

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FOURTH PARLIAMENT OF THE REPUBLIC OF
TRINIDAD AND TOBAGO WHICH OPENED ON JANUARY 13, 1992.

SESSION 1994—1995

VOLUME 51

HOUSE OF REPRESENTATIVES

Friday, June 23, 1995

The House met at 1.45 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

CONDOLENCES

(Mr. Selwyn Richardson)

Madam Speaker: Hon. Members, we are all aware of the tragic passing of a former Member of this honourable House and I am sure that hon. Members would like to express their condolences and indeed pay their respects to the deceased, Mr. Selwyn Richardson.

The Prime Minister (Hon. Patrick Manning): Madam Speaker, it is with a sad heart that I rise to pay respect to a former Member of this honourable House, a former Minister of Government and a citizen par excellence—the deceased Selwyn Richardson.

It was but less than 72 hours ago that unknown assailants in a brazen and dastardly act of unspeakable violence coldly and calculatedly gunned down Selwyn Richardson as he was entering his driveway at the end of his working day. His passing in such a dreadful and untimely manner will always be a tragedy of the gravest proportions. My sense of loss is heightened by the fact that I have known Selwyn Richardson for the past 20 years while in public life. Mr. Richardson joined the People's National Movement in April, 1971 after a career in the police service.

In 1972, he was selected to lead the People's National Movement team on constitutional reform for Trinidad and Tobago before the Wooding Commission. He performed this task with consummate skill and distinction.

In 1973, he was appointed a director of the Telephone Company. There he earned a reputation as "Mr. Fix It", with his intolerance of corrupt practices and impatience with bureaucracy. His investigation of bribery and corruption earned him the ire and a physical flogging from disgruntled workers of the company.

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From 1976 to 1981, he was appointed a Senator, with the portfolio of Attorney General and Minister of Legal Affairs and Leader of the Senate. He performed this task with vigour, impartiality, equanimity and justice.

He retired from active politics and was appointed Chairman of the Airports Authority of Trinidad and Tobago from 1983 to 1986. He performed his duties with distinction and, indeed, laid the foundation for the effective management of the Authority.

In 1986, he re-entered the political arena when he joined another party and won the Ortoire/Mayaro seat. He was again given the post of Attorney General and Minister of Legal Affairs.

In the periods when he occupied ministerial responsibility, he, with the assistance of his Cabinet colleagues, succeeded in refurbishing and restoring the Red House to its original historic grandeur, spearheaded the revision of the laws of Trinidad and Tobago and restored schools and courthouses in Mayaro, Moruga and Point Fortin. Police stations were renovated and made more habitable for their occupants.

History has it recorded, that as Minister of National Security in 1990, along with the then Prime Minister and other parliamentary colleagues, he was held hostage in this very House. He was shot, beaten and humiliated. Although he tendered his resignation after that incident, it was not accepted by the then Prime Minister.

In 1991, Mr. Richardson once again returned to private life and his law practice where he continued to establish an enviable reputation. His heroic achievements in the interest of the nation and his crusading zeal in the pursuit of equity, justice and expeditious handling of matters earned him the much sought after "Individual of the Year Award" in 1984. Throughout his public career, he served with distinction, albeit with a modicum of controversy, but with a single-minded determination to get the job done for the benefit of the country he loved and served so much.

The catalogues of his achievements in public life are many. His dedication to duty, service to the people and indefatigable capacity for hard work are all qualities worthy of emulation by the society at large. His contribution to our society will long be remembered.

It is my privilege today to speak on behalf of my party and the Government of this country in praise of the life of this man. In so doing, I cannot help but reflect on the words of a great statesman, speaking in historically related circumstances, in praise of fallen heroes of his country:

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"...And I could have wished that the reputation of many brave men were not to be imperiled in the mouth of a single individual, to stand or fall according as he spoke well or ill. For it is hard to speak properly upon a subject where it is even difficult to convince your hearers that you are speaking the truth.

On the one hand, the friend who is familiar with every fact of the story may think that some point has not been set forth with that fullness which he wishes and knows it to deserve. On the other hand, he who is a stranger to the matter may be led by envy to suspect exaggeration if he hears anything above his own nature. For men can endure to hear others praised only so long as they can severally persuade themselves of their own ability to equal the actions recounted; when this point is passed, envy comes in and with it 'incredulity'."

That was the Athenian statesman Pericles speaking at the end of the first year of the Peloponnesian War in ancient Greece.

I am sure that I have not succeeded in enumerating all the achievements of Mr. Richardson. On the other hand, I doubt if our country could produce enough men who, "where he has only himself to depend upon, is equal to many emergencies and graced by so happy a versatility", as was Selwyn Richardson.

If indeed I have dwelt at some length upon the character of our deceased brother, it was to show that our stake in the struggle against crime, injustice, corruption and the ills of our society, is not the same as those who have no such blessing to lose. I am sure that hon. Members will agree with me that there is justice in the claim that steadfastness in the country's battles should be as a cloak to cover a man's imperfections, since the good actions have blotted out the bad and the merits of the deceased as a citizen, more than outweigh his demerits as an individual.

Madam Speaker, we have lost an exemplary citizen whose indefatigable capacity for hard work is reflected in the many monuments that bear the signature of his authorship. The Government, my party, both of which I have the honour and privilege to lead, are conscious of the fact that the deceased had fought the good fight.

Madam Speaker, the Government wishes to place on record that the death of Selwyn Richardson is a loss to our country and the region as a whole. I embrace this opportunity also to extend on behalf of the Government, the People's National Movement, and the entire House, condolences to the family of the deceased. May his soul rest in peace.

1.55 p.m.

Mr. Basdeo Panday (*Couva North*): Madam Speaker, it is said that death is the most common phenomenon known to man and it is the least to which he has

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grown accustomed. The death of any human being is a loss to all humanity. It is in this context that we are saddened, not only by the passing of a former Member of this House, Mr. Selwyn Richardson, but also by the manner in which he died.

We extend our condolences to his bereaved widow and children and trust that Almighty God will give them the courage and strength to withstand their loss in these troubled times.

Even at the risk of being criticized for saying so on this solemn occasion, I am of the view there can be no better occasion on which to condemn the Government for failing to deal with the issue of escalating crime in this country. Mr. Richardson's death is part of that failure. That element of the media that sought to excuse the Government for its neglect of duty by seeking to blame the Opposition is equally guilty of the tragedy of crime that is engulfing the country. I can only hope that they do not fall into the pits they consciously or unconsciously dig for others.

I join with all in this House in asking this honourable House to express to his bereaved family, our sincerest and deepest condolences.

Miss Pamela Nicholson (*Tobago West*): Madam Speaker, on behalf of my colleague and the National Alliance for Reconstruction, I wish to express our condolences to the wife and family of Mr. Selwyn Richardson.

I wish to say that since we achieved independence until today, one of the greatest politicians who have passed through this honourable House is the deceased Mr. Selwyn Richardson. He is noted in this country for the good job that he has done against crime and corruption.

The heinous and horrendous execution of Mr. Selwyn Richardson is one that we all should be very concerned about. We must be concerned about the total society. As one of my former colleagues in this House said, Trinidad and Tobago has lost its soul and its heart. I hope that the police would be able to nab the killers of Mr. Selwyn Richardson and that justice would be done as promptly as possible.

I, myself, call upon the Government to step up its action on crime and to pay greater attention to escalating crime in this country, to look seriously at it, because it is starting from the top today. When crime has reached this level, serious people and people with the kind of credentials who may want to serve the country would no longer want to come forward.

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Therefore, I am calling upon the Government to take serious and aggressive action to help resolve this issue because the time is now. Tomorrow we may not be able to speak.

Thank you, Madam Speaker.

Madam Speaker: Hon. Members, I, too, would like to express my condolences to the Richardson family on the passing of our dear brother, Mr. Selwyn Richardson.

I have had the opportunity of working with him in private practice at the bar, and a quality that stood out from day one as we worked together as young attorneys, was fearlessness. He took that quality with him right into public life and on every occasion that he had the opportunity to display that quality of fearlessness, he did so in the interest of the nation.

I think that this nation has lost an exemplar, a person who was not afraid to stand up for his rights; one who was not afraid to defend the rights of others, and as the hon. Prime Minister has just remarked, if this country can, indeed, have a few more like Mr. Selwyn Richardson, we would really be on a good footing.

I am going to request the Clerk of the House to convey the condolences of the hon. Prime Minister, the People's National Movement and the Government, the condolences of the Leader of the Opposition, United National Congress and the Member for Tobago West, the National Alliance for Reconstruction, and of course, my own personal condolences, to the family.

Like all Members present here, I know that wherever that soul is, we wish that it is in the light and that it will indeed rest in peace.

Hon. Members, I think it would be very fitting if we observe a minute's silence in deference to the late Mr. Selwyn Richardson.

The House stood in silence.

TREASURY NOTES BILL

Bill to empower the Minister of Finance to borrow money by the issue of Treasury Notes, to declare the conditions applicable to such borrowings and to make consequential amendments to related Acts; brought from the Senate [*The Minister of Finance*]; read the first time.

TRINIDAD AND TOBAGO FREE ZONES (AMDT.) BILL

Bill to amend the Trinidad and Tobago Free Zones Act, 1988, brought from the Senate [*The Minister of Trade and Industry*]; read the first time.

Calvary Revival Centre (Inc'n) Bill

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CALVARY REVIVAL CENTRE (INC'N) BILL

Bill for the incorporation of the Calvary Revival Centre and matters incidental thereto, brought from the Senate; [*The Member for Tunapuna*]; read the first time.

**VISHWANATH HINDU SOCIAL AND
CULTURAL ORGANIZATION (INC'N) BILL**

Bill to incorporate the Vishwanath Hindu Social and Cultural Organization, brought from the Senate; [*The Member for Toco/Manzanilla*]; read the first time.

PAPERS LAID

1. Audited financial statements and report on the accounts of the Tourism and Industrial Development Company of Trinidad and Tobago Limited (TIDCO) for the year ended December 31, 1994. [*The Minister of Trade and Industry (Hon. Kenneth Valley)*]

To be referred to the Public Accounts (Enterprises) Committee.

2. The Public Sector (Arrears of Emoluments) (Bonds) Regulations, 1995 [*The Minister of Finance (Hon. Wendell Mottley)*].

Select Committee Reports

DIVINE MAHA KALI SHAKTI TEMPLE (INC'N) BILL

Presentation

The Parliamentary Secretary in the Ministry of Legal Affairs Mr. Andrew Casimire (*Toco/Manzanilla*): Madam Speaker, I wish to present the report of the special select committee of the House of Representatives appointed to consider and report on a private bill for the incorporation of the Divine Maha Kali Shakti Temple and for matters incidental thereto.

OPUS DEI PRELATURE (INC'N) BILL

Presentation

The Parliamentary Secretary in the Ministry of Works and Transport Mr. Jarrette Narine (*Arouca North*): Madam Speaker, I wish to present the report of the special select committee of the House of Representatives appointed to consider and report on a private Bill for the incorporation of the Opus Dei Prelature (Trinidad and Tobago) and matters incidental thereto.

2.05 p.m.

ORAL ANSWERS TO QUESTIONS

The following questions stood on the Order Paper.

Construction of Community Centres

70. Could the Minister of Community Development, Culture and Women's Affairs state:

- (a) The location where community centres are earmarked for construction during 1995 from the E.C. grant of \$18.5 million and the estimated cost of each such community centre?
- (b) Would any portion of this grant be made available for the repairing and refurbishing of existing community centres? *[Mr. T. Sudama]*

**Media Time
(Opposition)**

89. Would the Prime Minister indicate:

- (a) Whether Government has taken or intends to take steps to ensure that the official Opposition in Parliament obtains state-owned sponsored media time to express its view on Government's action?
- (b) The sums of moneys the Government spent on public relations and media time since it got into office? *[Mr. R. L. Maharaj]*

**Playing Fields
(Edinburgh 500)**

- 95.** (a) Would the Minister of Sport and Youth Affairs state whether the playing facilities at Edinburgh500 fall under her Ministry?
- (b) If the answer is in the negative, would the Minister indicate whether any efforts have been made to bring this facility under the supervision of her Ministry? *[Mr. R. Palackdharrysingh]*

Playing Fields Under Five Acres

96. Would the Minister of Sport and Youth Affairs state:

- (a) How many playing fields in this country are under five acres in size?
- (b) Whether such playing fields would be enhanced to encourage sporting activities?

- (c) If not, what alternative arrangements would be made for the members of such sporting communities? [*Mr. R. Palackdharrysingh*]

**Project Pride
(Status of)**

143. Could the Minister of Works and Transport state what is the status of Project Pride at Piarco Airport since the turning of the sod almost one year ago? [*Mr. G. Hanoomansingh*]

**Arable Lands
(Destruction by Salt Water)**

- 155.** (a) Would the Minister of Agriculture, Land and Marine Resources indicate whether he is aware that salt water is destroying arable agricultural lands west of the Uriah Butler Highway?
- (b) If the answer is in the affirmative, would the Minister indicate whether he intends to undertake any development programme to rectify this situation? Would he provide details regarding the nature of the works and a schedule as to when these works will be carried out? [*Miss H. Bhaggan*]

**Ecclesiastical Grants
(Allocations/Disbursements)**

- 158.** Could the Prime Minister state:
- (a) What are the criteria for the allocations/disbursements of the ecclesiastical grants to denominational bodies?
- (b) Whether Government's recognition by private Act of Parliament is necessary for these several denominational bodies/splinter groups to receive ecclesiastical grants?
- (c) What was the quantum of funds disbursed to these religious denominational bodies for the year 1994:
- (i) Christian denominational bodies;
 - (ii) Muslim denominational bodies;
 - (iii) Hindu denominational bodies;
 - (iv) Other denominational bodies?

- (d) Government's policy, if any, with respect to the governing bodies of the denominational religious groupings?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, the Government is seeking a deferral of questions Nos. 70, 89, 95, 96, 143, 155 and 158 for a period of two weeks.

Questions, by leave, deferred.

**Lobbyists
(Washington-based Firm)**

92. Mr. Basdeo Panday (Couva North) asked the hon. Prime Minister:

Would the Prime Minister inform this honourable House:

- (a) (i) Whether the contract to a Washington-based firm to serve as lobbyists for the Government of Trinidad and Tobago was awarded by the Central Tenders Board, which is the agency for the provision of goods and services to the Government?
- (ii) If the answer is in the affirmative, would the Prime Minister provide this House with a certified copy of the minutes of the meeting of the Central Tenders Board at which this decision was taken?
- (iii) If the answer is in the negative, would the Prime Minister advise this House why normal tendering procedures were not followed in this instance?
- (b) Would the Prime Minister provide this House with the names of the other firms that were considered for the said contract and the criteria which were used to ensure that the most suitable qualified firm was selected so that the country could derive the optimum benefits for the expenditure incurred in the payment of remuneration to the firm selected?
- (c) Would the Prime Minister inform this House whether the relationship which existed between a senior Government Minister and an employee of the selected firm in any way influenced the selection of the said firm?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, the Central Tenders Board Ordinance 1961 provides that the Central Tenders Board has the sole and exclusive authority to act for and on behalf of the Government and the statutory bodies to which the ordinance applies.

The board invites, considers and accepts or rejects offers for the supply of articles or for the undertaking of works or any services in connection therewith, necessary for carrying out the functions of the Government or of any of the statutory bodies. The board also has exclusive authority in relation to the disposal of surplus or unserviceable articles belonging to the Government or any of the statutory bodies.

The ordinance defines "works" as building and engineering works of all kinds. It is clear that legal and lobbying services such as those for which the Government has contracted with Holland and Knight do not fall within the purview of the services in connection with works as contemplated by the Central Tenders Board Ordinance.

The ordinance also confers upon the Central Tenders Board the sole and exclusive authority to act for, in the name and on behalf of the Government and relevant statutory bodies in appointing consultants in connection with any project. The ordinance defines "project" as any proposals for the supply of articles or for the undertaking of works or for the operation of any enterprise and any services in connection therewith necessary for carrying out the functions, including the operation of any enterprise of the Government or of any of the statutory bodies to which the ordinance applies.

The provision of legal and lobbying services does not fall within the purview of services in connection with the operation of any enterprise of the Government which are necessary for carrying out the functions of the enterprise. The Government, therefore, does not consider that the award of a contract to the law firm of Holland and Knight for legal and lobbying services falls within the sole and exclusive authority of the Central Tenders Board.

In selecting a firm of lobbyists on behalf of the Government of Trinidad and Tobago, the Government sought a firm with extensive expertise in government relations, federal legislative lobbying, international trade and commercial law. A clear understanding of the objectives of the Government of Trinidad and Tobago was also an important criterion in the selection process.

On the basis of recommendations from other developing countries, the Government selected the firm of Neill and Company as its lobbyists for 1992. At

the end of their contractual period, the team of lobbyists which had worked on behalf of Trinidad and Tobago with Neill and Company left that company to join the legal and lobbying firm of Holland and Knight.

Both firms were considered by the Government in choosing lobbyists for the 1993 contract. Briefs were received from the two companies detailing their proposed action plans to promote the interests of Trinidad and Tobago. After an analysis of the briefs, Holland and Knight was chosen as the preferred lobbyists. One important factor in its selection was the fact that the firm's client-base includes several major US corporations and financial institutions which engage in extensive trade with Trinidad and Tobago.

The Government considers that the selection of a firm of lobbyists is similar to that of a Senior Counsel. The selection is based on the reputation of the firm and on the confidence which the Government places in the calibre of the individuals involved.

Holland and Knight was selected by the Government because of the expertise, talent and skills of its team of lawyers and the quality of services which it offered to Trinidad and Tobago, as outlined in the action plan submitted to the Government. It should be noted that Holland and Knight is the largest law firm in the Eastern United States.

Sewerage Treatment Plant (Edinburgh 500)

122. Mr. Raymond Palackdharrysingh (*Caroni Central*) asked the Minister of Housing and Settlement:

Would the Minister state:

- (a) What progress has been made in the construction of a permanent sewerage treatment plant for the residents of Edinburgh 500?
- (b) When is this project expected to be completed?

The Minister of Housing and Settlement (Dr. The Hon. Vincent Lasse): Madam Speaker, construction works on the sewerage treatment plant at Edinburgh 500 began in 1990, but was terminated in 1992 largely due to changes in plant design proposed by the Water and Sewerage Authority which resulted in a substantial increase in cost. Construction works on the plant would recommence in August, 1995 on the basis of the new plant design.

The construction of the plant, together with the laying of the necessary mains is expected to be completed by mid-1996.

**Health Sector Reform Advisors
(Recruitment)**

157. Dr. Carl Singh (*Tabaquite*) asked the Minister of Health:

Could the Minister state:

- (a) From what foreign country were the health sector reform advisors recruited;
- (b) What were the final recommendations coming out of the health service reform advisors;
- (c) Whether there are any advisors still in the employment of the Ministry of Health in the country;
- (d) The total cost to date for the entire exercise;
- (e) The source of financing for the entire exercise?

The Minister of Health (Dr. The Hon. Linda Baboolal): Madam Speaker, Coopers and Lybrand Consulting Group (C&L) of Canada was awarded a contract to carry out studies for the introduction of a National Health Insurance System (NHIS) in Trinidad and Tobago.

Health and Life Sciences Partnership (HLSP) consultancy firm of the United Kingdom was contracted to complete the policy reform and rationalization studies including the full commissioning of the Eric Williams Medical Sciences Complex and consolidate them with the NHIS studies.

The main recommendations of the consultants are:

- (i) Rationalization of public and private health services including:
 - (a) strengthening of primary care with a system of health care teams; refurbishing/rebuilding district hospitals so that additional services (laboratory, X-ray specialists) may be accommodated, and introducing chronic disease prevention and management programmes; and
 - (b) increasing hospital throughput and workload rates in the larger general hospitals by introducing modern technologies and retraining technical staff to utilize these technologies.
- (ii) Decentralization of ownership, employment and management of services by developing all operational responsibilities to five regional organizations under contract with the Ministry of Health to provide a cost effective balance of public and private services with global budgets.

2.15 p.m.

3. Reforming the Ministry of Health into a sponsoring and regulatory body concerned with promoting services, public and private, based on health needs assessment and value for money.
4. Undertaking further practical studies on the merits and feasibility of user charges, and the National Health Insurance System and completing essential steps for bringing the latter into effect.
5. Developing new management systems at all the levels, including management, development training and technical training to achieve the new orientation and services required.

Four consultants from the Health and Life Sciences Partnership Firm are still in the country completing their assignments.

The total cost to date of the entire exercise is US \$5.5 million.

The entire exercise has been financed jointly by the Inter-American Development Bank through a provision of US \$5.2 million of non-reimbursable funding with the balance provided by contribution by the Government of Trinidad and Tobago.

Dr. Singh: Could the Minister indicate what is happening with the CL recommendations with respect to the implementation or institution of the NIS Insurance Scheme for health?

Hon. L. Baboolal: The first stage of that recommendation is being done. That is the population registration exercise which has to be done first and then we will be considering the other parts of it. But it is under active consideration.

ARRANGEMENT OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, by arrangement with the other side, I beg to move that the House now consider Bill No. 1, under Government Business on page 1 on the Order Paper rather than Private Business at this time.

Assent indicated.

MISCELLANEOUS TAXES (AMDT.) BILL

Order for second reading read.

The Minister of Finance and Tourism (Hon. Wendell Mottley): Madam Speaker, I beg to move, a Bill to amend the Miscellaneous Taxes Act, Chap. 77:01, be now read a second time.

Miscellaneous Taxes (Amdt.) Bill
[HON. W. MOTTLEY]

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Madam Speaker, you will recall that when the Budget was presented at the end of last year it was announced that the negative list of many basic agricultural commodities was going to be replaced by increases in the rates of customs duty and a surcharge which would be whittled down, that is, the surcharge would be whittled down over time. In fact, it would come to zero at the end of a four-year period.

In case of meat, the surcharge were to be whittled over a three-year period. In other words, the budget predicted that we would move as we had done before with manufactured commodities, to a situation in the agricultural sector where the quantitative restriction represented by the negative list was going to be replaced by tariffication.

Much calculation was gone into by the Ministry of Agriculture as to what level of tariffication would have to be imposed to represent the present level of protection afforded by the negative listing, and that would be the level of tariffication imposed with the surcharge, and then that would be gradually whittled down over the three and four-year periods respectively to zero. Not the tariff, but the surcharge

So that a period of adjustment would be allowed to the producers of these agricultural commodities in which they could get their house in order, make certain kinds of investments, improve their productive practices to meet—not, the full onslaught of international competition—because it would still have the tariff—but at least be so improved because they would have lost the surcharge element of that tariffication protection.

The intention was to create a more open and less distorted agricultural market by allowing a greater market access through the conversion of quantitative restrictions to tariff equivalent. These trade reform measures were part of a package of proposals for revitalizing the agricultural sector with the aim of making it more robust and competitive. Other elements of the package included legislative and institutional reforms and appropriate investments, as well as investments in infrastructure in the agricultural sector, most notably the Agricultural Access Roads Improvement Programme.

However, since these surcharges were imposed in January 1995, there have been new developments in the international market for meat products which have had the effect of significantly increasing the price of meat. Firstly, as a result of shortages of beef in Japan, Saudi Arabia and former countries of the USSR, significant quantities of beef, which were sources in Ireland previously, are now

exported to these countries which are paying premium prices for this product. The result is that Irish beef is, therefore, no longer available in the quantity to supply the Trinidad and Tobago market at the former cheap prices that we enjoyed in 1994 and before.

In addition, as a result of the recently concluded Uruguay Round of multilateral negotiations restrictions have been placed on the level of domestic and export subsidies on basic agricultural products. The fact is that those subsidies have been cut out or radically reduced

So that if, for instance, in Ireland the cost of production was \$1.00 and the subsidy was 50 cents, then it allowed the Irish farmer to make a profit and sell that beef for about 60 cents. However, once that subsidy was removed he had to sell it for \$1.00 plus the profit of 10 cents, at \$1.10 so that the price would effectively moved from 60 cents the year before to \$1.10 by way of illustration once those subsidizes were stripped away. The farmer in Ireland and these developed countries without the subsidy had to effectively recover their full cost plus profit from the market's operation.

The Government is acutely aware of the consumers who have been forced to bear the brunt of these increases in their weekly grocery bill as illustrated by the example. The interest to consumers always has to be balanced against those of the agricultural producers, who need some measure of protection, at least in the short term, as they move towards the reality of more competitive markets. The Government, therefore, has the difficulty of balancing these competing interests: the consumer who wants the cheapest possible price and the farmer who has people employed, who has investments and is expecting a reasonable return on his investments.

After careful consideration of all the issues involved, we concluded that the increase in the price of meat has the effect of providing a measure of protection equivalent to part of that which the import surcharge was intended to provide.

2.25 p.m.

Let me explain. We had calculated that a certain level of surcharge with the import duty would have met prices in Trinidad and Tobago in January when we made that effective, affording the farmer a certain amount of protection. Since the international prices had lifted on their own, he would no longer need a certain amount of protection; he would need x minus one level of protection to be in the same position that the Government intended him to be. The effect of this measure is really to keep the level of protection to the farmer the same as we had always intended.

Miscellaneous Taxes (Amdt.) Bill
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The international prices had floated up to allow some of the benefit to be passed on to the consumer by reducing the level of some of these surcharges, so that the consumer would not have to pay both the full amount of the surcharge and the increased international charge, and at the same time the farmer would continue to get the level of protection that we had always intended for him.

We took the decision to reduce the import surcharge on beef, veal, goat meat, mutton and lamb by 50 per cent; from 20 per cent to 10 per cent in 1995, and from 10 per cent to 5 per cent in 1996. It would remain at 5 per cent for 1997. It was also agreed that these reductions should take effect from May 18, 1995. That is the effect of clause 2 (b) of the Bill now before us.

In the course of the introduction of these measures, there was considerable public criticism of the fact that the reduction in the rate of import surcharge required an amendment to the Miscellaneous Taxes Act and a debate through both Houses of Parliament, which necessarily delayed implementation. In other words, when the mischief was discovered it was felt that with the parliamentary agenda we were hamstrung in our capacity to quickly react to the situation, and therefore we should give some more flexibility to ourselves in how we react in the future to these kinds of changes in the international marketplace.

In an effort to ensure a faster response time in the future, clause 2(a) of the Bill makes provision for the Minister to amend the Schedule to the Act by order. The Schedules to the Act now cover import surcharge, alcoholic and other beverage tax and the financial services tax. This provision would allow for the rates of import surcharge and alcoholic and other beverages tax to be amended by the publication of an order in the Gazette. In the case of the financial services tax, the rates of tax are not contained in the Schedule.

The proposed amendment is intended to allow changes to be made more quickly as changes in international circumstances occur.

With these few words, I beg to move.

Question proposed.

Mr. Basdeo Panday (*Couva North*): Madam Speaker, it was hard to listen to the hon. Minister speak about the removal or the reduction of surcharge on certain food products in such a hard-hearted manner, as if consumers did not matter at all; and the fact that prices are so high that people cannot afford to eat did not matter. In fact he coldly talked about the negative list and said that the need for bringing this Bill to the House is really to maintain the level of protection to farmers as if what is happening to consumers in the marketplace does not matter.

One would have thought that the Minister would have taken the opportunity to address this whole question of rising prices, which is reducing the standard of living of large portions of the population at the moment. The latest figures we have show that 26 per cent of the population of this country is living below the poverty line, which means that they cannot get three meals per day.

The Minister speaks about agriculture and food as if it does not matter what people have to pay for goods and services when they go to market. I think that the Minister would argue that this measure will have the effect of reducing prices. I am telling this Minister that in the 19-odd years that I have been in this Parliament, I cannot recall a single occasion on which prices fell as a result of reduction in duties or surcharge and other taxes on agricultural goods. I think he was honest in a way to avoid the whole question of prices and to say that his measure has to do with trade liberalization, the Government's policy of removing subsidies and opening up the agricultural market. This is what he calls free trade.

This Government has been seriously wanting in its approach to rising prices and the falling standard of living in this country. Ever since this Government came into office prices have been rising at a rate which is driving large numbers of people into the poverty circle. I want to indicate to my friend that whenever there has been a reduction, whether it is VAT surcharge or duties, there has been an excuse in the marketplace why prices should not fall commensurately with the reduction in those duties and charges.

There is always the argument that transport costs have increased and there are old goods on the shelf. For example in the 1992 Budget, VAT on school books and selected over-the-counter drugs such as testing kits for diagnosis on diabetes was removed. The Minister would recall that there has been no reduction in the price of school books and over-the-counter drugs as a result of that fall in price.

As a matter of fact, prices rose quite rapidly when this Government came into office in 1992. The annual rate of increase of consumer prices as measured by the change in the retail index price in 1992, the first year this Government was in office accelerated sharply to 6.5 per cent from 3.8 in 1981. According to the Central Bank economic survey of 1992, retail prices moved from 2.3 per cent over the 12-month period to December 1992 and the survey evidence of a surge in underlying inflationary pressures emerged in the first quarter of 1992, when prices rose by over 2.6 per cent, and were further reinforced by an increase of 2.5 per cent in the ensuing quarter.

2.35 p.m.

Especially in that year, high prices for certain items were recorded for chicken and fresh fish, an increase in the price of all grades of sugar was reflected in the higher cost of condensed milk and sweet drinks. That was 1992. *[Interruption]* This is the record of the way they have dealt with the rise in consumer prices in this country.

While the prices are rising as they are, the Prime Minister is telling the country that prices are coming down. Here is an excerpt from an article on his address to the PNM Women's League in September 1993:

"Prices in Trinidad and Tobago will begin coming down from next year, according to Prime Minister Patrick Manning.

Speaking to the PNM Women's League, Manning said that with the coming of the Common External Tariff (CET) prices would be going down in 1994, 1995, 1996, 1997 and by 1998 they would 'fall flat'."

Instead, Madam Speaker, prices went up.

In 1993, food prices exerted the strongest pressure on the overall price level as a variety of items including bread, chicken, flour, Irish potatoes, edible oils, milk and soft drinks, all became more costly. Increases in the cost of imported inputs resulted in the costs of powdered soap, detergent, tooth paste, imported newsprint, textbooks, stationery, drugs, pharmaceutical products, all rising. Is this Government concerned at all about what is happening to people of this country? What is it doing about this whole question of rising prices?

The Central Bank Report, 1993 says:

"The rise in wholesale prices was mainly concentrated in food processing. The price increased by 9.6% on account of the higher cost of vegetable oils, animal fats and bakery and milk products."

During the second quarter of 1993, the retail index price jumped 5.1 per cent which represented the steepest increase in prices for more than 13 years. No sooner does this Government get into power than we experienced the greatest rise in prices. The major component of that price increase was a 9 per cent hike in food prices. The Government, of course, blamed the float for that. During 1993, the price of chicken increased.

What is our Prime Minister's response to that? The Prime Minister responded by telling people at a meeting that if the price was too high, do like him and keep

the money in their pockets and do not buy. That is the Government's response. It is almost tragic. The Government's response to rising prices is not to buy food. Starve.

What the Prime Minister had to say is almost comical. I quote from a report in the *Trinidad Guardian* dated April 29, 1993 which says:

"Prime Minister Patrick Manning said on Monday night that if the price of chicken was too high, people should do like him and keep their money in their pockets ...

'... look at me,' he said, raising his arms midway and tilting his lean body from left to right,"

It must have been lean at that time, I do not know.

"I am a strong healthy boy. What makes you feel if you don't eat chicken at all you will die?"

That is the Government's response. What a comic response to a tragedy like high food prices!

"He continued: 'If people are asking exorbitant prices for chicken, then keep your money in your pocket and do like me—do without!'"

It reminds us of Marie Antoinette during the French Revolution when people could not get food and were crying out for bread. She said, "Let them eat cake". That is the answer our Prime Minister has to the problem of rising food prices in this country.

I am showing that this Government has a pattern of failing to deal with this problem of rising prices. It is concerned only with satisfying the IMF, the international pressures upon small countries like ours to open up our markets while theirs are not opened to us—the whole fraud of trade liberalization upon which this Government has embarked.

In 1994, the annual average rate of consumer prices increased by 8 per cent, representing a return to moderate levels of price inflation following upon the 10.7 per cent hike in 1993. It would be noted that even then, that increase was still higher than those of both 1991 and 1992. They were based on the retail price index which showed an increase in the food index from 104.3 percentage points at the beginning of the year to 123.2 percentage points by December 31, 1994, with the major impetus coming from rising cost of food, especially fresh produce.

During the first 10 months of 1994, food prices rose by almost 9 per cent. The average price of food in October rose by 12.8 per cent over the average for

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October of the previous year. In fact, the index for food registered an increase from 118.9 per cent in November, 1994 to 123.2 per cent in December, 1994. Mainly responsible for this were the increases in the price of tomatoes, Irish potatoes, cabbage and fish.

In September, rice in all its forms, vegetable oil and peanut oil were removed from the negative list, but they attracted a 40 per cent Customs duty and a surcharge ranging from 20 to 25 per cent. The result was increases in prices.

The price of Nescafé went up in 1994, beer in December and rum in 1995. In 1995 in his budget speech the hon. Minister of Finance announced that prices in consumer goods would be reduced as a result of Government's trade reform programme. This is all part of the Government's trade reform programme we heard from the hon. Minister today. That is the trade programme he was telling this country would result in the lowering of prices. This is what he told this country in his 1995 Budget Speech. His actual words were:

"In addition, the Caricom External Tariff will be reduced by a further five percentage points in accordance with the agreement reached at the special meeting of Caricom Heads of Government Conference held in 1992. Apart from driving competition and efficiency, all citizens stand to gain enormously..."

2.45 p.m.

So good was the Government's public relations campaign—of course, we must find out how much Mr. T. Lee is being paid in order to run a government by public relations, not by performance, but what appears in the press, on the radio and television.

Because of the undertaking given by the Prime Minister and the Minister of Finance that prices of consumer goods would fall in 1995, confident grocery operators proclaimed that food prices would fall down to 25 per cent when the CET, stamp duty and import surcharges would be removed. It is extremely interesting to read some of the euphoria that emanated from this false prophet, who makes false promises to this country that food prices would fall in 1995.

"Supermarkets are promising low prices for imported food and household items next year. Some are indicating a cut of 30 per cent, and are predicting the benefits from as early as January."

The year is now halfway through and instead of going down, prices are going up. I quote again from the *Trinidad Guardian* of September 29, 1994:

"Some prices will come down as much as 25 per cent, particularly on imported goods, said President of the Supermarkets Association, Gerry Narace.

Douglas Senior, Marketing Manager of the Food Division at Hand Arnold Limited, a local importer, said that the cut in import duties will 'definitely have a substantial effect on the prices of imported foods'."

He continued:

"We have orders set to arrive in January. The prices will be decreased and give consumers more disposable income. For most goods, the Common External Tariff will be reduced by five per cent on January 1 and stamp duty and import charges will be removed.

The saving for importers will be up to 25 per cent of the landed price of their goods. This does not necessarily mean 25 per cent cut in the retail price, as local warehousing and in-store costs will not fall."

It says that from the measures the Government is taking:

"Locally produced goods will not benefit, because the five per cent duty on imported raw materials remains in place."

Hi Lo's Marketing Manager, Christian Torry,..."

a name which may be familiar to some Members of this House—"pointed out that VAT will now be based on a lower cost price. This will be an additional benefit to the consumer."

Just the opposite has occurred. Instead, 1995 commenced with increases in many basic consumer items. Increases in cement, bread, meat, alcohol, air transport were all registered within the first month of the year. In addition, the list of basic food prices—for which a suspension of the Common External Tariff has been revised—which attracted no duty has now begun to attract duty.

I say this to point out the con game that is being played by the food import lobby and the Government. They both, as you have seen, promised that because of the Government's policies there would be a fall in prices, particularly a fall in consumer goods. Instead prices rose—they went through the ceiling—they did not fall. As prices rose, there followed a blame war. That is exactly the game that is being played upon our people by the importers of food and this Government hand in hand. A blame war starts between the Government and the supermarkets, each blaming the other for the rise in prices.

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Among the persons who have promised this fall in prices is the hon. Minister who presented this Bill today. I quote from the *Trinidad Guardian* of February 01, 1995:

"Finance Minister, Wendell Mottley, has blamed the merchants in Trinidad and Tobago for not passing on savings to the consumer which should have accrued as a result of lowered tariffs and taxes effected in Government's 1995 Budget."

The Government puts out the budget, promises lower prices. Supermarkets go into euphoria that prices will fall by 25 per cent. When the year comes, no prices fall, they begin to blame each other forgetting that the consumer cannot eat. The Minister is now blaming the supermarkets and, of course, the supermarkets are blaming the Minister. While they are playing games, people are starving in this country. People do not have money to buy food for their children. Many children cannot go to school because they do not have food. The Government does not care. It is more in its interest to pay URP workers to come and demonstrate around Parliament. When a government is reduced to that kind of level in order to survive, should the people expect anything better? The article goes on:

"Mottley told members of the San Juan Business Association on Monday evening the merchants had not decreased their prices, and said the matter was under close scrutiny by the Government and the Central Bank."

What has been the result of the scrutiny? Is the Minister still scrutinizing? If so, what is he scrutinizing? Whom is he scrutinizing? How is he scrutinizing? The hon. Member could come and take lessons from me on how to scrutinize.

"He added that Government was taking a very serious view of the matter...."

What is the serious view the Government has taken of this matter? Is it reducing the surcharge here today? Is that the serious view?

"especially where it involves people getting together to fix prices."

The Minister admits that people get together to fix prices. If that is the case, what would be the effect of the reduction in the surcharge? How would that affect a lowering of prices? The article continues:

"However, several supermarket owners yesterday denied that they are responsible for continued high prices. Instead, they laid blame on the doors of the wholesalers and the distributors who, they suggest, may be deliberately keeping up prices in an attempt to boost profit margins."

The buck keeps passing from the Government to the retailers, from the retailers to the wholesalers, from the wholesalers to the distributors. While all this is going

on, the Government thinks it is better to close down URP for a day and have them come and demonstrate around the Red House. Government by public relations! Then says "We are overwhelmed by the outpouring of support." Somebody hits the nail on the head. The supermarkets said:

" 'This is definitely a supplier problem,' Khalid Mohammed of Khalid's Supermarket told the *Guardian*. The wholesalers are asking for more."

I merely wish to inform this Government that food prices do not fall and have never fallen as a result of the reduction in taxes, duties, or surcharges on imported food. Food prices do not depend upon that at all. The price of food, like any other commodity, depends upon its supply and its demand. Therefore, the importers of food will import only so much food as would keep their prices at a level that will maximize their profits.

2.55 p.m.

This is not a condemnation; this is an observation; this is a fact of life in the system under which we live. They are not concerned with whether people eat or not; that is not their business. The system does not put that burden upon them. They are concerned with how much profits they make, and since prices are related to profits and prices are related to supply, they will import only so much as will keep the price at a level where their profits will be maximized.

The only answer to lower prices for food in this country is to increase production, increase local production. That is the answer.

Mr. Valley: Or to increase availability. It may not come from local production.

Mr. B. Panday: I do not know why this man is so much against local production. From the time I talk about local production he says, "availability."

Mr. Valley: Madam Speaker, let me correct that immediately. I am all for local production. I am saying that I am agreeing with the Member, but to the extent that we cannot increase local production we have to increase availability, in other words, by allowing for imports so that the market can meet the demand required and so have a downward effect on prices.

Mr. B. Panday: A government with an integrated policy that looked at agriculture in the context of unemployment would never make a statement like that, until agriculture had reached its zenith of production in Trinidad and Tobago. Once I start to speak about local production, he speaks about sources from elsewhere, because his mind is geared to the importation of food. But a UNC

policy ties in the supply of food by growing food locally and so dealing with the unemployment problem at the same time that you deal with other problems. That is the integrated kind of policy approach that is required, and that is why this Government cannot do anything.

Mr. Valley: Madam Speaker, I wonder whether the hon. Member would give us some advice on how we can grow wheat in Trinidad and Tobago.

Mr. B. Panday: God help this country! Almighty God have mercy on us! As long as these people are in power, have mercy on us, O God! If that is the kind of question this man would ask, God have mercy!

So that is his answer: How to grow wheat. So the \$1 billion in food that we import in this country is \$1 billion worth of wheat and it is \$1 billion worth of food we cannot grow. Do you know what I should ask him instead: how much of the \$1 billion worth of food we import can be grown in Trinidad and Tobago? That is the answer to his question. While they import food that we can grow, our farmers are starving. Until they satisfy all of that and employ people in that process, there will never be a fall in prices.

That is why I say it is a pity that certain parliamentarians allow themselves to be used by the food importers. The problem in this country is that the food import lobby has this Government in its pocket, and once that is so, this Government would do nothing to encourage local agriculture because to the extent that local agriculture is increased, importation of food is decreased, and to the extent that importation of food is decreased, their profits are decreased. It is for this reason that the Government does not deal with local agriculture. Therefore, Members of Parliament should not permit themselves to be used as lackeys and as stooges to fight the fight of the food import lobby.

The solution to the problem of food prices is not to harass local farmers who are producing in the Penal market, the Chaguanas market, the Tunapuna market, and so on, or the way to fight food prices is not to sit down on the Hall of Justice, or to fight and argue every day in the press for decreasing the duties and surcharges on imported food; The only way to deal with food prices is to encourage local production. In producing foods locally, what you would do is, you would employ your people.

I do not think Members did it deliberately. They are uninitiated; they are ignorant; not knowing; it is their inexperience, that allows them to be used as a food lobby. I do not think it is vindictiveness; it is not knowing that they allow themselves to be used by the food lobby at the expense of our farmers.

I want to make an appeal to this Government to concentrate on the production of local food to satisfy most of our local needs. That is the way we are going to bring prices down—to give the farmers what is needed. We have spoken in this House on many occasions about the access roads, the markets, and so forth. We are sure that once the Government gets off this syndrome that we cannot grow the food we need and therefore we must import it, then the Government would forever be hankering after this kind of policy that prices are likely to fall if we reduce the surcharge on beef and goatmeat.

Look at the list of things here. We are importing beef, yet we developed something called a buffalypso and we have exported the buffalypso to other countries. The buffalypso is supposed to be one of the finest beef-producing animals. We have exported them to other countries; they exploit them and export the meat back to us.

The list goes on: veal, goat meat, mutton and lamb. These are the imports which are before the House in this very Bill. Do you know that they are so mismanaging the farms at Caroni (1975) Limited where lamb is reared, that the farm is going into ruin, and so the small amount that was supplied from the local market has begun to diminish?

I want to make a sincere appeal to this Government to do something about food prices, please. As I say, only supply can do it, because if you introduce price controls—and I think the hon. Minister made this point; I was reading somewhere where he said that; and he is quite right, obviously—but the supply remains low relative to the demand, then you will develop what is called a black market, and only the people who have the money would be able to get the goods because they would be sold on the black market.

Regulations relating to prices have never, as far as I am aware, succeeded. In the days of the war when there was rationing and there were inspectors going all over the place, it was a common feature to find people selling their goods under-the-counter and over the prices set. That is not the answer. The answer is to increase the food supply, and in order to so there is need for an integrated agricultural policy.

Thank you, Madam Speaker.

3.05 p.m.

The Minister of Works and Transport and Minister of Local Government (Hon. Colm Imbert): Madam Speaker, I listened very carefully to the

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contribution of the Member for Couva North. *[Interruption]* I hope that little accident is not as a result of certain matters which may be engaging his attention.

Madam Speaker, the Bill before the House, as the hon. Minister of Finance indicated, simply seeks to amend the Miscellaneous Taxes Act by reducing the import surcharge applicable to beef, veal, goat meat, mutton and lamb from the rates of 20 and 10 per cent for the years 1995 and 1996 respectively, to the rates of 10 and 5 per cent respectively. It also gives the Minister the power to vary, by order, the various schedules that relate to import surcharge. So that in the future the Minister would be able to amend the schedule with regard to the various tariffs, import surcharges and so forth, rather than have to come before this House for what is a simple administrative matter.

The Member for Couva North contended that the reduction of taxes, surcharges and so forth on imported items would never lead, and I shall now quote from what he said:

"Food prices never fall..."

he was categorical in his statement—

"...as a result of the removal of taxes and tariffs"

and indicated that prices are simply and solely a function of supply and demand. Importers would import only sufficient quantities to keep their prices and profits at the levels that they wish them to be.

The case the Member for Couva North made was that with the reduction in import surcharges there would not be a commensurate reduction in retail prices, but instead, the retailers would take advantage of the reduced—

Mr. B. Panday: Not the retailers. I did not say that.

Hon. C. Imbert: Well, whoever. The net effect would be that no advantage would be passed on to the consumer. Somebody would take advantage of the reduction in import surcharges, said he.

Mr. Humphrey: The importer, obviously.

Hon. C. Imbert: The importer, whoever it is. Somebody would take advantage of the reduction and would not pass it on to the consumer.

The Member went on to talk about prices generally, and indicated that the only solution to the lowering of food prices is to increase local production of agricultural products.

Let me examine what the Member for Couva North has said. This is a very complex issue. Consumer prices are affected by a number of variables and these do include supply and demand. That is a fact. They include world prices and world trends, they include the cost of local production; these all impact on the final price that the consumer has to pay for consumer items, and particularly, food.

I am afraid that I do not support, entirely, the argument of the Member for Couva North. If the intention is to increase local production to the point that there is a suppression of prices, then the only logical conclusion that I can draw from that is that the local producers would get less revenue for their products. If one is going to reduce prices on the local market as a result of local production, then the local producers would get less money for their products. It is logical. Therefore, what the Member for Couva North is advocating is that local producers should get less money for their products.

Let us examine what that would do. If the cost of the various inputs of production, whatever they may be—labour, equipment, land, transportation, chemicals—remains unchanged, the cost of production remains unchanged. If the cost increases, the producers' profitability goes down. Therefore, while I totally support the concept of increasing production of anything—whether it be food or anything else—I cannot accept that the objective of that is to put less money into farmers pockets. That is the argument that the Member for Couva North advanced today—increasing local production to put less money into farmers' pockets and putting farmers out of business. That is a logical conclusion of his argument.
[Laughter]

Madam Speaker, they could laugh all they want. If I am a farmer and action is taken to reduce the price I receive for a product, then it is affecting me adversely. That is the sum total of the suggestion of the Member for Couva North.
[Laughter] They could laugh as much as they please. Less money going into the farmers' pockets. Putting farmers out of business—that is what the Member for Couva North would do.*[Interruption]* The Member says he would create a glut.

Members on the other side all have constituencies which have large numbers of farmers. They are all aware of the effects of supply and demand. Supply and demand go two ways. It is not only that there is limited supply and that sends prices up. We also have gluts and overproduction, and prices go down.

The Members should try to understand. I am sure that the Members on the other side are well aware of the effect of overproduction in a number of crops in this country; short-term crops such as tomatoes, cabbage and other vegetables. I

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am sure the Member takes a keen interest in the prices of vegetables. I am sure he sees a fluctuation throughout the year; that at times when there is a limited supply of vegetables on the market the prices would go up; at times when there is overproduction, prices go down.

I am sure he is aware of that and I am sure he is also aware that the cost of production to the farmers remains unchanged or may increase at various times of the year. I am sure that he is aware that when there is overproduction of vegetables, the farmers are affected adversely.

I just wanted to make the point so that when Members on the other side present options, they look at the long-term implications of what they say. What the Member is saying is that farmers must get less money for their products and they must go out of business.

Let us deal with some of the other issues raised by the Member for Couva North. *[Interruption]* Madam Speaker, the Members on the other side could stand on their heads and spin around, but the net effect of what the Member said is to put less money in the farmers pockets. That is what the Member said—put farmers out of business.

It is clear to me that the Member for Couva North has no experience in agriculture. None! He is well aware that there are many areas of agricultural production that are very difficult in this country for many different reasons. He is well aware that basic food items, such as rice, can be imported into this country from a Caricom country like Guyana at half the price, or sometimes one-third the cost of local production. I am talking about the cost of production. *[Interruption]* I am not talking about the retail price. He is well aware of that.

He is well aware that because of our peculiar circumstances in terms of land mass, climate, soil type, technology and so forth, that we cannot produce certain agricultural items at prices that are competitive with prices elsewhere in the region, and rice is a very good example of that.

3.15 p.m.

The Member indicated that the removal of taxes would never lead to a reduction in prices. We shall see whether the reduction of the import surcharge applicable to beef, would not lead to a reduction in prices.

I made the point when I started that this is a very complex issue, and we shall see. We on this side believe that a reduction in import surcharge will, in the short term, lead to a reduction in beef prices. We do believe that. We shall see whether we on this is correct or whether the Members on the other side is correct.

Let me deal with some more complex issues. There are other persons in the country who have been making repeated requests—and this is not just the importers; retailers or distributors—for the removal of Vat and surcharge from a number of basic food items. The Member for Chaguanas was involved herself in certain actions aimed at a reduction in taxes on various food items.

Flour attracts an import duty of 40 per cent, surcharge—0, Vat—0

Madam Speaker, if you would indulge me. Rice—duty—30 per cent, surcharge—15 per cent, Vat—0.

Frozen meat, surcharge prior to this Bill—20 per cent, and existing now, duty—15 per cent, Vat—0.

Imported chicken, duty—40 per cent, surcharge—20 per cent, Vat—0.

Split pea: duty—5 per cent, surcharge—0, Vat—0.

Potatoes, duty—0, surcharge—0, Vat—0

Onions, duty—0, surcharge—0, Vat—0.

Peas and beans, duty—0, surcharge—0, Vat—0

Local chicken, duty—0, surcharge—0, Vat—0

Milk, duty—5 per cent, surcharge—0, Vat—

I make this point to illustrate that a number of the items that would be in a basic food basket—I am referring to a basket similar to the one that was outside the Red House—are really Vat free. They do not attract Vat. When one stages a protest and call for a removal of Vat on items that have no Vat, one has to wonder about that.

Let us move on. This Government reduced taxes and surcharge on a number of items in the 1995 Budget, and one would expect, in the normal course of things with supply and demand exerting influence on the market, that there would have been, at least, in the immediate short term, a reduction in food prices.

Retail price is a function of a number of components. If it is an imported product it is a function of the landed cost plus the various taxes on the product, plus transportation to the retail outlet, plus the various mark-ups along the way, storage cost on the ports. One would expect if one remove significant components in that price chain—removal of surcharge, removal of other taxes— one would expect a reduction in prices. This is logical. It did not happen in a large number of cases, but what is the reason for that?

There is an argument that it was the changes in world prices. That is one argument. The point I am making—and I have to keep repeating it—is that this is a very complex issue. Let us look at the question of beef.

Before the conclusion of the final Uruguay Round of the General Agreement on Trade and Tariff, GATT, which they have been trying to reach agreement on GATT for many, many years, and which took place only just recently, there was a policy of subsidization of primary agricultural products in many of the developed countries of the world.

In Ireland, for example, there is a type of product called Irish intervention beef, highly subsidized by the Irish Government for particular reasons. This beef was available to Trinidad and Tobago until recently. Because of GATT, because of other internal reasons, no doubt, within the Irish system Irish intervention beef at very subsidized prices is no longer available to Trinidad and Tobago. The landed cost of the intervention beef does not exist any more, one school of thought says.

With respect to the other primary producers of beef—New Zealand and Australia—from all accounts there has been changes within those systems resulting from GATT and from other factors; therefore, the price of beef coming into Trinidad and Tobago has gone up. There is no doubt about that. That would have an impact on prices and it is the first element in the price chain.

If the landed cost increases and surcharge is removed and other duties come off, there could be a balancing effect where the net effect is nil, or there could be an increase if the imported cost has increased by significant amounts. This is a fact.

There have also been many other changes in the world with respect to food products. There is the entry of many of the former socialist countries into the free-market system, the collapse of the Soviet Union and there is now increase trade between the former Soviet Republic and former Eastern European countries and the rest of the developed world, trade that previously did not exist. There is now increased demand in these countries for food products, in particular, from developed countries. Therefore, from the basic premise of the Member for Couva North, the question of supply and demand on the world market has affected world food prices.

For example, Channa, which is used as a basic food item in many countries, is now being affected by GATT, by the entry into the free-trade market by many countries which hitherto were inward looking. They did not trade to this extent with other producing countries in the free world, as it were.

These are two major world developments that have had a negative effect on the price of imported products, GATT, the changes in the world's approach to subsidy. One of the major results of GATT is the question of how countries view subsidies. Some countries—Japan for example—subsidizes their own rice farmers to the extent that the cost of rice in Japan is far higher than it is in other countries. The cost of beef in Japan until recently was far higher than in other countries. There were reasons for that.

3.25 p.m.

The whole Uruguay Round of GATT has changed that: These countries are coming under increasing pressure to reduce the subsidy to their local farmers if they wish to export their products to other countries. One hand cannot clap. If one wishes to become part of the global trading environment and wants to export, there is the agreement in the world trading environment that the conditions of the countries must be on par with one another. This is the whole point of GATT. They looked at the situation around the world and it was decided that if one wants to sell products to another country, then one must not subsidize one's products to the extent that it is unfair competition with the other farmers.

That Uruguay Round went on for years and years. In Europe you would have seen protests by French farmers. There were street demonstrations by European farmers protesting this new concept in world trading, that subsidy must be progressively reduced to level the playing field. For years the Europeans, Americans and Japanese subsidized their farmers, and as a result, the price of these products was less than the price of production in some cases, and in other cases, far less than it should be in terms of simple economics.

These two factors affected world prices; the resolution of the Uruguay Round of GATT and the entry into the world trading system of countries that were formerly inward looking and belonged to the former socialist republics. The other factor which has affected world prices is severe climatic conditions in many parts of the world. Some of the primary producers of basic agricultural products the world over have been affected adversely in different ways, either by drought or flood. This has had the effect of reducing supplies and pushing up world prices of commodities.

There is an argument that factors outside the control of local producers have impacted on the landed cost of imported goods. I am not taking any position here today. One can also look at the whole question of the fixing of prices. One can get into that argument and get absolutely nowhere. If there is a true free market

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system then one expects that eventually the importer with the lowest cost would be the one who would succeed.

There is an argument that with small island economies—again I am not taking sides in these issues which I am discussing; [*Interruption*] I will give you my position in a while—it is difficult to reach a pure free market system because of the economies of scale and other factors. The fact is that producers in the food business—and as I said, the Member for Couva North does not seem to be too familiar with it—rely on throughput turnover.

Food retailing is a high volume, low margin business. If food retailers increase their prices to the point that the market cannot sustain them, then competition will come into play and prices will decrease generally. The landed cost, the cost of the wholesaler and the retailer are all part of the chain of prices. The three elements in there are the importers, the wholesalers and the retailers, or the producers. Each one of them is affected by market forces.

This Government has removed a large number of items from the negative list. For this reason some of the arguments of my hon. friend the Member for Couva North need some more thought. Anybody in this country can become an importer. The items are no longer on the negative list. There is no need to get a licence from the Ministry of Trade for a large number of products any more. Anybody can go outside there, source a product, bring it in and sell it. This has affected the composition of the entire import and retail trade.

There is no doubt that over the last two or three years since the Government has systematically removed quotas and negative listing, the number of importers has gone up. This has nothing to do with food. If the Member for Couva North had a chance to look at television last night, he would have seen one of the major retailers of motor cars make the point that prior to the removal of new motor cars from the negative list, there were just about five importers of cars and 15 models available on the local market. But in the last two years that number has gone from five to 15; three times as many importers of motor cars; and 54 models of motor cars are available.

One of the positive effects of trade liberalization is the increase in the number of persons involved in the trade. I emphasize the point that one of the positive effects of trade liberalization and the removal of the negative listing is the increase in the number of persons involved in the trade. Once there are more persons involved in an industry, it must have an effect on prices. Competition must come into play.

3.35 p.m.

The Member for Couva North believes that all businessmen in this country are thieves.

Let me make the point: "The food import lobby is in the pockets of the Government". You said that. *[Interruption]* The Government is in the pockets of the food import lobby? What is that?

One of the things the local importers of food are looking at is the question of reorienting their sources of supply. High prices do not affect consumers only. They affect retailers and importers as well. If prices go up to the point that people cannot afford to buy, then businessmen will go out of business. The Member for Couva North keeps coming back to the importers of food. I keep making the point that they are a part of the chain of food prices.

To deal with the comment made by the Member for Oropouche, one cannot just look at it in isolation. One cannot look at the importers and forget the wholesalers and retailers. The fact is that the persons involved in the trade—let us not get into who is who—whether they are importers or retailers, cannot price their products to the point where there are diminishing returns. One reaches the point where there are diminishing returns and one goes out of business. If one prices oneself out of the market, one goes out of business. Local importers are looking at this.

They are looking at new and cheaper sources of products; looking for strategic alliances with international organizations so that they can land food here at a cheaper price and therefore have a positive effect on the price to the consumers. As the exchange rate has changed, every businessman in Trinidad and Tobago over the last 10 years who has been successful and who has stayed in business, has reoriented his sources. One can look at the cloth trade as an example.

Previously the importers of cloth got their products from the Middle East, but as the value of the dollar changed, they reoriented their source to Malaysia, Indonesia, the countries of Eastern Asia and Taiwan to bring in the product at the same or at a lower price, so that they would not be priced out of the market.

We have to understand that we live in a real world. I will not delve into agricultural matters. *[Interruption]* The Minister of Agriculture, Land and Marine Resources is here. He will deal with that, if necessary. One has to recognize that one is in the real world. The reality of today's world is that we must be involved in the global trade system. We cannot be inward looking.

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The world is going in a certain direction and we have to go with it or die. If we adopt an inward looking posture, we would die. We have to look at global trends in trade and at the question of tariffication and surcharges. We have to become export oriented in addition to fostering local production, and to become export-oriented in today's world, we must get involved in trade reform. If not, we would not be allowed to get involved in export production.

I want to talk a little about prices. The Member for Couva North spoke much about prices and read out increases in the Retail Price Index and so forth. He spoke about the highest price rise in 13 years under this government. I have before me the *Central Bank of Trinidad and Tobago's Annual Economic Survey, 1990*, at which time his government was in power. I shall read from page 24:

"Consumer Prices

The imposition of a value added tax of 15 per cent on a wide range of goods and services in January, 1990 generated a substantial rise in the Retail Prices Index (RPI 1982=100) in the first three months of the year."

One sees in 1990 there was an increase in taxation. Prices went up. Consumer prices in 1990 rose on average by 11.1 per cent. It rose in 1989 by 11.4 per cent. The food sub-index in 1990 rose by an average of 17.2 per cent during the year and food accounted for 70 per cent of the overall rise in the Retail Price Index. Among the food items which attracted large price increases were chicken and tomatoes. Three other sub-indices—clothing, fuel and so forth—evinced a significant rise in 1990.

I make the point, that the matter of rising prices is something that is not new. Governments all over the world have tried to deal with this problem. I read out 1990 because from my research the increase in prices in that year was among the steepest ever for very many years. Of course, the Member for Couva North will not refer to 1990 because his Government was running the show at the time.

Mr. B. Panday: We were never in power.

Hon. C. Imbert: You were a Minister in the Government. Do not try that.

When one looks at 1994, however, prices—and I am referring now to page 11 of the *Central Bank of Trinidad and Tobago's Annual Economic Survey, 1994*:

"Although the 1994 Budget contained both cost increasing and cost reducing measures the latter, helped by a waning of the effects of exchange rate liberalization in 1993, appeared to have been significant in containing the rise in the domestic price level in 1994. The decline in the annual average rate

of increase in consumer prices to 8.8 per cent signalled a return to moderate levels of inflation following the double-digit rate of 10.7 per cent in 1993."

We had a change in the currency in 1993; we had a change in the rate of exchange of the Trinidad and Tobago dollar—a significant change. Yet, according to this document, the rate of inflation in 1993 was 10.7 per cent.

We go back now to 1990 where there was no such thing taking place. Prices rose by 11.1 per cent in 1990 and 11.4 per cent in 1991. One has to be fair when one is making analyses. Even though there was a significant change in the exchange rate in 1993, inflation was still 10 per cent; in 1994, below 10 per cent.

3.45 p.m.

When one reads the first quarter report of the *Central Bank Quarterly Economic Report* ending March, one sees that inflation is now going back down. The effect of the change in the exchange rate has passed through the economy and it is now being affected by normal economic forces. One sees that inflation went down to 8.8 per cent in 1994, and one would hope that in 1995 it would remain at tolerable levels.

What is going on in the world? One has to talk about the world when one comes into this House. One cannot just talk about Trinidad and Tobago in isolation; one has to look at what is happening in other countries. I turn to page 23 of the *Annual Economic Survey*. Let us look at the United States. It says that there was a rate of 6.7 per cent unemployment in 1993.

What about consumer prices? In the United Kingdom the Retail Price Index rose by 2.9 per cent in December. That was in one month in the United Kingdom. One sees that all over the world there are countries and economies grappling with the question of prices. It is a very complex issue.

This measure before the House, as the Member for St. Ann's East pointed out, is intended to seek to have some amelioration, positive effect on weekly grocery prices for the ordinary citizens. I quote from the Minister's brief:

"After careful consideration of all the issues, we concluded that the increase in the price of meat has the effect of providing a measure of protection equivalent to part of that which the import surcharge was intended to provide. We therefore took a decision to reduce the import surcharge on beef, veal and goat, ... from 20 per cent to 10 per cent."

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The Government has taken this decision with the expectation that it would have a positive effect on consumer prices of these products. We hope that takes place. We shall now see what happens. I commend this Bill to the House.

Miss Hulsie Bhaggan (*Chaguanas*): Madam Speaker, the fact that the Government has come to this House to merely discuss the reduction of import surcharges on meats is a slap in the face of the population, particularly as 26 per cent of the population today lives below the poverty line. This Bill undermines the credibility of the Government because it has said, publicly, that prices will fall flat in 1995 and the hon. Prime Minister said that he would treat poverty as an important issue under his government. The rise in poverty in this country is an issue that all of us must be concerned about. The rising cost of food is an issue which is contributing to rising poverty and, the Government has a responsibility to tackle that matter as an overall issue, apart from bringing minor issues to this House for discussion.

I am aware that there are external factors which are affecting the price of food in our country. I am also aware, however, that there are internal issues which we can address and internal forces which we can take care of where, at least, we can be able to buffer the cost of living to our citizens. We also have to be very careful and understand clearly that we are not just speaking about foodstuff, rates of other essential items have gone up—water, electricity, transportation. Recently, it was announced that the price of school books will go up once more.

I am also clear that part of this problem has to do with the pace at which the Government has liberalized the economy. It has mismanaged the transition from a state-led economy to a market-oriented economy. It has not prepared our people, business, in a way to accept the changes which we are experiencing now. Today our people are being sacrificed at the altar of free market.

I have seen a situation where macroeconomic factors are taking precedence over issues which ought to be also occupying the attention of the Government. No one can deny that today the social fall-out in this country is unprecedented in the post-Independence era. There is a situation where there is growth without human and social development. Today, we have been told that as far as this Government is concerned, we are living in paradise.

It seems to me that unfortunately this Government is living in a capsule somewhere suspended for it is out of touch with reality. Sometimes it comes down for a few minutes when somebody of great prominence dies or is brutally murdered.

We are a nation of victims. There is a situation where almost every day someone is murdered or brutalized. There are victims of violence. There are rapes. Houses are broken into and items are stolen. There is so much violence in the society, but the Government seeks to create the impression, that nothing is wrong. When something tragic happens to a very prominent person, we then lift our heads and say that there is a problem in the country.

I stress the point that we are a nation of victims. Today the population are victims of rising food prices regardless of what the causes may have been. The fact that this amendment has been brought before this House for a mere reduction of surcharge on a few items of meat, is a manifestation of the uncaring ways of the PNM Government.

Much has been said about my campaign and my party's campaign against poverty in this country.

Hon. Member: Which party?

Miss H. Bhaggan: I want to make it very clear that the reason Members on both sides can scoff is that there is a great level of insensitivity towards the poor in this country. Many of the Members of Parliament are prepared to sit in this House and make speeches but they are not prepared to go out into the fields, among the grassroots, and really understand what is happening. At the same time, there are constituents who come to every Member of Parliament in this House and insist that something must be done by Members of Parliament. I have absolutely no apologies for walking with a basket, campaigning against the poor, going to the market and talking to venders. I believe it is my duty as a Member of Parliament to do such things.

There are some people in the Parliament who are prepared to attack everybody on all sides because they are comfortable. These are people who are prepared to sell the presidency for a lunch, a ride in a Rolls Royce or a bottle of rum. These are the people I am talking about. They are prepared to attack other Members of Parliament who are trying to do something to improve the situation in this country.

In carrying out the campaign against poverty, we have visited 11 markets in Trinidad and Tobago. They stretch from north to south, east to west, and Tobago. When we went to these markets the intention was to meet the people, whether they are venders, farmers, consumers. I have evidence here which I have brought with me. Twenty thousand persons have signed a petition calling on this Member of Parliament to do something within the House, some form of lobbying, to

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ensure that this Government take note of the fact that people out there are suffering.

3.55 p.m.

Madam Speaker, I also want to make it clear that venders and farmers have signed this. In speaking to the people at the market, I have made it very clear that I support local agriculture, and I have even made recommendations about local agriculture. I know, for instance, even if a vender is selling cucumbers or tomatoes, he still has to go to the supermarket to buy oil, rice, sugar and all the basic things.

So it is pure mischief for Members of Parliament to come to this House, and even say elsewhere, that the campaign against poverty conducted by members of my party and me, was really an attack on venders and poor farmers. That was mischievous, vindictive and it shows a callousness towards the poor people of this country.

In visiting throughout this country, I have had a chance to meet people. I want to tell this House—although they already know, but it is important for them to get this into their heads—that there are people today in this country who are drinking bush tea without sugar; they are eating ground provisions; they are eating salt and rice; they are eating pepper and rice; there are children in particular who are going without meals for the day. I have met those people.

There are children who are begging at our street corners, in the markets, wherever there are people. They go to the fast food outlets and stand at the doors begging. There are people we call vagrants; I call them street dwellers. They have absolutely nothing and are living on the streets.

There are senior citizens who have found that the old age pension is no longer sufficient to support them. People who are receiving public assistance—that money is no longer adequate. Children have had to leave school and become venders at very young ages. As a matter of fact, when you visit these markets you see young children sleeping on benches and on the stalls. They arrive there from as early as 4.00 a.m.

There are children who are looking after children while their mothers go out to look for jobs, either as domestics or in the agricultural fields, or whatever. Some of these children are unprotected; they are at home alone. I have personally met with families whose children were abused.

We have a situation, also, where people were prepared to sell their babies. I heard a story, that at the Sangre Grande market a lady came there with her seven

children and was asking anybody to buy the children or take them from her. That is just one instance, but there are several others like that.

I also know that there is a problem of child pornography, child prostitution and child labour. Housing is a serious problem and squatting also. There is a lack of basic amenities in many parts of rural Trinidad and Tobago. The roads are so bad that taxis do not ply there. People walk for miles with heavy loads on their backs and their heads.

Incest is a serious problem among drunken parents, and drunken fathers in particular. Senior citizens are being robbed and abused by addicts, and we have not even touched the surface of domestic violence. We look at domestic violence only when we hear that somebody has been murdered. But it is a serious problem in this country because of the fact that there are many fathers, in particular, who cannot provide for their children and when the children cry, they beat them, and also their wives.

Amidst all of this, food prices continue to rise. These are not things I have read in a book, or read in some study somewhere or attended a conference and heard people discuss. These are things I have seen. I have spoken to the victims; I have spoken to the people who were affected. I have visited their homes throughout the country. In Tobago, in particular, the prices are higher, and the Member for Tobago West will attest to this. Because of the additional freight or whatever costs that are involved, the people of Tobago are also suffering tremendously from rising prices.

While we speak about that, the Members on the other side are passing blame from one person to the next and they are speaking about world prices. As I said before, I quite understand the elements that would have been an input in the rising prices in this country, but there are factors which this Government can actually deal with and put in place to help our people so that all the people of this country could, at least, buy food.

Health care is a big joke. Every day we look at the newspapers we have a situation where nurses are on strike; doctors are not there; you are lining up for hours for medicine; they do not have the medicines you require; the pharmaceuticals have gone up again. So even at that level, health care also is a problem. The hardest hit here—I want to stress very clearly—are the senior citizens, the unemployed and the middle and low income earners who have not had any increases in their wages and salaries over the last several years. While their salaries and incomes have remained almost static, prices are rising daily.

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When you look at the period 1988 to May 1995—I have taken a sample of products—the prices have gone up between 52 per cent and 250 per cent, and these are basic items I am speaking about; I have not looked at toiletries. How are people going to survive? What are we supposed to do as a Parliament? What is the Government supposed to do? We cannot keep passing the buck and blaming one another.

I am saying that any parliamentarian who criticizes any campaign to deal with food prices is a very irresponsible and callous person and such a person should not be in public office, especially representing poor people.

I do not intend to be very long, because there have been so many debates outside. This has been an issue on the front burner for months now. I want to make some recommendations to this Government. For the short term I am saying that this Government has to either remove or subsidize VAT, duties and surcharges from all basic foods and toiletries. Secondly, I am saying that it should exempt the supermarkets and grocers' shops from the .5 per cent business levy. Thirdly, it should exempt food containers from its proposed fees, because all these things add up to the cost of food to the consumer.

I am also saying that the Trinidad and Tobago missions abroad must be used to source cheaper supplies of foodstuff. We have heard it said in this House that on the one hand the retailers are complaining about the wholesalers; and on the other, the wholesalers are complaining about the distributors and so forth. That is a fact. The only thing this Government can do, therefore, is to make sure that its missions abroad do proper research, firstly, to find cheaper sources of supply, and secondly, to expose those who are guilty.

For instance, if we are saying that the importers are the culprits, this Government has a responsibility to expose them, not just coming here and pointing fingers at them; produce the figures.

This Government has the machinery and access to all the information required.

I think that is the Government's responsibility. If it could expose them, it means, therefore, it can show where the mark-ups are astronomical and as such these importers would be pressured into doing something about it. We cannot just have a situation where Members of the Government would stand in this House or elsewhere and blame everybody else without providing facts to this nation.

The people of this country are looking at this issue very seriously and they expect this Government to act in a responsible manner. They are not expecting the

Government to act in contravention of whatever agreements have been signed, on world trends; they are expecting, within our local economy and within the Government, there are things that would be done.

It is also very clear that despite the increase in food prices we also have to look at the other increases. I am making an appeal, therefore, on behalf of the people of this country, that old age pension and public assistance be increased to a point where people can afford to take care of their needs, at least.

4.05 p.m.

I recall when we made that particular recommendation in 1992—I believe it was the first budget debate as we entered this Parliament—the then Minister of Social Development calculated how much it would cost this country. It is going to cost this country much more when people who are malnourished and ill go to the health-care system seeking care; as a matter of fact it is more in social welfare in terms of other kinds of services being provided, apart from the monetary services.

If we do not want to burden the health-care system, and the other kinds of social programmes which are run, we should ensure that at least the senior citizens and those who are needy have money to be able to buy food, basic clothing, send their children to school and look after their essentials.

Madam Speaker, those are the short-term remedies; I believe those kinds of proposals cannot last for long. It is merely a stopgap measure.

In the long run, I want to support the development of local agriculture. I say in the medium and long-term because given the desperate state of agriculture at present. We cannot expect our farmers to produce food overnight. This Government, despite all its propaganda, has not really developed the sector, so there is much to be done. All we are hearing from the other side would be access roads.

I live in a constituency where much agricultural production takes place. I cannot tell you that I have seen any access roads which have been developed. If one asks other Members on this side, and maybe on that side, they too would attest to that.

As a country, in the medium and long-term, given the fact that at present the food situation is in a crisis state, we need to plan and ensure that the agricultural sector is properly developed.

I am saying infrastructure, not only roads. There is a problem of salt water destroying thousands of acres of arable land. That too, has to be dealt with. We

have to look at the prevention of flooding. The hon. Member for Diego Martin East comes to this House and talks a lot about flooding, but I notice that he talks about a programme only close to election time.

We have also to link research and development with local production. There are agencies in this country, and regionally which have spent millions of dollars—and which our Government would have subsidized—and those research and development capabilities are still there. The research material is there; the technical expertise is there, and I do not see why, therefore, we should not have a healthier link between research and development and local agriculture.

The Member spoke about channa. There are many products that are being imported which we do not produce, but which we can produce here. That is something we have to look at as a country.

Also, the question of training in agriculture. We have to ensure that our farmers are trained in modern techniques. As long as the farmers continue to engage themselves in back-breaking forms of agriculture, young people are not going to be attracted. Despite the fact that they are unemployed, they are not going to be attracted. We have to place more attention on training and providing new and modern methods of conducting agriculture.

We also have to look at large-scale farming. As long as we concentrate on small scale-production, it means that the cost of production will be higher. We need to look at the inputs into agriculture. Right now farmers are complaining bitterly about the cost of seedlings and other inputs, like chemicals and so forth, where they are not able to produce their crops at a price which is competitive

The Member for Diego Martin East says that by producing more one would lose money. He is talking nonsense. As far as I am concerned, as long as one produces on a wider scale—yes, one can produce cheaper, but there are economies of scale there. Secondly, one can actually export whatever surplus one would have.

Also, a serious issue facing our farmers, as far as my medium term and long-term recommendations are concerned, is praedial larceny. There are farmers today who complain that as soon as their crops are about to be reaped, people are stealing them, taking them to the wholesale market and even exporting them. There is absolutely no control, no accountability.

There should be some system of registration of farmers. Persons found with produce must produce some document saying that they have so many acres of

land and they produced watermelons and pumpkins, or whatever. As things stand they can just go to someone's land and reap as if the crops are theirs, and these poor farmers are not able to manage.

There are people who are forced to live on these fields in the last few weeks as their crops reach maturity. It is not fair, especially with the hordes of mosquitoes which are affecting this population.

Of course, there is the question of people's lives being in danger. I know of a situation where a watchman was killed at a company close to my home, he was watching over the crops and people murdered him and stole the crops.

The inputs into agriculture must be properly subsidized and despite all the talk about agreements abroad, the developed countries find ways to deal with subsidy. When I say subsidy I do not necessarily mean in the traditional form; it does not have to be a cash subsidy. If we expend money in infrastructure, research and development, marketing, cold storage at the fresh produce markets; the support services and facilities, that is a form of subsidy.

In developed countries, they use all sorts of laws to prevent other countries from exporting to their countries. The developed countries speak of environmental issues, trade issues, and find ways to colour it up, but we in Trinidad and Tobago are removing all barriers and allowing so-called free trade to take hold of this country, and we are not doing anything about it.

Each country has different ways of protecting its economy, farmers and local producers, but we are not doing that. We have removed the barriers and as far as we are concerned, we are in free trade. Well, we must be the only country in the world which is moving towards free trade the way this Government is doing it.

I know the Minister of Finance will be getting up to reply to me with respect to the recommendations I have made as to how much revenue he is going to lose as a result, so I want to make some recommendations on how he can meet this shortfall in revenue as a result of the recommendations I have made.

The Supermarkets Association, for instance—and I support their view—says that we need to use some of the proceeds from the Lotto and Play Whe and so on to help towards reducing food prices. I find it very strange that we have a system of Lotto, Play Whe and Lottery which is the same old gambling, but it is being advertised on television. I should like to know why we are spending money to advertise Lotto. Is it that people in the country do not know about Lotto? Why are we advertising Lottery as opposed to Lotto? What are we doing? That money could be put to better use.

It also befuddles me when T&TEC, TSTT or other monopolies advertise. Why is it that they are advertising? Why are they wasting money? Therefore, I believe that the moneys coming from these games should be placed in an area where it can at least help with the rising cost of living and, in particular, basic food prices.

Also, this Government is spending millions, I suspect, on propaganda. The Government has very good propaganda machinery. I am suggesting to this Government that the money it is spending on propaganda on television, in the newspapers and everywhere else should be put toward reducing food prices.

Let us make sure that we reduce the number of Senators who are acting as Ministers. Let us have elected Members of Parliament performing the role of Ministers. That is another way in which the Government can save money.

Then, the Government's overseas trips. I support overseas trips from one point of view. We are in a global economy, we have to ensure that we are linked with what is happening out there. That is very true, because the world now has moved from a situation of geo-politics into geo-economics. It is now a question of trade; it is a question of the economy moving along certain lines of competition; of creating links with other kinds of industries and people.

4.05 p.m.

I recall when we made that particular recommendation in 1992—I believe it was the first budget debate we had as we entered this Parliament—the then Minister of Social Development calculated how much it would cost this country. It is going to cost this country much more when people who are malnourished and ill go to the healthcare system seeking care. It is costing this country more in social welfare in terms of other kinds of services being provided, apart from the monetary services.

If we do not want to burden the healthcare system, and the other kinds of social programmes which are run, we should ensure that at least the senior citizens and those who are destitute and needy have money to be able to buy food, basic clothing, send their children to school and look after their basic essentials.

Madam Speaker, those are the short-term things, because I believe those kinds of proposals cannot last for long. It is merely a stopgap measure. In the long run, I want to support the development of the local agriculture. I say in the medium and long-term because given the desperate state of agriculture right now, we cannot expect our farmers to produce food overnight. Given the fact that this Government, despite all its propaganda, it has not really developed the sector.

There is much to be done. All we are hearing from the other side would be access roads.

Madam Speaker, I live in a constituency where much agricultural production takes place. I cannot tell you that I have seen any access roads which have been developed. If one asks other Members on this side, and maybe on that side, they too would attest to that.

In the first place, therefore, as a country, in the medium and long-term, given the fact that right now the food situation is in a crisis state, we need to plan and ensure that the agricultural sector is properly developed.

I am saying infrastructure, not only roads. The whole question of salt water destroying thousands of acres of arable land. That too, has to be dealt with. We have to look at the situation of the prevention of flooding. The hon. Member for Diego Martin East comes to this House and talks a lot about flooding, but I notice that he only talks about a programme close to the election time. Flooding is another situation.

We have to also link research and development with local production. There are agencies in this country, both locally and regionally, which have spent millions of dollars—and which our Government would have subsidized also—and those research and development capabilities are still there. The research material is there; the technical expertise is there and I do not see why, therefore, we should not have a healthier link between research and development and local agriculture.

The Member spoke about channa. There are many products that are being imported right now which we do not produce here, but which can be produced here. That is something we have to look at as a country.

Also, the question of training in agriculture. We have to ensure that our farmers are trained in modern techniques. As long as the farmers continue to engage themselves in back-breaking forms of agriculture, young people are not going to be attracted. Despite the fact that they are unemployed, they are not going to be attracted. We have to put more attention on training and providing new and modern methods of conducting agriculture.

We also have to look at large-scale farming. As long as we concentrate on the small scale production, it means that the cost of production is higher. We need to look at the inputs into agriculture. Right now farmers are complaining bitterly about the cost of seedlings and other inputs, like chemicals and so forth, where they are not able to produce their crops at a price which is competitive. Regardless of what the Member for Diego Martin East is talking about, that the

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more one produces one would lose money, he is talking nonsense. As far as I am concerned, as long as one produces on a wider scale—yes, one can produce cheaper, but there are economies of scale to be gotten from that. Secondly, one can actually export whatever surplus one would have.

Also, a serious issue facing our farmers, as far as my medium and long-term recommendation is concerned, is praedial larceny. There are farmers in this country today who complain that as soon as their crops are planted and are about to be reaped, people are stealing them, taking them to the wholesale market and even exporting it. There is absolutely no control with respect to accountability. There should be some system of registration of farmers; people must produce some document saying that they have so many acres of land and they produced watermelons and pumpkins. They can just go to someone's land and reap it as if it is theirs and these poor farmers are not able to manage.

There are people who are forced to live on these fields in the last few weeks as they are about to reap their crops. It is not fair, especially with the hordes of mosquitoes which are affecting this population.

Of course, there is the whole question of people's lives being in danger. I know of a situation where a watchman was killed in a company close to my home, he was watching over the crops and people actually murdered him and stole the crops.

The inputs into agriculture must be properly subsidized and despite all the talks about agreements abroad, the developed countries find ways to deal with subsidy. When I say subsidy I do not necessarily mean in the traditional form; it does not have to be a cash subsidy. If we expend money in infrastructure, research and development, marketing, cold storage at the fresh produce markets; the support services and facilities, that is a form of subsidy.

In developed countries, they use all sorts of laws to prevent other countries from exporting to their country. They speak of environmental issues, trade issues, but they find ways to colour it up, but we in Trinidad and Tobago are moving all barriers and allowing the so-called free trade to take hold of this country and we are not doing anything about it.

Each country has different ways of protecting its economy, farmers and local producers, but we are not doing that. We have removed the barriers and as far as we are concerned, we are in the free trade. Well, we must be the only country in the world which is moving towards free trade the way this Government is moving into it.

I know the Minister of Finance is going to get up in this House and reply to me with respect to the recommendations I have made as to how much revenue he is going to lose as a result, so I want to make some recommendations as to how he can meet this shortfall in the revenues as a result of the recommendations I have made.

The Supermarket Association, for instance—and I support their view—says that we need to use some of the proceeds from the Lotto and Play Whe and so on to be able to help towards reducing food prices.

Madam Speaker, I find it very strange that we have a system of Lotto, Play Whe and Lottery which is the same old gambling, but it is being advertised on television. I would like to know why we are spending money to advertise Lotto. Is it that people in the country do not know about Lotto? Why are we advertising Lottery as opposed to Lotto? What are we doing? That money could be put to better use.

It also befuddles me when T&TEC, TSTT or other monopolies in this country advertise. Why is it that they are advertising? Why are they wasting money? Therefore, I believe that the moneys coming from these games should be placed within an area where it can at least help with the rising cost of living and, in particular, basic food prices.

Also, this Government is spending millions, I suspect, on propaganda. The Government has a very good propaganda machinery. I am suggesting to this Government that the money it is spending on the propaganda on the television, in the newspapers and everywhere else should be put toward reducing food prices in this country.

Let us make sure that we reduce the number of Senators who are acting as Ministers in this country. Let us have elected Members of Parliament performing the role of Ministers. That is another way in which the Government can save money in this country.

Then, the Government's overseas trips. I support overseas trips from one point of view. We are in a global economy, we have to ensure that we are linked with what is happening out there. That is very true, because the world now has moved from a situation of geo-politics into geo-economics. It is now a question of trade; it is a question of the economy moving along certain lines of competition; of creating links with other kinds of industries and people.

I believe this particular issue demands the support of every single Member of Parliament in this House. When Bills or Motions which affect the vital interests of

the population are brought into this House, I think every one of us should put aside out partisan interests and support them.

4.25 p.m.

I am appealing to the conscience of this Government to do something now about rising food prices. The population can no longer take it. They are angry, frustrated, disenchanted and literally suffering. When I speak today, I speak with the direct backing of 20,000 persons in this country and I speak from my heart. At the same time, I am saying that I commend this amendment before us, but it is not enough; I am asking this Government to move beyond that and look at the recommendations I have made to ensure that everybody in this country would be able to buy food for his family, so at least we could bring some relief to the people of Trinidad and Tobago.

Thank you.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, if we are going to keep the traditional tea time, I think I have just risen in time to ask that we take the tea break now.

Madam Speaker: I do not know if you wish to start your contribution.

Dr. The Hon. K. Rowley: Madam Speaker, in two minutes time, I would not be able even to begin to address the attire of my colleague for Chaguanas.

4.28 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Dr. The Hon. K. Rowley: Madam Speaker, I should like to make an intervention in this debate to focus on a couple of issues which seem to permeate the general debate about food prices, and to seek to establish the base from which we are confronting the very vexing issue of food prices.

It would be quite unreasonable to say that anyone in this House is happy with the fact that food prices are tending, in some instances, to be on the rise and that some persons in the national community are having more difficulty than others in obtaining food. Food is such a basic need for human existence that unlike some other things which we may like to have, we do not have a choice with respect to the ingestion of food. The type of food might vary, but the need for basic food ingestion is a requirement for human existence, so food availability is a matter which concerns us all.

We also have to understand that food is a commodity which is produced by some; traded and purchased and then consumed by all. In Trinidad and Tobago

there are two sources of food. There is the local food supply and there is the imported food supply. If one listens to the debate, even here in this House, there is confusion with respect to the position of the two components of the national food supply.

Madam Speaker, I wish to take you back to 1992, 1993 and 1994. In 1992, the Government embarked upon a continuation of an economic transformation in Trinidad and Tobago which was justified on the basis of positioning the country to take part in international trade. There were general comments about trade liberalization and so forth. These are all adjustments being made in today's world by countries—not Trinidad and Tobago alone, but all countries—as world interaction of countries take place against the background of some new rules and some new conditions prevailing in the 1990s, which did not exist before. So the manufacturing sector went through a programme. The energy sector went through a programme, and the last sector of the economy which was taken on board with respect to this economic transformation—trade liberalization and so forth—was the agricultural sector.

The programme for transformation with respect to agricultural trade came into effect in January 1994. You will recall, however, that long before that, persons behaved as though the effects were there. All the changes that we made with respect to our trading came into effect in January 1994.

Let me focus a bit on the local food supply—that quantum of food which is produced by the local farming community. Recently, I visited a farm in Erin and in the presentation of the owner of the farm, he made the point that he was seeking to operate in the most efficient manner so as to be able to pay a decent living wage to the 100 persons who work on the farm. It is acknowledged that members of the farming community are the poorest paid of all persons engaged in labour in the country.

We could not quarrel with that. That is a fact. The farming community earn the lowest return in the scheme of earnings in the country. As they produce food, that food will be bought by others in the national community. If we are saying that the price of local food is too high, we are also saying that the local farmer is earning too much for what he produces. That cannot be a correct argument. We know that that is not so. If the local farmer is to earn more for what he or she produces, then clearly the person who is consuming it must pay more, or somebody will have to pay the higher price and make it available to the consumer at a lower price. *[Interruption]*

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It is not a question of reducing its cost of production. Even as we take into account the considerations for reduction in cost, the bottom line is that the earnings of the local farmer are low. At an earlier time in a different debate, persons in this House have argued—and I am one of those who would have argued—that the farming community would need to earn more.

One of the reasons young people do not go into farming is that it is patently clear to them that the returns are poor. They will try something else in the national community as against going out there, doing back-breaking work—tending crops and animals and facing the risk of losses. The bottom line is that the returns are lower and farmers are forever agitating for higher prices.

Whether one takes into account reducing costs and so forth, the bottom line is that there are some things that one can do and some things that are reasonable, but at the end of the day one looks to see what the returns are; what is the net position. If that is the case, farmers are not going to be in agreement with any argument, presented by anyone in here, that they are selling their produce too high. In fact, they can make a very strong argument why what they are earning now should be considerably higher.

On some of the produce the earnings are so low at the market place that in order to allow those farmers to stay in business the Government intervenes and makes available to them a cash topping up to bring them up to a minimum earning level. In the case of cocoa, there is a guaranteed minimum price; in the case of milk, there is a guaranteed minimum price where the market place pays \$1.00 per kilogram and the Government pays an additional 90 cents so that the farmer can actually receive \$1.90. In the case of rice, the Government pays a cash topping up to allow the farmer to obtain a return which would make it at least minimally worthwhile for the farmer to stay in business.

You heard the argument here in 1993 and 1994 that without these subsidies the farmers would go out of business. I want you to put that in the context of an argument that says that the price of local foodstuff is too high. If you go to the market where ground provisions and vegetables are sold, produced by local farmers, you will have difficulty in advancing an argument that these persons are charging too high a price for their produce. They can present you with an argument on the inputs which have been increasing in price and at the end of the day the only point of recovery they have is the sale of the produce.

We cannot agree, as farmers, that the price of our foodstuff—dasheen, yam, cassava or baigan—is too expensive. In an argument of high food prices, I would

surmise by saying that I take it that Members on the other side are not saying that locally-produced food is too expensive. If they are saying that, what are the suggestions coming from them with respect to reducing the price of foodstuff in the market place.?

I understand my friend the Member for Couva North has said that we should increase the supply. That is a position of reason.

5.20 p.m.

If we increase the supply, that would automatically bring the price down, because if it is a large supply a person cannot hold out for x dollars when another person is accepting x minus one. That happens in the marketplace with respect to local production. If tomatoes reach at the Central Market in a large amount, within 10 minutes the price moves downwards. If tomatoes are scarce in the market, within 10 seconds the price goes up.

That system operates in the marketplace. Insofar as there is that system out there with respect to local produce, if the supply is increased food would be made available at a cheaper cost. Of course, one would assume that those who have produced it would have produced it efficiently enough that the lower price that would prevail in the presence of the larger volume would still make it worthwhile for them to stay in business. It cannot be an intervention by Government or any agency to say the price is now \$10, therefore, one must sell at \$8.

Mr. B. Panday: I agree.

Dr. The Hon. K. Rowley: If the production is high, the unit cost will go down. Therefore, small farmers who are producing small volumes will get smaller unit returns. That brings us back to the position of where does that leave the net earnings of the small farmer. *[Interruption]*.

Madam Speaker, I am hearing mutterings from the other side about volumes. Two-thirds of the farmers in this country are very small farmers with very small plots where economies of scale in any reasonable unit will not prevail—one crop arrangement; small crop arrangement; mixed cropping. It is not a voluminous situation like California or Florida. Madam Speaker, I am sure you go to the market from time to time. Talk to the farmers who produce their material and they will tell you that, given the movement of material into the market, the price moves very dramatically and erratically.

There is no shortage of locally produced root crops—dasheen and so forth—from the local area or Caricom. There is no shortage of vegetables, but there is

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fluctuation from time to time and the price mirrors the supply and demand. I am not in an argument with the Member for Couva North. I agree with his position but if we produce more, that will influence supplies.

The issue of high price as it is now, more properly relates to the foods which are imported. It is in the imported component of our food that we have seen the changes in the price which tend to be upwards on many products, and that is what has generated this debate about increased prices. Immediately, it raises the question: Can we largely confine ourselves to local production and therefore save ourselves from the price increases on the imported stuff? Some of that is available based on choice of menu. Some of it is not available.

For example, infant milk. The option of breast feeding is there. On the other hand, if one chooses to feed one's baby from formula, that has to be an imported product because infant milk is not produced in this country. If we are buying infant milk, we would be subjected to the prevailing price of wherever the milk is coming from. Incidentally, quite recently there have been some significant movements in prices of products which we traditionally import. That is where the issue really lies.

I would like to separate the debate into two parts. Let us agree that we do not have a problem with prices of locally produced foods. We do not have a problem with that because one cannot honestly raise an argument for lower returns for our farming community. Insofar as we have a problem with imported foods, let us see what is the position. We have heard much talk.

Let us talk about basic foods. By "basic" we mean those foods which a person who is reasonably not extravagant would need for an ordinary home menu. I have done research and I have a list of items here. I should like to go down the list for the benefit of Members and point out what taxes and duties apply in the cases of those basics.

Hon. Member: We had that already.

Dr. The Hon. K. Rowley: Madam Speaker, I want to give it again because they do not understand. There is a point of view from the Supermarkets Association of Trinidad and Tobago that what we can do to push food prices downward is to remove government taxes. They have come to the conclusion that nothing else can reasonably apply to the situation because the price at which they obtain the product from outside, plus transportation costs, insurance costs and a small mark up is what is reflected in the local price.

One of our major staples in this country is wheat flour. In a budget debate in this House I made that point and some friend of mine from the press said that I said not to eat roti. Every household in this country eats wheat flour in a variety of ways. Wheat is not grown in this country. Wheat flour is imported and there is no VAT or surcharge on flour but there is an import duty on it. There is an argument that that duty should not be there, but that is a matter which can be discussed elsewhere. The bottom line is there is one duty on flour.

There is a Common External Tariff in the region which applies to products which come from outside the region, arrived at the level of the Heads of Caricom. There are a number of considerations but in the budgetary evidence no surcharge nor VAT is applied.

A small amount of rice is produced in this country, but it is very important to the people of Trinidad and Tobago.

There are those on the other side who argued from one side of their mouth that the trade liberalization process was going to lead to an influx of cheap food—which would have made it difficult for local farmers to sell their expensive food and therefore they would have been forced out of business. That was the argument in 1993 and 1994. The Government said that that would not happen because it was going to take steps to ensure that the price at which food initially enters the country will be sufficiently high to ensure that local products can be sold on the market. Month after month in this House and in the other place it was argued that Government's policy was destroying the local farming sector because cheap foods would have flowed into the country.

Strangely enough, six months after the opening up of our agricultural trade, the argument is not an inflow of cheap food destroying local agriculture but of higher import prices for food. It cannot be both. The argument is either that cheap food is coming in to destroy local agriculture or that expensive food is coming in to the discomfort of the consumer. It cannot be both. It cannot be cheap and expensive at the same time. The fact of the matter is that there is no cheap food available anywhere; not in Trinidad and Tobago nor outside.

Miss Nicholson: Tell the PNM that.

Dr. The Hon. K. Rowley: Food is not cheap, and this is reflecting itself in our imports situation. Certain basic food items attract no government taxes or duties at all. After wheat flour, another staple in this Caribbean country is white

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potato. This does not grow in this country and it is imported. It attracts no duty in any form—no import duty, no surcharge, no VAT. It is totally duty free.

Rice, onions, peas and beans, locally produced chickens, locally produced eggs and locally produced meats attract no duty. Sardines, pig tails, smoked herrings and mackerels attract 15 per cent VAT. They are imported items which attract only VAT. There is no surcharge nor customs import duty.

5.30 p.m.

So the whole question about Government tax being the root cause of price increases cannot be sustained by any reasonable argument. But in situations where there are high import charges on certain products, there is a purpose behind it. I quote my friend the Member for Chaguanas, who said people have been sacrificed at the altar of the free market; she went on to say that the Government is not protecting local farmers—

Miss Bhaggan: I said that?

Dr. The Hon. K. Rowley: Yes. I wrote it down here because I could not believe she was saying that. She said that we were taking action with respect to trade liberalization without protecting local farmers, which again is not a correct statement, because, in fact, the high surcharges and duties on the imported product are specifically meant to protect local farmers. The surcharge is an additional tariff which was meant to raise the price of the imported product, so it does not enter this country at too low a price to undermine local production. That is, in fact, the protection.

We all know that as you do that the imported product would be reflected as a more expensive product. So the position now is that local people are encouraged to use the local product. We have opened up the market—we have gone away from licences and negative lists—and any person can import. Therefore, this thing about one person with a licence, using the opportunity to jack up the price and create all kinds of arrangements, cannot exist. Any person can import, but whoever imports would have to pay the surcharge, and the local farmers have that protection.

Listen to what is protected. We have a 30 per cent import duty on rice with a 15 per cent surcharge. This country is self-sufficient in chicken as a result of serious Government intervention in agriculture over the years. We are self-sufficient in chicken to the point where now we can export chicken. There is a 40 per cent import duty as well as a 20 per cent surcharge on chicken.

We want to ensure that because we have chicken available locally, and because we want to maintain employment in the local chicken industry, if any person wants to import chicken, when you bring it to the port you would pay a 60 per cent charge on that. That is the protection available to the local poultry producers.

To the best of my knowledge, between the opening up in January and now, contrary to the predictions of ill-informed persons, there has been no flood of imported chicken in this country, because we have put the protection in place. That 60 per cent tariff has dissuaded many persons, or all persons, from seeking to trade in imported chicken.

Miss Bhaggan: Madam Speaker, on a point of order. The point that we are making on this side is that the items which are being imported and to which you these surcharges apply, would have been items which cannot be produced here. I used, for instance, the example of channa. We are not speaking about chicken and all those other things which can be produced locally. What we are saying at the same time is that the inputs into these locally produced items are too expensive because of other surcharges on inputs like seedlings, chemicals, machinery and equipment and so on.

We are not referring to chicken and all those things which could be produced locally. We are speaking about imported goods which cannot be produced here

Dr. The Hon. K. Rowley: Madam Speaker, I thought I made that point a moment ago. I went through a list: corned beef, tuna, mackerel, sardines, pig tail, smoked herring, all these things, no customs duty, no surcharge and they attract only a 15 per cent VAT. If what the Member is saying is that the 15 per cent Vat is what the issue is all about, we could then focus on that and reduce the argument down to that plane. But as you would have heard and seen the debate, both in the press and elsewhere—

Miss Bhaggan: Madam Speaker, it is a combination of the various things. Some items may have VAT only, others may have all three. That is the point we are making. When somebody purchases these things from a grocery, all these things add to their final bill. So the Member is trying to mislead this House by looking at individual items and not looking at the net effect of purchases made by the consumers.

Dr. The Hon. K. Rowley: Madam Speaker, I do not want to get into a one-on-one debate with the Member. I am trying to deal with the issue of imported food. I am trying to correct the misconception that imported food has got to high

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levels as a result of Government taxes. I am demonstrating that the taxation which applies to basic food is minimal and in some cases, non-existent. I outlined the list of basic food products which have no taxes on them at all, including white potatoes; basics of peas and beans; local margarine, and so on.

As a result of this tax regime which is very light on food products, I have done a bit of research to compare food prices in Trinidad and Tobago with food prices elsewhere in the Caribbean. Because, you see, the impression being given is that there is some special hardship which is generated by the Government of Trinidad and Tobago in the sphere of food production.

In the Caribbean, we have basically the same consumption pattern; we obtain our food from basically the same sources, and we are roughly the same distance from these sources. The transportation and so forth, are roughly the same, so let us see what prevails in our neighbouring islands, to determine whether in fact, in Trinidad and Tobago there is a peculiar environment.

I want to preface this by saying we all would like to see lower prices for foodstuff. If food can be made available at lower prices, we all would be happy, but there are certain things at work with respect to the obtaining of food, especially food you buy outside. If you are producing the food locally, there are certain costs involved below which you cannot sell to remain in business.

Let us take processed chicken—and I am doing this for the benefit of those persons who are giving the impression that in Trinidad and Tobago we have a food pricing crisis. Let us look at a pound of processed chicken in Trinidad and Tobago. It costs \$6.12; in Barbados it costs \$12.00; in Jamaica, it costs \$11.50.

Hon. Member: Nonsense!

Dr. The Hon. K. Rowley: One pound of saltfish in Trinidad and Tobago is \$14.50; in Barbados it is \$15.00; in Jamaica it is \$21.00; in St. Lucia it is \$17.00. A bottle of cooking oil in Trinidad and Tobago costs \$7.00; in Barbados it is \$9.00; in Jamaica it is also \$9.00. Dried red beans, Trinidad and Tobago, a pound is TT \$4.00; in Barbados it is \$6.00; Jamaica, \$8.00. All this is in Trinidad and Tobago currency. Black eyed peas—*[Interruption]* Madam Speaker, I am not going to engage in any Trinidad and Tobago debate with the Member for Tobago West. I am talking about conditions in Trinidad and Tobago.

One pound of rice in Trinidad and Tobago costs \$2.21; in Barbados it costs \$6.00 and in Jamaica \$2.50. One pound of potato in Trinidad and Tobago costs \$3.77, in Barbados it costs \$6.00; in Jamaica is costs \$4.40. One pound of butter

in Trinidad and Tobago costs \$4.67; in Barbados it costs \$9.00; in Jamaica it costs over \$11.00.

I hear my friend the Member for Chaguanas asking what about their wages. Let me understand—she is asking who is earning more or less. Earnings are higher in Trinidad and Tobago. At the same time food prices are lower here, the wages here are also higher, so that is not a point at all about who is earning more. The point I want to make is that we are all obtaining our food supply from generally the same sources, but having obtained those imported foods from those sources, those foods are available to people in Trinidad and Tobago at substantially lower costs than to our Caribbean neighbours, except St. Lucia.

St. Lucia is the only Caricom country that has lower food prices than Trinidad and Tobago's according to my research on most items. I would not give the reason for that, but as you know, there is a habit in Caricom where we meet at Heads of Government level and agree to do certain things in the interest of the region, and ten minutes after, other persons make unilateral decisions.

5.40 p.m.

We met here later in Trinidad and Tobago and agreed on a common external tariff. If Members have been following developments across the region, they would have seen that Caricom countries went back to their own Parliaments and abandoned the agreement. That reflects itself in certain ways, but enough said on that.

I want to talk a bit about the import tariff movements in our major staples. I told the House a moment ago that we are self-sufficient in chicken, but that self-sufficiency is based on imported American corn and so forth. We also import wheat. Two varieties of wheat are imported. The average price of one variety in 1994, was US \$141 per ton. In 1995, that price moved up to US \$159. There was a significant movement in the raw material of wheat itself. If one is buying that wheat, through the exchange or a broker, the price of wheat would be higher.

If the price of wheat is higher, it is logical to expect that the price of flour would be higher, unless, of course, somebody intervenes to pay the price for you and makes the product available at a lower price. Suffice it to say, the price of wheat has gone up, and I am not going to go into any details as to why, Madam Speaker, because you watch CNN too and you see what happens with the producers of wheat; you see the floods and whatever goes on and that reflects itself in high prices.

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With respect to corn, the price is trending upwards and that would reflect itself in increased prices. One variety of wheat, the DNS, has gone up; in 1994 it was US \$141.50; it is now at US \$191.75—a US \$40 increase per ton in that six-month period. Those major inputs have experienced price movement at source. That being the case, one must understand that the local consumer is not insulated from these prices.

Last year, there was much concern expressed in this House and the other place during the budget debate, on the question of beef. Before this House now is a proposal to reduce the surcharge on beef. That is what we are here about.

When we placed the surcharge on meat products, that was our protection barrier for the local investment in beef and dairy production. At that time, it was known to us what the external price of beef was. It was known to us what was the level of earning required by the local farmer to stay in business. In the case where there was heavily subsidized beef being made available from Ireland which is commonly called the Irish intervention beef, we were able to look at that price and add on top of it that subsidized price, the surcharge to arrive at a level of import price which would have been sufficiently high to protect the local farmers.

However, between then and now, there have been significant changes in the price of external meat. Therefore, the surcharge at the level at which it was pitched is no longer warranted. If the intention was to raise the import price to a certain level, the fact that the external meat price has risen, meant that if the surcharge is not adjusted one would end up putting the imported meat at a level higher than what was determined.

That is the single reason why today we are asking to be allowed to reduce the surcharge so as not to incur unnecessarily high prices on the imported meat, while maintaining the level of protection afforded to the local cattle producers.

That is my argument. That is the argument in favour of the consumer. If you speak with the local beef and milk producers they would argue the opposite: that the surcharge should not be moved down, but, in fact, should be moved up even higher. In this whole matter of food supply and demand, what we really have here is an inherent conflict of interests.

The producer is arguing for higher prices and the user is arguing for lower prices, and somewhere in the middle is the trader—because food is traded like any other commodity—seeking to make a reasonable return on his or her investment.

There can be an argument—I do not know if it can be supported—that the trading houses are making too much out of it. I am sure, if one investigates and

confronts the trading houses, they would say that they are barely in business and that is why they are calling on the Minister of Finance to remove the small business levy. They are saying that they are operating on so thin a margin that the business levy is threatening to put them out of business.

I heard what my friend, the Member for Chaguanas said this afternoon, raising the case that we should remove the business levy. I take it to mean that she has bought the argument that the people in the middle who are trading in food are marginally in business and, therefore, the Government should remove that business levy to allow them to survive.

It cannot be both ways. It cannot be that one is saying that the traders in the middle are making a killing. If that is the case, then the business levy should really be increased. On the other hand, if it is that we accept their argument that the competition is so stiff, that their returns are small, then it follows that the argument being made by my Friend the Member for Chaguanas that the business levy should be removed seems to have some basis—not that I agree with the position, but I am looking at the logic of the argument.

We are hearing that we should remove the business levy. I take that to mean an acceptance that the open nature of the trading arrangements; the competitive arrangement in place in the food distribution sector, has put the prices at, or close to, where they should be with respect to a relatively open market.

There was a time when we had price controls. Price control was discovered to be working against the consumer; not for the consumer. Take for example, milk products which were under price control.

All that had to happen when there was a change in the external price is that the importers of milk products would go before the Price Control Commission and demonstrate, as they can easily do, that the price of the product had increased outside. The Price Control Commission had no reason to doubt it, because the fact was before it, and since the price had gone up by 10 per cent outside, they were given a 10 per cent price increase on the local market. That is how it was going.

In effect, what that arrangement was doing was, in fact, assisting the upward movement of prices. When we came into office we examined that situation and removed milk from price control, but at the same time, also removed the licensing arrangement, which had confined it to a very small and narrow arrangement and made it available to all who wanted to enter. What we discovered was that the price of powdered milk went down for the first time in God knows how long, because there were additional people importing milk and each one had to keep an

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eye on what the other was charging. So whereas before, under price control, all of them would have gone to the Price Control Commission and would have been granted an upward movement established by the Government, that arrangement no longer exists. In effect, price control is not something which is guaranteed to work. It has never worked and advocating it now is not going to make any difference except to recreate the environment which existed before, which did not work in the consumers' benefit.

5.50 p.m.

Subsequent to that, there was significant movement upwards in the price of milk in the external market. So the price of milk has gone up and that reflected itself in the price of local suppliers.

I want to give you an idea of where some of the common prices are now, in relation to last year this time, to put into perspective what is happening with respect to food prices in Trinidad and Tobago in general. I have a list obtained from my own research. Let us take peanut butter. A certain size in 1994 as a result of the surcharges and other things, which have since been removed in the budget in January. An item which was costing \$9.49; today it is costing \$7.00. Tomato Ketchup—\$5.69 in 1994, today it is costing \$5.00. There is a downward movement in mustard and canned corn.

There was no movement in the price of peas and carrots; no movement in the price of processed pigeon peas, mixed vegetables, orange juice. The price remains roughly the same. Soft drink is available at a slightly lower price. The price of macaroni has gone up. Macaroni is a product which is based on wheat flour and understandably, has gone against the trend. It has gone up from \$2.99 to \$3.49. The same with spaghetti. Soya bean oil has dropped a bit. Vienna sausage, increased a bit from \$2.29; sardines, has increased.

Last June/July the price of condensed milk was \$4.69; it can now be obtained for \$4.29. The price of Crix biscuits has remained the same, Nescafé the same. The price of infant formula has gone up. A 455 pack has gone up from \$20.95 to \$23.00. Again, reflecting the change in price in the basic milk input from abroad.

Basically it is not smaller. The comparative prices relate to the same size item. A significant number of products in the local marketplace has seen a reduction in price as a result of the removal of the surcharges that had been applied earlier on as we manage the change over.

My Friend the Member for Chaguanas made the point this afternoon that the Government did not prepare the country for trade liberalization, we did not

prepare the manufacturers and the homes. That is incorrect. There was a three-year period in which that changeover took place and, during that three-year period we started off in year one with a tariff surcharge situation of as much as 100 per cent on items. It came down to the order of 55 per cent in the second year and at the end of the third year it was completely removed.

I fail to see how in the face of that gradual movement from very high protection to a level of the common external tariff which we had agreed on before—a three-year period—where everybody knew where we were going—that anybody could say that we embarked on this changeover in trading arrangements without preparation, forethought and assistance to the business community.

In fact, in agricultural produce, we are now in year one. As I said earlier on, the trade arrangements for agricultural products came into effect only in January 1994 and, therefore, we are now in a three-year transition period: 1995, 1996, 1997. By January, 1998 we would have ended that transition period and then the common external tariff would be there as the major barrier. That is the arrangement that we have used both in the manufacturing and in the agricultural sectors. There is no real basic difference. It is incorrect to say that we have gone about this without forethought and without preparing the local users and producers for this period.

In 1995 with respect to imported products we are paying the highest prices, because this is the year of the highest tariff, where tariffication is used as the protection. Next year those tariffs will go down a bit and the following year they will go down even further.

Madam Speaker: The speaking time of the hon. Member has expired.

Motion made, That the speaking time of the hon. Member be extended by 30 minutes. [*Hon. K. Valley*]

Question put and agreed to.

Dr. The Hon. K. Rowley: That is why the Bill before us is to treat with a reduction on meats over a three-year period. Initially, we said in year one we would have used a 20 per cent surcharge on top of the CET. As I said earlier on, because of the increase in the price outside, we are now saying we prefer to use a lower surcharge of 10 per cent in year one, and in year two, which would be next year, we would go to 5 per cent, the following year a further 5 per cent and after that the surcharge goes. We have been through that before. That is all that is before us today.

The matter of agricultural products and their availability has always been and will continue to be contentious. The role of the farmer in any community, whether it is in a developing country or a developed country, has been and will continue to be contentious because of the inherent conflict that exists with supply and consumption.

In Trinidad and Tobago we do not produce certain items but we have made them our staples. Let us take cheddar cheese. Cheddar cheese is deemed to be a staple in Trinidad and Tobago. If that cheese was obtained from Germany, a kilogram last year would have cost \$10.77. This year it has dropped by 2.1 per cent. If an importer obtains his supply of Cheddar cheese from Germany he would experience a small drop in price. Whether in fact, he would pass that price on to the consumer is another matter because if he can get away with it, there is good reason to believe that he could see that change in price as good business.

However, if he has competition out there, if somebody else has cheese at a lower price, he would have to pass on that reduction in price in order to assist the sale of his own product. If that same type of cheese is obtained from New Zealand, last year it would have cost \$10.51 per kilogram. This year the price would have gone up by 3.5 per cent so it would now cost \$10.88.

If another importer imports the same kind of cheese from the UK, last year it would have cost \$10.54, this year it would cost \$14.37. If another importer obtained Cheddar cheese from Denmark last year, it would have cost \$9.00—the cheapest source, and this year it moved from the cheaper source to \$14.83, the most expensive source. If it was obtained from Australia, last year it would have been the most expensive cheese at \$11.40 per kilogram, this year it is at \$13.17, in the middle range.

6.00 p.m.

I make these points to demonstrate that it is possible to obtain external supplies from a variety of sources and that the price varies from place to place. In most instances it depends on where the product is sourced. Since the market is now open, the importer who has obtained the best price for quality product would be able to make that product available on the market, having the advantage over other persons who obtain from other sources where the prices might be higher. If the prices are obtained from areas of a higher price, then those persons would either have to accept lower margins or try something else.

I know for a fact that there are importers who are now looking to South America as far as Uruguay, for the first time, for salt fish where it is available at a

cheaper price than the North American supply from Canada which we have all grown up on. Over the years we did not look anywhere else and the price has increased. In fact, as the Canadians have closed their cod fisheries the price has skyrocketed, and it has reflected itself in horrendous prices in our local supply situation. As a result, our importers are now looking elsewhere. I am advised that pretty soon there might be salt fish which would be of an equivalent quality on the local shelf from South America, at a better price . That is the kind of thing that could realistically bring changes to the price of the products that we import.

The same question arises about meat. We import meat from a variety of sources and the same sort of price differentials exist. I make the point though that the cheap subsidized Irish intervention beef, which generated a lot of heat and light last year and the year before, about cheap food coming in to destroy local farming, is no longer available. As we had predicted, that was a temporary situation. The stocks have run out and the price of Irish beef is now on the rise, like any other.

There is no case about cheap Irish beef undermining local production. There are differentials in prices between beef from New Zealand, Ireland and England. Insofar as importers source the best arrangement in price, we expect to see those prices reflected on the shelves in the local market.

Beef is available in South America at slightly lower prices and in some cases at significantly lower prices. However, as a result of requirements for maintaining certain veterinary standards which are set by individual countries as part of the international arrangements and because of the existence of endemic foot and mouth disease in South America, we as a country, wanting to protect the investments that we made in cattle over the years, have studiously ensured that we do not introduce contaminated meat—that is meat which is not cooked—from South America into this country.

However, some South American countries are taking steps to get a certain level of clearance which would demonstrate with a certain degree of comfort, that certain herds are without these diseases. Insofar as that is available, we are looking at the situation to be able to access those meat supplies if and when they are available, because it would mean lower prices for the consumer in Trinidad and Tobago. If in fact that level of certification is not available, I am sorry, we cannot create temporary short-term arrangements at the detriment of long-term disaster.

It would be a singular disaster if we import meat from a country, which has endemic foot and mouth diseases because we could end up with an outbreak

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which could wipe out our local herd. The potential exists for that. If that is the case, we would have created many problems by trying to solve one. We are looking at alternative sources in Central America and working with the importers to give them the necessary clearances to examine and find these cheaper sources if the sanitary conditions can be met.

My friend the Member for Chaguanas said that there are factors which the Government could apply to reduce prices. Outside of looking at the application of VAT on a few items and low surcharge of about 5 per cent on milk, the range of things that my friend spoke about which Government can do is more mythical than real. The Member is not really serious in saying that reduction in the Cabinet portfolio would bring down the prices of food in Trinidad and Tobago. If she wants to argue like that I have a proposal to make.

All of us in this House have constituencies and it is assumed that we all service them. On one side of the House, they come to work half day a week and get a full month's salary. I am saying if that is so and they want to bring down food prices in that way, let us pay those on the other side who work half day a week commensurate with their output and use the difference to bring down food prices. [*Laughter*]

They cannot tell me that they service their constituencies, because I service a constituency too, and I also run a ministry. I want to know where my friend the Member for Caroni Central spends his week. What does he do on Monday, Tuesday, Wednesday, Thursday, and Friday morning? I am saying that that kind of argument is for the birds.

If we are talking about seriously identifying any problem with respect to food supply, it would be facile to raise it to the national community that there are things that the Government can do which would dramatically or even significantly reduce the price of food. The Government does not import or sell food. Government does certain things which influence the price of food. That is, the tax regime. In terms of the availability of food—

Miss Bhaggan: Madam Speaker, the Member is misleading this House. I said that, given the measures I recommended, there would be a shortfall in revenue, which was estimated by the hon. Member for St. Ann's East, and as such there are areas of savings which would make up for the shortfall. It is in that context I made that comment.

Dr. The Hon. Rowley: Madam Speaker, I do not know what the Member is saying. I am telling you what I heard and I am reacting to it. The Member spoke

about excessive ministries. The Member actually said that there appears to be a \$2 billion travel bill over the last 30 years or thereabouts. Let me give an example as to how this is, in fact, a hyperbole of the worst kind.

The average annual expenditure on foreign travel in Trinidad and Tobago under this Government, the previous government and governments before is \$2 million per year. Over a 30 year period that is \$60 million. The Member in that scheming expenditure could somehow see billion dollar expenses and possible savings. [*Interruption*]

I do not think the Member was thinking about Hitlerian reign. The Member was talking about effecting savings. I am simply saying that a lot of what is being put forward as suggestions to effect savings for the public on food supply is facile. The fundamentals of food price are not as simple as reducing ministries, cutting minister's pay, or abandoning the income of the Member for Caroni Central. There is no input.

I want to close by saying that we can influence the price of food in a downward direction by sourcing it externally from supply areas where the prices are lower for whatever reason. We can produce food more effectively in Trinidad and Tobago by using more modern methods, so the same farmer who is using a certain kind of method today and requires a certain price—if we change and improve our methods, we can improve our production patterns and therefore obtain food at a slightly lower price, or if not, at least not release upward pressures on food prices.

I would give one example in the dairy industry. Earlier on I said that the local farmer gets \$1.90 per kilogram for milk sold to the Nestlé plant where there is an arrangement for national collection. In Trinidad and Tobago, over the last two or three years there are some farmers who have had increased yields as much as two or three times, simply by changing the breed of the cattle they have used.

We have moved away from using certain types of live bulls to importing semen from better quality bulls, to now actually importing the live embryo produced elsewhere, from a different cow and a different bull, and using the local cow as a surrogate mother to produce a calf of an extremely high quality. That calf gives an yield of two or three times the normal cow in Trinidad and Tobago. That is the kind of thing that one can do using modern technology and it impacts on one's yield and therefore can move on to impact on one's production cost and what one demands from the consumer. These are the kinds of things one needs to do.

6.10 p.m.

I should also like to make the point that the consumer is not without some interest in this matter. The whole choice of your menu is up to you. There are persons who choose menus which are based largely on KFC and Pizza, which have little health value. My friend the Member for Tabaquite can tell you that in many instances it is even detrimental to your health. Insofar as one makes that choice, those persons who are having difficulty in balancing their budget would not be taking advantage of some of the options that are available.

As far as using local produce as against imported produce is concerned, there are some options, and I should like to recommend to the consuming public that they buy wisely. We know that prices are not exactly low; prices are in fact quite high, but in the whole scheme of things, the availability of food in Trinidad and Tobago is not as bad as it is being made out to be.

Yes, we do have those persons in this country who are without an income and, whatever the price of the food, they would have difficulty procuring it. It is those persons that we are particularly concerned about, and that is why we have certain programmes to take care of the neediest persons: not all the needy ones. We have some programmes in place to identify and assist the neediest persons because we acknowledge that there are such persons in the community. By and large, food is available in Trinidad and Tobago at affordable prices to a substantially large proportion of our community.

Insofar as unemployment affects the ability of persons to buy food, it is tied up with the Government's programme to create more jobs because if one has not got a job, it is likely one does not have an opportunity to buy food. It is not a simple issue. It is a wider issue and we are working on all fronts. It is an emotional issue as well. Others can tell people all kinds of things about food, but their "facts" do not bear out what is said.

I support the Bill, asking that we reduce the surcharge on imported meats so as to ensure that the prices do not go beyond the level that we had charted in our arrangements last year.

I thank you.

Miss Indera Sagewan (*Caroni East*): Madam Speaker, much has been said this afternoon about high prices in Trinidad and Tobago, particularly the high prices of basic food items. We all accept very dishearteningly that this is true. Prices of food items in Trinidad and Tobago are very, very high.

The Member for Couva North made a very significant point on high prices in Trinidad and Tobago when he said that Members on the other side have been mouthing, through the media and by other means, that prices in Trinidad and Tobago would fall flat. We are yet to see that. They were the ones who argued that by the reduction of surcharges and the removal of VAT on certain items and so forth, and by opening up our agricultural sector, such that we allow imported food items to come into Trinidad and Tobago, prices would in fact fall.

So, Madam Speaker, if what we see today is an indictment against anybody, it is an indictment against the current Government.

Dr. Rowley: Would the Member not agree that, had not the surcharges and VAT been removed from the said prices, they would have been even higher than they are today?

Miss I. Sagewan: That is not the point. The Member for Diego Martin West made the point, as did the Member for St. Ann's East, that we do not control all the factors that determine price, particularly in the international market. Therefore, for me to answer the question he asked would be for me to play God and I am not in a position to do that. What we have to deal with is what occurred and the current situation. I do not intend today to spend much time talking about high prices because that has been done.

The second point I wish to make, and again it was made by the Member for Couva North is—and I trust that the Member for Diego Martin West would listen to this—that the reduction of surcharges and the opening up of the market will not guarantee that prices of imported products on the local market will fall.

The Member for Couva North made that point, but if we look at Economics clearly there is the argument that we introduce mechanisms—surcharges, quotas and negative listing—to protect our domestic industries whether it be agriculture or manufacturing. If we remove these we are opening up the industry to what is taking place on the international market and we are forcing them to compete with the international market price.

We have no problems with liberalization—none at all. What we have problems with, is that liberalization is taking place without a very visible and concrete effort on the part of Government to put mechanisms in place to ensure the long-term survival of our current productive sectors.

The Bill before us speaks about reducing import surcharges applicable to beef, veal, goat meat, mutton and lamb. I ask the question: Who in this country today

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can afford to buy these commodities? Can the 26 per cent of the population that is below the poverty line afford to buy these commodities? They cannot afford even to buy chicken which, comparably, is much cheaper than any of these items. How can they possibly consider buying one of these items? I really do not think that this Bill will help, even if it could have had the impact of reducing prices.

Let me back-track a little. When I looked at the Bill, I wondered what was its objective. I thought it could have been one or two objectives. The first objective could have been that it was about the business of reducing the price of these items to local consumers, so they are attempting to protect the consumers. But the Member for St. Ann's East cleared up that point as did the Member for Diego Martin East. The Member for Diego Martin West seemed so confused. He certainly was not very sure of what he was speaking.

Just an aside, I remember when I first came to this House the Member for Diego Martin Central had suggested that he would start a Sunday School to teach Members economics. Apparently he has not started it yet. He should seriously consider starting it at this time.

The Member for St. Ann's East was very clear that when it came to consumer prices the objective was, at its very best, to maintain current prices of these items on the domestic market, and to maintain the current level of protection to the domestic producers of these items. But, who is to guarantee that the price of these items will, in fact, not increase on the domestic market?

Notwithstanding the objective that the prices will not be increased on the domestic market, who would guarantee that when one goes to the supermarket the prices will not be higher than they currently are? I do not think that anybody has attempted to guarantee that the prices will not be increased. We are really at the mercy of those who are importing these items.

6.20 p.m.

The Member for Diego Martin West made the point that the prices of agricultural commodities on the international market were skyrocketing, which is an excellent argument for us to channel much of our resources into agriculture and enjoy the fruits that can be borne from exporting on the international market.

Dr. Rowley: That is what we are doing.

Miss I. Sagewan: We are not doing that.

Dr. Rowley: The Member does not know.

Miss I. Sagewan: Madam Speaker, just as we have no control over the factors that influence the prices of agricultural commodities on the international market, in the same way there is another very significant factor that we have not considered which influences the demand for agricultural products on the domestic market. It is what is called elasticity of demand—an economic term—particularly for basic food items because the elasticity of demand for these items is highly inelastic. The Member for Diego Martin West will do well to listen to this. Do you know what that means? It means that the consumer is held to ransom by those who are selling that item because when the elasticity of demand is highly inelastic, the seller is allowed to put a high markup on these items and pass it on to the consumer.

Dr. Rowley: The Member is talking foolishness.

Madam Speaker: Order! Order! The Member's voice is low.

Miss I. Sagewan: Madam Speaker, I was very polite when the Member for Diego Martin West was speaking. I would not want anybody's blood pressure to go up so that we might have to use one of the doctors in the House.

Hon. Member: Not Dr. Rowley.

Dr. Rowley: Do not listen to him; he will make you talk foolishness.

Miss I. Sagewan: Madam Speaker, let me explain what I am trying to tell the Member for Diego Martin West. When the elasticity of demand for an item is highly inelastic, a small increase in the price of that commodity leads to a less than proportionate decrease in the demand for it. In that regard, the consumer is extremely vulnerable. *[Interruption]*.

Madam Speaker, a consultant who did a report on the social safety nets implications for Trinidad and Tobago noted that while urban consumers, including those in the lowest income quarter, spend a modest percentage on food, those in the poor and low income quarters spend 70 per cent of their income on food.

Mr. Sudama: Does the Member understand elasticity of demand?

Miss I. Sagewan: I will not repeat it. For those who did not hear, it means that it was not important enough to them.

The point is that food is a very basic item and where income levels are extremely low, food purchase makes up the largest part of one's expenditure. Seventy per cent of one's income is spent on food. More than that, that percentage of one's income is spent on the most basic items—potatoes, rice, flour. These are

the items which comprise the food basket. In Trinidad and Tobago with the price of these items skyrocketing, we are really in a serious crisis, notwithstanding the fact that there may be those on the other side who do not want to recognize and treat with this. That was for the benefit of the Member for Diego Martin East who do not have a clue of what is going on.

Mr. Sudama: He is one of those class pupils who do not pay attention. Hard headed!

Miss I. Sagewan: Madam Speaker, I would like to focus on the domestic productive sector that this measure will impact upon—that sector which produces beef, veal, goat meat, mutton, lamb for the domestic market. What I would like to examine is the ability of this sector to survive in an environment that is becoming more and more open. Today we are arguing that we are reducing the surcharge because prices on the international market are high. Can we provide a guarantee that one or two months hence those prices will not hit pit bottom? If we do not put mechanisms in place to ensure our domestic productive sector can compete should this happen, then we would be “spinning top in mud.”

The agricultural sector of Trinidad and Tobago provides employment for 10 per cent of the working population. It is really the only sector in this country that has the capacity to absorb the unemployed. Like many of the other Members, I represent a constituency and the major problem which people have when they come to me no longer is that the drains need cleaning and roads need fixing. They have given up on those things because they take second and third place to the fact that they do not have a job.

A father came to me with two daughters one with A' levels, certificate from John Donaldson Technical Institute; three years out of that institute and the child cannot find employment. The agricultural sector is the only one that has the capacity to absorb more of the unemployed in this country.

The Members on the other side are talking about the construction boom that will come out of the investment which is taking place in the energy sector but that employment will be short-term. Where would those people be absorbed after the fact? The energy sector cannot absorb a post-construction labour force.

We are questioning Government's agricultural policy, as we have constantly done. When we spoke about the Agricultural Development Bank, we made the point that, moving that critical agency in the agricultural sector away from a developmental bank into a commercial type banking system would be detrimental

to the agricultural sector. It has always been our point that the policies, which the Government puts in place, are not creating the relevant kinds of linkages; they are not putting in place simultaneously, the kind of programmes which are essential to ensure that the agricultural sector can survive in the long term and take its place in the society. Agro-industry is a word that is not mouthed at all.

6.30 p.m.

I wish to quote from the Food and Agriculture Policy of this Government. It is a document that says nothing. In this document on page 24 it says: and I quote:

"In the light of the foregoing, Government will:

- a. Promote development of the agricultural sector as a primary source of economic activity and as a major generator of employment opportunities through linkages with the agro processing, input supply and tourism sectors.
- b. Promote and enhance domestic food and nutrition security by facilitating both increased production and by increasing productivity levels where feasible and sustainable as well as by encouraging consumption of locally produced foods supported by improved eating habits through linkages with the health sector."

I agree with it. This is excellent policy. It is on paper only, unfortunately.

Dr. Rowley: Madam Speaker, I just want to follow the debate. A moment ago the Member said the document contains nothing. Now we are hearing that it is excellent policy. Is it the same document she is reading from?

Miss I. Sagewan: Madam Speaker, the paper has a lot on policy but when it comes to implementation it is extremely poor. Policy and implementing strategies are two different things. He being a Minister of Government, I would expect that he would know this.

Another objective:

"g. Provide social stability and facilitate rural development by protecting critical [*Interruption*]

Madam speaker, I would really like the House to listen to this particular one.

Madam Speaker: Hon. Members, on behalf of the Member for Caroni East, may I implore you to listen to what she has to say.

Miss. I Sagewan: Thank you, Madam Speaker. The document continues:

"g Provide social stability and facilitate rural development by protecting critical producer groups and sub-sectors from the severest effects of trade liberalisation."

The Member for Diego Martin West made the point. We could talk about food prices hitting the roof or hitting pit bottom from now until eternity, if people do not have money to buy, prices are of no consequence. So that if we are not about the business of putting measures in place to ensure that the jobs that people have, they can have them into the medium and long term, it makes no sense talking about prices. We could just as well let it go wherever it wants to go. This is what is said in this document by the Government—that it is about the business of protecting those sectors that will be negatively impacted upon by trade liberalization.

Let us now take a look at this sector. I will look only at the beef sector. The information I am referring to on the beef sector is contained in a document prepared by an agricultural economist, Lauren Burris-Phillip. In the beef producing sector alone in Trinidad, there are 1,593 farms. If we are to add the employees—let us multiply it by three just to be conservative—we are talking about close to 10,000 people, just in this sector alone, that if we are not careful, we can displace, and we want to make sure this does not happen. This sector is characterized by very small farms, between one and 10 head of cattle. You have cattle production as well as buffalo production. I will not go into all the details here; it is just the number of people which is important.

Let us look at whom they sell to. The local beef producers supply 25 per cent of the local market, so that 75 per cent of the beef consumed in Trinidad and Tobago is imported. Now, we can supply 25 per cent of the beef that is eaten here, why can we not develop this sector so that we can produce to satisfy almost the 100 per cent. Consumption? We cannot do that because there is no infrastructure in place to carry this sector where it can go.

I shall show that from 1976 there has been an institution in this country which was developed for the purpose of providing the agricultural sector with technology, with research and development to take it effectively into the 21st century. Had the Government been more interested we would not have had to be here quarreling about the removal of surcharges. We would have known that this sector would have been very well poised in order to treat with whatever kind of competition may come its way.

It supplies 25 per cent of the domestic market. More than that, the meat is sold retail, largely as fresh meat, in the municipal markets, roadside meat stands, meat shops and some of it is sold to supermarkets. By and large, we have a sector that is producing meat for 25 per cent of the population but, really, there is no proper infrastructure for properly marketing the product even in the domestic market.

This document goes on to make the point on page 20:

"The country's population prefers fresh local meat..."

It prefers the local meat to the foreign imported meat. However, the price they have to pay for the local meat compared to what they have to pay for the imported meat is too high. *[Interruption]* Madam Speaker, I would appreciate it if the Member for Diego Martin West would not attempt to put words into my mouth; I am very capable of putting them there myself.

I would never suggest that the farmers are getting too much money for their produce. Rather, their cost of production is so high that when they put a margin and they sell, they are really making no money. So the factor that we have to treat with if we are serious about this sector is the cost of production to the domestic farmers.

He has brought us to the point of cost. Let me tell you what it costs the domestic producer of beef. *[Interruption]*

Madam Speaker: The Member for Caroni East is having a hard time today. Anyway, she is coping very well. Proceed.

Miss I Sagewan: Madam Speaker, this is post the float of Trinidad and Tobago currency. The cost of producing a pound of beef to the local producer is \$6.16. When they add a mark-up to that, who can buy it? The document goes on to make the point that the major element that contributes to this high price is the cost of feed which has a very large import content.

6.40 p.m.

Madam Speaker, before we talk about that let us see what this document has to say about infrastructure. Let us see what these professionals—mind you remember it is not my opinion I am putting in *Hansard* but that of an expert—with respect to infrastructure the document says:

"The only means of sale of animals available to small farmers is the retail market butcher. This implies the farmers are usually in a disadvantaged position. The feedlots and larger farmers have supply arrangements with

supermarkets and meat retailers and wholesalers. Slaughter and chilling facilities in the country are grossly inadequate and substandard."

I repeat that:

"Slaughter and chilling facilities in the country are grossly inadequate and substandard."

Is that not what the Government is supposed to be about— the business of facilitating domestic production in this country?

I have to say that I worry gravely about this sector. If under the current situation of protection it is unable to do very well for itself; what would happen when the market is further opened up?

The Member for Diego Martin East made the point that what is happening on the international market is that all these new markets have come into play, with the Soviet bloc and so forth, so that supply is decreasing, demand is increasing and prices are going up. These large producers of beef and other commodities, in view of this fact, would react to that and in turn increase supply. If there is a market for the product, the farmers would increase supply.

I do not think the Member should say that we are looking *ad finitum* at the prices of these commodities being high. We have no guarantees on that. So, let us go about the business of putting in the kind of infrastructure that is required so that our local producers of beef can rise to the occasion and be able to compete should they have to, with more expensive imported products.

The Member for Diego Martin West told us that when the Government was determining the surcharge that we are about to reduce, it looked carefully at the international situation and the domestic producers in order to determine what the surcharge would have to be put at in order to protect them. He said they came up with 20 per cent, but according to this document, the level of tariff protection that this sector needs is 50 per cent. This is stated on page 38.

The expert in the area says that this sector needed a 50 per cent tariff. A 20 per cent tariff was placed and the Government is now seeking to reduce it to 10 per cent. Where is the protection that the Minister says he is ensuring for the sector?

There is an institution in this country called the Sugarcane Feeds Centre. It is a state-owned enterprise [*Interruption*]. Yes, it happens to be located in my constituency, but its objective, though, is not to service my constituency. It is to service the sector we are talking about. It is to provide institutional support to a sector like this. What has been happening to the Sugarcane Feeds Centre? May

be, the Member for Diego Martin West would like to tell us and I would take my seat. If the Member does not wish to do so, then, maybe I can try to inform him from the information I have.

I quote from this brochure on the Sugarcane Feeds Centre. It outlines the purposes of the centre. It says:

"The Sugarcane Feeds Centre (SFC) is an institution of applied research, demonstration, development and training. It was established in 1976 with funding from the Canadian International Development Agency (CIDA), with McGill University as the executing agents. The project occupies 60 ha of formerly forested lands at Longdenville, Central Trinidad. Currently, funding is provided through the Ministry of Agriculture, Lands and Marine Resources (60%), the balance being generated by the Centre's activities.

The broad objective is to develop livestock production systems based on locally available resources. To achieve this, the Centre

- a) experiments with and demonstrates feeding management systems using available products and by-products;
- b) conducts open days and training programmes for farmers, other interested individuals and schools;
- c) provides limited numbers of breeding stock..."

That is in the case of aquaculture, so for the purposes of this debate it would not be important.

The Centre does several things, but I should just like to read what it was doing with respect to calf-rearing, cattle growth and small ruminant production because for the purposes of this particular sector, this is important. Unfortunately, this document does not have a date on it. In the area of calf-rearing it says:

"The calf rearing unit houses 80 calves. Up to 400 are purchased annually at two weeks of age. Most come from the dairy farms of the State Lands Development Projects in Carlsen Field, Esmeralda, Waller Field and Turure. Calves are reared individually in crates until they reach a weight of over 64 kg..."

What is important here is the number. They house 80 calves and 400 are purchased annually at two weeks of age.

With respect to cattle growing the document says:

"...the feedlot has a capacity for over 600 growing bulls and heifers. When the bulls achieve a bodyweight of over 300 kg, they are slaughtered in the Centre's abattoir."

Madam Speaker, you should know that the Sugarcane Feeds Centre has one of the most modern abattoirs; maybe the Member for Diego Martin West does not know that.

Dr. Rowley: But the Member just said the country has none.

Miss I. Sagewan: Madam Speaker, I never said that. *[Interruption]* The Member was not listening to what I was saying so I do not know how he can quote me at this time. The document goes on:

"Meat is sold wholesale to supermarkets and retail to the general public."

In the area of small ruminant production, the document states:

"Both sheep and goats are reared in this unit which was started in 1982. The facilities have been twice expanded and currently, there are over 200 head in a combined breeding and fattening unit."

Let me read about this same centre, in the post-1992 period:

Mr. Imbert: What is the point?

Miss I. Sagewan: Does the Member for Diego Martin East understand the point as yet, or would he like me to explain it to him?

Madam Speaker, that same centre—

"In the post-1992 period,...the challenges facing the Centre, and indeed, all livestock and other types of agriculture, have increased. Funding and other resources have become more limited. Revenue earning through marketing of products—breeding stock, meats etc, has decreased in the face of declining purchasing power of the population combined with importation of subsidised products. The effort has been to establish, maintain or improve contact with and services provided to agricultural and other related individuals and organizations."

Madam Speaker, let me now read about calf-rearing post-1992 period:

"Calf purchasing, formerly up to 400 per year, has ceased. With approximately 40 calves per year from the dairy the calf unit is no longer in

use. In addition, limited suckling of calves has been introduced as an alternative to the artificial, milk replacer based, early weaning system used previously.

Heifer Replacement Rearing has been reduced with calf rearing. Though many farmers are rearing both replacements and their bulls there continues to be an expressed wish by many to have the Centre purchase and rear these animals as in the past.

Cattle Growth: Numbers of animals have declined for reasons already stated."

Dr. Rowley: What is the point?

Miss I. Sagewan: Madam Speaker, the Member for Diego Martin West asks: "What is the point"? The point is that this is an institution funded by CIDA with an input from the University of McGill, which is involved in the area of research and development in order to develop this sector in such a way that it can compete on the international market. This institution has been run down and is really no longer serving the purpose for which it was set up. What are the Government's ideas for it? What is going to happen to the Sugarcane Feeds Centre?

If what I say is nonsense, then I guess the document from which I am quoting is nonsense. Is that what the Member is saying? Because I have quoted. This then is the situation. There is no infrastructural support.

6.50 p.m.

The Member for St. Ann's East told us not to worry; we would not get dumped beef on the market from Ireland. But where is the anti-dumping legislation? [*Interruption*] We plan for today and not for tomorrow. There is no longer cheap meat so we do not have to worry. Is that what the Member is saying? If so, then I worry very much.

The major factors here is that the measures that have been put before us will open up the market even further—yes, it will do that but there is no supplementary mechanism being put forward by the Government to allow the domestic industry to grow. If the domestic industry cannot grow, we are talking about unemployment; if we are talking about further unemployment we are talking about further reduction in purchasing power; we are talking about further social chaos in this country. This is the case with a number of subsectors in the agricultural sector and it is very, very worrying.

I trust that those on the other side, in bringing this measure to Parliament, have considered very clearly where they want the domestic agricultural sector to

go. Is it that the Government is saying that its new policy with respect to agriculture is that we can import everything and, therefore, we no longer need an agricultural sector?

If that is what they are saying then they should clearly articulate it for us today.

Madam Speaker, I thank you.

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, this Bill, I hope would not have provided such a degree of heat—enough heat has been generated in this debate to cook a whole side of beef. This was not the intention. The Bill, if I could reply to a few of the points made. The hon. Member for Couva North made the point that reduction in taxes is no guarantee, certainly from experience, for savings to be passed on to the consumer. We have to agree that there is no guarantee. However, the economic environment in Trinidad and Tobago has changed radically and whereas before beef importation was very highly controlled—one had to get licence and once you got a licence that was guarantee to the bank account. This is no longer so.

By the removal of the negative list all kinds of people are now permitted to import beef and that the Government, although not being able to guarantee, we feel reasonably confident that the increase competition among importers of this product will more than likely ensure that any savings will be passed on to the consumer.

The other point made by the hon. Member for Couva North was that the major matter for consideration was to increase the availability of local production as the only way to lower prices.

Again, we have to consider what Trinidad and Tobago's competitive advantage in agriculture is and that in a number of products, we do not have the capability to ensure that even if we spend much time and energy on local production, our soils and climate for a number of products will guarantee cheaper local production. This is obvious in certain things.

The most obvious case, for instance, is that we would have a terrible time growing apples here at a competitive price. That is sort of extreme example, but there are many items.

Cereals and oil seeds—we do not have the wide open planes in Brazil for sorghum or in the United States for wheat that will enable our farmers to compete and ultimately provide the lowest cost production in these agricultural

commodities. This is at the heart of the matter. It is all right talking about many things in theory, but this country imports about \$890 million annually in a very narrow class of food items: \$400 million of that is on imported cereals, that is mainly wheat; and oil seeds, mainly soya through the National Flour Mills. That is, \$400 million of that \$890 comes through National Flour Mills mainly in the form of cereals and oil seeds which is pressed to make soya oil and the discard to make animal feed.

It would be unrealistic to expect as the hon. Member for Couva North is proposing that we could, even in the long term, drive down prices through increased local availability in these major structured areas of our imports. There is the classic case of rice where we have a reasonable rice production but we do not have the vast paddies of Guyana and our local rice production is certainly by comparison not low-cost production.

The Member for Chaguanas made a very spirited plea on behalf of the poor and down-trodden. However, the Member for Diego Martin West made the point that we do have a problem in that there are people who are below the poverty line, there are people unemployed and food at any price is expensive. We need to understand that so that whereas we can organize demonstrations to bring to public notice the plight of those people, those demonstrations in themselves do not contribute to resolving the problems of the poor. In fact, as I repeat, food at any price of an unemployed person is beyond the reach of those persons unless we can deal with the social safety net.

7.00 p.m.

This is where I come to deal with a particular distinction—I was making which I do not think the Member for Chaguanas understood—not one made at this debate but in the course of another debate, to which she referred. I was making the point that one needs a social safety net and that is clear. This Government has already taken steps to put certain things in place. It has more than doubled expenditure on the School Feeding Programme.

Very early in the administration, this Government increased the food subsidy element of the old age pension. The Member is making a suggestion that perhaps we should do so again. I want to put it on record that we have already done so. We have strengthened several elements of the social safety net. There is no gainsaying that is necessary to help those people where food, at any price, is beyond their reach.

I was making a distinction that in a number of instances we have to strike a balance, in that there are other elements which need strengthening. One needs to

spend a lot of money on education, retraining and apprenticeship programmes for the youths because those programmes, if well applied, will in the long term ensure that not too much of the population has no choice but to be at the mercy of those raw safety net programmes.

It was not that I was being rightwing and deprecating the social safety net programmes, but I was pointing out that the old argument is true, that it is better to teach a man how to fish than time always having to give him a fish. It is necessary in certain situations, certainly in the short term to give the fish, but in the long term, we must also have an eye teaching the population how to fish.

The Member for Caroni East implied that beef is a luxury. We recognize that for a large section of the population, it is not even a luxury. The fact is that for certain religious reasons beef is not preferred by a section of our population. For other sections of the population beef clod has become not as popular as chicken, but is used as a stock and to prepare gravies to flavour a whole wash of rice.

In certain well-known dishes such as pelau, the element of beef flavours more, than it is a basic element of food. I am making the point for the benefit of the Member for Oropouche who, I believe, may not be familiar with this particular dish. For other sections of the population, it is an important item of foodstuff.

Let me go on to say that this is but one response of the Government to the problem—which we acknowledge—of rising food prices. It is regrettable through competition policy, that the Government is seeking to ensure there is moderation in these increases. Through dialogue with certain countries in Latin America, we are attempting to diversify our sourcing of foodstuff so that if we remove certain bureaucratic impediments to the importation of certain foodstuff from certain neighbouring countries, our merchants could source cheaper foodstuff raw material, rather than from their traditional sources.

All these points are being addressed by the Government at this time. I want hon. Members to know that this measure is but one of several elements that they will be seeing, in which the Government will be attempting to moderate the increases in food prices which are making life for the population more difficult. However, the word is “moderate”. The Government does not have the power or the intention to seek to directly control prices. It has found that to be an impractical solution in the past. It will be seeking through measures like this and review of tariff and tax policies, as well as our trading policies, to guide prices in a way in which the population will find life to be more bearable.

Therefore, I commend this measure as but one of several tools that we will be unveiling. Tools, as I say, that are related to tax policy. There will be other tools which will come from the Ministry of Consumer Affairs in which they will attempt to educate the population. It has been pointed out that as much as 30 per cent of household budgets are wasted because of poor expenditure patterns. The use of fast foods at four and five times the price of basic foods is wholly unnecessary. If education policy arising from the Ministry of Consumer Affairs could improve those household budgets by as much as 30 per cent, that would be a major gain in relation to what price increases have been.

Madam Speaker, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clauses 1 to 3 ordered to stand part of the Bill.

Question put and agreed to, That the bill be reported to the House.

House resumed.

Bill reported, without amendment; read the third time and passed.

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker I beg to move that the House do now adjourn to Friday, June 30, 1995 at 1.30 p.m.

By agreement, next Friday would be Private Members' Day. I should also like to inform the House that on that day, the Government intends to introduce an amendment to the squatters regularization legislation.

It is planned to debate it on the following Friday.

7.10 p.m.

[MR. DEPUTY SPEAKER *in the Chair*]

Indian Walk Government Primary School (Suspected Poisoning of Students)

Mr. Mohammed Haniff (Princes Town): Mr. Deputy Speaker, by letter dated June 13, 1995, I indicated my intention to raise with your permission, this matter of the suspected poisoning of students at the Indian Walk Government

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Primary School on Thursday, May 25, 1995 and the non re-opening of the said school up to the present date.

Sir, you will appreciate that I am speaking here about a period of one month since 66 students of that school were hospitalized when they began complaining of headaches, dizziness and vomiting. It was one week later that the last child was sent home and I understand that some of these children have not yet fully recovered.

The Parent-Teacher Association met on two occasions and have indicated that they have not yet heard from the authorities the reason for the illness. They are sceptical about whether they should send their children back to school since they are not sure that the same incident would not reoccur. They claim that they have not got the kind of response from the authorities that they need, and are insisting that the cause of the problem must be ascertained so that they may take precautions against it.

They are also saying that the issue of security is not new at that government school. The issue of security is a problem, not only there, but also in schools generally. And it is not the first time that there has been an incident of this nature.

The authorities claim that they have done tests and have not been able to find the cause. If that is the case, then that is a very serious state of affairs and brings into question our ability to deal with this and similar situations. I find it very difficult to accept that in a situation like this, our authorities cannot find the cause of the illness.

I met with these parents as recently as this morning and they say that there appears to be a cover-up somewhere. That is very disturbing to say the least. While their suspicions continue, the school remains closed. I noticed that the *Trinidad Guardian* of June 20, 1995, stated, among other things, that work has already begun on the construction of metal cages around the water tanks, and discussions were being held with the Maintenance, Training and Security Company regarding security.

Mr. Deputy Speaker, if nothing was found in the water and nothing is wrong with the water system, why are there iron cages around the tanks? I have information that a lot of unwanted stuff was found in the tanks, which raises another serious question. That is not the only school where there are water tanks. There are water tanks in schools throughout the country. What makes it worse in many such areas, is where water is not readily available. If water is not available,

people will go wherever it is available and may not use their discretion. This is one such case.

I should wish to inform you, Sir, that at this time in the Moruga Road area and in many other areas there is no water at all in the lines, and when one has to put truck borne water into tanks for consumption, in too many cases that water is not pure enough for drinking. The parents are saying that they are not prepared to take the chance with their children's lives. They are not prepared to send them back.

I have seen in the *Trinidad Guardian* of June 20 and 22 advice that parents send the children to school with their own food and water until such time as the cause is determined and the issue resolved.

I should like to inform this House that if anyone checks the unemployment rate at Indian Walk, Moruga Road, he will see that it is extremely high. The Minister of Finance just spoke about the amount of money being put into the School Feeding Programme. I have no doubt whatever—and in fact many parents have pointed out—that they depend on the School Feeding Programme. They send their children to school knowing that they would get a meal. Also, we are in the rainy season and some of them may get rain water, but generally, there is hardly any water in the area. In many cases, they are not even able to provide that water for their children.

On the issue of security at that school, there are some nets in the school yard and because there are no playing facilities in the area, the youths continue to use that place. The school has been broken into on several occasions and as a result the parents continue to call for security.

7.20 p.m.

I am of the view that Government must act immediately. As I said, I find it difficult to understand why the authorities cannot come up with what is the problem. The parents are frightened. They want to know what is happening. They said that discussions are continuing with MTS. Should they send their children to school? Is there not a chance that the same problem would be encountered again? These are some of the questions which keep coming up. Poisoning is not a simple matter; it is a very serious situation. This morning they also informed me that blood tests have been taken from some of the children but they have no reports on the results.

While today this is the situation at Indian Walk, Moruga Road, it is not the first time that we have had such an issue. It is time that the authorities examined

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carefully the kind of situation that we are in, and take steps to prevent any recurrence. If it is a case where security has to be provided at all schools—of course, it raises the question of funding. We have reached the stage where our schools and public buildings, our facilities—water and so forth—are being tampered with. At the rate at which this is happening. It is unfortunate but it is as a result of the Government's not paying proper attention to the demands and needs of the population. We just spoke about many of them.

I call on the authorities concerned to look at this with the seriousness it deserve, hoping that a solution can be found and Indian Walk return to normal where those parents and children can feel comfortable once again. Their education is of paramount importance but they cannot take the risk to go back there in a situation where there is no guarantee that the same thing will not occur again.

While I make this plea on behalf of Indian Walk, Moruga Road, I also make the plea for the authority to examine this situation generally because it is a very serious.

Thank you.

The Minister of Community Development, Culture and Women's Affairs and Acting Minister of Education (Sen. The Hon. Joan Yuille-Williams): Mr. Deputy Speaker, on May 25, 1995 at around 11.20 a.m., two staff members of the Indian Walk Government School visited the Divisional Office to report that several of their pupils had fallen ill. The first at 9.35 a.m.—and this case was handled at the school—and the third who appeared to be quite frightened was rushed to a nearby physician.

The School Supervisor II, South-eastern Division, contacted the Head Office immediately. This was followed by a visit to the school. There were in attendance the district nurse and doctor who were attending to pupils in the sick room. The School Supervisor II immediately instructed the Vice-Principal, in the absence of a principal, one, to get the children to the San Fernando General Hospital; two, to collect samples of the water in the tanks; three, to turn off the water supply; four, to cease the vending on the compound.

The School Supervisor II contacted the Princes Town Fire Station and the County Medical Officer of Health for assistance. Simultaneously other actions were being pursued as follows:

- (i) Ambulances transported the eight pupils to the San Fernando General Hospital.

- (ii) The Chief Fire Officer for the area conducted an investigation with the Vice-Principal and Principal.
- (iii) The police officers from Princes Town Police Station came and commenced investigations.
- (iv) The Public Health Inspector visited the school
- (v) The County Councillor for the area also visited the school.
- (vi) Samples of red mango, sour cherries, water from two tanks on the site and from WASA's mains, ice cream, penny cool, in all flavours, and the lunches from the School Feeding Programme which were not served, were collected and sent to the Trinidad Public Health Laboratory.

In the case of the ice cream, it should be noted that it was not one of the food items served to the children on that day. However, it was considered important that it should also be sent for analysis. The results in this particular case were negative. As a matter of fact, samples were also sent to the Trinidad and Tobago Forensic Centre, Ministry of National Security—results, “No poison detected”. I have with me a certificate of analysis from the Trinidad and Tobago Forensic Science Centre, Ministry of National Security. The water supply also proved to be safe.

Despite the fact that all tests proved that the water supply is fit for consumption, the Ministry of Education has since built a burglar-proofed cage around the water storage tanks. I am sure the hon. Member will note that—I am sure he knows the school—that cage was not there before. The Ministry is also in the process of evaluating the possibility of a security system for the school.

In addition, Mr. Steve Williams, Senior Guidance Officer, has been assigned the duty of conducting a counselling service for staff, students and parents of the school, and I have with me an extensive programme for them. Arrangements are now being made for the students to return to school on June 26, 1995.

Thank you, Mr. Deputy Speaker.

Wrecking Service

Mr. Sahid Hosein (*Siparia*): Mr. Deputy Speaker, the subject matter is the irresponsible and inconsiderate manner in which vehicles are wrecked by contractors hired by the police service occasioning unnecessary damages to these vehicles. The Act governing the wrecking of vehicles should be amended. One would have read in the newspapers recently where a woman was injured by a wrecker.

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The operation of the wrecker service in Trinidad and Tobago is cause for serious concern, moreso, in recent times. This can be supported by an extensive file of articles from the various newspapers in terms of what journalists and other interested persons had to say about their experiences with the wrecker. I refer to an article in the *Daily Express* of February 18, 1995 which is headlined: "PM asked to intervene in South Wrecking Problem".and reads:

"Prime Minister Patrick Manning and Culture Minister Joan Yuille-Williams have been asked by the San Fernando City Council to intervene to stop the indiscriminate wrecking of vehicles by the police using contract wrecking crews."

Not any ordinary citizen of the country, many of whom have been complaining, and apparently those complaints have fallen on deaf ears. It goes on:

"Stephens described the wrecking system as "banditry." He said the manner of wrecking vehicles was contrary to the law.

Rogers-Dick said she had discussed the matter with Manning and Yuille-Williams. Manning is the parliamentary representative for San Fernando East which falls in part of the city. She said the matter was also discussed with the Ministry of Works. "

Rarely a week passes when we do not see appearing in the newspapers, some matter pertaining to the operations of the wrecker system.

7.30 p.m.

However, I must say I wish other services and other citizens in the country could adopt the enthusiasm of that particular service. It is quick, always at the ready. Those of us who have seen the wrecking crew in action could learn a lot from it.

A major concern is the manner in which vehicles are wrecked. There is absolutely no regard as to the extent of damage that might be incurred when vehicles are wrecked. They are pulled and pushed in all sorts of positions and directions. As a matter of fact, many of these clippings have to do with the damage incurred when vehicles were wrecked.

What is unfortunate about the whole situation is that the Act which deals with this particular service, states that to recover costs due to negligence on the part of the wrecking crew, you have to prove wilful damage. I am not a lawyer, but lawyers here could tell you how difficult it is to prove wilful damage in such a case.

You would also have seen that very often when vehicles are wrecked, the wreckers themselves break the speed limit in order to take the vehicle to the depot and then to return to the streets to continue. In fact, I witnessed only recently where due to that haste the wrecker ran into another vehicle and the vehicle that was being towed was completely demolished. But as I said, you have to prove, in these cases, wilful damage.

Very recently we would have also read of numerous instances of callousness by those responsible, be it the policeman who is on the wrecker or, indeed, the people who are responsible for that whole operation. In the interest of time I want to just quote two or three instances to make the point of callousness. I begin with the *Daily Express* of March 31, 1995, on page 4, and the headline states: "Scrap the Wrecker, says South Deputy Mayor." Within the article it says:

"He disputed the police account of an incident several months ago, in which children were removed from a car and placed in the wrecker while the car was towed to the holding bay."

That is one instance. Another instance is in the same news paper of January 27, 1995 at page 7. The headline states: "Taximan Sues the Wrecker." Let us see what the report says;

"Solomon contends that his car was removed without the officer determining whether the vehicle was so parked owing to a mechanical breakdown or lack of fuel."

And he had sued the Attorney General for damages in respect of his vehicle.

The law is quite specific under what conditions a vehicle ought to be wrecked. There was one recently—and this one takes the cake, really—in the *Daily Express* of Wednesday, June 14, 1995. It is accompanied by a picture of a woman being lifted into a vehicle. It states:

"A woman was severely injured by a wrecker when she attempted yesterday to prevent her car from being towed away on High Street, San Fernando.

Lisa Guide, 39, of Coffee Street, saw her car about to be wrecked at Lower High Street and began running towards it. On reaching, she attempted to open the car door, but on instructions from a police officer, the wrecking crew began to move the vehicle.

A report said the woman attempted to open the door while the wrecker was moving. The dolly of the wrecker, according to the report, caught her

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feet. She fell on the road. Guide was rushed to the San Fernando General Hospital where she is now warded with a broken ankle."

Another newspaper report indicated—it is unfortunate that I do not have it in front of me to quote the actual report—that the policeman, on discovering the woman was injured, came out, looked at her, went back to the wrecker and instructed the driver to proceed.

But to put this thing in proper perspective, I want to read two commentaries by Harry Partap. I shall not read the whole thing; I shall quote the relevant portions. The first one is dated January 16, 1995 and it states:

"Last Wednesday, banking officer Ian Belgrave, who lives at Chaguanas, was driving south along St. James Street, San Fernando when he felt dizzy. He pulled to the curb and stopped. He unbuckled the seat-belt; reclined the driver's seat and lay quietly to regain his composure. Belgrave had recognised that his blood pressure had suddenly shot up."

Maybe he saw the wrecker and it caused his pressure to go up. It continues:

"He took the precaution in the interest of his own safety and that of other road users.

That was about 3.50 p.m. The street was clear. He was parked on the wrong side of the street, but was not causing any traffic congestion. Belgrave said he heard voices saying, 'They wrecking the car!' Belgrave said he felt the front of his car being elevated. Up to that time no one came to see if anybody was inside. Suddenly he saw a hand reaching for the gear lever. It was one of the attendants attempting to push the lever to neutral.

Belgrave said the attendant ignored his presence in the vehicle. Belgrave said he pushed back the gear into the parked position. According to Belgrave, a bystander must have told the policeman, who was still in the front seat of the wrecker..."

Again, according to the law, he should have been most present. According to the relevant Act, he should have had a more proactive role with regard to wrecking of the car. At this stage he was still in the front seat of the wrecker. It continues:

"that a man was lying in the car. Belgrave said a policeman came to the driver's side of his vehicle and demanded that the car be moved to the other side of the road.

Belgrave said he explained to the policeman that he was suffering from an apparent sudden upswing in his blood pressure and was feeling dizzy. Belgrave said he explained that he was parked there because he could not drive the vehicle just yet. Belgrave said to his amazement, the policeman demanded: 'Do you have papers to show that you have high blood pressure?' To this, Belgrave gave a negative reply. He said the policeman continued to insist that the car be removed to the other side of the street."

I go ahead a bit, and these are the views of the commentator:

"It is important that the policemen on the wrecking crew observe these guidelines if they are to be fair to the public."

And those are the guidelines that are outlined in the law. It goes on:

"...In other words, the police cannot break the law to enforce the law. And I verily believe that this is exactly what is taking place in the police wrecking system at present. This has given rise to speculations that the crew comes out on a morning with a quota that must be filled at all costs.

The speculation is rife that if there is a mandatory quota set by the wrecking crew, then guidelines will be ignored and certain people will be benefiting unfairly from the discomfort of others. That perception has to be changed, and only the police traffic department can do it..."

7.40 p.m.

I move on to the other commentary. This one is the *Daily Express* of January 23, 1995. It is headed: "Wrecking Crews Breaking the Law." Again it is by Harry Partap, and I quote selectively. This was the week after the first commentary that I just quoted. He was making the point that people were calling him now. Let me start from the beginning: "It would appear that the police wrecking system is not the most popular coercive apparatus in the country..."

Mr. Valley: What date?

Mr. S. Hosein: January 23, 1995.

"...judging from the number of people who called to give experiences of one kind or another since my column a week ago.

One caller was surprised that Parliament could have enacted a law which puts so much power in the hands of a policeman who sits in the front seat of a wrecker vehicle and rarely comes out to even do his duty. Another caller said the policeman acts as accuser, judge, jury and executioner. He accuses the

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motorists; judges the case; acts as the jury; and executes the fine of \$100. There is no opportunity for the motorists to give his side of the story and there is no appeal."

He goes on to say that:

"The wrecking system is hidden in Act 11 of 1963 and incorporated in the Motor Vehicles and Road Traffic laws now in force in the country."

He goes further to say that:

"Section 108(1)(a) spells out what should be done when a motorist is parked contrary to the law.

It says any police officer can require the driver or other person in charge to remove the vehicle. Failure to obey the police officer can result in the person paying a fine of up to \$300 or three months in prison. The law states clearly that charging the driver is a last resort. It is only if the driver fails to respond to the order of the policeman that a charge be laid.

The law is quite clear as well, on what steps must be taken by a policeman supervising the wrecking of a vehicle in the exercise of his functions. Section 108(1)(b) states: 'If the driver or other person in control or in charge of such vehicle cannot be found or refuses to remove it when required to do so, remove such vehicle or arrange for it to be removed from the place in which it is parked to a place of safe custody either by towing or driving the vehicle or in such other manner as he may think necessary.'"

From these experiences, or from what we know from our own experiences, these things do not take place.

He goes on to say:

"The point I wish to make is, that the policeman supervising the removal of vehicles has an obligation under Section 108(1)(a) and (b) of the Motor Vehicles and Road Traffic laws to make an effort to locate the driver before issuing a parking ticket, laying a charge or towing away the vehicle. But the manner in which the police wreck up vehicles for illegal parking runs counter to the very law they wish to enforce."

I am not saying that we should allow people to park indiscriminately and cause congestion, for the law was enacted because the then Parliament, in its wisdom, recognized that there was a problem which had to be dealt with. I am not at this moment saying that we should revert to the situation before those laws

were enacted. What we are saying is that there are certain guidelines that Parliament set up, in its wisdom, at that time in order to deal with the problem of indiscriminate parking and congestion, and which must be observed.

The article continues:

"Last week I made reference to a perception among those who have seen the police wrecker at work in San Fernando. The perception is that placing a contract wrecker system at work can sow seeds of corruption and cut corners in the application of the law. The fact remains that no wrecking firm would wish to enter a contract in which profits cannot be generated. And in the case of police wrecking, the profits can only be generated by hauling in as many vehicles in a day's work."

Whilst that is true, I also want to say that in the execution of their duties, both the wrecking crew and the police involved, have to be careful that the guidelines set out by Parliament are carried out and at the same time there must be an element of flexibility. How on earth can one agree with the action of school children, in their uniforms, being taken out of a vehicle that is being wrecked, placed in the wrecker and taken to a place of safe custody?

I hope that my voice, in addition to all those other voices before me—as I said, there is a litany of woes if one looks at this file—would bring about some measure of relief to those people who have been, and might be, affected in the future.

Thank you, Mr. Deputy Speaker.

The Minister of National Security (Hon. John Eckstein): Mr. Deputy Speaker, perhaps, I should begin by giving some figures relating to the number of vehicles wrecked in various parts of the country between January 1, 1995 and the present time.

In Port of Spain, there was a total of 4,896 vehicles wrecked and there were 56 complaints. The nature of the complaints has been broken down as follows: missing items, nil; damage to vehicles, 12; claim that the vehicle was unlawfully wrecked, 44.

In respect of San Fernando, there was a total of 3,844 vehicles wrecked and 42, complaints. The nature of the complaints was missing items, one; damage to vehicles, 31; and claims that the vehicle was unlawfully wrecked, 10.

Therefore, when one looks at the macro picture, the complaints in relation to vehicles where damages were claimed, were 31 out of a total of 3,844. The

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percentage is quite negligible, but even this level is to be deplored. Certainly, the police division of the Ministry of National Security which has the responsibility for operating the whole system, must seriously take the concerns raised by the Member for Siparia and, of course, those people who have had their vehicles damaged in the wrecking process.

The word "indiscriminate" does not appear in the wording of the Motion on the Adjournment, but it may connote that vehicles which were not parked illegally are being wrecked.

The problem is that these figures demonstrate a massive disregard for the law. People at this very basic level seem to have no regard for the law whatsoever. The Member did, in fact, divert to it towards the end of his presentation.

7.50 p.m.

We have to be very careful that we do not encourage even at this elemental level a disregard for the law because it translates into a far greater disregard for the law at levels that threatens all of us. Once you encourage a discard for the law even at this basic level—

Mr. B. Panday: By bringing people from URP to a demonstration? Is that breaking the law?

Hon. J. Eckstein: This Parliament must—

Mr. B. Panday: Is that corruption, or are you encouraging it at the highest level?

Mr. Deputy Speaker: The Member is trying to provide the answer. Would you allow him to continue, please.

Hon. J. Eckstein: Members opposite know that I do not have the interruption as they do. So if they disturb me I would not be able to answer. I will appreciate it very much if Members opposite would give me a chance. At least have some sympathy for me. *[Laughter]*

I remember when I was much younger and we parked illegally, we would raise the bonnet of the car and when the policeman came we would say, "The car cannot start."

If the policeman listens to every flight of imagination that a driver could conjure up, he would do nothing, and end up with high blood pressure and whatever other problems.

Mr. Hosein: The law specially provides for that.

Hon. J. Eckstein: For what?

Mr. Hosein: For certain procedures to be followed.

Hon. J. Eckstein: I thought you were talking about high blood pressure. *[Laughter]* We are all aware of the several excuses that could be advanced by somebody who is in breach of the law. The Member is, however, wrong when he says that you have to prove wilful damage. The law does not say that. The law says:

When any member of the police service removes or provides for the safe custody of a vehicle or arranges for any person to remove it then except upon proof of failure to exercise the reasonable care neither such member of the police service nor any such person.

So the words "wilful" and deliberate" do not appear anywhere in the legislation. This is a direct quotation from the legislation. Once you are able to establish, whether by accident or design—and it is mostly going to be by accident that there has been damage—you must establish that the damage to the vehicle came out of the incident, otherwise everybody would claim that the vehicle was damaged in the process.

One has to make some attempt at establishing that the damage to his vehicle was as a result of the wreck. You cannot just put in a claim and the police will pay.

There have been guidelines laid down by the Police Commissioner. They were not laid down in the legislation. The law is not very clear on this. I suspect that the law at some time, would have to be amended, but when can you interrupt the wrecking?

If, for instance, the vehicle is parked and the driver is nowhere about and then you begin to wreck the vehicle, attach it, if as the wrecker begins to move the driver appears. If you are required to return the vehicle to the individual then clearly if that person meets you on Wrightson Road, he would stop you—the wrecker is in motion—Since the legislation is silent on that matter. The Commissioner has given an instruction via a departmental order instructing police officers that in the situation described above the vehicle should be released to the driver, once the wrecker is not in motion. Once the wrecker moves off, the police officer, according to this departmental order, is not to interrupt the wrecking exercise. If before the vehicle is attached to the wrecker the driver appears then

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the police officer is under an obligation. It is not the law. This is a departmental order coming from the Commissioner of Police.

Mr. Hosein: Then in the case quoted from the newspaper article dated 14 June, where the lady alleged she was injured when the wrecker drove off, clearly, that directive was flouted. Would you agree Hon. Minister?

Hon. J. Eckstein: If the wrecker was not in motion it could hardly have run over her. So it had to be in motion. Further, a case was recently highlighted in the press where it was claimed a young woman was injured while trying to retrieve a car from the wrecking crew.

The police report on the matter indicates that the young woman was a passenger and not the owner of the vehicle. When she saw it being towed away she attempted to retrieve some personal belongings from the car while it was in motion. She had her handbag in the car. This is the official report. She was not the driver of the car.

The essence of my presentation is that we should not be seen here to be encouraging—and the Member did in fact, qualify his comments towards the end of his presentation. We have to be seeking at every opportunity—

Mr. Sudama: Would the minister give way to a question?

Mr. Deputy Speaker: A question cannot be entertained only from the Member moving the adjournment. This is not a debate. Would the Member for Arouca South proceed, please.

Hon. J. Eckstein: The fundamental point is that we, as parliamentarians, should not at all encourage disrespect for the law. Secondly, if this process has 'will' in it, we must ensure that any irresponsibility on the part of the wrecking crew, is eliminated from the system.

Mr. Hosein: How?

Hon. J. Eckstein: The police has, in fact—The condition of the contract states that the contractor must supply a certificate of good character among other things and the police are in charge. But I deplore—There is no question that there cannot be any irresponsibility and inconsideration in the matter.

I am going to bring this to the Police Commissioner's attention. *[Interruption]* I said to the extent that there is, it cannot be encouraged.

I promise the Member for Siparia that I would bring the concerns expressed to the attention of the Commissioner of Police, and hopefully he would direct the

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individuals who are, in fact, in the vehicle to ensure that people's vehicles are handled with due care and attention.

I thank you.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 8.00 p.m.