economics 101, anybody who would have read *A Textbook of Economics* by J.L. Hanson in room 107 will know—

Mr. Charles: Teach them.

Mr. F. Karim:—that if demand falls if you do not have disposable income, what do you think will happen to the goods and services on your hand, you “cyah” sell it unless the price goes down. [*Desk thumping*] So people “doh” have disposable of income and therefore inflation, it “doh” have inflation. What you have is falling prices. So how come inflation, you are going to boast that inflation is down. Inflation must be down because you “doh” have money to buy goods and services.

Madam Speaker, unemployment as well, we are being told is down. Unemployment is down. But you know what we are being told, why does the Government not tell us how many jobs you have created in two years, in your term of office? But you know where the jobs are; 35,000 jobs are available. Where?—to go and drive truck in Canada. Is that what we are telling our people? And I just want to indicate that for us when we look at the SME sector in Trinidad and Tobago, you will see

that that is a significant part of our economy. In the United States it forms 99.7 per cent. But what we have experienced in Trinidad and Tobago in the post-1970 period which is so eloquently placed by Prof. Selwyn Ryan, when he talks about the reconstruction of our society, is that we have seen the burgeoning of the largest state enterprise sector in the entire Caribbean.

Madam Speaker, I want to get now into the substantive part of the Bill and I want to deal first of all with this aspect of the environmental tyre tax. And what we are being told is that this tax of \$20, and I refer this section, Part IIIA of the Finance Bill and the hon. Minister of Finance did make that connection to the budget speech, particularly with respect to pages 101 and 102. And what he was saying there and what he said this evening as well is that:

1. There were irregularities which were noticed between duties charged on the importation of new tyres and foreign-used tyres.

And my information and investigation reveals that there is some truth to that, that there are some persons—and what I am also told is that within the same container you may have used tyres intermingled with new tyres. So it becomes very cumbersome. And what the Minister of Finance is saying to us is that he is now going to equalize the custom duties in terms of foreign-used tyres and new tyres, both of which will fetch a customs duty of 30 per cent.

Madam Speaker, I find that a bit strenuous especially when there are persons who could afford to buy these new tyres, at the 30 per cent, but there are persons at the lower end of the income ladder in Trinidad

and Tobago who will find a precipitous increase from 5 per cent duty, you are now increasing that to 25 per cent, more to 30 per cent for foreign-used tyres.

Madam Speaker, for some of us who might be able to make those purchases, that will be all well and good. But what about the average person, the person who in fact has lost their job, trying to sell something to eke out a living; persons in the lower level of the income in our society. Madam Speaker, this is not the ability to continue to buy Roadstone or Firestone tyres. You might have to buy Flintstone tyres, because we are going back rather than moving forward. I can give you evidence here in terms of the cost of these tyres and we are being told that in some cases there are 500,000 tyres that are changed annually. In some cases, we have information that it is 1.5 million every year that people are changing, you have these used tyres. And therefore, we find it very difficult and very harsh if you increase at the lower level a 25 per cent increase on used tyres.

Many years ago what used to happen is that you would have a tyre recapping or retreading industry in this country. And people used to buy recap tyres. I remember our home we used to buy recap tyres. And the reason why you buy recap tyres is because you could not afford to buy the brand-new tyres. They were exorbitant in price compared to what you are working for and if you did not have a job it was even worse. And therefore, I find that this aspect of it, if at all, it could be reconsidered, but I know it is going to put an additional burden. When you increase for the poor man in this society that cost of these tyres and particularly in

terms of the foreign-used tyres and he is telling you, this income earner, this vehicle owner, this driver is telling you that I could only afford to buy these tyres at about \$125 for one as opposed to the exorbitant price of the new tyres. When this customs duty is added and it is being said the reason for it is because of tax evasion and also mislabeling.

As a matter of fact, I think it is also important for us—and I think the Minister of Finance, he maintained the import duty on buses and lorries at 15 per cent. But when these tyres go up, the foreign-used tyres, and particularly where people might have to use their vehicles, sometimes to ply the PH trade, what is going to happen to the cost of transportation? It is going to have an impact, and therefore I think it is very important for us to consider the consequences of this sharp increase.

Madam Speaker, I want to come to the aspect now of this \$20 environmental tax per tyre. Recently, I had the opportunity to change tyres on my vehicle and I was told at that tyre shop that you can leave the tyres that you are changing for us to dispose of it and you pay \$5 per tyre or you can take that tyre with you and you can dispose of it. Madam Speaker, I “doh” think that is going to solve anything significantly because if you allow me to take the tyre, I may continue or people who as such may continue to do what they want to do in the way in which they normally will dispose of these tyres. These tyres are a significant health risk in terms of, you know, catchment for water and so on and mosquitoes and all the other things that are dangerous to us as human beings.

But I want to say as well, when you look at that whole concept of the disposal of the tyres, we had seen recently where two mobile tyre shredders are now in place via SWMCOL. And I had the opportunity and I deliberately passed today at the SWMCOL facility to see what was happening there, the shredders. And the two shredders are there but, you know, there are some questions that we would like to ask about these shredders.

Madam Speaker, first of all, I think it is important for us to understand that when we look at where these tyres—you have thousands of tyres that are heaped up right at Sea Lots opposite the Central Market and you have two shredders and when I visited this morning none of the shredders were working. None of the shredders were working. As a matter of fact, my information is when the shredders were brought here in 2014, that they were brought and they were operative, but when the Governments change these shredders ceased to work, except more recently when we saw the evidence of one being used at the Chaguanas Borough Corporation.

The point I am making to you, Madam Speaker, is why is it if we want to have an effective tyre-disposal facility or facilities, why is it that we are heaping up all these tyres at the entrance to our city? And, again, I think there are some important questions that one will want to raise in terms of these. This \$20 that is going to be tax, is it that—and we are told in the information in the Bill that the collection agency is going to be the Customs and Excise Department. I want to say truthfully, I have spoken to a lot of people and even I do not fully understand how this

money is going to be disbursed.

Madam Speaker, it is very clear that there is no effective plan to handle the disposal of these tyres with this cost. [*Desk thumping*] And therefore, I think it is important for us to understand the whole concept as to how we are going to be disposing of these tyres, these hundreds of thousands or millions of tyres which will present a safety hazard. And therefore, I think it is important again for us to understand the context in which we will be operating in terms of the tyre disposal.

Madam Speaker, the cost that one would pay on the average at a tyre shop is like \$3 or \$5. And when I asked these tyre dealers what happens to these tyres when you sell them to these people who collect these tyres, they do not have an idea. They do not know what is going to happen. Although, we are sometimes told, if we find out, that these people who collect these tyres will take them to the tyre shredders at Sea Lots under the jurisdiction with the responsibility of SWMCOL.

Madam Speaker, when we look at how this thing is going to be implemented, the questions we want to ask as well is, when the customs and excise collects these funds as the tax authority, where will these funds go to? Is it that it is going to go into the Consolidated Fund? What is the process by which people are going to be apportioned payments for the collection of these tyres, for the transportation of these tyres to the shredders and also to the disposal of these tyres? I think it is important for us to again make a strong recommendation for some of these things to be legislated.

In fact, I think there should be a system of fines and penalties as opposed to simply a fee to dispose of these tyres. And the reason is simple. I do not think that

people are going adhere strictly to the disposal of these tyres for \$20 per tyre. Imagine, now that you have increased the price of foreign-used tyres for a motor car owner and he is changing four tyres; that is additional \$80 and one does not know how it is going to be disposed of. So I think there are some things that we need to clarify that we have not clarified as yet. I think it is important for the hon. Minister of Finance to give some very strong and very clear guidelines as to the disposal of these tyres.

Madam Speaker, I think as well it is important for us to look at alternative ways in which these tyres could be disposed of. One of the things that I am looking at, and I think that it may be on the drawing board as well, is that you have two shredders that we know of in Trinidad—I do not know of any in Tobago—that will be responsible for shredding these hundreds of thousands of tyres. I saw in one of the official documents, the budget documents, that the Metal Industries Company, Institute of Technology, the MIC Institute of Technology, is now in the process of using their technicians and their engineers to design a prototype shredder. And that is commendable.

But I think it is not sufficient, it might be better if we were to handle the disposal of these tyres on your regional corporation basis. Which is therefore, which means you are going to make it easily accessible if people want to dispose of their tyres. If they do not want to leave it at the tyre shop, if they do not want to pay that additional fee to take it to these collection points under the jurisdiction of the regional corporations at a particularly [*Desk thumping*] designated area.

I think what is also going to happen is that in these regional corporations, we have these health and safety officers who normally walk around and will look at what vehicles are parked obstructing the roadway, we see that regularly, where

debris on the roadway, people mix all kind of concrete on the road itself and lots are not being cleared, so all of these are important while it is an environmental tax, there are environmental hazards. And therefore, it is my strong recommendation that to decentralize, to ensure that there is the effective coordination and there is a willingness of people to properly dispose of these tyres, it might be best under the jurisdiction of the regional corporations, each of whom, all 14, can have their individual tyre shredders in addition to the THA in Tobago. I think that is going to make it very organized and very systematic.

Madam Speaker, I think as well what is important is the whole aspect of the record keeping of these tyre shops. It might be cumbersome, it might be an administrative burden, but if we cannot track where these tyres are going, one does not know what is going to happen to them. As a matter of fact as well, I saw recently where the hon. Prime Minister, Member for Diego Martin West, visited the Carib Glassworks and he was talking about the fact that recycling was going to be on the front burner. But while we are having this tax being implemented we are not hearing very much about the plans for recycling.

4.15 p.m.

In the Canadian system, Madam Speaker, if you wanted to dispose of your tyres, you could have done that at the place where you bought the tyres, whether it is Walmart, or wherever it is, and you could have left it there, but also, you could have taken it yourself in your vehicle to a recycling plant. And how it works is that when you take your vehicle to this recycling plant, they weigh your vehicle, and when you are coming back out, they weigh your vehicle, and the difference in terms of what you would have left at the recycling plant they charge you for that. So it is a very efficient system. And I am indicating, as well, I think the time has

come for us to ensure that we have compliance with the law.

Madam Speaker, if you look at what is happening in terms of the regional corporations, you have a lot of these persons who go around, even in terms litter warden-type of persons, the assistants, but the question is, you pass back and you see that things are unattended to. And what is happening? How effective is it? And one of the reasons why it is not very effective is that people are not brought to justice. They are not being charged properly, and action is not being taken against them consistently.

I want to also give another suggestion. It is not a novel suggestion but when you look around the world you will see that a lot of cement factories—and I have the examples of some of them here from the United States; a whole list of cement factories which I have and I have researched—they use disposed tyres to fire their kiln. We have Trinidad Cement Limited here, and I know for a fact that this discussion had taken place many years ago, but never materialized. Why is it not possible, as well, so that we can save on our fossil fuels? We could save in terms of this whole aspect of diversifying the economy. We could save valuable foreign exchange. We could look at the opportunity cost of not using natural gas to fire these kilns, but use the discarded tyres to assist in that regard. So I think in addition to the kilns, and so on, I think it is important for us to examine what are the opportunities that are available to persons who would like to get into some kind of industry. I think it is important for us to ask some very important questions.

Madam Speaker, for four decades Trinidad and Tobago has been plagued with this perennial problem of illegal and indiscriminate dumping of used tyres, and I want to just say, rather than—and, you know, it is easy to be accused of scoring cheap political points, but the truth is, and the facts are, that the only time that we had the

introduction of tyre shredders was under the People's Partnership Government in 2014 [*Desk thumping*] and they were installed and commissioned and they are very important in terms of the environmental upkeep.

And I want to ask the questions again: Should we therefore be discussing investment incentives instead of a tax on tyres? As I indicated earlier on, it seems as though that we have forgotten the characteristics of a good tax system, and that should be—and I want to give you five qualities that a good tax system is supposed to have so that it will be applicable but also acceptable.

It should be the principle of fairness. And when we look at this tyre tax from 5 to 30 per cent, we ask the question: Is it a fair tax? It must have adequacy; it must have simplicity; it must have transparency and it must have administrative ease. And, Madam Speaker, I want to submit today to this House that it does not seem as though that we are very clear. Not even the Customs and Excise Department that has to collect this money is very clear, from my investigation. And the persons are sometimes believing that when you pay this \$20 to the Customs for the importation of tax, you still have to pay at the tyre shop. And therefore, there must be very clear and specific and unambiguous guidelines as to how you dispose of these tyres.

Madam Speaker, apart from the fact that we can use these—when you shred the tyres, the question is, so you shred the tyres and what are you going to do about it? I just indicated it is very unfortunate that to the entrance of our city, just walking distance from the main street, you have thousands of tyres that are accumulating water and festering mosquitoes in a place that we say we should be very concerned about.

But the question about it is that what can we do with what has been shredded?

And, Madam Speaker, I am sure it might impress a lot of us to know that what is referred to as the rubber crumb can be used in so many ways. It can be used in sport services and safety mats for children's playground. We also are told that it can be used in equestrian training surfaces and arenas. It can be used as carpet underlay. It can be used for high performing running tracks and sports pitches. It can be used, in fact, as rubberized asphalt for road surfaces. And the research that I have done indicate that where the rubber crumbs are mixed, in a sense, or where it is mixed with bitumen, that the sound that comes out of that when vehicles run on it, is less than if you did not have it, if you had the pure asphalt.

We have seen a situation in Trinidad and Tobago where people are clamouring. In fact, as Members of Parliament, we will all tell you that people come to us often and frequently and ask us whether we can assist them in putting road humps in areas where people speed. I think it is an opportunity for the Government to consider. When you shred these tyres, why can you not mould them into road humps so you do not have to expense yourself in terms of concrete and other things? So why do we not use the business—I think it was the Member for Arouca/Maloney was saying that my colleague talks a lot of business. Well, we are giving you ample business opportunities.

Madam Speaker, I want to just conclude on this aspect of it, because I want to get on to another aspect of my contribution, which has to deal with that of the hybrid, the electric cars and the CNG. Prior to now, we would have heard about certain fiscal incentives for persons to utilize CNG, electric vehicles and also the hybrid vehicles. And the hybrid vehicle, really, "hybrid" means a combination of the CNG and also in terms of the gas or in terms of the electricity.

Now, people are proposing that these vehicles are very useful and they could be

very economical, but the question we have to ask ourselves now, is that, now that the Minister of Finance on the 2nd of October, 2017, indicated in his presentation that there were certain fiscal incentives, to attract persons to use these types of vehicles, the primary reason for doing this was to, in a sense, reduce the dependence on this high fuel subsidy. And again, I asked a question in this very House a few days ago, of the Minister of Energy and Energy Industries, who was here, and I asked him to tell us and to tell the country, how many CNG fuel stations are available for use now, and how many did you propose to construct. The Minister of Finance gave us a figure in the budget speech and he indicated that it was supposed to be about 75 more to be constructed and to be utilized.

And the question one has to ask oneself is, prior to now—prior to today, because he did say and I have the amendment that he has circulated. He has now, in a sense, removed one of the items from the Bill which indicates you are now going to have commercial vehicles. He says it was an oversight. You did not have the commercial vehicles. And therefore, what is going to happen is, you are going to have the private vehicles which will now be increased by the amount of the commercial vehicles.

And Madam Speaker, the question we have to ask yourself as well—[*Interruption*] You said that the incentive that you had, you had some certain fiscal incentives for people who want to use CNG, who want to use hybrid vehicles and so on, and you said that today, in your contribution—maybe I am subject to your correction—that you omitted inadvertently to have the commercial vehicles.

Mr. Imbert: Thank you, Madam Speaker. I thank the Member for giving way. Let me explain. When we introduced the measures last year with respect to hybrid vehicles, it was for all types of vehicles. When we did the Provisional Collection of

Finance Bill, 2017 (cont'd)
Mr. Karim (cont'd)

2017.12.08

Taxes Order this year on the 23rd of October, it interfered with the incentives for commercial vehicles. That was already in place. So we are simply correcting an administrative issue that has arisen.

Mr. F. Karim: Thank you very much, hon. Minister of Finance, but it does not deny the question that one has to ask, is whether you have adequate facilities for the refuelling stations for CNG? [*Desk thumping*] It does not deny the question, whether if you have electric vehicles, whether you have sufficient outlet stations with these power packs? [*Desk thumping*] It does not deny the question—you see, it is one thing for you to be saying that—and that is one of the problems we have on this side. You come and you say these things and you lay on the table different fiscal incentives, but you do not have the infrastructure in place to satisfy the need. [*Desk thumping*]

[*Mr. Imbert stands*]

I will give you way, because you were my boss at one time.

Mr. Imbert: And you were my employee and you were a good employee. You were a good fella. So thank you very much.

Hon. Member: He did not fire him.

Mr. Imbert: Madam Speaker, the concessions for hybrid vehicles—CNG vehicles and electric-powered vehicles, were already in place before this Government came into office in September 2015. We simply modified them. So these issues about whether there were stations and electric charging ports, are applicable to the pre-2015 era as they are now.

Madam Speaker: Your original speaking time is now spent. You are entitled to 15 more minutes.

Mr. F. Karim: Yes, Ma'am. Thank you very much, Madam Speaker. You know,

we get the usual spin. [*Desk thumping*]

Hon. Member: Spinning the wheel.

Mr. F. Karim: In fact, I remember the Member for Diego Martin North/East indicating—and he coined that phrase there that—it is very familiar around the world—the expert syndrome. I remember what you said. But I want to say again; I want to make the point, Madam Speaker, if we have so many hundreds of thousands of vehicles, if you want to incentivize and attract people to move away from this fossil fuel gas, whether it is diesel and whatever have you, and super and premium, and you want to attract them into other areas of fuel and economy fuel, that is, or fuel economy in terms of their vehicles, you must provide the facilities for them.

Is it not going to be a question for someone who is driving a vehicle and going into a long haul drive to not find out whether at the end of that journey there is no refuelling station, or there is no power pack? And again, we know for a fact that this did not start under this administration, but the fact is that you are in charge now, and you have to deal with it. [*Desk thumping*]

Madam Speaker, as I am speaking about—and I am talking about CNG—I want to take this opportunity, really, to commend and to congratulate the National Energy Skills Centre. Together with the NGC, they are in a partnership, in terms of the CNG/NGC and that company was formed under the previous—our administration. [*Desk thumping*] And we are very proud of the fact that we were able to initiate it and to continue contributing to it. I think it is important for the country to note some of the data and the statistics. CNG Engine Fundamental Programmes began in 2015, and that is at the National Energy Skills Centre, and so far, Madam Speaker, since that programme commenced in May 2015 to the current

date, we have—well, NESC has graduated over 57 persons. The programme really goes into a number of areas, important initiatives, for example: Customized CNG Installation Programme, the CNG Installation Programme, the CNG Inspection Programme.

And I think what is important for us to understand so that people will have—again, in terms of the quality of the technical expertise of nationals, and again this is in terms of the NESC and the CNG project with NGC that one of the modules deals directly with bio-fuel and dual fuel systems. As a matter of fact as well, customized CNG Installation Programme—and I know that there is an incentive to attract people in terms of the conversion kit, and again, that is something that was spoken of by the hon. Minister of Finance.

I think it is important for us to indicate as well, some of the aspects of the CNG Installation Programme, because many people will tell you that they are scared about this CNG, with a tank in the trunk and they have had instances where people have had accidents where somebody hits them from behind, and there were experiences in other places where the tank has exploded.

So people have that fear. And I think it is important for us to allay the fears of people, to let them know that the technical competence and training, the quality of the training of our nationals is such that they must be able to confidently drive their vehicles, but to know as well, that we have the expertise resident right here in Trinidad and Tobago to repair and to maintain these vehicles.

So Module 4, for example, in the CNG Installation Programme, comprises diagnose complex faults in CNG fuel systems; Module 5, install CNG fuels storage and distribution systems; Module 6, install electrical control systems, and so on.

Madam Speaker: Members, it is now 4.30. We shall now suspend for tea and we

return at five o'clock. This House is now suspended.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam Speaker: Member for Chaguanas East, you have 10 minutes and 36 seconds. [*Desk thumping*]

Mr. F. Karim: Thank you very much, Madam Speaker. Before the tea break, I was on the aspect with respect to the vehicles—CNG, hybrid and electrical vehicles—and we are all very familiar as to why we would have had this focus on CNG, and I did indicate that one of the reasons was that we wanted to reduce, substantially, the burden we were placed with, with respect to the fuel subsidy and the substantial amount of expenditure in that regard. Well, we know for a fact that CNG, from what we would have read and heard and been told, that CNG is one of the most viable alternatives in terms of fuels, to traditional liquid fuels, for vehicles here in Trinidad and Tobago; that it is cheaper, resulting in substantial savings in terms of fuel cost; that it reduces maintenance costs and, very importantly, it is more environmentally-friendly.

Madam Speaker, on the other hand, I think it is important for us to also identify the fact that with respect to the electric vehicles—because this is something that is new—while we would have had CNG vehicles operating in this country for a number of years and we now have the advent of the electric vehicles, and more recently the hybrid vehicles, and, again, the fact is that these electric cars run, at least, partially, on electricity and from batteries, or from a fuel cell. The public electric fuel stations will be needed to charge the batteries of these electric vehicles which will only be at stations and key destinations. And therefore, I made the point earlier on that not only must we be able to afford a vehicle, and with the new

technology, but that you must have access to important fuelling stations, whether it is in terms of recharging the batteries or in terms of CNG.

Madam Speaker, I think one of the concerns is also that the money spent by the Government to source this increase in electricity—and sometimes there might be the argument that can be allocated to other areas of opportunity—but, again, that is a consumer taste preference and the question people are asking is: Do you think at this time we need to focus extensively in terms of investments in these other areas, diversified forms of transport, when there is an urgent need in terms of health care and in terms of education and the social sector?

There is going to be the increase in the demand for electricity, and this, again, is something that we will have to pay attention to, and that we have been, as I indicated, involved in this aspect of it for quite a number of years and it is very important for us to continue to focus on servicing these new vehicles. Hybrid vehicles have a traditional internal combustion engine and a fuel tank and, therefore, you can switch from one to the next, and they require rechargeable batteries as well.

Madam Speaker, in my few minutes that I have remaining I just want to return to the question of the disposal of the tyres and to ask a number of questions which I hope the hon. Minister of Finance will continue to take note of. I did ask a few and the other ones I want to make reference to is: Would this environmental tax be made available exclusively for environmental enhancement projects, or would it get lost in the Consolidated Fund? And we need to be told that. The other question is: Has the Government addressed the confusion which exists in the minds of tyre dealers, as mentioned in the interview with the Chief Executive Officer of SWMCOL in October when the measure was announced? There is another

question which we want to focus on: Will SWMCOL be the executing agency for collection of this tax? Although we know the fact that it is going to be collected by the Customs and Excise Department, but what is going to be the relationship in terms of SWMCOL as a Government agency that would be responsible for discharging the functions for the disposal of these tyres, and particularly, with respect to the shredding of these tyres? There is an observation as well, on the SWMCOL website when we looked at it, that since 2014 and 2015, very little has happened.

Madam Speaker, I just want to indicate, as well, that scrap tyres, if not properly managed—and I would have made reference to this—can create an environmental nightmare, and that is why it is important for us to ensure that we have the necessary regulations, the necessary legislation. And when one looks at the Canadian system, they have been very advanced in that regard with respect to how they deal with this aspect of scrap tyres. I can give you an example of the Ontario Tire Stewardship Used Tires Programme, OTS, and some of the highlights of that project is that it diverts these tyres away from landfills. Very often when we—sometimes when we come into the Port of Spain area, we will see black smoke billowing from the landfill at the Beetham, and sometimes when you enquire people might indicate to you that what is happening there is the burning of tyres. That will have an environmental hazard in terms of pollution as well.

One of the things that they mentioned in terms of the Canadian experience is that these tyres can create non-toxic shock-absorbent, durable and low maintenance products. And very importantly for us in Trinidad and Tobago, as we engage in this kind of new—a relationship with the environment, if I may say so, in terms of how we dispose of not only the tyres but in terms of waste generally, we can see

the opportunity for the creation of green jobs and the green economy.

Madam Speaker, I think it is important as well for me to remind my friends on other sides, and the nation at large, of what was the social contract that they made with the citizens of this country in 2015 in their manifesto. And on page 31 of the manifesto, which is highlighted as “The Environment”, there are a number of things there that have been listed as areas of priority, and on page 32 it says:

- “Establish a clear action plan for waste management that promotes local recycling.”

Madam Speaker, much has been said about the promotion of local recycling. We know for a fact that some companies are involved in local recycling but I think there needs to be a clear—a policy statement from the Government of Trinidad and Tobago with respect to recycling and now you have a golden opportunity—

Mrs. Robinson-Regis: Madam Speaker, would the Member give way? Thank you very much, Member for Chaguanas East. Madam Speaker, I just wanted to put on the record, with regard to the issue of recycling, we have announced that SWMCOL will be the agency that will deal with recycling. We have already started in a small way with regard to the issue of recycling. Tyres are also on that list of items that will be recycled. We are now in the process of examining the possibility of using tyres in a variety of ways—waste tyres in a variety of ways. In addition to that, SWMCOL is the agency that has been targeted for that specific purpose, and we have made that announcement and we have spoken publicly about the National Recycling Policy.

Mr. F. Karim: Thank you very much, through you, Madam Speaker, to the Member for Arouca/Maloney. But, again, I want to underscore the importance that while much may have been spoken about it, I think the country and the citizens

need to see a very clear, concise, and unequivocal policy statement [*Desk thumping*] with respect to disposal of tyres.

Madam Speaker, as I conclude, I just want to say that what we have been witnessing—and again this is—again, on these two aspects that I am speaking about, with respect to new initiatives, particularly with respect to the disposal of tyres, that we continue to notice that there are no new ideas. A lot of what I have spoken about today, even in terms of the disposal of tyres, even in terms of the hybrid vehicles, there were initiatives that were started years ago and it is not something that is innovative or out-of-the-box thinking.

Madam Speaker, again, I want to remind my friends on the other side that we need to ensure that we continue to run our country without continuing to blame us on this side [*Desk thumping*] for every aspect of life in this country. I think what must happen as well, is that there must be some responsibility on the Government side to also accept blame, if you want to blame us, because you were in charge of running the country and you have been so placed. Madam Speaker, you know and all of us are quite often reminded that a people without a vision will perish, and therefore, we place squarely on the hands of this Government all of these initiatives, and many others, to ensure that their inability and incompetence and contempt do not continue to be shown to the various citizens of this country, including the members of the media who may be asking certain questions.

I want to ask the Government of Trinidad and Tobago, through this debate and this discussion, to ensure that they do what is right to deliver change to the benefit of all persons in Trinidad and Tobago, to make sure that they get their priorities right. There are many things that need to be right, and in that regard, Madam Speaker, I want to say that while we endorse what is going to happen in terms of the

Finance Bill, 2017 (cont'd)
Mr. Karim (cont'd)

2017.12.08

environmental tax, again, I want to come back to where I started to say, I do not think that while we have this tax, we have the mechanisms in place for its effective implementation and administration, and therefore, we want to make sure it is not convoluted, but that the citizens are very clear as to what is going to happen and what are their duties and responsibilities. In addition to that, with respect to the hybrid vehicles, I think we also have to have those correct as well. Thank you, Madam Speaker. [*Desk thumping*]

Madam Speaker: Member for Lopinot/Bon Air West. [*Desk thumping*]

The Minister of Social Development and Family Services (Hon. Cherrie-Ann Crichlow-Cockburn): Thank you, Madam Speaker. Madam Speaker, I thank you for the opportunity this afternoon to contribute to this Bill:

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

Madam Speaker, but before I get into my contribution, I would like to respond to some comments that were made by Members on the other side. The Member for Caroni Central, in his contribution indicated that the corporation tax may discourage investment in the banking sector. Madam Speaker, I really do not know who the hon. Member is trying to fool, because which investor is going to be discouraged from investing in a sector that realize profits of \$4.2 billion? [*Desk thumping*] Because even with the imposition of a 30 per cent corporation tax, profits would still be in the billions of dollars.

The hon. Member for Chaguanas East indicated that never have we seen this nation plunged into this level of depression, and he was talking in terms of the fact that, you know, so many things were happening and the taxes that have to be paid and whatever. But I want to put on the record this afternoon that never before 2010 to

2015 was there an administration that was so recklessly extravagant and wasteful with this country's financial resources, as was the UNC/PP administration. [*Desk thumping*] And that is why, to a large extent, we are in the situation that we are in, and this is why we have so many people who are perceived to be in this level of depression.

The hon. Member for Chaguanas East also indicated that persons will be confused—the individual will be confused—because they would not know where to pay the \$20 tyre tax. But, Madam Speaker, having looked at the Bill and looked at 27(d)(ii), it states very clearly that that tax is to be paid by the importer of the tyre to the tax authority. So it is not the individual who is going to be paying that \$20 tax.

He also was very concerned about whether we would have sufficient stations to provide CNG. The hon. Minister of Energy and Energy Industries, right in this very honourable House, would have indicated that plans are in train to construct a flagship CNG station at the Preysal Roundabout and there are going to be 12 ports. So it is incorrect to suggest that this Government is moving forward with incentives and programmes and does not have the infrastructure in place.

So, I would now like to get into my contribution. The Minister of Finance would have indicated how this Bill we are looking at today is going to support the 2018 budget and help put our economy on a sustainable path. Madam Speaker, taxes generally are intended to raise revenue so that it can finance Government's expenditure and its annual budget. So we may be asking ourselves, okay, why is there need for these variations of certain duties and taxes and the introduction of fiscal provisions as outlined by the Minister of Finance?

5.15 p.m.

Why is Trinidad and Tobago in this economic position that we are in currently? I heard the hon. Member for Caroni East state it again, the Opposition wants citizens in this country to believe that all that plagues this country now is due to the incompetence of this Government. Nothing is further from the truth. [*Desk thumping*] It is because we have a very competent Government, under the astute leadership of the hon. Dr. Keith Rowley, that this country has not run aground.

Madam Speaker, we are in the position that we are in primarily for, I think, two reasons. One, is the catastrophic decline in revenues from oil and gas with the depressed prices and declining production because we would have witnessed a 90 per cent reduction over a three-year period and, very importantly, the PP/UNC administration, from 2010—2015, was the most profligate administration to ever pass through Trinidad and Tobago. That administration was characterized by mismanagement, corruption, wanton spending.

This PNM Government, when elected into office, we recognize and understand that we are elected to manage and hold the public funds in trust. We are not elected to wantonly spend the public's funds as we see fit. Now, the Opposition tends to justify their spending in terms of we did X and we did Y, we built schools, we built activity centres, but, Madam Speaker, there is a difference in building an early childhood centre that would have cost approximately \$8 million in 2008 and by 2014 that same centre costing \$15 million. There was no such increase in inflation to justify such an increase. In terms of housing, in 2007, the average unit cost approximately \$350,000 under the PNM Government, by now it cost one point something million dollars for that same unit.

Madam Speaker, the Opposition needs to let this country know what happened

Finance Bill, 2017 (cont'd)
Hon. C. Crichlow-Cockburn (cont'd)

2017.12.08

during that period that would have caused such a massive increase in prices, and it was not due to inflation. What was done with the country's money? What was done with our heritage? I submit that most of those projects, the activity centres that were not even needed—I remember the Member for La Horquetta/Talparo indicating that in his constituency there were three activity centres. They were just there. They had just been built. Nobody knows what to do with them, what they were there for. That was one of the mechanisms utilized to siphon out our heritage, the Government's public funds. I stand here today to say to Trinidad and Tobago, we are in the situation that we are in today primarily because of the wanton, wasteful, and reckless spending of the UNC Government. [*Desk thumping*]

And so, Madam Speaker, we need to ask ourselves, when this country was ravaged, was it for private or partisan gain? Who gained from that? The next thing you know, they jump up every so often, okay, go ahead, blame Kamla, blame the UNC, hoping that that statement would shame us on this side into silence. Madam Speaker, I will not be silenced. We will not be silenced. Trinidad and Tobago must never forget what was done to this country. [*Desk thumping*] Never! Throughout history when actions were taken that ravaged a country, or messed with the psyche of a people, what those people did? They constructed monuments so that the people will never forget. Think of the Holocaust. The Jews say we must never forget. After 9/11—[*Interruption*]

Mr. Padarath: They have to forget the PNM.

Hon. C. Crichlow-Cockburn:—they will never forget the PNM because it is the best Government that ever pass through. [*Desk thumping*] And I dare say—[*Interruption*]

Madam Speaker: I understand the banter, but I would not tolerate the shouting

across the floor. We are not in a bullfighting ring. Member for Lopinot/Bon Air West.

Hon. C. Crichlow-Cockburn: Thank you, Madam Speaker. After 9/11, the City of New York saw it fit to erect a monument so that they would never, ever forget what happened to them, what happened to the United States, what happened to them as a city. Madam Speaker, given what has been done to us, we do not have funds to construct a monument, but we will stand on this side, day in day out in this Chamber, and we will speak about what was done by the Opposition so that the people of Trinidad and Tobago must never forget. [*Desk thumping*] This Government has been compelled to make some hard and difficult choices, but those choices were always with the most vulnerable in our thoughts and we also sought to ensure that the vulnerable were not affected by that reform process. And so, Madam Speaker, I want to come now to why it is so important, particularly for the Ministry of Social Development and Family Services to support the Minister of Finance and this Bill.

The PNM's philosophy has always been about caring for and protecting the most vulnerable in society, and we are also about putting people first, and it is so despite our current straitened circumstances we have ensured that we have maintained our social safety net and we have also maintained the income level of our most vulnerable in society. When we speak about the most vulnerable, we are speaking about the poor, the elderly, persons with disabilities, children, pensioners, and I am proud to stand here today and say despite all that has happened, we have been able to maintain all of our grants at the 2017 levels. We require \$4.4 billion to ensure that we can provide income support to our 143,030 persons who receive the senior citizen pension, the disability grant, and the public assistance grants. An

additional \$20 million is required for the provision of general assistance grants. Last year, we would have supported 2,266 persons by providing them with these grants, and just to give some examples of what these grants are. We have the education assistance grant, and this grant is provided to persons who live on our public assistance grant and food card. So you are speaking here about the very poor in our society, and this is to ensure that those persons' children are provided with transport and school supplies so that they can get an education to help themselves out of that situation. We also provided rental assistance to 77 persons; this meant that we prevented 77 families from having to live on the street after they may have been evicted or may have been the victims of a natural disaster. We also have a number of special achievers in our society; these are nationals who would have made a very significant contribution to this country, either in terms of the arts, in terms of business, in terms of music and they have now fallen on hard times in their senior years. We provide them with a special achiever's grant that assists with housing and their medical bills, and we have 42 such persons in receipt of that grant.

We also assist with medical grants, household items and funeral grants.

Madam Speaker, in this country, last year, we had 809 families who, because of their financial circumstances, were unable to bury their loved ones, and the Ministry of Social Development and Family Services was able to assist 809 of them to the tune of \$5.4 million. And, Madam Speaker, that is why it is so important for us to support this Bill here today, because without the revenue that will be generated from this, we will not be able to support our poor and vulnerable citizens as we have been doing over the last two years.

The Opposition is always very gung-ho speaking about the food card and

invariably their comments have a negative nature, seeking to give the public at large the belief that this Government is so wicked and vindictive that we took away people's food cards. I have said time and again in this House, anybody who is no longer in receipt of a food card would either have died, or they would have migrated, or they may have come out of that circumstance and is now able to sustain themselves, or they simply never qualified for a food card and should not have had it in the first place. And so, we have gotten rid of 18,000 such persons, some of them may have been ghosts. But the important thing here today, Madam Speaker, is that having removed those 18,000 people, we have now been able to bring on 10,625 persons who were properly assessed and who we are sure are very much in need of this food card. [*Desk thumping*] And to continue to provide food support to the 27,435 persons, we require \$162 million annually. So yes, we need to impose the corporation tax. We need to get revenue so that we can continue to support the poor and vulnerable in our society.

Madam Speaker, I now want to look at persons with disabilities. There is an estimated 42,000 persons living with a disability in Trinidad and Tobago, and at present we spend \$500 million on the disability assistance grant that is paid currently to 23,625 adults. There are 1,177 children with severe disabilities who are also provided with income support by the Ministry of Social Development and Family Services. We have signed on to the UN declaration for persons living with disability and we are about trying to ensure that persons with disability are included in the very fibre of our society. So to this end, Madam Speaker, we try to ensure that they have fulfilling lifestyles, and to that end we have collaborated with the Public Transport Service Corporation and we have the ELDAMO Service that provides them with transport either en route, or door to door. There are 10,200

persons who utilize this service, some of them on a daily basis. If we were to discontinue this service it means there will be—[*Interruption*]

Madam Speaker: Member with the offending device, please leave the Chamber and get it under control. Please, Member.

Hon. C. Crichlow-Cockburn: Thank you, Madam Speaker. If we were to discontinue that service, it would mean that there would be thousands of persons with disabilities who would not be able to move from their homes, or go to their place of work, or to schools.

Madam Speaker, we would have heard the Minister of Health talk about non-communicable diseases, he would talk about diabetes and the effect it is having on the population, and every year we see a number of persons who have lost their limbs. Last year, we would have provided prosthetics to 44 such persons at a cost of \$1.6 million. We also provided wheelchairs to 97 persons and we have also assisted with the provision of canes, crutches and walkers. All of this requires expenditure, and that is why it is very important that we ensure the passage of this Bill because it is going to assist the Ministry of Finance in meeting its obligations under the 2018 Budget.

Madam Speaker, I want to talk a little bit here now about the now infamous National Enrichment Centre. I have stood on this side of the House and have persons on the opposite side, hon. Members, get up and with a straight face ask, “When is the National Enrichment Centre going to be operationalized?” Madam Speaker, this centre was built under the administration of the UNC/PP. They expended over \$34 million of this country’s funds, and to date we are unable to open and operationalize that centre because from the very basic outset they had a building constructed that was not constructed based on the design. Design

specifications were not adhered to, and to date we have not been able to have that building get the necessary approvals.

They also constructed—I mean, they constructed a National Enrichment Centre that is intended to provide therapeutic services to persons with disabilities, and they constructed a gymnasium that is unable to support those persons. They would have placed an elevator in that building, that if you enter with a wheelchair you better be able to reverse because you cannot turn in that elevator, and the bathrooms are not built to code so persons with disabilities cannot utilize the bathrooms. We also had to completely redo the sewer system. So here it is, we have an administration that professes to love and care for the people of Trinidad and Tobago but would have expended \$34 million on a building that cannot be utilized for the purposes for which it was intended, and this Government has thus far expended an additional \$4 million in trying to be able to get the persons who need this building to have use of it, and that is a serious indictment against the Opposition.

Madam Speaker, there are a number of socially displaced persons in our society. We recognize that the socially displaced and treating with street dwellers is a complex social problem and for us to properly address it requires a collaborative multisectoral approach, and it was to this end that we decided to constitute a working committee that has looked at the current situation with street dwellers. They have made a number of recommendations that were forwarded to Cabinet and have received Cabinet's approval. And so, we are now in the process of developing our continuum of care that will ensure from the time we engage street dwellers, until they are placed in transitional housing, there is a proper process to bring them back and have them fully integrated into society. But however, there is

need for us to construct and have in place assessment centres and shelters. In the short-term, we have identified a building at the corner of Duncan Street and Independence Square. It is the old IDC Building and we are looking to retrofit and outfit that building so that in the short-term we can start in Port of Spain and have an assessment centre, a shelter and some transitional accommodation so that persons in Port of Spain can be provided with support.

This is very important for Trinidad and Tobago because most of us who walk through Port of Spain, or most of our cities, recognize that the issue of street dwelling is a serious problem, and with the plans that we have developed, and we have developed those plans in conjunction, public/private and civil society, we are going to see a reduction in the number of street dwellers on our streets. In the longer-term, we are going to erect our flagship assessment centre and shelter at the corner of Piccadilly Street and South Quay, and for this financial year it was our intention to finalize the design for that centre and hopefully have a sod turning. Madam Speaker, I mean, this suggests to any right-thinking person there is need for us to close that gap between our revenue and our expenditure, and this Bill is intended to help us do that.

Madam Speaker, a society is judged by how it treats with its elderly, and this is why we ensure that income support is provided to the elderly in our society, and we provide them with opportunities for active and fulfilling lives. Currently, we have 93,677 persons provided with the senior citizen pension. This is at a cost of \$3.5 billion annually. We also have our community care programme. I would have spoken about that earlier when I responded to a question from the hon. Member for Oropouche East. There are a number persons who would have been hospitalized, they would have received treatment and have been discharged, but they have

nowhere to go. They do not have a home, they do not have families, and they do not have any income, and to this end we have a community care programme where we have those persons housed at facilities. Currently, there are 55 such persons at 17 different facilities throughout Trinidad and Tobago, and this cost us \$621,000 last year.

We also provide financial assistance to seven homes for the aged because there are occasions when we have persons who may have been living on the street and they require somewhere to live. So we assist them, we send them to the homes and we would pay a subvention to those homes to cover the cost of accommodation and care for those persons. We also provide subventions to 10 senior activity centres, and these centres are intended to ensure that the elderly in the different communities have somewhere that they can go to “when the day comes” where they can socialize, they can exercise, they can learn a new skill. Madam Speaker, these senior activity centres are very well utilized by the elderly in our society.

I want to come to the Geriatric Adolescent Partnership Programme. This is a programme where we train young people between the ages of 17 to 30 years in elder care. Currently, there are 1,085 caregivers within the system and we need to recognize we are an aging society. Currently, the demand for these caregivers exceeds the supply and it is only going to become greater because there are many older persons in the society. A number of them live on their own, they have nobody to care for them; some of them are not well and they require the support. And so, Madam Speaker, this Government will continue to ensure that this GAP Programme is provided, and to keep this programme going we require \$21 million annually. And so, I cannot overemphasize the need for there to be the necessary revenue so that we can do what we need to do.

And of course, the delivery of our quality social services depends on the partnership with civil society. We have NGOs, we have CBOs, we have FBOs, and this afternoon you would have heard me mention that the St. Vincent de Paul Society provides assistance to us in housing and caring for the socially displaced in our society. That is just one of the NGOs that we utilize. As a matter of fact, there are several categories of NGOs that we provide subventions to. We have those who treat with the socially displaced, we have those who run hostels and halfway houses, those who provide services for persons with disabilities, those who support persons with HIV/AIDS, those who support the youth; and then we have three statutory boards, these are the Blind Welfare Association, the Association for the Hearing Impaired and the Lady Hochoy Home. And, Madam Speaker, last year we would have expended \$34.5 million in providing subventions to these entities who in turn support the Ministry in providing a good social service to the people of Trinidad and Tobago.

Madam Speaker, the Ministry recognized that based on our current economic situation there is need to equip persons affected by the downturn with the resources and tools needed to cope both in the short-term and in the long-term. So we collaborated with UWI Centre for Health and Prof. Karl Theodore, and we developed a social mitigation plan aptly themed "Building Resilience to Secure our Nation". This plan targets the vulnerable, those who are in vulnerable socioeconomic situations such as the retrenched, the unemployed, persons with disabilities, poor individuals and families, and pensioners just to name a few. This plan will be implemented on a phased basis starting in 2018, and we recognize that we need approximately \$2 million to commence implementation of the plan in 2018. The programme of activities will include unemployment relief and this is

Finance Bill, 2017 (cont'd)
Hon. C. Crichlow-Cockburn (cont'd)

2017.12.08

providing the basis needs of the persons, health and wellness, educational skills training, employment and enterprise development, and we are going to be utilizing the SEED grant to assist persons in this area.

Madam Speaker, I forgot to mention in terms of the hospital—I will come back to that. Madam Speaker, families. Our national development strategy stresses the importance of protection and support of the family, and we do this through family development. The family is the backbone of our society and we need to ensure that the families are protected and supported because that will determine how our society moves forward, but the Members on the opposite side clearly demonstrated last Wednesday, early Thursday morning, that protection of the family is not important to them when they voted against the Anti-Gang Bill. [*Desk thumping*]

We have a developing gang culture in Trinidad and Tobago, where—[*Interruption*]

Madam Speaker: Hon. Member for Lopinot/Bon Air West, your original speaking time is now spent. You are entitled to 15 more minutes.

Hon. C. Crichlow-Cockburn: Thank you very much, Madam Speaker. We have gang leaders and members who have recruited—[*Interruption*]

Mr. Lee: Madam Speaker, 48(1) please.

Madam Speaker: I had allowed you some latitude. You have so far been tying what you said to the financing under the Bill. Please continue in that vein

Hon. C. Crichlow-Cockburn: Madam Speaker, I was treating with the families because we require funding to provide the services that we provide to families, and to build and protect families. Is not that you know, they do not want to hear the truth [*Desk thumping*] and they do not want the citizens of Trinidad and Tobago to understand that when they voted against the Anti-Gang Bill last Thursday, what they did they in fact voted for the continuation of young boys being recruited, our

daughters being raped, our daughters being taken—sorry, Madam Speaker.

Madam Speaker: I am not going to allow us to go on with the Anti-Gang Bill. Please, deal with what is before us. Please?

Hon. C. Crichlow-Cockburn: Thank you, Madam Speaker. And so, because of the situation in Trinidad and Tobago and because of the impact that gang violence is having on families, we are required to provide training to families. We have to increase our community parenting workshops to ensure that parents can identify gang associations so that they can know based on traits and behaviours of their children, whether they have become members of gangs or are being encouraged to be members of gangs. We have to teach them how to talk to their children about the negative effects of being involved in those types of activities because the end result could be incarceration or death. We also have to provide parents and children with coping mechanisms, and we also have to deal with the whole issue of domestic violence.

And, Madam Speaker, here I want us to just consider that whole issue of gambling. Gambling in Trinidad and Tobago has grown exponentially. We now have a lot of women going to casinos and spending long hours in casinos gambling. We have fathers also going to casinos and gambling. What this means for Trinidad and Tobago is that there are a number of children who are left unattended and are not provided with proper parental support and guidance, and so this is where the Ministry of Social Development and Family Services is going to come in. We are going to provide additional psychosocial support to person who have been affected, either by gambling or any other negative thing, and we are going to establish support groups for parents and families.

Madam Speaker, just as I wind up I want to deal a little bit with the incentives that

have been provided in the Bill in terms of hybrid vehicles, CNG, and electric. This Government recognizes that climate change is real. There has been a 1.8 Celsius increase in temperature since 1961 and the effects are already evident in the Caribbean more particularly in Trinidad and Tobago, and I want to read part of an article in the *Newsday* of Thursday, December 7, 2017, aptly titled “Climate Change already affecting TT”.

5.45 p.m.

And it says:

“The effects of climate change are already evident in this country.

Government has already begun to formulate and implement projects and programmes aimed at reducing or avoiding carbon emissions as we begin our journey towards a low carbon development future.”

And, Madam Speaker, this is what the incentives of these vehicles are intended to achieve, low emissions of carbon into the atmosphere. It says also:

“...earlier this year the heavy rainfall and widespread flooding and landslides associated with Tropical Storm Bret and heavy rainfall during the rainy season brought to the forefront the impact of climate-related disasters...There have been economic losses in the form of infrastructural damage, loss of agricultural crops...and the increase in the price of goods...”

Madam Speaker, it also says that:

“...climate change...”—is threatening—“to severely undermine efforts at achieving economic and sustainable development...”

Madam Speaker, I believe if nothing else is to convince us about the need to support this Bill, this is one of the things.

And it is very costly, because, Madam Speaker, last year as a result of Bret, we provided relief to 1,643 households at a cost of \$10.8 million. In October, when we had very heavy rainfall and flooding, we received 2,795 cases of flooding were reported. We determined that 893 were valid claims and this so far has cost us \$6.6 million. So, Madam Speaker, apart from damaging the environment, it is proving to be very costly.

And there is an article in the *Daily Express* of Thursday, December 7th which says that:

“...Future thunderstorms”—are likely—“to be stronger, larger and wetter”

And while they are speaking about the United States here, we know that the effects trickle down. And so, they say we are seeing increases that are beyond our expectations and by the end of this century, if emissions are not curbed, it is going to worsen.

And so, Madam Speaker, this afternoon, I am standing here in support of this Bill as presented by the Minister of Finance because it is recognized that it is only if we garner the revenue required to support the Budget 2018 and to treat with all of our recurrent expenditure, that we can continue to provide the social services to the vulnerable in our society.

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

Dr. Surujrattan Rambachan (*Tabaquite*): Thank you very much, Madam Speaker. I am very happy to join this debate this afternoon which I consider to be extremely important given the implications of the use of the taxes that are to be collected for the enhancement of life and for prosperity in the future for Trinidad and Tobago, and may I say a sustainable kind of prosperity.

[MR. DEPUTY SPEAKER *in the Chair*]

But I want to begin with the comment of the hon. Member for Lopinot/Bon Air West, the hon. Minister, when she spoke about having to use the taxes for dealing with family life, reconstruction and dealing with the treatment of domestic violence. And I wish to point in that direction of saying that while domestic violence has been with us for a very long time, it so happens that social media and a more empowered woman in the society are now causing domestic violence to become a front-burner issue, and that is very good, that is very important because it must not be swept under the carpet.

But you see, when you live in a society in which the exigencies of the economic situation are such that people lose hope and people are unable to cope and people do not have jobs or the kind of jobs in which they can adequately feed and clothe and house and take care of their families, they develop hopelessness and hopelessness almost also leads to depression. And not only depression, but sometimes to anger and to violence on the part of those upon whom demands are being made in that very family; and some of the domestic violence and abuse that we are seeing is also due to that.

And we have become a violent society, we have become a more angry society because, in my view, of the hopelessness that is being created and the hopelessness that will continue unless there is an injection of policies in the country and economic programmes that will allow people to move from where they are and to have a vision of a better life and better future for themselves and their families. [*Desk thumping*] So I wanted to make that point and to say that.

You see, Mr. Deputy Speaker, when hope disappears, people sometimes fight back in different ways but they also lose the hope to fight back but there will come a time when people will be moved to fight back and the establishment will be the

subject of that attack, and that is something that we have to warn ourselves about, and we must never take people's indifference in a society as a sense and feeling that everything is "gonna to be alright", everything is all right. [*Desk thumping*]

Mr. Deputy Speaker, the hon. Minister, who just spoke, spoke about reckless spending under the People's Partnership Government. Mr. Deputy Speaker, maybe the Minister has a short memory, maybe the Minister has not been in politics as long as I have been, for 37 years, where her memory is probably short about the Government that was known as the "cost overrun Government", [*Desk thumping*] where projects under the PNM were always high in terms of cost overruns. Maybe she has not gone through the list of loans that still exist on the books, and if you go back through the last budget documents, you will see the entire list of loans and some of the very high interest rates that are still being paid on some of those loans. Maybe she has forgotten about the Tarouba stadium and I hate to speak about the Tarouba stadium but maybe she has forgotten about the Tarouba stadium which has now cost about \$1.2 billion. Maybe she is too young to remember the abandoned horse-racing circuit in Caroni where the country went and said "houses before horses". [*Desk thumping*] Maybe she has forgotten that where \$120 million was spent and then the whole project was abandoned, and today, it is still in grass in that particular area. Maybe when she—well, she spoke about the wastage, maybe she has forgotten though, in the last five years, in which—

Mr. Deputy Speaker: Member, again, "she".

Dr. S. Rambachan: Yes, when the Minister has spoken. Maybe the Minister forgot that under the People's Partnership Government, dilapidated police stations were turned into spanking new police stations and several were built; [*Desk thumping*] that schools were built for children; that fire stations were constructed in

Mayaro and one in Penal which is continuing; that roads, bridges, over 600 police vehicles, sporting facilities of the highest world-class calibre, like the cycling track in Couva; the Aquatic Centre.

Mr. Imbert: A point of order, Mr. Deputy Speaker. 48(1). [*Crosstalk*]

Mr. Deputy Speaker: Members, Members. There is one Speaker. Overruled.

Dr. S. Rambachan: Thank you, Mr. Deputy Speaker. [*Desk thumping*] I am just responding to the hon. Minister. Where, you know, and the Minister has probably forgotten that the objective behind the construction of those modern sporting facilities was, in fact, to diversify the economy and to provide a range of income and foreign exchange which will then decrease the propensity to tax the citizens further because there will be alternative sources of income. [*Desk thumping*]

Maybe the Minister overlooked that money was spent in terms of human resource development. You cannot, on the one hand, argue, as both the Government argues and have argued in the past and we argue, that human resource is your greatest asset and then you do not invest in your human resource to be a knowledge, competitive society in the global knowledge economy. You cannot do those things. And this is where we spent money—so, the teaching hospital in San Fernando; the development of the university campus in south Trinidad; the aviation institute that was being developed in Camden and so on. These are important things to speak about because if you have these things running and it can bring you revenue and it can bring you, in particular foreign exchange, then you reduce the propensity to engage in higher personal and corporate taxes to citizens. [*Desk thumping*] That is part of the problem.

Part of the problem is that we have to look at sustainable streams of revenue for the future. So while we talk about taxation and so on, and while we need—yes,

everybody needs to pay taxes, but you can also reduce that burden if you increase the propensity to earn in the future. But maybe the hon. Minister, when she spoke about corruption, forgot about somebody named O'Halloran who ran away to Toronto and the towers that sit there in Mississauga. [*Desk thumping*]

Mr. Imbert: Point of order. 48(1).

Mr. Deputy Speaker: Members, again. Overruled, but Member again, bring your point home as quick as possible.

Dr. S. Rambachan: I am. [*Desk thumping*] I am, because, Mr. Deputy Speaker, with all due respect, when she accused the People's Partnership—

Mr. Deputy Speaker: Member, I ruled. Proceed.

Dr. S. Rambachan: Okay, thank you. And then, the hon. Member spoke about activity centres in the country. I want to remind the hon. Member, through the Member for Diego Martin North/East, that one of the most active and productive activity centres built at a cost of \$850,000 is at Bagatelle, which at the opening, the hon. Member attended, and where one of the most successful police youth clubs exists and where training of students take place and family life is encouraged in an area where people are accustomed to getting killed. [*Desk thumping and crosstalk*]
They did not understand why those activity centres—and you know, when people speak about the People's Partnership Government—[*Crosstalk*]

Mr. Deputy Speaker: Silence.

Dr. S. Rambachan: Well, I do not know who is living there but what I can tell you is that you were there when the police—all the top brass of the police were there and it was opened as a police youth club in Bagatelle, and that is why—[*Desk thumping and interruption*]

Mr. Deputy Speaker: Member, Member. Hon. Member for Diego Martin

North/East, again, please. Go ahead, Member.

Dr. S. Rambachan: Maybe the hon. Member for Lopinot/Bon Air West has not gone to Lopinot and seen the activity centre in Lopinot which is one of the earliest built under the Self-Help Commission and which is very active in terms of classes and empowerment of people and what have you. Maybe she has not gone—the hon. Member has not gone to St. John's Trace in Avocat where they do not have a community centre, but that particular activity centre serves as a learning centre and a homework centre. [*Desk thumping*] Maybe the hon. Member has not gone to Sou Sou Lands in Penal Rock Road where there is one of the most active community centres in Trinidad and Tobago. Every night, they have classes taking place. [*Desk thumping*] Maybe the hon. Member has not gone to Tortuga where Trinal Ghany, a young man has an—there is an activity centre there that is the core of what happens, the centre of what happens in the community. And I can go over and over, to Pastor Lamothe in Upper Coorsal where there is not even water running on the road but an activity centre built there for \$400,000 and the children now have a homework centre with computers and everything else. [*Desk thumping*]

So when you talk about activity centres, talk to me because I was in charge of the URP programme [*Desk thumping*] and the URP programme was used to do constructive things in the country. [*Desk thumping*] You see, people put down the URP Programme, but I want to tell you, under my tenure in charge of the URP programme, you can go and examine the records and you will see the kind of work that was done in terms of infrastructure and facilities in this particular country.

Mr. Deputy Speaker, the Minister spoke about the waste of money but maybe the Minister has forgotten about the number of bridges that were built during our time in the country in areas that were impassable before that or where half the road

alone could be passed. Maybe they have forgotten about the Bull Bull Bridge in Claxton Bay which was the source of so many accidents and loss of lives. [*Desk thumping*] And I say this to you because I want them to go and examine the records of the Ministry of Works for every bridge that was built under my tenure and you will see that every bridge was built within the engineer's cost and I can stand here and say that very proudly today. [*Desk thumping*]

Mr. Deputy Speaker, the hon. Minister talked about grants. Yes, I am very happy to have heard from the hon. Minister that they have been able to maintain the grants programme and to service the senior citizens and what have you. But I also want to gently remind the Minister that it was under the People's Partnership Government, when we recognized that the amount being received by a pensioner was so low and it was a grant, not an old-age pension, we increased it in order to make sure that they could sustain themselves properly and get medicines and buy medicines where they could not get in the hospitals and what have you and have a more decent living in the country. So in response to hon. Member, I wanted to say some of these things.

But then the hon. Member spoke about the need to support the poor and vulnerable and they needed the taxes in order to do that. I agree, you need taxes in order to fund your social services, that is a very noble thing. But you know what? You must not let the poor remain poor and you must not let the vulnerable remain vulnerable. You have to develop programmes that empower them to rise out of their poverty and to reduce the tendency to continue to be vulnerable in the society.

And during our time in Government, there were several programmes that were developed. You know, one of the programmes that really tried to empower persons was one put forward by my hon. friend, the Member for Chaguanas East, the

Workforce Assessment Programme, where someone could have walked into an assessment centre and say, “Look, I am a mason. I need to be tested and I need to be certified.” And they were certified, but that did not give them an opportunity only to work in Trinidad, it gave them an opportunity to work globally [*Desk thumping*] and that is the kind of empowerment we are talking about. Was that a waste of money? Was it a waste of money to set up all the NESC centres across the country that would empower people? That is not a waste of money.

The thing is that, you know, the poor must never remain poor in a society, it is the responsibility of Government to provide the policies and programmes to lift the poor out of their poverty. Where are those programmes? Where are those programmes? For the last two years, there is lot of talk and promises being made by the Government but you have to turn your promises into reality. The vulnerable must be lifted up, otherwise you run into a problem. You run into a problem—there is a problem in this society which is the problem of state dependency and citizens becoming dependants of the State and feeling that the State owes them everything.

You have to wean people away from that, you have to take people out of that altogether. And let me tell you something, if the policies are there, if the motivation is there and if the leadership that inspires is there, people are going to be lifted out of their situation. I will have no problem in grants being given to people to do that, in grants being given to people to improve their housing conditions but this must be tied to a programme of human development so that we can see where these grants are given; it also means that they engage in some of kind of self-development to move out of their vulnerability and to move out of their poverty and that is what I see is missing in a lot of the social programmes that

we are operating. [*Desk thumping*]

And then the hon. Member talked about closing the gap between revenue and expenditure. Yes I agree, you have to close the gap between revenue and expenditure. But you know what? You have to be careful that in doing so in a society that is so economically fragile like ours and where the distribution of income is so badly skewed that you do not destroy those who really have the potential to reconstruct the society and that is the middle class, and the middle class is depleting in this country. In fact, you wonder if there is a middle class at all in Trinidad and Tobago or whether the middle class is now moving lower and lower down the income hierarchy. If the middle class is unable to purchase, if the middle class is unable to spend, then you have a problem.

And, if as my colleague, the Member for Caroni Central said, if it is that increased taxes are reducing the propensity of businesses to keep people and even to survive, and especially where, you know, the recession is still on and businesses are finding a very difficult time to stay with their heads above water, and if people continue losing their jobs and that we do not have a way to help them stay above water, then you are going to have a problem with your middle class. That is where the consumer spending takes place and the economy gets a certain kind of life. So we have to be careful how we tax.

I have no problems with taxing banks 35 per cent. Banks are really passing on, by the way, those new taxes to the people and the consumer has to pay. But I want to say that I think that there are a lot of areas within the public service which I believe are still very inefficient and where we are losing a lot of money in terms of how we spend and how we are being inefficient and ineffective. You know, I could give you several examples which I choose not to do today for very personal reasons, but

I can give you several examples, in some of the state utility companies. The state utility companies where, in my view, they have such a superfluous number of activities to get one job done, that some things that can be done in two visits, take five visits and that kind of inefficiency is leading that company to owe lots and lots of money and not be able to do things.

You really wonder if we—what are our people who are supposed to be so highly trained by the university managing these state companies and public utilities and so on. How come they are not engaging in simple things like process flowcharting in order to see that you could cut out several steps and still get the job done and get other jobs done and increase productivity in the country? So something has to be done? The Minister says he has to keep borrowing money to pay public servants; well at the same time, have we measured what is the real productivity of the public service in terms of the money that is spent and I think it is very important to do that.

And then the hon. Minister talked about the development of gang culture and family life. Look, I am all for legislation that is going to deal decisively with lawlessness and the gang culture. I understand what that Beetham is all about. In 1996, I am driving my—

Mr. Deputy Speaker: Member, you would recall in terms of the Speaker's ruling with regard to going into depth with regard to the gang Bill, so I would like you to tie in your concept pretty quickly, please.

Dr. S. Rambachan: Yes. Mr. Deputy Speaker, you do not legitimize gangs by elevating them to what is called "community activists". The Minister talked about community parenting workshops in these vulnerable areas. I would really like to know how many community parenting workshops really took place? How many?

What was the nature of these community parenting workshops? Did we have any measurement done as to see how effective they have been? How many holistic families were created as a result of these interventions? In this country, there are too many academic interventions, too many academic interventions, but they are not reality-based interventions with measurable outcomes. We need to have a holistic approach to dealing with family life in this country and re-constructing family life. We have to involve the churches more.

And I want to know whether some of these taxes that are being collected would be allocated to voluntary institutions, non-governmental institutions, the civil society institutions? Because, you know, I am of the view and I am firmly of this view, that more social reconstruction is being done of communities by volunteers in the society and had we not had a cadre of committed volunteers through civic societies and through the churches in this country—the temples, the mosques and what have you—we would have been in a far worse position in this country. And I want to advocate that some of these taxes be given to these non-governmental institutions and religious organizations and so on based upon what they might submit as programmes of development in their community if we are to snatch back our communities from the propensity that we see in terms of the gang culture that we talk about.

Mr. Deputy Speaker, it is easy for anyone to use this debate as a highly political tool to criticize the Government on its lack of policies and lack of spending and what have you and so on. It is very easy to do that but I do not need to do that. You know, the policies of the Government are being evaluated and commented upon every day by the citizens of this country who are far more intelligent about what is going on in the country than perhaps you and I. But if I were to do that in here, I

would lose sight of what is more important to me in this debate, which is that I do not want to lose sight of the other side of the economic coin, which is, how are we going to earn sustainable streams of revenue in the future compared to simply relying upon higher and higher taxes, draw down on the HSF and get financing? [*Desk thumping*] That is what I am concerned about.

The hon. Minister of Finance has yet to produce a diversification plan or a plan to take us out of the recession. We are on, in my view, a hold strategy, a holding strategy but how long can we continue to be on a holding strategy. Yes, some of the policies of the Member on the holding strategies have, I would admit, reduced some of the pain that is there that would have been far worse had he not done some of what he has done, but at the same time, we cannot continue to be in a holding strategy forever. We got to get into a growth strategy. We run the risk, if we continue to draw down on the HSF—the one good thing about the drawdown on the HSF, it seems, is that the amount he drew down the last time was equivalent to the earnings on the HSF so you did not really draw down on what I would like to call the capital that was there because the \$286 million—[*Interruption*]—Sorry.

Mr. Imbert: It was less.

Dr. S. Rambachan: It was less but you have not added anything more to the capital because you have earned—

Mr. Deputy Speaker: Member, address the Chair, please.

Dr. S. Rambachan: Yes. Because we have not earned. But you see, eventually such a strategy, where you are spending more than you are earning, will lead to personal, but in this case, national bankruptcy if you cannot get the revenue to cover your expenditure and if your debt-to-GDP ratio continues, and your debt-to-GDP ratio will continue if your productivity continues to decline and you did not

add to the basket of goods and services that form your GDP. So this is important.

And therefore, I want to ask a question that I hope the Minister of Finance can address in his winding-up. He pegged his taxation policies and he pegged all of that—how much he is going to tax, how much he is going to borrow and so on and so forth—on a certain gas price and a certain oil price, and so far, we have seen that the gas price and the oil price have exceeded what he predicted. So what I would like to ask him is what has been the effect of the current oil and gas prices—
[*Crosstalk*]

Mr. Deputy Speaker: Member. Minister of Finance and also Chief Whip, you all are free to use the back of the Speaker's Chair to converse. [*Crosstalk*] Well, you all can do it on the outside. Members, members. [*Continuous crosstalk*] Well, if that is the case, continue to sit and listen in silence. Proceed, Member.

Dr. S. Rambachan: Thank you, Mr. Deputy Speaker. So what has been the impact? I want him to tell us what has been the impact of the current oil and gas prices on revenue projections. And in view of that, are these new revenues—
[*Continuous crosstalk*]

Mr. Deputy Speaker: Chief Whip, I just spoke. Again, Leader of Government Business, Chief Whip, you all are free to use back of the Speaker's Chair or outside in order to converse. Proceed.

Dr. S. Rambachan: So I would like the Minister to indicate to us, you know, what are the impacts so far of these new prices, albeit small, upon his revenue projections and is that going to affect the amount of taxation that he is going to impose, especially indirect taxes because we have seen a number of indirect taxes also taking place. While we talk about the taxes here in the Bill that we are debating, at the same time, we must not forget that fuel prices have increased, that

T&TEC rates are under review, that WASA rates are under review and that Caribbean Airlines has put a \$50 on change of tickets and what have you in Tobago. So indirect taxation is creeping in and maybe there are some that we do not even know about.

Now, Mr. Deputy Speaker, I agree, you know. I do not want to be misunderstood, I agree that these are difficult times where expenditure is not in line with revenue and the Government must either borrow, tax or draw down on the HSF. And the Government has chosen a mix of all three: draw down on the HSF, tax and borrow in different degrees. And the result, the outcome, is really to say, well, citizens you have to pay it you know and the only way we can pay it is higher taxes. And higher taxes are going to increase the cost of living and it is going to force changes in lifestyles

And for those of us who do not want to recognize it, sacrifices are already taking place in a very serious way in many, many homes and families in this country. Real sacrifice is taking place and people are buying less, people are eating less, they are perhaps eating even less nourishing foods and this is a very serious thing. The higher taxes are not only affecting businesses but it is affecting their ability to earn and the first cut they make is in terms of people. People are being sent home.

6.15 p.m.

Some companies I know they are giving some people three days a week, some people two days a week trying to get them going, and I applaud them for that, to keep their heads above water. But I do think that if the Government were to spend some more time in speeding up the construction sector and speeding up what they promised in the budget, then you would have more people working and you would have a more vibrant construction sector, and you would be able to simulate the

economy on a faster basis.

Mr. Deputy Speaker, while you tax, and while you borrow to pay recurrent expenditures, and that is a dangerous thing, borrowing to pay recurrent expenditures, especially when you are not creating the ability to earn money in a country. While you are strangling, you are strangling—you are doing that you are strangling businesses with your inability to pay the VAT refunds, \$5.5 billion. And that has put businesses under severe pressure that the Chamber, that the Chamber has come out now and calling on Government to do that.

And because they cannot pay, cannot get their VAT refunds, they now owe other people and they cannot pay those bills and those people cannot pay those bills and there is a very big spiral of unpaid bills in this country; very, very serious situation of a lot of companies not being able pay their bills. And it is not only the large contractors you know. It is also the small entrepreneurs who are facing this pressure.

You know today, with your simple majority you will pass this Finance Bill. But you know, you have not shown the country how you plan to create a sustainable stream of revenue. That is what the country wants to hear at this stage. People want to know there is a plan and not just a plan to tax, they want to know there is a plan to take us out of this recession. They want to see what you are going to do over the next three years in particular in light of what remains to be stagnant prices in terms of oil and gas.

And while we are at this, in terms of talking about the price of oil and gas, I remember and I relate this to the taxation policies of the Government, I remember the hon. Minister of Finance in one of his very early presentations in the House speaking about transfer pricing and promising to investigate the transfer pricing

Finance Bill, 2017 (cont'd)
Dr. Rambachan (cont'd)

2017.12.08

that has taken place where he claimed, I believe, subject to correction, about \$10 billion the country may be owed because of the way transfer prices took place. And, Minister, I would like to know what has been the research you have done on that and how have you followed up in order to deal with that, because I remember when we were in office, there was a situation where we collected about a \$1 billion in back taxes from an oil company, which was bp and we collected that and—

Mr. Deputy Speaker: Hon. Member, your initial speaking time has elapsed. You have an additional 15. Care to avail yourself?

Dr. S. Rambachan: Thank you.

Mr. Deputy Speaker: Proceed.

Dr. S. Rambachan: Thank you. [*Desk thumping*] Yes, so the transfer prices and the leakages that are taking place. I read it, at one point in time, where it was said that \$45 billion in taxes is still owed to the country. What is being done to collect that backlog of \$45 billion in taxes? Are those taxes subject to a statute of limitation? And if so, you know, how much of it now is not collectible at all? So, if the \$45 billion exist as uncollected taxes, what is being done? Or is it that these taxes you have collected now, you are going to use it to strengthen the Income Tax Division in order to make sure that people go out there and find out what are these taxes to be collected?

But I want to tell you what is happening in the country. Small businesses and small entrepreneurs now find it very difficult to open a bank account and bank their money, for those of you who do not know that. It is very, very difficult to go into a bank and to be able to open an account as a business person. And what is happening is that there is a big underground economy, informal economy taking place now, where people are dealing mainly in cash and therefore the country is

not seeing any of those profits or anything and be able to tax it.

So you have to look at what we are forcing now in the country. You know, the biggest trade in US dollars now is really taking place in the informal economy rather than through the banks, because a lot of people just cannot—and what is the sense of depositing your money in US? You put it into a US dollar account and when you go back to get a few dollars in cash you cannot get it, they say take a cheque. What are you going to do with the cheque when you go overseas? You have no account to deposit it, to use it. That is how you are being treated by the banks. And that is how—so people have decided, with all this pressure, and all this what do I do? I keep the cash in my hand and I run my business on cash. We do not want that, we want to know what is the real business going on in the country so that the country can earn its due.

Hon. Member: Correct—

Dr. S. Rambachan: But that is not happening.

I have spoken about the borrowing of taxes to pay salaries and wages and keep people in jobs and so on. But I want to talk about inefficiency, because you cannot talk about collecting taxes to pay people and continue to be inefficient. Why is it that in local government and I am just using local government as an example, people only work three and four hours of the day, and they go home? Why is it people work three and four hours of the day and they go home? Why is it that trucks that can be utilized to pull material from National Quarries or quarries belonging to the Government, do not pull any loads after 11 o'clock in the morning and they all go and park up and everybody go home and you have paid them for 8 hours of work? So what are you doing—

Mr. Deputy Speaker: Member, again I have given you some leeway, but

remember the Bill is an Act to provide for the variation of certain duties and taxes accordingly. So tie it in quickly, bring your point home please.

Dr. S. Rambachan: And my point is that if you continue to have this massive inefficiency and massive, “huh”, utilization of money for work not done, you will have to continue to tax, tax people to support the inefficiency, when that inefficiency should be turned into productive activity. [*Desk thumping*] It should be turned into that.

Hon. Member: They never thought about that.

Dr. S. Rambachan: You know, I hope that some of the taxes that are collected now are really given to local government. Because in local government, you are paying a lot of people to sit down and to do nothing because it has no materials.

So, Mr. Deputy Speaker, it took them three years—WASA took three years to repair a leak in front my home, and when they dug it up, they dug it up and left it with mud and go in my yard you will see there is a big four by four cut they made in my yard and left it there still. I bought a load of crusher run and put it over the thing, and after two months they came and they paved it. No, I am saying—

Mr. Imbert: Point of order, 48(1).

Mr. Deputy Speaker: Again Member, Member for Tabaquite again bring the point quickly, it is not a debate on the whole budgetary allocation. It is on a specific, let us go.

Dr. S. Rambachan: The more you have inefficiency and the more you do not deal with inefficiency, the more you allow wasteful spending and a loss of human potential that can be turned into productive activity and add value to the country, the more you will have to tax. [*Desk thumping*] That is the point, a simple point to understand.

Mr. Deputy Speaker, we talk about hybrid vehicles, I agree with this. I agree with a friendly environment and I agree that we have to reform the environment. But you know what? We are losing a lot of money in the country. You know how many thousands of vehicles are on the road every day and they are violating the laws with respect to their exhaust emissions, and the black smoke and what have you and so on? Where is the EMA who is supposed to do the air quality monitoring of these vehicles, or fine them and contribute to the Treasury?

Mr. Imbert: Point of order, nothing about emissions in this Bill. 48(1).

Mr. Deputy Speaker: Member, again I am allowing you to make the point, just tie it in as we go along.

Dr. S. Rambachan: It is about environmental friendliness and the ability to earn money by prosecuting people who are in fact violating the laws of the country and not dealing with it. [*Desk thumping*] That is what I am speaking about.

So Mr. Deputy Speaker, these are the points I want to make, but in closing, there is one point I want to make again, which is that you are taxing people and bringing a burden to bear without realizing about the structure of incomes in this country. Minister of Finance, through you Mr. Deputy Speaker, there is a labour force of 645,300 persons in this country—that is Central Statistical Office—and do you know that 77 per cent of that, according to the statistics, and I want the country to hear me, 494,775 of that labour force earn less of \$6,000 a month. Yes, they do not pay any taxes, but they earn less than \$6,000 a month; 77 per cent. And this means that just 23 per cent earn above \$6,000, but you know what? Of that 23 per cent, 9.2 per cent earn between \$6,000 and \$8,000; 9.3 per cent, between \$8,000 to \$11,000; 4 per cent above \$11,000 a month; and between \$11,000 and \$15,000 just about 2 per cent. So it is not 1 per cent, it is a 2 per cent country, 2 per cent.

That is a serious situation I am outlining here and if your increased taxes lead to increased prices and inflationary pressures and so on, then you see that 77 per cent, that 77 per cent sits there like a time bomb in terms of social problems in this country. If you do not deal with that you cannot deal with gangs because when people are deprived, they go to places where they feel they can get and some of the people who are moving to the gangs is because they are feeling deprivation.

Mr. Deyalsingh: Mr. Deputy Speaker, Standing Order 48(1).

Mr. Deputy Speaker: And again Member, it is in relation to the gang Bill, we went through that already, come to the point.

Dr. S. Rambachan: Mr. Deputy Speaker, you know, I would have liked to answer my friend what he is commenting on, Port of Spain North/St. Ann's West. What he is commenting about 22—I could answer him, but I choose not to, but there is a very, very good answer I can give him, nothing that would upset him, but which will reveal a certain kind of truth. But Mr. Deputy Speaker, I thank you for this opportunity and I do hope, I do hope, I do hope that these new taxes do not further impoverish the poor people in this country. [*Desk thumping*]

Mr. Deputy Speaker: I recognize you first, the Member for Pointe-a-Pierre.

Mr. David Lee (*Pointe-a-Pierre*): Thank you, Deputy Speaker. As I rise to contribute in this important legislation, at 6.27 p.m. the last time we were here, yesterday, we left at 1.00 a.m. so we have a few more hours to go in this House here this afternoon.

Hon. Members: Only a few.

Mr. D. Lee: Only a few. [*Crosstalk*] Deputy Speaker, I really—because it has so many other Members who have to talk on this Bill, I really want to confine my presentation this afternoon to clause 2 and clause 9 of the Bill. Clause 2 of the Bill,

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

says:

- “(1) Sections 3, 4, 5, 6, 7, 8, and 10 come into operation on 1st January, 2018.
- (2) Section 9(a) comes into operation on such day as is fixed by the President by Proclamation.”

I listened very attentively to the Minister of Finance when he was piloting this Bill this afternoon and he went straight into clause 9 which relates to the Part IIA the “Lottery Winning Tax”, and if you go back and I want to quote from his *Hansard*; this is the hon. Minister of Finance on October 05, 2017, pages 82 to 84. He said:

“I also propose to introduce on all cash winnings by the National Lotteries Control Board a tax of 10 per cent. This measure will take effect from the 1st December, 2017.”

The 1st December came and went and I want to read from a newspaper article December 06, 2017 from the *Trinidad Express* and the headline is “10% Tax on Lotto, Play Whe winnings delayed”. And I quote:

“The plan to impose a 10 per cent tax on National Lotteries Control Board (NLCB) winnings from December 1, has been delayed”.

And I go down in the article, the fourth paragraph:

“However, some NLCB agents complained there were no directives on how they should proceed with this new tax measure.”

But then again in the article:

“In a message dated December 1, agents were told: ‘NLCB prizes remain tax free until further notice, tell your players.’”—this came from—“An official from the Ministry of Finance confirmed via email to the *Express*.”

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

6.30 p.m.

So, Mr. Deputy Speaker, this afternoon the Minister of Finance came and he said, at this point in time, the National Lotteries Control Board is having some implementation issues, and he is saying that he is going to come back to this House and proclaim the lottery winnings tax sometime in early 2018. And he says the delay in implementing this tax—he went on to say—has to do with education and training, et cetera.

Mr. Deputy Speaker, when I look at this clause, I also at this point in time like to ask the Minister of Finance, in his winding up—because this is a new section that he is putting in here in the Miscellaneous Taxes Act. When I go to clause 9, 22E(3) and I quote:

“(3) Where the Board fails to pay to the Tax Authority lottery winnings tax as required under subsection (2), the Board shall be liable to pay interest on the entire sum at a rate of fifteen per cent per annum.”

Clause 9, 22E(4):

“(4) Payment of lottery winning tax under subsection (1), shall be accompanied by a return in such form as may be approved by the Tax Authority and signed by a person authorized by the Board.”

Now, I am asking a question to the Minister of Finance because I found this clause to be a little bit funny, because the National Lotteries Control Board is a state-controlled organization under the Corporation Sole and I think the Minister of Finance is the head or in charge of that corporation. I was wondering why this clause was being inserted here, and I ask a question, maybe in his winding up: Is this clause really to privatize NLCB, Mr. Deputy Speaker?

Hon. Members: Oh God.

Mr. D. Lee: So I throw that out on the table. [*Desk thumping and crosstalk*] Mr. Deputy Speaker, I want to go back to 2012 when the Member for Diego Martin West was the Opposition Leader. In 2012, he stated:

We have to get our economy going. We have to get our revenue streams stabilized.

This is a *Trinidad Guardian*, December 18, 2012, quote.

Mr. Al-Rawi: What is the date? Sorry.

Mr. D. Lee: *Trinidad Guardian*, December 18, 2012. This is a quote from the then Opposition Leader, Dr. Keith Rowley, Member for Diego Martin West, present Prime Minister.

We have to get our economy going; we have to get our revenue streams stabilized; we have to get our investments going and we have to have an environment that is positive and a lot of that depends on having the confidence that those in charge—which is the PP Government at the time—know what they are doing.

This is a quote from the then Opposition Leader.

Mr. Deputy Speaker, for the past five years, 2010 to 2015, the Member for Diego Martin West complained about the economy. For five years he said he had a plan. Today, in 2017, when our nation should be getting its revenue from royalties and divestments and investments coming into this country—procuring revenue due to a blossoming manufacturing sector and service sector while also collecting revenue from the proper diversification thrust of our nation—we are collecting revenues from play whe, taxing tyres, giving the Central Bank more powers to borrow, he is bringing an amendment to Treasury Bills and removing environment policies. I will say this nation has hit rock bottom, that we have had to tax some of the few joys left in our country. [*Crosstalk and desk thumping*] Why not? In the past two

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

years this country has had no significant investment revenue from FDIs. This Bill reminds me of you scraping the barrel to get revenue. [*Desk thumping*]

Mr. Deputy Speaker, I now want to turn to the National Lotteries Control Board that will be the organization that will be responsible for collecting taxes. I have a quote here. I listened to the Member for Lopinot/Bon Air West. There is a *Guardian* article by Gail Alexander, Sunday November 05, 2017. The quote from the article is, the headline, “Probe wanton spending at NLCB”.

Mr. Deputy Speaker, on November 05 2017, there were some concerns within the NLCB about “probe wanton spending”. Even my own Member, Dr. Moonilal, the Member for Oropouche East, in a *Guardian* statement on October 14th the headline, “NLCB Board gets \$40,000 whiskey gift—Moonilal”. And it goes on to list a host of spending by the NLCB board, Mr. Deputy Speaker.

Mr. Deputy Speaker: Member, again, I am giving you certain leeway but tie in your point with regard to the particular Bill we are dealing with.

Mr. D. Lee: The NLCB board is the sole corporation that is responsible for collecting these winning taxes. [*Desk thumping*] That is based on this clause. Clause 9 is all about the National Lotteries Control Board, Mr. Deputy Speaker. [*Desk thumping*]

Mr. Deputy Speaker, I listened to the Member for Lopinot/Bon Air West talk about waste, wanton spending under the PP Government. Under this NLCB, I have an invoice in front of me, the 29th of November, 2017. It was an invoice to the National Lotteries Control Board from a company called Engine 77 Limited—eat drink and jazz music festival tickets—\$600 a ticket, \$14,400. I have a next one here. I know you want to know that. Mr. Deputy Speaker, and there are so many concerns that we have on this side with NLCB.

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

Mr. Deputy Speaker, I come back to this winnings tax that the Minister of Finance has delayed in implementing. I want to ask him for the record, is it due because a letter written to him on the 19th of October, 2017, by the Chairman of the National Lotteries Control Board, one Mr. Marvin Johncilla, and I would read the letter in the *Hansard* because it is interesting—this is the 19th of October. This is after the budget was presented on October 5th, Mr. Deputy Speaker, and the Minister of Finance talked about taxing Lotto, Play Whe, et cetera. So I would read into the *Hansard* this letter. It is addressed to the hon. Colm Imbert, Minister of Finance and the Economy.

Dear Sir

The caption of the letter is:

Tax on Game Winnings—National Lotteries Control Board

Now remember, Mr. Deputy Speaker, the National Lotteries Control Board is in charge of collecting those winnings on behalf of the Government.

Reference is made to your request for additional information re: the implementation of the proposed 10 per cent taxation winnings at the National Lotteries Control Board.

The NLCB reiterates that any tax on all winnings shall be implemented very carefully because of the prevailing conditions as outlined below.

1. The Ministry of Finance expected net return of over \$300 million will be reduced by an estimated \$163 million, 44 per cent, to \$207 million.

So, Mr. Deputy Speaker, what the Chairman of NLCB is telling the Minister, be careful of imposing this tax on the people of Trinidad and Tobago. [*Desk thumping*]

2. Players will be driven to frequent the illegal gaming establishments

which we assess as commanding 4 per cent of the share of the \$19 billion gaming market. That is approximately \$744 million.

So, again, the chairman is expressing concern to the Minister: Hold up, if you go with this tax, the players, the consumers or the punters as I would call them in horse racing, would go to the illegal market.

3. Revenue will be delayed by the third quarter of 2017/2018 financial year, April 2018, due to software changes to our system.

So the chairman is telling the Minister of Finance, do not implement this on December the 1st as you had proposed in your budget because NLCB is not ready with their software system.

4. It is going to have a catastrophic impact on the instant games, Scratch portfolio, as prizes are pre-printed on games which are already in the warehouse.

So the chairman is telling the Minister of Finance, hold up with the Scratch game: do not tax the Scratch game, because we already have those in our warehouse. The games are pre-printed with the particular prizes, because I understand—I am not a gambling man—the Scratch game, sometimes the prize could be a Mercedes Benz, it could be a Navara, a motor vehicle. [*Crosstalk*] I might be the only Chinese that do not gamble. I find gambling very boring. So the chairman is telling the Minister of Finance that this instant game Scratch is already pre-printed, it is in the warehouse and some of the prizes are already in the warehouse. The following are recommended.

NLCB can implement business and marketing initiatives to meet the Government's return target of \$300-plus million through initiatives brought forward from financial year 2018/2019 to current financial year 2017/2018.

They are—

Now, hear what the chairman is telling the Minister of Finance. If he wants to go ahead with this tax, he can do some marketing to increase the sales, because the chairman is weary that sales will drop. So he is saying, do:

- (a) Do a seven-day blitz of lottery sales.
- (b) Expansion of the NLCB portfolio—

Hear this one, Mr. Deputy Speaker.

- (b) Expansion of the NLCB portfolio to include video lottery terminals.

Do you know what video lottery terminals are? Something similar to what the casinos have [*Desk thumping*] that they have now taxed out of existence. In the letter, Deputy Speaker, the chairman is recommending:

- (c) No tax on instant ticket Scratch—which is the game—as surplus is already remitted to the Sports and Culture Fund.

And maybe the Minister of Finance could explain that.

- (d) Tax free a surplus of estimated \$373 million with a rebate initiative.
- (e) A threshold on the winnings—hear this one—of \$5,000.

So he is saying—the Chairman of the Lotteries Control Board is telling the Minister of Finance, not your \$1,000 that you are suggesting. He is suggesting a larger threshold of TT \$5,000. [*Crosstalk*] Hear this one, Mr. Deputy Speaker, in the letter. Let me read it to the Minister of Finance.

Case studies in Jamaica and St. Kitts showed a decline in sales of 57 per cent and 38 per cent respectively after the implementation of this tax on winnings.

So the chairman is telling the Minister of Finance, if you go ahead with this tax, sales on the lottery games will drop, because this is the history pattern of Jamaica

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

and St. Kitts, and this Government loves to use Jamaica as a model.

Mr. Padarath: Tell us by how much.

Mr. D. Lee: Jamaica went down by 57 per cent.

Hon. Member: What?

Mr. Padarath: All that in the letter?

Mr. Deputy Speaker: Member for Princes Town, you constantly—he is capable.

Mr. D. Lee: In relation to No. 2 above—let me remind what No. 2 is. Mr. Deputy Speaker:

(2) Players will be driven to frequent the illegal gaming establishments.

So the chairman is recommending, in relation to (2) above, the illegal gaming establishments.

NLCB's initial impact post-announcement of the 10 per cent winning tax—

So he announced this on October the 5th—this letter is dated 19th of October. The chairman is telling the Minister of Finance, since the announcement on October the 5th, of the 10 per cent winning tax, there has been a 14 per cent drop in sales at NLCB.

Now, it is interesting, Mr. Deputy Speaker, in the Minister of Finance budget presentation, I have tried and looked and see if he had come up with an estimated budget of taxes for this winning tax. So, it clearly shows that the chairman of NLCB, one Mr. Marvin Johncilla—I do not know. I understand— I read somewhere in the newspaper he is related to a senior Cabinet official.

Mr. Imbert: Who?

Mr. D. Lee: I read that somewhere. [*Crosstalk*] So again, Mr. Deputy Speaker, this letter is there. The Minister of Finance, I am sure he has gotten a copy of it. I do

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

not know if that was the reason why he has now delayed the implementation of this winning tax on the public.

Mr. Deputy Speaker, I also happened to come across the implementation plan by NLCB. It is a lengthy document. [*Crosstalk*]

Mrs. Robinson-Regis: Where you come across it?

Mr. D. Lee: Well, sometimes you know, Mr. Deputy Chair, through you, sometimes people find I look very honest [*Laughter*] genuine, genuine, genuine and they would like to share information with me so that I could—I would not use the word “buss mark”. I do not know about bussing mark, but really enlighten the population of what is really going on at NLCB via this thing. [*Crosstalk*] I never said that, I said I came—[*Interruption*]

Mr. Deputy Speaker: Members.

Mr. D. Lee: Mr. Deputy Speaker, so I have this implementation plan, and I also want to—whilst I was looking at this implementation plan, I came across a name in another document called Brian Woods, and I will go to that name shortly. He is a consultant hired by NLCB, set up a company sometime in September 2016. His salary is somewhere about \$54,000 a month as a consultant, but I will get to that later on. [*Crosstalk*]

So, Mr. Deputy Speaker, I have this implementation plan and this is from the National Lotteries Control Board to the Minister of Finance. And he has several different areas. One of the critical things in this plan is really warning or telling the Minister of Finance do not implement this thing like that. We are not ready to do it, there will be a drop of revenue because he is really—this chairman is really saying that since he became Chairman, he was able to grow the revenue and actually send more—remit more profits to the Consolidated Fund and by implementing this tax

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

revenues will drop considerably, Mr. Deputy Speaker.

He showed in this plan what happened in Jamaica when they implemented it, the drop in revenue. They also talked about the illegal play whe operators and there are areas within that is advertised. It is interesting, Mr. Deputy Speaker, that it is advertised—in illegal whe whe, in areas like the Minister of Finance, in Maraval, Saddle Road— I think he is the MP for that particular area—and they are offering 33:1 on the mark. Now, normally, when you go through the lotto booth, I think it is 24:1, but in Maraval, Saddle Road, it is 33:1, I am sure you got the document. [*Crosstalk*] On Charlotte Street, they are offering 32:1; in Arima next to the Magistrates' Court, 35:1.

Mrs. Robinson-Regis: Next to the Magistrates' Court.

Mr. D. Lee: Yeah. 217 Aranguez Road, 34:1. I think Aranguez is St. Joseph—the MP for St. Joseph. [*Crosstalk*] Now there is equality, there is also in Chaguanas. There is also in Chaguanas.

Mr. Hinds: Did you report it to the police?

Mr. Deputy Speaker: Silence.

Mr. D. Lee: I would ask the Minister of Finance, because the same time I got this, I am sure he has it. [*Crosstalk*]

Mr. Imbert: I do not get rubbish.

Mr. D. Lee: NLCB—I want to go to one of the slides. It is a slide presentation, Mr. Deputy Speaker. NLCB has aggressively captured the market share for the financial year 2015/2017 and has grown remittances to the Minister of Finance by 70 per cent with a record of \$319 million. Mr. Deputy Speaker, I am asking questions to the Minister of Finance—[*Interruption*]

Mr. Deputy Speaker: Silence.

Mr. D. Lee: Do you know what is interesting in this document? The Chairman of NLCB is asking the Minister of Finance—they have done their studies—to consider gambling on Sunday. [*Crosstalk*] Well, it is part of the tax system and you want to raise revenues. Maybe that is why it was delayed from implementation so that a software could be created to have gambling on Sundays.

Mr. Imbert: That is what you think.

Mr. D. Lee: So this is there. Very interesting reading, Mr. Deputy Speaker.

Mr. Deputy Speaker: Silence.

Mr. D. Lee: Mr. Deputy Speaker, I now turn to one Brian G. Woods and Associates. It is a letter dated to Mr. Ricardo Borde, who is the acting Director of the National Lotteries Control Board, 12th of December, 2016. And, basically, in the letter, Brian is offering his services to the National Lotteries Control Board at a price of \$800 an hour, monthly of 64 hours a month to the tune of over \$51,000 a month, Mr. Deputy Speaker. And you know what is interesting about that salary? When I looked through in my research, just recently, the National Lotteries Control Board came before a joint select committee and in the *Newsday*—an article in the *Newsday*, 22 November, 2017: “Meagre salaries despite NLCB’s \$300M”—profit. The team that came in front of the joint select committee from NLCB, Mr. Deputy Speaker, was complaining about their salaries and they were not able to attract a proper accountant, an auditor, at the NLCB, based on the low levels of salaries being offered at the NLCB, but we have a gentleman by the name of Brian Woods that can get over \$50,000 a month as a consultant.

Mr. Imbert: Who give him that?

Mr. D. Lee: Well, you should ask the Chairman of NLCB. Mr. Deputy Speaker, what is also interesting at that joint select committee that took place recently on the 22nd of November, before the NLCB board went in front the joint select committee

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

to talk about taxing and winnings taxation, you know what happened? They had four lawyers to prep them before they went in front of the joint select committee. They called it a “JSC moot session” \$4,000 each lawyer got for a one-day session. So when the Member for Lopinot/Bon Air West talks about reckless spending and wanton waste, [*Desk thumping*] right there in front of the Minister of Finance, right in front of his eyes, we have one organization that has a history—because my colleague, the Member for Oropouche East, exposed certain things from that NLCB. I do not want to repeat it, it might be repetitive. [*Crosstalk*] So, Mr. Deputy Speaker, we have some issues with this lottery tax. I want to go to another part of the NLCB. I am calling on the—I know the hon. Minister of Finance is a very honourable man.

Mr. Deputy Speaker: Member. Member. Minister of Finance, you will have your opportunity when you are winding up the debate. I would like to hear the Member for Pointe-a-Pierre.

Mr. D. Lee: Do you know what is interesting also at NLCB? When I listened to the Member for Lopinot/Bon Air West talk about the disabled individuals and so on, I remember being part of the Rotary Club of Port of Spain. We set up a bus service that used to drive around Port of Spain, providing free bus service to disabled individuals and take them to either their place of work or to the hospital and so on. The Rotary Club of Port of Spain had applied to the NLCB to partake and advertise on the bus—to advertise NLCB—and, you know, recently I understand that the Rotary Club of Port of Spain has not been paid by the NLCB for two years to assist displaced people, disabled people throughout Port of Spain. It breaks my heart, Mr. Deputy Speaker, because when I just relate all the wanton waste by NLCB, they cannot even assist an esteemed organization as the Rotary

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

Club of Port of Spain to assist disabled individuals to get to and from home.

Mr. Deputy Speaker: Silence.

Mr. D. Lee: So I am asking the Minister of Finance to look into that. Mr. Deputy Speaker, I have some concerns with this tax. I would not be long, as I said to my colleague on that side, you know, but I have a concern also about things that are happening in NLCB and whether or not this Minister of Finance can really get the taxes that he estimated to get from those winning taxes. I ask him to look at it carefully because there is an inequality when he comes here in this House to talk about taxing the Play Whe. The Play Whe is the small man sort of recreation game. He should also look at taxing—because the winnings from customers who partake in the casinos—*[Interruption]*

Mr. Deputy Speaker: Silence. The Government side, the lower part of the Chamber. Proceed.

Mr. D. Lee: So he should also look at trying to get equality across the board. You have the horse racing industry that the punters are not being taxed at this point in time. You have the casino, winners in the casino. I know they are not being taxed at this point in time. *[Crosstalk]* So, Mr. Deputy Speaker, you know, I ask this Government to really take a look at how they raise taxes. I believe they are scraping the barrel in trying to tax the people out into pauper and I really—*[Interruption]*

Mr. Deputy Speaker: Member, your time has expired. You have an additional 15. You care to avail yourself? *[Crosstalk]*

Mr. D. Lee: Yes, Mr. Deputy Speaker. I heard a comment in the background there. I heard somebody say, “Praise God”. I want to read something here. You know, I think that Member for Laventille West made a statement there, “Praise God”. I

Finance Bill, 2017 (cont'd)
Mr. Lee (cont'd)

2017.12.08

want to get an article. He talked about arrears of lotto agents, Mr. Deputy Speaker, arrears of lotto agents. Not so, Member for Oropouche East? I think you remember the article. He talked about—and I want to ask the Minister of Finance to really present to this House the individuals who owe arrears as lotto agents to this House, Mr. Deputy Speaker. [*Desk thumping*] It might be interesting to see the names, and I leave that right there.

So, Mr. Deputy Speaker, with those few words, I want to ask the Minister of Finance to really look at the kind of taxation he is putting on the poor people of Trinidad and Tobago, and the country and really try to create some innovative revenue streams, as the Member for Tabaquite said, so that we can get back to the prosperity that we knew under Kamla Persad-Bissessar. Thank you. [*Desk thumping*]

7.00 p.m.

Mr. Deputy Speaker: I recognize the Member for Diego Martin Central. You are in the correct seat, Member?

The Minister of Sport and Youth Affairs (Hon. Darryl Smith): Thank you, Mr. Deputy Speaker.

Hon. Member: Wrong seat. [*Laughter*]

Hon. D. Smith: Thank you, Mr. Deputy Speaker. “It doh matter, is one love, is one love.”

Mr. Deputy Speaker: Member for Diego Martin Central, no, I want you in your correct seat.

Hon. D. Smith: I am just representing my Member for La Horquetta/Talparo, my good friend. [*Desk thumping*]. Our thoughts are with him. Thank you, Mr. Deputy Speaker, for giving me the opportunity to join this debate, “An Act to provide for

the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”. Mr. Deputy Speaker, we have had nine speakers thus far in this debate and, I must say, especially from the other side, it has been very taxing listening to them on their side, [*Desk thumping*] no pun intended. First of all, let me thank the Minister of Finance and his team for bringing this to the Parliament, much needed information and Bill for us to go through and ventilate. What I want to recommend to the Minister of Finance is that he should also put in an unpatriotic tax for the other side based on what happened the other day, we will make millions from on that side. [*Desk thumping*] Unpatriotic tax, you could look at that.

Mr. Deputy Speaker, I was supposed to speak before but I think it is a blessing in disguise that the Member for Pointe-a-Pierre beat me to the punch, because I do not think those on the other side or most people here know prior to me becoming Chairman of the Diego Martin Regional Corporation, and I being a businessman myself for years, that I worked for a company called GTECH, and most of the games and thing that you are discussing, it is actually I who designed them. [*Desk thumping*] In fact, you spoke of Jamaica, I was one of the key implementers of the lottery in Jamaica. So I was happy to hear you bring up a number of the points that you discussed there so I could shed some light on the information that you said blew in front your door, but I lived this for five years at a very high level and I could just clear up a number of the wrong information that was given on that side.

Mr. Deputy Speaker, it is no secret when we came into Government in 2015, those on the other side shared over their five-year period, a very

good period in terms of oil and gas revenue. At one time in 2012 it went as high as \$120 a barrel. I think that was the highest that they enjoyed. When we came in 2015 the country, us on this end, the Minister of Finance, the Prime Minister, just like the rest of the country and the world, and the Caribbean, were sold and told certain things from those on the other side when they were in government as if things were good, things were perfect—vote them back in and it will continue. They, well knowing what was the situation but, of course, it was camouflaged. In our tenure coming in, Mr. Deputy Speaker, it is no secret, we know the oil price went down to under \$30 in a very short period. When you look at the graph there is a steep drop and, of course, we, the People's National Movement, preparing for five years in Opposition were working with figures that were there in front of us, and working with figures and information that those on the opposite side when they were in power would have been feeding us in terms of how the country was running.

Mr. Deputy Speaker, they speak of us coming in and not having any plans, but we had a policy, a manifesto which is now policy which was based on those figures that we were seeing in front of us. And everybody must accept the fact that the rug was literally pulled from under our feet very quickly, and we all know for you to diversify, in anything, in your personal life, in a country, you have to have resources; you have to have funds to diversify. In your own personal life you would buy a piece of land. If you were to win the Lotto, or some relative passed away and leave you an inheritance you will renovate the house, or some people

Finance Bill, 2017 (cont'd)
 Hon. D. Smith (cont'd)

2017.12.08

may buy a maxi-taxi, put it on the road, whatever it may be, but diversification can only come when you have resources to do that. A number of speakers on the other side spoke of us, in these difficult times, and our lack, thereof, of even attempting to diversify in these difficult times, but I must remind them, prior to them coming in there were a number of diversification plans that were thrown out on their end. Case in point, this actual building that we are in, Mr. Deputy Speaker, was supposed to be the financial capital for the region. A lot of money was invested into these buildings to have various banks from all over the world come here to invest; Bank of America, Bank of Ghana—
[Interruption]

[MADAM SPEAKER *in the Chair*]

Mrs. Gayadeen-Gopeesingh: 48(1), Madam Speaker.

Hon. D. Smith: Yes, Madam Speaker, as I continue—*[Interruption]*

Madam Speaker: Member for Diego Martin Central, I will allow you some latitude, please continue.

Hon. D. Smith: Thank you, Madam Speaker.

Madam Speaker, I am just replying to what was said on the other side with regard to our lack of diversification. I was going through the history with regard to the plans that were thrown out when elections were called in 2010 and they came in, when oil price was at \$120, and we asked the question what did they do with regard to diversification in that period of time. Madam Speaker, in these difficult times, as you know, we are pushing a number of agendas for diversification; it is not just about taxation. You would have seen, today, the Minister of Tourism with the Minister of Planning and Development, and the Member for St. Ann's East in

her constituency opening the car park area for Maracas beach—finally that is done—[*Desk thumping*] of which I give kudos to her and her team for that, which is all part of our tourism plan. We would have heard of the Sandals plan and project that we have in Tobago, which is part of her plan as well and, of course, those on the other side argue for. So when we do bring things to diversify for us not to only be dealing with taxation those on the other side tend to want to—to use local parlance—“fight it dong”.

You will hear the Minister of Agriculture, Lands and Fisheries, the Senator working very hard with agriculture; these are the things that we could do now in these difficult times to diversify. I as Minister of Sport and Youth Affairs, you always hear them talk of the four nationals: the aquatic, the racquet, the cycling, and so on. Those were things that were planned since Roger Boynes days and Mr. Manning. Again, we all know that time was short with regard to that administration, but, nevertheless, they were opened on time and we are utilizing it. It was a bittersweet taste, you would have seen in the papers here today, that based on resources that we are lacking right now, unfortunately, we could not host the women’s world cup that we were looking at. However, in the same breath, we were able to meet with the development director for ITF yesterday, and for ITTF, which is tennis and table tennis, to make those facilities satellite development hubs for this region where we are going to have athletes from all over the world coming to these facilities to utilize. So in one day it is a give or take that we are living everyday with regard to our jobs.

You would have heard them speak about local government, the Member

for Tabaquite who was a chairman or a mayor at one time, just like myself in local government and, of course, it is exactly what has been our plan in our election campaign where we are going to be collecting taxes eventually, and the Minister for Rural Development and Local Government is working on getting that aspect of it done where taxes are not only going to be collected at these 14 corporations, but the finances that are collected are also going to stay in those locations to do work, to increase the infrastructure and, of course, giving people, especially young people, jobs inside of there.

Madam Speaker, the main thing that was spoken—well, all the clauses that we have here— is the lottery, and for those who do not know how it works, there is something called the Sport and Culture Fund, which is funded by the money and the profits that come in from the NLCB. We work very closely, the Minister of Sport and Youth Affairs and, of course, the Minister of Community Development, Culture and the Arts work very closely with that entity, that body which is from the Office of the Prime Minister to monitor and watch where we work with a number of young people, NGB's athletes that want to travel and so on. Where we cannot help, they help; where they cannot help, culture help, and so on. So we work very closely together, even with the social development, to assist.

But, Madam Speaker, across the world this is the norm with regard to lotteries helping with sport, culture, education and youth. Case in point, in the US, the average revenue that is brought in, in the US from lottery-type games is \$65 billion per year, of which 25 per cent goes to the

Government. This happens in 43 states throughout—[*Interruption*]

Mr. Imbert: Twenty-five per cent.

Hon. D. Smith:—25 per cent goes to the Government. Of course, 5 per cent of that goes to commission to the hundreds of thousands of online machines that you have throughout the country. I will give you an example, the State of Georgia. Once you are a resident of Georgia, and there are a number of other states, and you want to go to a university or college in the State, the lottery pays for you to go to the university for free, whether it is private or public, and there are a number of other states that this happens, based on the Government and the State taxing the winners, and taxing the game itself to pay for the education system. And that is something that we are hoping, with the \$170 million that we anticipate to bring in from the taxes from the NLCB. But it is nothing new, this is something that is done throughout the world with regard to bringing in revenue for governments, and so on.

The Member for Pointe-a-Pierre would have spoken about a number of things, some documents that he would have gotten from wherever he would have gotten them from, the chairman speaking to the Minister of Finance, and some of the information may be true. But with regard to not knowing the information that the Minister of Finance would have with regards to the electronic side of things, and how the games, the liability could be adjusted, but he failed to bring up the point that under their tenure the main integrity of an online game, of a lottery game is the draw, and under their tenure—I was in charge of the draw when I was there. You know, people said there is a man in the machine, and they are

Finance Bill, 2017 (cont'd)
Hon. D. Smith (cont'd)

2017.12.08

picking the numbers, and stuff. There are countries that have the draw live; we used to have our lottery live, the lottery when you used to spin the thing with the glass. You all remember that? And the balls fall out live, and people used to come out in the public and spin it. We used to have the draw at CNMG, then at TTT, under an accounting firm. I think it was PricewaterhouseCoopers or one of them used to be auditing and watching the draws where the public could have gone in and see. But for some reason, under the former Government those draws were moved to a private quarters in somebody's home. The sole—[*Interruption*]

Mr. Imbert: Jerry Hadeed's daughter.

Hon. D. Smith: Who?

Mr. Imbert: Jerry Hadeed's daughter.

Hon. D. Smith: Well, I would not call no names.

Mr. Imbert: Minister Hadeed's daughter. I would call the name.

Hon. D. Smith: Gets the draws at her house?

Mr. Imbert: Yes.

Mr. Hinds: Yes.

Hon. Member: Yes.

Hon. D. Smith: The integrity and the essence of the game is the draw, [*Desk thumping*] and now it is in a private home where nobody knows what is going on inside of there.

Mr. Hinds: By a UNC Minister's house.

Hon. D. Smith: Oh, inside a UNC Minister's house. Okay. Well, the Member for Pointe-a-Pierre, I do not know if he got a document stating that, but that in itself—
[*Interruption*]

Finance Bill, 2017 (cont'd)
Hon. D. Smith (cont'd)

2017.12.08

Hon. Member: That was shredded.

Hon. D. Smith: That was shredded?

Hon. Member: Yeah.

Hon. D. Smith: That in itself shows a breakdown in the integrity of the game, right, [*Desk thumping*] but, nevertheless, just like everything else, Madam Speaker, it is evolving, the games are evolving, and what those documents failed to discuss is, one, Sunday gaming, the original games, the Play Whe came from a game called “whe whe”. In Jamaica they call it Drop Pan. I called it Cash Pot in Jamaica, so they call their Play Whe, Cash Pot in Jamaica. I did the design, the logo and everything, and those games happen on a Sunday, anyhow it is part of the game illegally, and we have mirrored it with Play Whe; Jamaica has done it with Drop Pan to Cash Pot, so having it on a Sunday is part of the game where they have a number of draws.

What is happening now is with technology the “whe whe” men are actually doing the draws via WhatsApp on their phones, right. They are using our draws, right. The liability could be adjusted by a flick of a switch to change. Talking about the reduction of sales since the Minister of Finance making the announcement, to my knowledge, if I recall, during the back-to-school period we always saw a decrease in sales anyhow, because people were focused on spending money on getting their children’s books and shoes, and so on, right. And if you look at the period of time that Pointe-a-Pierre called, sales tend to go up as month end comes and goes down in the middle of the month, and the period that he called there was in the middle of the month, right. So it is a lot of things that could be shut down with regard to the information that was

brought here with regard to the draw.

Madam Speaker, moving back to the Bill with regard to the lottery and, of course, the taxation for the highways and the— where we see in the US, well we all travel to the US. We talked about it in the taxation for the Motor Vehicles and Road Traffic, and so on. In the US, when we all travelled to the major highways they have tollbooths, where before passing it we put in quarters, or what we call, shillings, or you have your SunPass and you could pass through. So they have their way on the spot that they do taxation and so on, with regard to that. There are very novel and innovate ways that people tend to find taxation. And in these difficult times, where we may not have the resources and the revenue that we want to do, it is an opportunity for us to clean up. They sat there for five years and never collected a cent for property tax, right. We now are coming in and, hopefully, by this year coming we will be able to kick that back in. The Republic of Trinidad and Tobago, across the globe, everybody understands and knows that is a normal thing. Nobody is up in arms with regard to that, and we are taking this time to tighten up the leakage.

The Member for Tabaquite spoke about when the Member for Chaguanas West was the Minister of the Environment and Water Resources, since then he had a leak in front of his house, but there is also leakage in taxation, and our part now is to ensure that we could pull that back and tighten up with regards to the resources that we have, and whatever “cacadah”—to use the local parlance—will help. The Ministry of Sport and Youth Affairs, when I came in, the first year, we got \$600

million for our budget; that has been cut in half, and a number of Ministers here have suffered that. We have been cut in half, yet, we were still able to have the best year ever in sport, host the most international events, and the highest level of events. [*Desk thumping*] And that is because, Madam Speaker, we are being shrewd; this has taught us a lesson and, you know, when I came into politics—I was speaking to a number of the older heads—and they told me that, they said coming into politics, the best place is to start in local government, the best place to start is in Opposition—and I am sure some of the older heads will understand that—and, most importantly, the best way to start in Government is during difficult times because it teaches you.

We were here before in 1986 under the NAR. We were here before. I spoke to Jennifer Johnson today, I am meeting with her Monday, and she was giving me some of the stories she as Minister of Sport had to do, and the difficult times that they had, right. And when you compare figures, and we were comparing figures with regards to what she had and it was far less and worse than here, and we were able to come out of it and bounce out of it. And what she said shocked me. She said the only way they did it is because the Opposition and the Government worked together to do it, but we are seeing what is happening here today. We are seeing a difference here today where they want to suppress and keep it down in hope of winning, but the people of Trinidad and Tobago are not foolish. They are not foolish. They are very educated and they are watching, and they would not be fooled because they understand what is going on. They understand the reality. They understand about the oil

price and the revenue, and you cannot do as much diversification as you would have liked in difficult times, and we are doing the best that we can. The Minister of Finance must get kudos for the efforts that he has done bringing this here. [*Desk thumping*]

Madam Speaker, you would have heard a number of other speakers before me, the Minister of Social Development and Family Services, and there are other speakers to come. But in terms of our end with the Ministry, with the cuts that we have had, even with the youth aspect of it where we are trying, we have the Persto Praesto and the Chatham, and so on, these taxes will assist the young people. We talked about the crime situation, and these taxes that are here, based on what we are hearing, just from the NLCB alone, the \$170 million, that will assist us with regards to teaching these young people new trades, to educate them, to get them off the streets, to buy them gear, to maintain the facilities that we have, to host international events, to work with the Ministry of Education to have young people utilizing the communities, with the Minister of Community Development, Culture and the Arts, as well to have various leagues throughout the constituency. And I work with those on the other side all the time, when they request information to get leagues going in their area—with equipment, and so on.

So, Madam Speaker, I would not be too long, we are on the final stretch here. We hope this time that those on the other side will understand and work with us, not that we need them to support us on this side. The people of Trinidad and Tobago understand, and we will work together as one to dig ourselves out of this hole. And, again, once we do that and we

Finance Bill, 2017 (cont'd)
Hon. D. Smith (cont'd)

2017.12.08

come out of it you will see our plans, fulfil itself more with regard to that diversification, but we are working the best that we can with what we have now. Madam Speaker, I thank you. [*Desk thumping*]

Madam Speaker: Member for Caroni East.

Dr. Tim Gopeesingh (*Caroni East*): Thank you. Madam Speaker, and Members of this House, I rise to make a contribution on this money Bill, “An Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters”. My focus this evening would be basically on Part II of the Bill related to the private hospitals. Now, first of all, let me just make it quite clear that I do not have any shares in any private hospital. I once invested in 1987 as a shareholder and a director of St. Clair Medical Centre, but I am no longer there because we lost our money in 1995, because the banks took it over, and so on. So the Private Hospitals Act—and also I want to indicate that I work out of probably four of the 12 private hospitals, medical hospitals, probably working from 1981 to now. Thirty-six years I have been working in the private hospitals and, of course, versus the public hospitals, I have been working in the public hospitals from 1974 to 2007, which is 33 years. So I have a little understanding of the work of the private hospitals, having been a director and a shareholder.

The Minister of Finance brought in some changes to the original Act, that is the Private Hospitals Act, and this Act came into effect, Madam Speaker, from my reading, in 1960, and there have been about five or six amendments to it since then. This amendment that the hon. Minister of Finance has made basically amends section 29, which deals with penalties, and it states that:

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

- (a) to a fine of ten thousand dollars; or
- (b) in the case of a continuing offence, to a fine of two hundred dollars for every day during which the offence continues; or
- (c) to imprisonment for a term of twelve months.”

So that is one part of it, and the next part dealing with the private hospitals is on the Second Schedule which speaks about hospitals, private hospitals less than 30 beds. The fee for that was \$150, it has gone to \$25,000 now, and for those over 30 but less than 60 beds, the fee is \$50,000, and those over 60 beds, \$100,000. Now, I had meant to ask the Minister of Finance what would have motivated him to go into getting some funding from private hospitals, and amending an Act, the fees that are almost 57 years ago.

So, the fees that the Minister is changing, it is the first time those fees are being changed for 57 years. *[Interruption]*

Mr. Imbert: Fifty-seven years?

Dr. T. Gopeesingh: Yes, 1960 to now.

Mr. Imbert: So I must leave it so?

Dr. T. Gopeesingh: No. No. No. But, Madam Speaker, it is good thinking, thinking in the right direction in terms of assisting with the overall revenue generation for the health sector and at a national level. But my colleague, the former Minister of Health, indicated he believes it is a nuisance tax, because, really, you are only getting from that, hon. Minister, only \$1.2 million, approximately. But that is not the issue in itself, and there are other mixed views. I read an article where my colleague had said, “Nuisance tax - says former health minister”, and “Mixed views on new hospital fee” from doctors who own some of

these private hospitals. So there are mixed views on it, but from my perspective nothing is wrong with it, and I hope that the private hospitals take care of that very easily and do not impose any additional fee to patients who would be going there.

But it is a bigger issue in terms of the health sector. Health and education are two cornerstones and fundamental pillars of any civilized society and, therefore, any government, whether it was us, or you now, have to spend money on the health sector. The health sector is a bottomless pit, as the hon. Minister of Health would be experiencing at this time, and it does not matter how much you put money into the health sector, if you do not manage it properly you get less and less reward. So where are we? That \$1.1 million, or \$1.2 million increase, because we only have about 12 private medical hospitals: St. Clair Medical Centre, West Shore, Southern Medical Centre, Gulf View, Victoria Nursing Home, Surgi-Med, Valsayn, Medical Centre, St. Augustine Private Hospital, Stanley's Clinic, Medical Associates in St. Joseph, and there is one in south, Barrackpore Medical Centre and, of course, Community Hospital of Seventh-day Adventists, which has been run by the Seventh-day Adventists since late 1960s. I had the privilege of working in about five of these 12, because my practice has been in North Trinidad.

Now, you have the provision of health care, 12 private hospitals, but you have a number of other private centres which provide health care as well. You have, from my reading and knowledge over a period of time, we have about 150-plus centres across Trinidad and Tobago that do provide some aspect of health care. We do not consider them hospitals, because you will have some of them providing CT scan, MRI, ultrasound, blood testing, dialysis, cardiac catheterization, and there are about 150 of them across the country, some doing good work, and the Minister of Health

will say we cannot rely on some of these results. And so through this, when the Minister of Finance is looking at the Private Hospitals Act and an amendment, I think it is time enough that we examine what is happening at a national level, and I ask the hon. Minister with his technical team to look at this to see where we are in terms of these private centres providing some degree of health care to our people.

We are not comfortable at times with some of the results of laboratory testing, and sometimes when you have a patient and you ask the patient, where did you get your blood test, and you see it, you question it and, therefore, you have to understand where we are. Some of the results read from CT and MRIs might not be as reliable. Some centres are doing the dialysis and—[*Interruption*]

Madam Speaker: Hon. Member for Caroni East, this is a not a general debate on health care, so that I am not going to allow you to go down that road. I thought you were going in a particular way about these additional facilities, but if that is not where you are going, please come back to the Bill at hand.

Mr. Imbert: You lost your way?

Dr. T. Gopeesingh: No, no, never. So the \$1.2 million that the Minister is going to get, I would recommend other ways of improving the income generation for the health sector. We spend about \$6 billion on a yearly basis for health, which is one-tenth of the annual expenditure, which is about 10 per cent. Now, the \$1.2 million is a drop in the bucket for that. So we spent about 10 per cent of our annual revenue, our annual expenditure on health, and \$6 billion of the GDP of a \$130 billion is about 125th, which is about 4 per cent.

So, hon. Minister, 4 per cent of the GDP. Other countries, developed

countries spend between 6 to 7 per cent of the GDP on health care, and some, as much as 15 per cent of their annual expenditure. I remember when I was in Canada specializing in oncology in '88, Province of Ontario was spending between 30 to 35 per cent of their annual expenditure on health care. So, hon. Minister of Finance, we know the difficulties that you have and the country has in expenditure for health. I want to suggest a few areas that you can look at. First of all, in your manifesto there was an area where you said:

“With an appropriate health insurance system, financed by the Government in partnership with the private sector, all members of the public will be able to access high quality health care at any health facility, whether public or private, regardless of their personal financial circumstances.”

7.30p.m.

Now, we have been talking about a national health insurance system for many, many years and Prof. Karl Theodore from the University of the West Indies Health Economics Unit has a team which is still present, some may have changed, which developed a three-volume book on a national health insurance system. And successive Governments, we are also included in that, we did not implement any of that national health insurance plan, and this would help to offset the deficiency in terms of revenue for the health sector.

Now, the national health insurance plan would embody contributions from employees and employers. The employers will contribute a bit, the employees will contribute something, that will be pooled together and they will be able to afford a basic package of health care for any citizen of Trinidad and Tobago to get their

health care whether in the private hospital or in a public hospital. And there would be competition then, for in the public hospitals because they would want to be able to reach the standard that the private hospitals are at now.

Madam Speaker: Member, before I guided you in terms of—I do not understand this Bill to be about health care. I do not understand this Bill to be about revenue generation to be put in the health care system. So that you have changed the approach a bit, but still talking about health care, revenue generation for health care.

So, maybe unless you ask a particular question and allow your colleague on the other side to maybe answer that question, maybe you might go where you are going, but there is no basis on anything that has been said thus far or anything in this Bill. So that I caution you for the second time. Please, do not let me have to caution you on the third time in terms of relevance.

Dr. T. Gopeesingh: Yeah. I have to ask this hon. Minister of Finance whether he would consider such a venture in terms of what he is trying to do, Madam Speaker, by virtue of this piece of legislation in the Bill. He is trying to get money, generate income for expenditure at a national level, it is part of the pot, and everything here in this that we are speaking about today is part of the larger pot to get income for expenditure. [*Desk thumping*] And as the Minister indicated earlier, he has to balance income versus expenditure and therefore, I am giving some suggestions how he can also get other ideas to generate some more income to offset the expenditure.

And therefore, I brought this issue about the national health insurance for consideration and I would not be labour that point, but it is something that your Government could look at, and one of your Ministers sitting now would have been

Finance Bill, 2017 (cont'd)
Dr. Gopeesingh (cont'd)

2017.12.08

part of that from since 1994.

Madam Speaker: All right, Member, could we move on to the next point.

Dr. T. Gopeesingh: Sure. The next point I want to speak about is the health surcharge. The health surcharge generates about—

Madam Speaker: Member, there is nothing about health surcharge in this Bill. Okay? There is nothing about health surcharge in this Bill, so I am not going to allow that, please.

Dr. T. Gopeesingh: Madam Speaker, I am making myself available to make recommendations to the Government for raising revenue [*Desk thumping*] and this is just one of the aspects that the Minister has put in there and I am speaking about other areas where we can raise revenue, so I have mentioned one so I am asking them.

Madam Speaker: Maybe if from my perspective I can offer you some guidance. This not the Appropriation Bill where maybe you can give guidance about revenue generation. Okay? This is not about raising revenue from private hospitals to finance health. This is just about raising, under these two provisions, revenue from the private hospitals. Okay? So that I do not see the relevance of the general discourse about revenue for health or revenue from health to this debate. So, I am allowing you one more opportunity to get on track; if not, I will have to apply the Standing Orders.

Dr. T. Gopeesingh: Right, Madam Speaker.

PROCEDURAL MOTION

The Minister of Planning and Development (Hon. Camille Robinson-Regis:
Madam Speaker, may I move the Procedural Motion because I think that might give my colleague a little time to collect his thoughts.

Procedural Motion (cont'd)
Hon. C. Robinson-Regis (cont'd)

2017.12.08

Madam Speaker, in accordance with Standing Order 15(5), I beg to move that the House continues to sit until the conclusion of the business before it.

Question put and agreed to.

FINANCE BILL, 2017

Madam Speaker: Member for Caroni East. [*Desk thumping*]

Dr. T. Gopeesingh: Madam Speaker, the issue of the private hospitals and the revenue generation, [*Crosstalk*] many people have commented that the public health sector will explode because they just cannot deal with the number of patients who seek medical care. [*Desk thumping*]

Mr. Deyalsingh: Madam Speaker, 48(1). This is not about the public health sector.

Madam Speaker: Member, I would have to ask you at this stage to, please, take your seat. Okay? Minister of Finance.

Mr. Imbert: I apologize. I am sorry.

Madam Speaker: Minister of Finance, you are giving way to the Member for St. Ann's East. [*Desk thumping*]

The Minister of Community Development, Culture and the Arts (Hon. Dr. Nyan Gadsby-Dolly): Thank you, Madam Speaker, for the opportunity to rise in the House and contribute to this Bill. And thank you as well to the Minister of Finance for giving way for a short contribution on behalf of my constituents in St. Ann's East. [*Desk thumping*] Madam Speaker, I would really like to congratulate the Minister of Finance as we discuss these measures that are put in place simply to allow the Government to collect more tax where it is necessary at this point in time.

Taxation is something that could be described as a necessary evil to some, it can be

described as medication that is not easy to take, but over the last couple months, we had a very active rainy season and I speak on behalf of St. Ann's East. We had a lot of landslides in our constituencies in places sometimes where we did not even realize that the land was slipping. And when the land slipped, up to today people are coming in asking for assistance.

And I want to say to Trinidad and Tobago that assistance that you seek, that money comes from somewhere, and when the regional corporation is able to respond to you, when the Ministry of Works and Transport is able to respond to you and to bring out vehicles and to do these things, the money must come from somewhere. So even though taxation is not something that anybody really likes, taxation is something that is extremely important. [*Desk thumping*]

Madam Speaker, I want to use a quote because I heard many Members on the other side standing and speaking about taxing the population and taxing and overburdening our citizens. In October of 2017, the US President Trump made an announcement or a tweet and he said, America is "...the highest taxed nation in the world. People want to see massive tax cuts." And I am sure that the message being sent by those on the other side says to our citizens, something in that nature as though we are the most taxed country in the world and the Government is wicked and bad and only trying to add more tax onto us.

And CNBC looked at what President Trump said and they did a comparison of taxes as a share of GDP, because the impression that was being given to the American people was that they were being overtaxed and it was so onerous. And in truth and in fact, Madam Speaker, when they did that estimation, that comparison, the US was way down on the list of countries that was higher in terms of tax share to GDP. Countries like Denmark, France, Austria, UK, Canada, all of these were

Finance Bill, 2017 (cont'd)
Hon. Dr. N. Gadsby-Dolly (cont'd)

2017.12.08

ahead of the US in terms of taxes as a share of GDP, and let me mention that Trinidad is nowhere near the top of that list.

So therefore, this impression that we are overtaxed and overburdened and that the Government is just wicked and bad and trying to make life difficult, that is really a fallacy being propagated by those on the other side and they really, in the spirit of responsibility, should stop sharing that with the population and making our people feel that they are being asked to do more than anybody else in world with respect to contributing to their country's upkeep. [*Desk thumping*]

Madam Speaker, I just want to indicate that as my colleague from Diego Martin Central said, all of us are faced with bearing this burden of adjustment. All of us are faced with ensuring that we do the things that will allow us to do more with less, so that even though we are taking measures to get more revenue, we are also taking the measures to stop wastage and inefficiency and ensure value for money—

Hon. Member: And avoid corruption.

Hon. Dr. N. Gadsby-Dolly:—and avoid corruption, most certainly.

Madam Speaker, in the Ministry of Community Development, Culture and the Arts we have so many things to do, and our budgets also have been cut as is necessary at this time, but we have so many things to do. And I think it is a Max Senhouse statement and it might be older than I am, but I have always heard people quoting this statement, “We need the money”, [*Desk thumping*] and every little drop is going to count. Max Senhouse, I quoted it right.

By the end of December, Madam Speaker, in the Ministry of Community Development, Culture and the Arts, we have three community centres that we re-commissioned and one to be opened. One in Arouca, Pleasantville, and La Fillette,

those three have to be re-commissioned, and Plum Mitan is a new community centre that needs to be opened. We need the money, we have contractors to pay, all of these things have to be done and therefore—

Mrs. Gayadeen-Gopeesingh: Madam Speaker, 48(1).

Madam Speaker: Member for St. Ann's East, please continue.

Hon. Dr. N. Gadsby-Dolly: We are speaking about the need for money and these measures are to raise revenue and this is what the revenue is to be used for, so it is completely relevant as we go on speaking.

We have centres actually being constructed now: Diego Martin South, Cantaro that is to start, San Fernando, Bagatelle, those centres are to be constructed. And for that to happen, for us to offer these to the communities that need them, we need the money. And so therefore, measures that are being put in place to ensure that revenue comes into the Government's coffers, have to be supported especially when the effort was made to ensure that we give a little, take a little somewhere.

Madam Speaker, maxis on the road, and that is one of the things that is being allowed for here, to free up the ability of persons to put a maxi on the road, because you would know, that to buy the rights for a maxi at this point in time could take you into the hundreds of thousands of dollars and that is something that is being given as a part of this.

Mr. Al-Rawi: We have no rights for it yet because it is ongoing consultations.

Hon. Dr. N. Gadsby-Dolly: Okay. Well, we are still consulting on that particular area and we will consider whether or not that can be advanced as we would have wanted to ensure that we free up these areas for people.

Madam Speaker, we have looked at the agriculturists and the incentives that they can get and tried to ensure that everyone can benefit from those types of measures

and tax breaks that have been given.

Madam Speaker, again my colleague would have mentioned, we were up in Maracas Bay today opening the car park and that was one of the main things in the constituency [*Crosstalk*] that was one of the things in the constituency of St. Ann's East, and I want to give my thanks to the Minister of Works and Transport, Minister of Tourism for their efforts in ensuring that that project went forward, and of course, we were ably supported today at the opening by the Minister of Planning and Development, as well as the Minister of Energy and Energy Industries, who in his capacity as Minister of Rural Development and Local Government, would have ensured that that project was put back on track.

Madam Speaker, those are the kinds of interventions that are necessary in our country and when people look around and say they just taxing, they taxing and nothing is happening, I want to draw it to the attention of our listening public that we are doing things, we are ensuring that we deliver to our constituencies and to the whole of the country, and to do that we have to put things in place to raise the revenue that is necessary [*Desk thumping*] to do that.

So, Madam Speaker, we have been here for a while and I do not want to belabour, but I could not sit in this House and not put in my voice to contribute to the fact that this is a necessary measure, it is something that is not onerous, we are not the only country in the world that is taking this adjustment and I want to congratulate the Minister of Planning and Development, sorry, Minister of Finance and the Minister of Planning and Development for being balanced in the measures and for ensuring that the quality of life of our citizenry will not be unduly affected, but of course, we all have to pitch in, we all have to bear the burden of adjustment so that at the end of the day, our country goes forward in the development phases that we

want. Madam Speaker, with these few words, I thank you. [*Desk thumping*]

Madam Speaker: Minister of Finance.

The Minister of Finance (Hon. Colm Imbert): I was up first.

[*Mrs. Newallo-Hosein also stands*] [*Crosstalk*]

Madam Speaker: I saw the Minister of Finance. The only way I can call somebody else is if he allows it.

Mrs. Newallo-Hosein: I was on my legs already.

Hon. C. Imbert: “Nah. Nah. Nah.”

Thank you, Madam Speaker. [*Crosstalk*] I was much faster than you. [*Crosstalk*] Madam Speaker, I want to thank all Members for contributing to this debate. As I had indicated during my introduction, [*Crosstalk*] as I had indicated—what is all that noise down there? Madam Speaker, as I had indicated during my introduction, this Government has had some challenges with respect to certain financing arrangements that were made by previous Governments. And one of the arrangements I would like to talk about was a refinancing we have had to do within the last couple days for a financing facility in the sum of ¥11 billion Japanese yen which is equivalent to TT \$660 million or about US \$100 million. We have had to scramble, I think that is the best way, as a country and a Government, we have had to scramble to deal with this particular problem. Let me give you the background, Madam Speaker.

By agreement dated the 27th of June, 2000, the Republic of Trinidad and Tobago entered into a private placement with Citibank as agent for notes in the amount of ¥11 billion Japanese yen. As I indicated, this would be equivalent to about TT \$660 million. The full amount of the notes under normal circumstances would become due on 27 June, 2030.

The Government has been making interest payments on this financing facility in the amount of approximately \$25 million with total interest payments to date since 2000 of \$430 million. However, Madam Speaker, at clause 5(b) of the private placement memorandum, provision was made, and this is unprecedented, we have not been able to find a clause of this nature in any loan documentation, bond issue or financing facility ever done by the Government of Trinidad and Tobago, in the history of the Government of Trinidad and Tobago.

At clause 5(b) of the private placement memorandum, provision was made for redemption at the option of the note holders or for what is called in technical parlance, a put option. A put option allows the holder of the bond the right to force the issuer to repay the principal on the bond prior to maturity based on certain terms. In this case, clause 5(b) of this private placement memorandum—again, I want to repeat, this was taken out by the then Government of Trinidad and Tobago in June of 2000; that was under the Panday administration.

Dr. Rowley: That was before the election.

Hon. C. Imbert: And, yes, so that was an election year that is true. It was an election year. And the clause states as follows:

The Republic shall at the option of the holder of any note redeem such note if the Republic's rating assigned by either Standard & Poor's or Moody's Investor Services or any other successor falls below BB- or BAA 3.

In order to exercise the option, the holder of the note must deposit with any paying agent such note together with all un-matured coupons. Upon receipt of a duly completed put option notice, the Republic must redeem the relevant note within 15 days from the receipt at a price equal to 100 per cent of the principal amount together with accrued interest.

So what this clause in this particular financing facility taken out by the Panday administration in June of 2000, the effect of all of this is that once the credit rating of Trinidad and Tobago was downgraded to a certain point, the holders of notes, the issuers, the person who gave Trinidad and Tobago the loan facility, could issue a notice and call upon the Government to pay up in 15 days.

I just want everybody to know these are the kinds of issues that this Government is facing, and because of the collapse in oil prices and in gas prices because of declining gas and oil production, we are all aware the downgrade started under the last administration, from 2014/2015 the downgrades began. The agencies were looking at oil prices and oil production and the collapse of the commodity sector started to downgrade Trinidad and Tobago's international credit rating and, as a result, the holder of these notes wrote to the Government in November.

I would not want to call the name of the holder of the notes as this point in time. You see these notes are traded, so the original placement was done by Citibank, but they would have sold the notes over the last 17 years to various people and a particular entity acquired all of the notes during this year, 2017. And they wrote us last month and said, because the conditions have been met that were placed into this financing facility in June of 2000, we want our money and you have 15 days to pay; [*Crosstalk*] 15 days, \$660 million, and this was a direct result of a clause, let me repeat the clause. The clause said that:

Upon receipt of a duly completed put option notice, the Republic must redeem the notes within 15 days at a price equal to 100 per cent of the principal amount together with interest.

So, we had absolutely no wiggle room. We wrote the holders of the notes, we asked for forbearance and they said, no. So next week the Government of Trinidad

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

and Tobago has to find \$660 million in foreign currency, because this is Japanese yen, US \$100 million next week to pay off this facility. So, I just wanted to put—

Dr. Rowley: That was borrowed for the 2000 election. “Doh” forget that.

Hon. C. Imbert:—and, again, Madam Speaker, I am being reminded, this very unusual financing facility, as I said, it has no precedent in any document we can find in the Ministry of Finance before that, at that time or since, it has no precedent because of the unique arrangements. [*Crosstalk*] It was an election year, Madam Speaker, across the floor, through you, the Member for Tabaquite is asking me, “What the money was used for?” I cannot say. That was the year of the road paving, when the tourism company was doing road paving and all of that. I “doh” know what they used this US \$100 million for, but that was during an election year.

So, we now because during an election year a previous Government borrowed US \$100 million and put a strange condition in it, as I said, it has no precedent anywhere else, we now have to find US \$100 million next week because they wrote us at the end of November and said you have 15 days to pay. That is one of the challenges that we face. Let me give you another one.

The Government currently holds a derivative portfolio comprising of two derivative instruments, a US dollar Japanese yen cross-currency interest rate swap and a US dollar \$250 million swap lock. Let me explain what this is.

A derivative is a contract between two parties whose value is based on an agreed underlying asset. Derivatives are used for speculative purposes, for hedging or for mitigating risks. They include futures, options and swap contracts. Essentially a derivative is gambling. You are taking a hedge, you are betting on certain conditions existing and you hope that the conditions will exist so that you will

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

avoid a certain adverse event.

A swap is an agreement where two parties agree to exchange cash flows for a set period of time. It is usually determined by an uncertain variable such as an interest rate, an exchange rate or a commodity price like an oil price. In these types of arrangements the parties bet, and that is why I used the word gambling, the parties bet that an interest rate, exchange rate or commodity price will move in their favour in the future.

In 2001, again I believe that was the Panday administration, and again I believe that was another election year.

Mr. Hinds: Member for Siparia was in the Cabinet?

Mrs. Persad-Bissessar SC: Yes.

Hon. C. Imbert: In 2001, the then Cabinet, the Panday administration agreed the Government should enter into a cross-currency swap for a period of 19.2 years. The reason for the swap at the time was to mitigate debt-service obligations on a facility of US \$250 million, a euro bond that was due in 2020, and the interest rate at the time was 9.75 per cent. Under the terms of the agreement Citibank, Citibank again, would pay Government the 9.75 debt service due on a notional amount of US dollar 250 million. However, the problem with this one is that they were betting on the rate of the Japanese yen and they were hoping that the Japanese yen would depreciate. At the time, the yen was ¥122 to US \$1.

Unfortunately, the bet did not work and as a result of this gamble on currency rates, the difference in the exchange rates between the US dollar and the Japanese yen, the Government has had to pay out the sum of \$27.3 million. We have lost US \$27.3 million, almost TT \$200 million.

Another gamble that a previous Government took in 2013, now come to the

Persad-Bissessar administration, 2013. My predecessor was on a road show, had gone to North America to raise, I think, an amount in the vicinity of US \$500 million. And at the road show he was presented with a proposal that the Government of Trinidad and Tobago should gamble on interest rates in the United States. They should gamble that interest rates, the Treasury rates, the LIBOR rates in the United States would increase.

8.00 p.m.

And as a consequence, my predecessor and the Government to which he belonged in 2013, entered into a swap block, gambling on interest rates in the United States. Unfortunately, interest rates in the United States did not go up, they did not go up. In fact, the interest rates in the United States were much lower than was anticipated when this swap was done. Because the rates had not moved in favour of the Government—and my notes tell me almost from inception of this swap—the Government has had to pay out US \$91 million; US \$91 million. Over TT \$600 million have been lost because a Government bet on interest rates in the United States in 2013.

So I have given you three things. There was a put option that we have now to repay TT \$660 million in 15 days. There was a currency swap, where we have lost TT \$180 million, and there was a currency swap where we have lost TT \$600 million. When you add up all of them, you get \$1.5 billion. And what is of great concern in all of this, the put option we have to pay this, this month. The US \$91 million—the TT \$600 million—we had to pay that earlier this year. Because all of these things have just come at us during this year, Madam Speaker, during 2017. We lost US \$91 million—TT \$600 million—on the derivative portfolio, the currency and interest rates swap, and we have had to pay out TT \$660 million.

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

Dr. Rowley: Who was the Minister of Finance?

Hon. C. Imbert: Well, the first one would have been Mr. Kuei Tung, the second one would have mean Mr. Yetming, and the third one would have been Mr. Howai, [*Laughter*] with all respect to my friend on my right. So Kuei Tung, Yetming, Howai, between the three of them, \$1.5 billion of taxpayers' money gone. [*Crosstalk and laughter*]

So I say this, and I want to give an assurance to this Parliament, this Minister of Finance—this Minister of Finance—is not going to have any put option in any financing while I hold this portfolio at the pleasure of the Prime Minister. [*Desk thumping*] Not this Minister. “I ain’t doing that.” And this Minister of Finance is not going to get involved in an interest rate swap or a currency swap, gambling the future of taxpayers of Trinidad and Tobago. [*Desk thumping*] I am not doing that. These are all brilliant accountants and economists that did that—that have lost \$1.5 billion for this country. I am just an engineer, but I “ain’t” doing that. [*Desk thumping*] I just thought that I would let the population know, Madam Speaker.

Now, let me just deal with some other issues that were raised, because we have to do these measures. We have to do them. And I explained just now why we have to do these measures, because we have to raise taxes to meet Government expenditure. But in complaining about the measures, the Member for Caroni Central complained about the measures and came across with a hypothesis that the increase in the corporation tax rate, the increase in the taxation rate for banks and so on, is going to stifle business. It is going to suppress activity in Trinidad and Tobago, and is going to cause a collapse. I think the Member for Tabaquite said something similar. I think the Member for Tabaquite or the Member for Pointe-a-Pierre, I am not sure which one of them, said something about the increased taxes

on casinos have caused all of them to close down. I do not think so. It would not have been the Member for Tabaquite. Certainly not. It would have been the Member for Pointe-a-Pierre, because I know the Member for Tabaquite and I are *ad idem* on casino gambling. He made the preposterous statement that these taxes will operate just like the casino taxes and cause all casinos in Trinidad to close down. My information is that casinos are blossoming. They are blossoming. They are growing. They are expanding. They are not closing down. They are mushrooming; they are not closing down. After all that grand charge, I am not seeing all these casinos closing. That was just old talk because of the amount of money they are making.

But anyway, let me just deal with some issues. One of our big challenges is the increase in public debt. The public debt increased—and these are not my figures, you can go and check the Central Bank website and you will get this information—from \$46 billion in 2010 to \$77 billion in 2015. We have very little—and this is the net public debt I am talking about, not the gross—wiggle room left. That was a 67 per cent increase in public debt, and that took our debt to GDP ratio from the 30s, 39 per cent, and took it right up into the 50s, and this is why we face the challenges that we face. We have to be very careful now about increasing public debt to deal with our projects and our programmes. We have to be very, very, very careful because of this 67 per cent increase in debt.

Now, the Member for Pointe-a-Pierre, as per usual, not doing any original research, somebody hands him a package of documents and he just read it. You know, the Member for Pointe-a-Pierre has this tendency he would read anything anybody gives him. It does not matter how nonsensical it is. And one of the things he said was that in Jamaica when taxes were imposed on the lottery, there was an

immediate 14 per cent decrease in revenue to the government.

Now, Madam Speaker, the reason why I say he does no serious research, if the Member for Pointe-a-Pierre had bothered, he would have seen that increased taxes were imposed on the lotteries in Jamaica in or around May of 2014. So, if his theory was correct, and if he was right, and if in fact the effect of this taxation was to cause the lottery in Jamaica to crash, and to cause the revenue to the state to crash, what the hon. Member should have done, there is a Betting, Gaming and Lotteries Commission in Jamaica—just like we have in Trinidad and Tobago—and if he had bothered he would have gone to the latest annual report of the Betting, Gaming and Lotteries Commission in Jamaica, the 2014/2015 year, and he would have seen gaming, taxes, levies and contributions for financial year 2014/2015 total 5.45 billion Jamaican dollars. And he would have seen this chart [*Holds up document*] and he would have seen an up arrow, and he would have seen that after they imposed the taxes, the government's take from the lottery increased by 16 per cent. It went up by 16 per cent.

But the Member for Pointe-a-Pierre will read anything anybody puts in front of him, but he would not check it, he will do no original research, so there is no confirmation of his allegation, that when they imposed taxes on lottery in Jamaica there was a huge decrease. In fact, there was a 16 per cent increase after 2014. [*Desk thumping*]

Mr. Deyalsingh: UNC fake news.

Mr. Al-Rawi: They will say anything.

Hon. C. Imbert: The Members opposite will say anything they want to say, but it does not make no sense, and I can actually give you the figures. In 2013/2014, the revenue was \$4.1 billion to the government and then they imposed the taxes in

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

2014 and the revenue went up to \$4.8 billion, in Jamaica; 16 per cent increase after additional taxes were imposed in the lottery in 2014. There was no decrease.

Now, the other point I want to make, Madam Speaker, the reasons for these measures is that we are in a tight bind. The reason why we want to increase the corporation tax, the reason why we want the banks who are making super profits to share the burden of adjustment, is because of our revenue situation. And I need to remind hon. Members that in 2013, the previous Government enjoyed revenues of \$58 billion. That is when oil was \$110 a barrel, and that is when natural gas was fetching prices in the Far East and so on of \$10, \$15, \$20. They enjoyed revenues of \$58 billion in 2013. But by 2016 that had dropped to 41, and 2017 to 38. So, we need to face facts, Madam Speaker. We need to face facts.

We have had a \$20 billion reduction in Government revenue between 2013 and 2017. We need to face facts, and that is why we need to do the things that we are planning to do. We do not want to do them. Madam Speaker, nobody likes this. When the PNM administration, under the former Prime Minister, Mr. Manning, when he enjoyed considerable oil revenues, there was a plan and it was implemented by the former PNM administration, to systemically reduce taxes. The Member for Arouca/Maloney referred to that.

I remembered when I had my first job, income tax, the highest marginal rate was 70 per cent. I remember that. So that if you got an increase of \$1,000 a month, \$700 of that going in tax. I remember that. I have lived that. And then under the PNM income taxes were systematically reduced down to 25 per cent. But when that was done, Madam Speaker, [*Desk thumping*] oil was \$146 a barrel. And Henry Hub gas, not Aegean gas was \$13 per MMBtu, Henry Hub is now \$2.90. So that is the paradigm we were living in. But even with all that—you know people talk a lot

about taxes. When the PNM Government, because it was the PNM Government reduced taxes from 70 to 25 per cent, was there a commensurate explosion in activity, Madam Speaker? I do not remember a commensurate explosion in activity when taxes went from 70 per cent, under PNM, to 25 per cent, under PNM again.

Again, the PNM is always at the forefront of everything. [*Desk thumping*] So that was the revolutionary tax policy at the time. I did not see any explosion in activity. So the converse also cannot be true. If the tax rate used to be 30 per cent for businesses, is the PNM that cut it down to 25 per cent, and it goes back now to 30 per cent. Why would that have any effect on business? This is a tax on profits. This is profits, it does not affect their sales. It affects their profits. You have to make a profit first before you pay taxes. There is no rationale in any of the arguments I hear from Members opposite. No rationale.

And, Madam Speaker, it is a matter of public record that for the first time in our country's history the cash balances at the Central Bank went into overdraft in 2012. Again, my friends opposite they do not do any research. There are a number of accounts that the Government has at the Central Bank. They have the Exchequer No. 1 Account, Exchequer No. 2 Account, and so on, and you could be looking at various accounts and one might be an overdraft and one might be in credit, but you have to look at the net figure. And the net overdraft of the Government, the net cash balance of the Government prior to 2012 was in credit. In fact, Madam Speaker, we were \$6 billion in credit at the Central Bank in May 2010 when the snap election was held. We were \$6 billion in credit when you take everything into account. You take all the funds, you take all of the balances in all of the exchequer accounts. So, it is not just one, and that is the mistake my honourable friends make opposite. They do not do proper research. They look at one bank account—you

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

have to look at all of them and then take the totality and you will get the cash available to the Government.

And in May 2010 the Government had the entire 15 per cent available to it, about \$9 billion plus \$6 billion in credit. The Government had \$15 billion available to it in cash advances from the Central Bank. That went from \$6 billion plus, 15, plus 9, 15; down to zero, and then into overdraft into negative 9. And that is what we are dealing with now. That is what we are dealing with now. We came into Government to meet an overdrawn cash balance of minus \$9 billion. That is what we met.

So that I do wish Members opposite would face reality. They need to face reality. We are in the situation we are in because of bad decisions taken in the past. Bad decisions. I heard this thing about VAT. When I look at the chart, the chart that is being used to talk about VAT, there is a spike that goes up in 2015. The VAT refunds owed to businesses is somewhere around \$3 billion when they came in, or less than \$3 billion, and by 2015 they had taken it up to \$6 billion. So they had taken the quantum of arrears owed to businesses for VAT refunds from \$3 billion to \$6 billion in 2015. We on this side, recognizing that businesses need to get their refunds, are systematically reducing that down to just over \$4 billion. So, it is we that inherit the \$6 billion in VAT arrears, we are taking it down. So, you know, it is just scandalous to have to listen to some of the things said by Members opposite. They are not respecters of the truth, Madam Speaker.

Madam Speaker: Hon. Minister of Finance, your original 30 minutes are now expired. You are entitled to 15 more minutes. You may proceed.

Hon. C. Imbert: Thank you, Madam Speaker, I will complete within the time. It is scandalous to have to listen to some of the things said by Members opposite. They

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

do no research whatsoever, or if they do, they do not deal with truth. Because the VAT refunds owed to businesses in Trinidad and Tobago, when they came into office was somewhere in the vicinity of \$3 billion. They took that arrears up to six.

Mr. Stuart: The doubled it.

Hon. C. Imbert: They doubled it, and we had the unenviable task now—and they had the money, oil was at \$100, gas was trading at \$20 in Japan. They had \$16 billion available to them in the NGC. They had the money available to them. They take the \$16 billion out of NGC, they take the \$15 billion out of the government account and then they take \$3 billion in VAT refunds as well. [*Crosstalk*] And they had \$58 billion in revenue. [*Crosstalk*]

So, these truths—the population must be reminded of these things. [*Desk thumping*] Because, as I say, I find it scandalous that a Government that increased the arrears owed to businesses from \$3 billion to \$6 billion could stand up here and pontificate about the level of VAT arrears when it is just over \$4 billion. We cut it down. We cut it down by almost \$2 billion, without the revenue, [*Desk thumping*] where our revenue has gone from 57 to 37. And I do wish other members of the national community would recognize these things that this PNM Government is doing far better in terms of facilitating business and facilitating activities than the Government before, except there may be one or two businesses that did very well under the previous administration; one or two.

So, Madam Speaker, let me just recap what the measures are all about. The first measure is dealing with an increase. And I want to, he is not here, the Member for Caroni East is not here, but I will read his *Hansard* and see the suggestions that he made to deal with the private hospital sector, and I will seriously consider any positive recommendations that he made with respect to that. Because the hon.

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

Member for Caroni East, I think he knows a little bit about what goes on in these private hospitals and why the Government has to take a closer look at these private hospitals. I think he has some idea of what is going on inside of there. In terms of the adjustments to the taxation on vehicles, I heard my hon. colleague the Member for Chaguanas East quarreling about the tax concessions that are being given for vehicles powered by compressed natural gas and by electricity and hybrid vehicles, quarreling and saying that what facilities are in place? How many gas stations are in place that deliver CNG?

Madam Speaker, I had to get up and make the point that CNG powered cars, and hybrid cars, and incentives for these kind of vehicles existed long before this Government came into place. In fact, it was a feature of several budgets of the UNC to put in place incentives for CNG powered cars and so on. And yet the hon. Member for Chaguanas East had the brass face to ask us on this side why are we giving incentives on concessions for CNG cars when there are no facilities? But when they were giving incentives I did not hear that. And I can tell you it is this Government, I saw a CNG station was opened down in Diego Martin.

Hon. Member: One is still to be opened.

Hon. C. Imbert: Yes, it is my understanding that this Government is marching on and we are opening CNG dispensing gas stations one by one. So that we are very serious about what we are doing, very, very serious. [*Desk thumping*] If you take maxi-taxis—there is a particular advertisement on television where a maxi-taxi driver from Arima indicates that his bill with a diesel powered maxi-taxi was \$4,000 a month. His fuel bill—his diesel bill was \$4,000 a month and he switched to CNG, under this Government, and his bill went from \$4,000 a month to \$800 a month. [*Desk thumping*]

So, we are marching on. And as an aside, Madam Speaker, it is counter-intuitive for the price of CNG to be subsidized, the price of CNG powered maxi-taxis to be subsidized, no increase in the price of CNG, but maxi-taxi fares gone up in taxis powered by CNG. It is counter-intuitive. I could see that a maxi-taxi driver that has a diesel powered maxi-taxi would be justified in increasing the fare by the proportionate amount. This information would be for another day. But obviously, if the price of diesel has gone on by a certain percentage, it does not justify. If the contribution of diesel to the cost of operating a service is say 20 per cent and that has gone up by 40 per cent then you are talking about an 8 per cent increase in running cost. It does not justify a 20 and 30 per cent increase in prices as we are seeing. But I could see a maxi-taxi driver with a diesel powered vehicle saying all right, diesel has gone up I need to increase my fares, but not by 300 per cent and all that sort of thing. But I cannot see a maxi-taxi driver with a CNG powered vehicle where the price of CNG has not gone up having any justification whatsoever for the increase in fares. But that is a story for another day.

The point is, it is this administration, I could remember it was Barry Barnes, Minister of Energy and Energy Industries, in the Manning administration of 1991 to 1995, of which I was a proud Member, it was Barry Barnes, deceased Barry Barnes who introduced CNG to Trinidad and Tobago, the whole concept of CNG to Trinidad and Tobago. And successive governments after that have sought to incentivize persons to use CNG. There was a hiccup with the conversion because of this issue with the tank in the trunk of the car, people were worried about safety, it added weight to the vehicle, it was an effect on the suspension and so on, but now technology has advanced in all of those years, in those 25 years, technology has advanced, and now these are being produced by the manufacturers.

These CNG powered cars and CNG powered maxi-taxis, and trucks, and buses, and even ferry vessels now are powered by CNG, Compressed Natural Gas. So now it is much easier, you do not have this weight of this CNG tank in the back and you do not have safety considerations. So that I would like to ask everyone, especially public transportation providers, especially maxi-taxi owners to switch to CNG as soon as you can [*Desk thumping*] because the cost of that fuel is a fraction of the cost of gasoline or diesel. It is a fraction. When you compare apples and apples, it could be 20 per cent, one-fifth of the cost of regular gasoline or diesel.

So, one of the amendments that we would speak about in due course is to make it crystal clear that we are not affecting incentives given for CNG powered commercial vehicles, or hybrid commercial vehicles. There was a bit of an administrative glitch when we did the Provisional Collection of Taxes Order, so we want to make it crystal clear now—and there are amendments to the Bill to even further clarify it. You would see when we go through, Madam Speaker, it would make it clear that the exemption on taxation, motor vehicle tax, et cetera, for commercial vehicles is going to remain in tack irrespective of engine size. It is for passenger vehicles that we are making the change.

So, Madam Speaker, I would like to thank all those who contributed. I would ask some of the Members on the opposite side to do your homework, because you come in this House and say all sorts of things that have no bearing in reality. None! The Member for Caroni Central is convinced that his Government never took the Government account into overdraft. He will leave this Parliament saying that.

Hon. Member: “Where he going?”

Hon. C. Imbert: No, no, in 2020 when he leaves. He will leave this Parliament, leave parliamentary life convincing himself that his Government did not send the

Finance Bill, 2017 (cont'd)
Hon. C. Imbert (cont'd)

2017.12.08

Government account into overdraft. He will leave this Parliament convincing himself that his Government did not increase the public debt by 67 per cent. He will leave this Parliament convincing himself that his Government did not raid the coffers of the NGC by \$16 billion, or take out all the money that we had in the Central Bank.

I would have hon. Members, let us deal with reality please. Do not just read what somebody tell you. Do not just come here and attempt to “buss mark”. We on this side are very, very serious, and if the hon. Member for Pointe-a-Pierre had taken the time to look at the approach of the Ministry of Finance, to issues in state enterprises—all of them, not just in National Lotteries. If the hon. Member for Pointe-a-Pierre had taken the time to determine the true approach of the Ministry of Finance in this difficult period, the hon. Member would not be saying the things that he is saying.

As soon as we determine extravagance or waste, we move to stamp it out. [*Desk thumping*] That is the difference between us and you. That is the difference between us and you. And if you had proper records you would have seen the correspondence between the Ministry of Finance and state enterprises, including National Lotteries, with respect to matters where we are of the view that money was not spent in the most efficient manner. And those are the kinds of letters you would come and read out in this Parliament. That is what I have written to the state enterprises, pointing out to them that they need to be careful, they need to be mindful of the fact that we are in difficult economic circumstances and we need—for example, the Ministry of Finance has not had its annual Christmas party now for two years. We did not have one last year, and we did not have one this year. The usual reception that is held at the Ministry of Finance after the budget, we

cancelled it this year. And we are doing that because we are leading the way. We are showing people what sort of problems we are in, and I dare say [*Desk thumping*] the Prime Minister's office is doing exactly the same thing—no, not just for that sort of thing, but in other areas the Prime Minister's office is doing it as well in terms of the use of Government resources and do on.

So, I would ask the Member for Pointe-a-Pierre, the next time you come here to buss mark, bring one of the letters that I have written to state enterprises asking them to be prudent, and to conserve expenditure, and to be mindful of the situation that we are in, Madam Speaker.

With those few words, I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

8.30p.m.

Clauses 1 to 3 ordered to stand part of the Bill.

Mr. Imbert: Madam Chairman, the Treasury Solicitor has just advised that the Treasury Bills can come into effect on the date of assent. So we would need to make a minor amendment to clause 2.

Madam Chairman: All right. So let us start over then and we would start with clause 1.

Clause 1 ordered to stand part of the Bill.

Clause 2.

Question proposed: That clause 2 stand part of the Bill.

2. (1) Sections 3, 4, 6, 7, 8 and 10 come into operation on 1st January,

2018.

Mr. Imbert: Yes, Madam Chairman, I would like to delete 5 in the sequence of numbers: 3, 4, 5, 6. I would like to delete the No. 5 and renumber—no, it would be 3, 4, 6, 7, 8 and 10. We are taking out 5. We would put the date of assent into clause 5 itself, the new clause 5.

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Clause 4.

Question proposed: That clause 4 stand part of the Bill.

Chap. 48:50 4. The Motor Vehicles and Road Traffic Act is amended in the Fourth Schedule by deleting paragraphs

8, 9 and 10 and substituting the following new paragraphs.

“No motor 8. (1) Notwithstanding paragraph (1), motor
vehicles tax vehicles tax shall not be charged, levied

and

on vehicles collected in respect of a—

manufactured (a) new motor vehicle,
to use compressed imported for private or
natural gas commercial use, with

an

engine size not
exceeding 1599 cc,

which is manufactured to use compressed natural gas;

- (b) used motor vehicle, imported for private or commercial use, with an engine size not exceeding 1599cc, which is—
 - (i) manufactured to use compressed natural gas; and
 - (ii) not older than four years from the year of manufacture;
- (c) new motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is manufactured to use compressed natural gas; and
- (d) used motor vehicle,

imported for commercial use, with an engine size exceeding 1599 cc, which is—

- (i) manufactured to use compressed natural gas; and
- (ii) not older than four years from the year of manufacture.

(2) Paragraph 8(1)(c) and (d) expire on 31st December, 2020.

No motor vehicles tax shall not be charged, levied and collected in respect of a—
vehicles

- (a) new electric vehicle which is imported for private or commercial use, with an engine size not exceeding 159 kilowatts;
- (b) used electric vehicle imported for private or commercial use, with an engine size not exceeding 159

kilowatts, which is not older than four years from the year of manufacture;

- (c) new electric vehicle which is imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; and
- (d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than four years from the year of manufacture.

(2) In this paragraph, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(3) Paragraph 9(1)(c) and (d) expire on 31st December, 2020.

No motor 10. (1) Notwithstanding paragraph (1),
motor vehicles
vehicles tax tax shall not be charged, levied and collected
in respect on hybrid of a—

vehicles

- (a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;
- (b) used hybrid vehicle imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year of manufacture;
- (c) new hybrid vehicle which is imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; and
- (d) used hybrid vehicle imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.

(2) In this paragraph, a “hybrid vehicle” means a vehicle 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.

(3) Paragraph 10(1)(c) and (d) expire on 31st December, 2020.”

Mr. Imbert: Madam Chairman, we have an amendment to clause 4, which has been circulated. The intention of the amendment, if I can just go through it, if you look at the amendments that are in the list of amendments, the first one actually, and in the new paragraph, 8 (1)(a), you will see we are now saying a:

“new motor vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc...”

Then you look at (b), you see again, a:

“used motor vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc...”

Then you look at (c); (c) now crystalizes it:

“new motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc...”—if you go over on the back—

“(d) used motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc...”

And it talks about it being:

“(i) manufactured to use compressed natural gas...”

The point of all of this is that motor vehicles imported for private use with engine sizes not exceeding 1599 cc will enjoy the tax concessions, whether new or used. But commercial vehicles will enjoy the tax concessions irrespective of the engine size. It is just drafted in that way to create that objective, to achieve that

objective.

Mr. Lee: Just a point of clarification through you, Chair. The commercial—Minister, some SUVs, they are licensed “T”. Is that considered commercial? They are high end vehicles, and then they would not be able to attract the taxes. Would you—

Mr. Imbert: They would have to be used for commercial use. This is one of the—

Mr. Lee: You know there is a flaw.

Mr. Al-Rawi: If I could assist? The “T” categorization was amended recently by our Motor Vehicles and Road Traffic Act amendments to treat with vehicles that are 3200 kilogrammes or otherwise. We have reclassified a certain class, but that does not necessarily kick to answer your question, because the Minister of Finance has hit the nail on the head. Whatever it is, it must be commercial or private. [*Crosstalk*] So it is a question of enforcement for the categorizations, commercial or private.

Mr. Imbert: It is possible that some persons may try to avoid the taxes or to cheat by registering a sports utility vehicle as a commercial vehicle or even a pick-up. But it is a question of enforcement and in the same way that we monitored what happened during the last 12 months with the larger size engine hybrids, where they started to bring in Mercedes Benz, Porsche and all that sort of things, BMW hybrids with 1999 cc, turbo charge and super charge and so on,—we realized that that was a loophole so we plugged it. So we are going to monitor the use of SUVs and pick-ups and vehicles of that nature, where people have registered them as a “T” vehicle but they are really using them for private transportation. And then we will have to come again, if we see abuse, we will have to come again and tighten up the law again. Okay?

Mr. Al-Rawi: It may actually encourage PH cars to go commercial as opposed to masking in the private zone, because the concession kicks in on the commercial side.

Mr. Imbert: And on the public transport side too.

Mr. Lee: Just a quick question to the Minister of Finance. Do we still have “R” vehicles—

Mr. Imbert: Rented?

Mr. Lee: Rented, but we do not see it. Is it still on the books?

Mr. Imbert: It is still a classification.

Mr. Lee: And that is considered commercial? Is that right?

Mr. Imbert: Yes, yes, an “R” would be commercial.

Mr. Al-Rawi: Why you do not see them is by the mechanism of leasing. So unfortunately people have used lease options to register as “Ps” as opposed to “Rs”.

Mr. Imbert: A private car is a “P”. But there are people who use loopholes and so on, so we have to keep plugging them all the time.

Question put and agreed to.

Clause 4, as amended, ordered to stand part of the Bill.

Clause 5.

Question proposed: That clause 5 stand part of the Bill.

5Delete clause 5 and substitute the following new clause:

TREASURY BILLS

PART IV

Chap 71:40	5.	The Treasury Bills Act is
amended amended		in section 2(1)(a) by deleting the

words “two thousand” and substituting the words “five thousand”.

Mr. Imbert: Madam Chairman, we are actually deleting clause 5 and substituting a new one. So, I am not sure what the correct procedure is. Do we wait until we are finished and then—

Madam Chairman: No.

Mr. Imbert: Or do we deal it right away?

Mr. Al-Rawi: It is an amendment.

Madam Chairman: It is an amendment. It is not a new clause really.

Mr. Imbert: Okay. I am proposing we delete clause 5 as it is in the Bill and substitute a new clause with respect to Treasury Bills as circulated which would have the effect of increasing the limit of any amount of Treasury Bills in circulation, from 2,000million or 2 billion or 5,000 million or 5 billion. And that is for the reasons given during the debate, that the interest rate on Treasury Bills, let us take a one year Treasury Bill, is just over 2 per cent, whereas the interest rate charged on the overdraft at the Central Bank, the Government account, is 4.75 per can. So we are seeking to save ourselves considerable interest expense.

Question put and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Madam Chairman: Can we take clauses 6 and 7 together?

Clauses 6 and 7 ordered to stand part of the Bill.

Clause 8.

Question proposed: That clause 8 stand part of the Bill.

8. Delete clause 8 and substitute the following new clause.

Chap.75:06 8. The Value Added Tax Act is amended in
the Second Schedule—

- (a) In item 8, by deleting subitems (2), (3), (4)
and (5) and substituting the following
subitems:

“(2) A—

- (a) new electric vehicle which is
imported for private or commercial
use, with an engine size not
exceeding 159 kilowatts;
- (b) used electric vehicle imported for
private or commercial use, with an
engine size not exceeding 159
kilowatts, which is not older than
four years from the year of
manufacture;
- (c) new electric vehicle which is
imported for commercial use, with
an engine size exceeding 159
kilowatts but not exceeding 179
kilowatts; or
- (d) used electric vehicle imported for
commercial use, with an engine
size exceeding 159 kilowatts but

not exceeding 179 kilowatts,
which is not older than four years
from the year of manufacture.

(3) In subitem (2), “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(4) A—

- (a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;
- (b) used hybrid vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year or manufacture;
- (c) new hybrid vehicle imported for commercial use, with an engine size exceeding 1599 cc but

not exceeding 1999 cc;

or

- (d) used hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.

(5) In subitem (4), a “hybrid vehicle” means a vehicle 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.

(6) Subitems (2)(c) and (d) and (4)(c) and (d) expire on 31st December, 2020.”; and

- (b) in item 43, by inserting after subitem (2), the following subitems:

“(3) New motor vehicles, imported for commercial use, with an engine size exceeding 1599 cc, which are manufactured to use Compressed Natural Gas

(CNG).

(4) Used motor vehicles, imported for commercial use, with an engine size exceeding 1599 cc, which are—

(a) manufactured to use Compressed Natural Gas (CNG); and

(b) not older than four years from the year of manufacture.

(5) Subitems (3) and (4) expire on 31st December, 2020.”

Mr. Imbert: Yes, Madam Chairman. There is an amendment circulated to clause 8 and the previous amendment we dealt with, dealt with motor vehicle tax, clarifying the issues with private and commercial vehicles. This clause now deals with value added tax with respect to electric vehicles and hybrid vehicles.

And I just want to say that—and compressed natural gas—the Treasury Solicitor is reminding me. So this amendment to the Value Added Tax Act addresses electric vehicles, hybrid vehicles and CNG powered vehicles. For the benefit of the listening public I think the definition of an electric vehicle; that is here at the bottom of the page with the amendments means:

“...a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or any other storage device.”

I think that is clear.

But there has been some confusion with respect to the meaning of the term “hybrid vehicle” and it is defined here as:

“...a vehicle 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.”

We have had situations where persons have acquired vehicles, I have had vehicles like that for some time, where when the vehicle comes to a stop the engine switches off. And there is an electric device which powers the lights and the instruments and so on. But it does not propel the motor. A lot of the new cars, especially the European cars have this feature. So the engine switches off and there is a battery that powers the electronics and so on—[*Interruption*]

Mr. Al-Rawi: Emission control.

Mr. Imbert: Emission control, but it does not power the motor and then as you move again it starts up again.

Some persons have attempted to bring those in and tried to get them classified as hybrids. I want to make it crystal clear, it is the policy of the Government that a hybrid must be propelled. In other words, propulsion. There must be a connection between the transmission and the engine in terms of the electric motor that propels the vehicle. So this electric battery pack that powers the instruments is not part of a hybrid vehicle system. You know Trinidadians will find all sorts of ways to get around this thing.

So this amendment, again, is dealing with the separation between

commercial and private and the tax regime and the engine size and engine power with respect to value added tax. So that is the purpose of the amendment to clause 8 as circulated.

Question put and agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clause 9 ordered to stand part of the Bill.

Clause 10.

Question proposed: That clause 10 stand part of the Bill.

10 Delete clause 10 and substitute the following new clause:

Chap.78:01 10. The Customs Act is amended by
repealing
amended sections 45B and 45C and substituting the
following sections:

Exemption 45B. (1) Notwithstanding section 6
and electric the First Schedule, import duty shall not
be imposed in respect of a—

- (a) new electric vehicle which is imported for private or commercial use, with an engine size not exceeding 159 kilowatts;
- (b) used electric vehicle, imported for private or commercial use, with an engine size not exceeding 159 kilowatts, which is not older than four years from the year of

manufacture;

- (c) new electric vehicle which is imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; or
- (d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than four years from the year of manufacture.

(2) In this section, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(3) Subsection (1)(c) and (d) expire on 31st December, 2020.

45C. (1) Notwithstanding section 6 and the First Schedule, import duty shall not be imposed in respect of a—

- (a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;

- (b) used hybrid vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year of manufacture;
- (c) new hybrid vehicle which is imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; or
- (d) used hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.

(2) In this section, a “hybrid vehicle” means a vehicle 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.

(3) Subsection (1)(c) and (d) expire on 31st December, 2020.”

Mr. Imbert: We have an amendment to clause 10 and again that is now dealing

with customs duty. So we have the three levels of taxations that are applicable to motor vehicles: motor vehicle tax, value added tax, customs duty. So this again seeks to do the same thing, to have the proper separation between private motor vehicles and commercial motor vehicles and limit the concessions for private motor vehicles, vehicles used for private use to 1599 cc or 159 kilowatts and then allow commercial vehicles of any engine size to avail themselves of the tax concessions. So this is now dealing with customs duty. It is the last of the three taxes on cars and trucks and so on.

Question put and agreed to.

Clause 10, as amended, ordered to stand part of the Bill.

Clause 11 ordered to stand part of the Bill.

Question put and agreed to: That the Bill, as amended, be reported to the House.

House resumed.

Bill reported, with amendment.

Question put: That the Bill be now read a third time.

Hon. Members: Division.

The House divided: Ayes 20 Noes 0

AYES

Imbert, Hon. C.

Rowley, Hon. Dr. K.

Al-Rawi, Hon. F.

Young, Hon. S.

Deyalsingh, Hon. T.

Hinds, Hon. F.

Mitchell, Hon. R.

Cudjoe, Hon. S.

Garcia, Hon. A.

Forde, E.

Dillon, Hon. Maj. Gen. E.

Webster-Roy, Hon. A.

Gadsby-Dolly, Hon. Dr. N.

Smith, Hon. D.

Robinson-Regis, Hon. C.

Francis, Hon. Dr. L.

Jennings-Smith, G.

Olivierre, N.

Antoine, Brig. Gen. A.

Leonce, A.

The following Members abstained: Mr. D. Lee, Dr. S. Rambachan, Mrs. C. Newallo-Hosein, Mr. R. Indarsingh and Mr. B. Padarath. [*Crosstalk*]

Question agreed to.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, before I move the adjournment, I just want to apologize for not being in my seat, because I know normally you expect me to be in my seat but you understand because of the exigencies of what just took place.

Madam Speaker, I beg to move that this House do now adjourn.

Madam Speaker: This House now stands adjourned in accordance with

Adjournment (cont'd)

2017.12.08

Standing Order 11—

Hon. Member: Till when? [*Crosstalk*]

Madam Speaker: Member for Couva South, I keep saying maybe it is the position in which you sit on your chair, you do not see when I am standing. This House now stands adjourned in accordance with Standing Order 11 and Standing Order 12(1) to next Friday at 1.30 p.m. That is to say, Friday 15th of December, 2017, at 1.30 p.m.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 8.52 p.m.