

Leave of Absence

Friday, November 16, 1990

HOUSE OF REPRESENTATIVES

Friday, November 16, 1990

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have granted leave of absence from today's sitting to the Member for Arouca South (Mrs. Gloria Henry); the Member for Diego Martin West (Mrs. Margaret Hector) has been granted leave of absence from November 16, 1990 to November, 30 1990.

BY-ELECTION

The Prime Minister and Minister of the Economy (Hon. A.N.R. Robinson): Mr. Speaker, section 69 of the Constitution provides:

"(3) Where a vacancy occurs in the House of Representatives within the first four years of the life of the Parliament a bye-election shall be held to fill such vacancy not later than ninety days from the date of the announcement by the Speaker of the vacancy."

Mr. Speaker, consequent on the announcement by the Speaker on Monday, November 5, 1990 of the vacancy in the constituency of Diego Martin Central and in compliance with section 69 (3) of the Constitution, I have to inform this honourable House that I have today advised his Excellency the President to issue the required permit for the holding of a by-election in the constituency of Diego Martin Central on Monday, December 17, 1990.

I have to inform Hon. Members that the necessary steps are being taken to ensure that no permit is required for the holding of any public meeting in that constituency from Tuesday, November 20, 1990.

DEVELOPMENT LOANS

The Minister of Finance (Hon Selby Wilson): Mr. Speaker I have the honour to move the following motion standing in my name:

Whereas it is provided by section 3(1) of the Development Loans Act, that for the purpose of financing general development in Trinidad and Tobago or of repaying interim borrowings effected for such development, the

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Government may borrow money externally or internally in such sum and in such currency as may be specified by resolution passed by the Senate and the House of Representatives;

And whereas it is expedient to increase the sum of money specified by Parliament, which the Government may borrow under the section for this purpose:

Be it resolved that for the purpose of financing general development in Trinidad and Tobago, the Government is hereby authorized to borrow money in the sum not exceeding in the aggregate five thousand million dollars.

Mr. Speaker, the purpose of the motion which is before this hon. House is to increase the amount which the Government is authorized to borrow by the issue of bonds under the Development Loans Act from \$3,000 million to \$5,000 million.

Hon. Members will recall that on June 5, 1989 this House approved an increase in the borrowing limit under the Development Loans Act from \$2,000 million to \$3,000 million. At the present time the total borrowings by the Government under the Act stands at \$2.980 million, leaving the unutilized balance of \$20 million. The increase in borrowing since the last upward revision in the limit would be utilized to finance budget deficit for the years 1989 and 1990 to date and to satisfy, in part, the accumulation of arrears of payments due to contractors for work done or services provided by the Government.

In 1989 the Government borrowed \$506 million to facilitate the implementation of development projects and to finance its current account deficit. In 1990 the Government went to the local market and raised approximately \$500 million in bonds to assist in the financing of its overall deficit, the proceeds of which were utilized to finance the commencement of capital development projects, as well as the continuation of projects started in the previous year.

Mr. Speaker, I am sure that Members will recall that in April 1990 the Development Loans Act was amended to empower the Government to issue bonds to the contractors for work done in pursuance of contracts with the Government. To date \$36 million in bonds have been issued to contractors, thereby satisfying in part, Government's obligations to them. A further \$40 million is required to discharge the entire obligation.

1.40 p m.

Mr. Speaker, it is not the intention of Government to borrow in 1991 the full extent of the increased amount of \$2,000 million. It should be noted that the increase of the authorized borrowing limit does not give the Government automatic approval to borrow. The approval to borrow is given when this House approves the budget and its estimates of expenditure for the relevant year. Although the Development Loans Act authorizes borrowings on both the domestic and external markets, the Government intends to make use of resources on the domestic market in order to satisfy its financing requirements.

I want, nevertheless, to reassure this honourable House that extreme caution will be exercised to insure that borrowing by the Government does not deprive the private sector of an avenue to satisfy its own financing requirements. In this regard, I wish to advise that notwithstanding Government's increased activity on the domestic market during the past two years, private sector borrowings have not been adversely affected. If evidence is required to substantiate this claim, I will merely draw your attention to the recent over-subscription to private bond issues.

It should be noted that any external borrowing which the Government may deem necessary will be effected under the External Loans Act, Chap. 71:05. Under this External Loans Act the Government is authorized to borrow in a sum not exceeding \$6,000 million. At present the amount available is approximately \$1,000 million.

Over the past three years under a situation of relatively low levels of revenue collections, capital formation bore the brunt of the expenditure cuts which the Government had to undertake in order to keep the fiscal deficit at an acceptable level. It is fully recognized that sustained economic growth is dependent upon capital formation and diversification of the economic structure so that mechanisms may be found for supporting an adequate level of capital expenditure. Loan funds will therefore have to be used to supplement normal revenues in order to finance the total budget.

During 1991 we intend to borrow mainly for the purpose of financing the capital development programme including the public sector investment programme. We are hoping through prudent financial management to generate a surplus in the current account but quite clearly this would not be adequate to finance the capital development programme which is required to maintain and accelerate the process of growth that has already begun.

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It is specifically our intention to finance the refurbishing of existing police stations and the building of a new police headquarters under the Maritime Life design/finance/construct; of settling outstanding debts to contractors, and financing of the following public sector investment projects, some of which are already being implemented: civil air traffic control radar system, the Irwin Park Recreation Ground; Arima Magistrate's Court; San Fernando Supreme Court; Solomon Hochoy Highway; chemistry building of the University of the West Indies; Chaguanas Fire Station; sewerage treatment plant in Tobago, Santa Cruz Fire Station; Arima District Hospital; San Fernando General Hospital; Beetham Waste Water Treatment Plant; refurbishing, construction and rehabilitation of primary schools. This is a representative list of expenditure anticipated in 1991.

Mr. Speaker, the maturity structure of Government's borrowing from 1986 has changed from medium to long term as a result of which our debt service obligations have become more manageable. As a consequence of this change in the structure of our borrowing and the successful completion of an exercise to reschedule those debt whose principal payments fell due within the period 1988 to 1992, the debt service ratio which was projected at 38 per cent in 1990 has now been reduced to 25 per cent. Similarly, the ratios for 1991 and 1992 are being reduced from 30 to 24 per cent and from 32 to 30 per cent respectively. By 1993 it is expected that Government's savings would contribute significantly more to its development expenditures.

Mr. Speaker, in essence, the motion before the House seeks to increase the overall limit under the Development Loans Act from \$3,000 million to \$5,000 million in order to provide the required legal framework to permit the Government to finance its expenditures for the rest of this year and for the ensuing year 1991. I have every confidence, Mr. Speaker, that this honourable House will support this motion. I beg to move.

Question proposed.

Mr. Trevor Sudama (*Oropouche*): Mr. Speaker, what is being presented to us is not a simple motion, in the sense that the ramifications of this attempt to raise the ceiling on the limit which can be borrowed under the Development Loans Act are very wide and indeed very significant for the financial administration of this country, the public financial administration, as well as for the future development of Trinidad and Tobago. So that I want to disabuse the mind of the Minister of Finance that this is a simple motion, an administrative act which will get the easy passage and easy consent of this side of the House.

The purpose of raising this limit—it is necessary for us to put this whole issue of the limits under the various borrowing Acts in some perspective. We have not only the Development Loans Act under which money can be borrowed, as the Minister mentioned, where he is now seeking a limit of \$5,000 million; we also have the External Loans Act where there is an existing limit of \$6 billion, which is very close to being exhausted. There is the possibility of borrowing under the Savings Bond Act and also under the Treasury Bills Act and when you take all these limits into account we are in the vicinity of maybe \$15 billion that this Government has as a limit to borrow.

1.50 p.m.

The second point is that the purpose of raising the limit is the possibility of that limit being utilized. You do not do something without hoping that you would benefit from it. Therefore, we have to look at this request for this very large increase in the limit from \$3,000 million dollars to \$5,000 million dollars when we are on the eve of an election year. I think that is a very critical consideration. He is not merely asking for an increase in the limit of a billion dollars, he is asking for an increase in the limit by \$2 billion over the existing limit of \$3 billion and this House and this country must question the intention of the Government. The provision is made for the Government to borrow either internally or externally. We have had a statement from the Minister of Finance that the borrowings will be confined to internal raising of loans. I am not very convinced of that but I will take him at his word for the time being.

The purpose of raising this limit is to finance general development in Trinidad and Tobago or to repay past loans which have been raised to finance such development. He can utilize any increased borrowing under the Development Loans Act to either finance new projects or to repay your indebtedness on existing loans. When he made his presentation he indicated that when moneys were raised previously under the Development Loans Act and when the limit was raised from \$2 billion to \$3 billion in June 1989, it was used not only to finance development projects but to finance a current account deficit of this Government. Now is that the purpose for which you raise money, for the purpose of general development? And what did this current expenditure deficit comprise of? Was it to pay expenditure on current spending? If so he is guilty of a misuse of money raised under the Development Loans Act and should tell this House how much of that expenditure has been put to finance a deficit on the current account and how much of that expenditure has been applied to financing development projects

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per se, otherwise he would be violating the very principle on which this House has been asked to approve an increase in that limit.

Mr. Speaker, if the object of borrowing afresh is to repay loans borrowed in the past, then this makes no difference to the financial position of the Government. In fact, it might even worsen the financial position of the Government to the extent that future borrowings will be on more disadvantageous terms than the borrowings which have been made in the past and which they are now in the process of repaying. It will put this Government, therefore, in a more disadvantageous position depending on the terms of future borrowings if these are going to be applied toward the loans which have been made in the past. It also raises a more critical question because if the loans which have been raised in the past were to finance productive development from which there would have been accrual to the revenues of Trinidad and Tobago, they would have been able to increase the revenue intake of this country, and now the possibility is he may take these moneys which he is borrowing to refinance past loans, it means that the expenditure on past loans has not been productive and has not had the desired impact on economic growth for raising revenue for the Government. It is a question of running and standing in the same place. It is a question of dancing top in mud by the kind of developmental project and activity into which this Government has entered.

We are asked here to increase the limit for the purposes of financing general development, again we cannot address that question of giving approval without asking the Government to restate its developmental objectives. What is its development strategy? What does it consider to be development, in terms of improving the economic infrastructure of Trinidad and Tobago the productive capacity of Trinidad and Tobago; in terms of distributing the benefits of development to all sectors and all regions of Trinidad and Tobago? I will have to come later to an enumeration of the projects which he has listed in his presentation and to indicate to this House the imbalance in terms of the distribution of those projects and the outright discrimination against certain areas and certain regions of Trinidad and Tobago, but I will come to that in a little while.

What constitutes general development? Is it merely going to be an increase in economic growth or a decrease in the slide of economic decline? What benefits are going to accrue to the population at large? What benefits, in fact, have accrued as a result of stemming the decline in growth? Has it resulted in lop-

sided development, that is, very few sectors of this economy have improved but the bulk of this economy remains either in decline or in fact has regressed? Are there huge profits being made by some groups of companies but persisting bankruptcy and retrenchment and unemployment in other sectors of the economy? Is this the concept of general development that he is talking about: the identification of certain projects and their priority rating in a strategy of economic and social development?

I have no quarrel with them wanting to build fire stations, and police stations and so on. I want to tell the Government here this afternoon that the mere building of police stations does not improve the security of Trinidad and Tobago. It takes much more than merely building buildings, as they are attempting to do with the new police headquarters. In fact, that is a secondary element in the improvement of the security situation in Trinidad and Tobago—the cost and benefits of these projects which are designed to promote general development in Trinidad and Tobago. What are some of these costs and to whom do these costs and benefits accrue? There is also the question of accountability because when they raise money they ought to be accountable for how those moneys are being spent. This Government cannot come to this House and say that it has respected the principles of accountability any more than the last Government has done. Has it accounted to the Parliament and the country for the moneys which have been raised since 1987 to the present day; how these moneys have been spent; with what degree of efficiency; whether in fact there have been overruns, and to what extent; so that we can assess the efficiency of fiscal and financial control that has been put in place so that we can identify the wastage and mismanagement which continues, not to mention the corruption which persists?

2.00 p.m.

Let us take one example. One example is the Scarborough Deep Water Harbour. Moneys were raised under the Development Loans Act to finance that project. The original estimate for the completion of that project was \$49 million. It is a project, you will recall, Mr. Speaker, on which my good friend, the Member for St. Augustine tried to use his own initiative to have done at a lower cost than was originally estimated, and that got him into severe difficulties to the extent that he was fired from the Government. On the Scarborough Deep Water Harbour Project the original estimate of \$49 million has now reached \$78 million and the Government has said nothing about this cost overrun. I understand that

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the likely cost on completion will be anything like \$100 million, a cost overrun of almost 100 per cent.

Mr. Ramnath: Like the Hall of Justice.

Mr. Sudama: The significance for the utilization of moneys which are borrowed is very important because it is the same pattern which was observed under the last regime that got us into so much difficulty with respect to our debt burden, and it is a certain pattern which is emerging under this regime.

I think the Minister of Finance has a duty to tell this House, when moneys have been borrowed under the Development Loans Act to finance specific projects, what has been the experience with respect to that expenditure; what has been the degree of efficiency; the amount of cost overruns.

Mr. Speaker, to tell you how they report and how they treat this question of accountability, I have in my hand The Report on the Development Programme 1989. Many projects listed here have been financed by loans raised under the Development Loans Act. I am looking through this grand report to find out if a simple matter of accountability has been observed—how much money a project is estimated to cost; how much has it actually cost and what has been the variance. If the project is not completed then a proportionate assessment should be given as to how much has been spent to date; with respect to completion, what portion has been completed and indeed whether there has been an exceeding of the cost estimate or not.

In the last elections, you will recall, Mr. Speaker, that we made the issue of accountability a cardinal principle of a future government, and yet I have in my hand the Report on the Development Programme, and when it comes to the assessment of the efficiency of the expenditures made, this report by the Ministry of Finance is worse than useless.

Mr. Speaker, when we are burdening this country with additional sums of money, this House and this country have a right to demand that government come here and account for the expenditures in a way which does not seek to hoodwink, but in the way which this country expects you to do with respect to the introduction, as we tried in 1986, of a new political culture in Trinidad and Tobago.

The timing of this motion is critical. In November 1990, a few weeks before the presentation of the 1991 budget and a few weeks before we go into a very

critical by-election in the Diego Martin Central constituency, which will indicate to this Government—if the indication has not come already—as to what will happen to it in 1991. I believe that there will be a great urgency to raise money as quickly as possible in order to give the semblance of well being in Trinidad and Tobago, in order to create a lot of short term employment. It is not that this side is against the expenditure of money for the creation of permanent employment in Trinidad and Tobago, but we must be guided by our experience— an inclination of the Governments, past and present, to bribe the population into voting for them.

I recall the Prime Minister making a very important issue in the last elections, that when he reviewed the expenditures of the PNM Government in an election year he found that they raided the Treasury. These were his own words.

Hon. Member: Raiders.

Mr. Sudama: They spent money helter-skelter and they borrowed in order to give this country the impression that things were going well, that things were being done, people will get employment, and of course they used that opportunity for employment as stark naked patronage as is being used today. I could tell you about the experience of unemployment in my own constituency of Oropouche.

2.10 p.m.

So before we on this side give our consent for the Government to have authority to raise its limits, we would like to get some kind of assurance—more than an assurance—that this money is not going to be used for the purposes of electioneering, the starting of half-baked projects, hare-brained schemes, around which they will build political patronage, and that the money that is going to be accessed under this increase in the development loans limit, will in fact be used for sound infrastructural development.

But more critically is the impact of the increased borrowing on the debt burden that we already have in Trinidad and Tobago. If the Government has given us up-to-date statistics, at the end of 1989 we had a total debt burden in this country of direct and government guaranteed debt, to the extent of \$11,682,000,000. The overwhelming portion of that is foreign indebtedness. But that \$11,682,000,000 is approximately 70 per cent of our gross domestic product, and we are going to add to it. Because what is the purpose of raising the limit if you are not going to add to your indebtedness? That was at the end of 1989. I am

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not sure what are the current figures to date. Obviously, it will be in excess of \$11,682,000,000.

What this country wants to know is, what will be our capacity to repay this indebtedness, whether it is internal or external indebtedness, in the future? Much has been made of the increases that we are going to get from oil revenues, but apart from *ad hoc* comments in the press, this Government is not telling this country anything specific as to what it expects to obtain in additional revenues as result of oil prices resulting from the gulf crisis.

Is it keeping that information to itself in order that it will have, sort of, undisclosed sources of financing to finance its 1991 election campaign? This country has a right to know. In view of the hardships being encountered throughout Trinidad and Tobago this country has a right to know how that increase in Government revenue is going to be utilized. In fact, how will that impact on the servicing of the debt of Trinidad and Tobago, especially the servicing of the external debt of Trinidad and Tobago?

There is the question of the relationship of increasing our indebtedness to the prospects for economic growth. They tell us all the time that an increasing debt burden is an obstacle to economic growth. If I may quote from the Minister of Finance himself who has told us:

"Heavy debt burden restricts economic growth."

This comes from the *Express* of May 30, 1990:

"Indebted countries need sustained growth of six to eight per cent per annum during the next decade to stabilize their economies and to maintain debt service and they need economic growth of six to eight per cent. To attain this growth, he says, debtor countries cannot continue to transfer abroad for debt servicing so much of their real output. This would make it impossible to increase domestic savings and investment sufficiently to achieve growth at a desirable rate."

So I want to ask him: Does this Government anticipate in the 1990s economic growth of the order of six to eight per cent? What is its anticipation for 1990 and 1991? I believe somewhere they said it was one per cent or perhaps less. But we are increasing our debt burden in the hope of being in a position to service that debt, yet we anticipate that our economic growth is going to be minimal in the next few years.

Frankly, Mr. Speaker, I do not think, for their own purposes, that they should have an horizon beyond 1991, because I do not think they would be able to affect the situation in Trinidad, financial or otherwise, beyond 1991. But I think the Minister of Finance should tell us—I am not convinced, as I said—when this House, where they have a majority, approves that increase in limit, that it will all be utilized with respect to domestic loans; that is, with respect to raising domestic loans. I am not at all convinced of that.

But let us assume that is the case, that they are going to access from domestic sources whatever loans are going to be raised under this increased limit, what effect will that have on Trinidad and Tobago? What effect will it have with respect to the inflationary trends that we are bound to have in this country? Because if you raise money locally, you are transferring money from private savings to public use. If that public use does not result in an increase in the production of goods and services, then all you are going to have in this country is an increase in the inflationary rate, provided that the expenditure is utilized in a way to increase the production of overall goods and services in this country. The inflationary rate in Trinidad and Tobago is going to escalate. I will tell you why. Because of the increase there are two aspects to this. *[Interruption]* The Member for Caroni East has come back from his jaunts and he is making noises in this House. He will have an opportunity to speak in this House. Do not ask me what is the inflationary rate. I am saying what the trends are going to be. The inflationary rate in Trinidad and Tobago is going to increase simply because international lending rates are on the rise and the increase in oil prices will result in the increase of imported goods and services in Trinidad and Tobago, which is definitely going to affect the rate of inflation in an adverse way. So you have to bear that in mind.

2.20 p.m.

If the Government anticipates that there are domestic savings in the private sector which it can access for public use, it must ask the question: Why are these domestic savings not being privately invested? They say they are creating the environment for investment, creating confidence in the country and creating a situation where people are falling over themselves in order to invest in the future of Trinidad and Tobago. Why is it that this private savings which they said they will access is not being privately invested? The Minister of Industry, Enterprise and Tourism may wish to tell us something about that.

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Mr. Speaker, when the Minister of Finance gave us figures about the debt ratio earlier this year—and today if I recall correctly he is giving us different figures with respect to the projected debt ratio in Trinidad and Tobago, because the debt ratio is significant, simply because if they are going to raise money then it will affect their debt service ratio. Due to the rescheduling of the debt all that is happening is, they are putting the burden on repayment from the year 1993 onward. They are shifting the burden from one period into another.

We have been told that as a result of the rescheduling of the debt our debt service ratio in 1990 will be 25 per cent; in 1991, 21 per cent; in 1992, 29 per cent; in 1993, 32 per cent; in 1994, 28 per cent and in 1995, 23 per cent. There are certain projections as to what principal and interest payment will be, but to work out the debt service ratio one has to be told what are the projections of earnings. I am telling the Minister that he is being less than honest with the House and the country. These figures are questionable in terms of the figures which the World Bank has provided to us for the similar period of time. If the Government is not to be accused of hiding the true situation of the financial position of Trinidad and Tobago, it must be a little more forthcoming and tell us what exactly is the situation, what new calculations will have to be made in light of the international increase in lending rates which is going to adversely affect the floating rate portion of its debt.

Mr. Speaker, this afternoon I have to question the rationale for this huge increase being sought in the limit of the Development Loans Act. I know they are going to tell me that when I was in the Ministry of Finance in 1987 I came to the House to seek an increase in the limit of the amount available under the Development Loans Act. I want to remind this House that when I came to this House in early 1987 to seek an increase—I believe it was from \$1 billion to \$2 billion—the financial situation of Trinidad and Tobago was quite different from what it is today, November, 1990.

Dr. Tewarie: Would the hon. Member give way to a question? Is the Member suggesting therefore, that we have made some progress since 1987?

Mr. Sudama: I am suggesting that we have had an oil windfall since 1987. I am suggesting that the price of oil has stabilized in 1987, partially increased in 1988, and since August to date, we have had an average oil price varying between \$28 to \$30 a barrel. So that the financial position in 1990 is vastly different from the situation which we took over at the end of 1986. As you will recall, in 1986 the price of oil had dipped to \$9.00 a barrel and in 1987 it started

to improve somewhat slightly. Therefore, if we sought to borrow money at that time it was to alleviate the situation because the public accounts were in a very disastrous state.

I had to travel to Japan—about which the Prime Minister never cease to remind me. He does not take account of all the jaunts other Ministers are making and have made in 1990. At the drop of a hat they want to run away from the country. I recalled having gone to Japan to access one loan and to lay the groundwork for a second; two loans each in the vicinity of US \$50 million. They were accessed under this Development Loans Act for the purposes of general development in Trinidad and Tobago. While I was assigned the marginal responsibility of going to raise funds and so on, I did not have the responsibility to determine how those moneys will be spent.

Mr. Manning: Would the hon. Member give way to a question? I wonder if the Member would be kind enough to tell us whether he voted for the budget of 1988.

Mr. Sudama: Mr. Speaker, I do not see the relevance of whether I voted for the 1988 budget or not. You vote on the expectation—as I voted for the 1987 budget—that the moneys as prescribed and allocated for, would be effectively, efficiently and productively spent. *[Interruption]* Mr. Speaker, he does not understand, but I will have to write these things at some time or the other. I was in the Government and I was also not in the Government at the same time. You will understand why I am here on this side today.

Mr. Speaker, I was on this point of expressing some scepticism as to how these moneys which are raised under this Development Loans Act would be spent. Since I was directly responsible, I have asked for an accounting of how those moneys raised in 1987, specifically those two loans to run on the Japan market, have been applied, and up to today I cannot get an accounting of that. My suspicion is that the moneys were spent for the purposes of current expenses and, therefore, if I had that experience then, how am I to know that in 1990, and particularly with an election year coming up, that we are not going to have borrowings under the Development Loans Act to finance current expenditure in the coming year? If they do that, then what are they going to do with the deficit in 1991? After all, they anticipate they would not be there in 1992 so they do not care about the deficit. They have absolutely no thought about the deficit after 1991.

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2.30 p.m.

Let me reiterate our position on this side, we are not against borrowing *per se*. The question that always has to be asked is: what do you borrow for? How do you spend borrowed money that will improve the economic and productive framework of the country to enable you to enhance your revenue and, therefore, be in a position to repay and service the loans? That is the question that we have to address. So we are not talking about this side being opposed to borrowing. We are asking the question: What exactly are they going to do with the money? We cannot look at this request to increase the limit on borrowing in isolation.

If I may recall the commitment we made in 1986 in the election manifesto to which we all subscribed. If I may quote from page 10 of the manifesto.

Mr. Speaker: The speaking time of hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes [Mr. K. Ramnath]

Question put and agreed to.

Mr. Sudama: On page 10, under the item "Imperatives for Sustained Economic Expansion" we said that we will engage in judicious borrowing—both foreign and local:

"This, however will be strictly related to project financing, and done on the basis of projects being able to repay the loans secured. However, foreign borrowing will not be allowed to go to the point at which debt-servicing becomes unmanageable. Specific limits will be laid down."

If that is the case for specific limits being laid down, has this Government laid down specific limits and has it tried to convince this country that the total borrowing into which we are entering is in fact manageable? There is a lot of explaining which the Government has to do with respect to increasing its indebtedness.

You will recall that at the end of 1986, I think our total indebtedness—if I can put my hands on this figure—was in the vicinity of \$8.4 billion, the majority of which was external indebtedness. Of course, why this Government had to get into that heavy indebtedness after it had experienced a boom in revenues in Trinidad and Tobago, is a question that my hon. friend from San Fernando East will have to answer.

I remember very well in the last term of the Parliament a former governor of the Central Bank making the preposterous statement that while our foreign exchange reserves were high, we still needed to borrow money in order to put Trinidad and Tobago on the capital market map. If our external reserves are high, we are running a current account surplus, our balance of payments position is strong and we had cover in those days for nine or ten months of imports, yet we are told that all those statistics were irrelevant and we had to borrow money in order to make ourselves known on the capital market. I do not understand the argument. Of course when you have money they will lend you but then you do not need the money at that point in time.

One can understand the thinking of the previous regime which ran up an indebtedness to the tune of \$8.4 billion, the major portion of which was foreign indebtedness. You understand the thinking behind that—the lack of concern for the growth and development of the economy of Trinidad and Tobago—burdens which they placed upon the population to repay this debt. From the end of 1986 to the current date, we have increased that indebtedness by as much as 50 per cent. To date, I am sure that indebtedness is much greater than the increase of 50 per cent.

I am saying all this in the context of the capacity of our country to service the debt and whether the debt burden is not becoming more and more onerous. This Government ought to learn a lesson. It ought not to give itself as a hostage to fortune because while the oil prices may be high at this point in time there is no guarantee that next year or the following year, we will have the same buoyancy in the oil prices. Therefore, if they are borrowing on the expectation that oil prices will remain at a relatively high level and that expectation is not satisfied, then Trinidad and Tobago will probably revert to the same position as the PNM left us at the end of 1986. But, we would have reverted to that position having had the experience of the last four years and that would be unpardonable as far as we on this side are concerned. That would be grossly unfair to the population of Trinidad and Tobago.

We have an assurance from the Minister in his presentation that it is not the intention of the Government to borrow to the full extent of the increase sought from now until the end of 1991. He is asking for an increase to the limit of \$2 billion but giving us the assurance here that the Government is not going to borrow to the full extent of that limit. If they are not going to borrow to the full extent of that limit, to what extent are they going to borrow? If they are going to

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borrow at a lower limit then why not come and ask this House for an increase of \$1 billion in the limit? If they felt that they needed an increase then come back to this House and ask for an additional increase, in which case they would have had to justify it. But they do not want to justify anything. Because they have this majority in this House they want an increase of \$2 billion with the distinct possibility of adding to the indebtedness of this country by \$2 billion to the end of 1991, saddling Trinidad and Tobago with this enormous burden of increased indebtedness to be spent, God knows how.

2.40 p.m.

Mr. Speaker, if I were to get some indication from the Minister as to how this money will be spent—I do not have the facility to record the various projects in the public sector investment programme to which he alluded in his contribution, but one thing I noticed clearly is that there was no developmental theme which ran through the identification of those projects; no developmental theme, no identification of the national objectives which this Government is seeking. It is not only a question of growth. I have said this time and time again in this House. It is a question of the composition of that growth which is important.

The gross domestic product of a country by itself in macro terms, tells you nothing until you look into the details, into the sectoral analysis of that growth, or whatever growth you hope to achieve. It is only when you look there you will see whether the possibilities for the prospects for an expansion of the economy along the right lines, the prospects for diversification of the economy; the prospects for increased export performance, the prospects for linkages in the economy—internal linkages—between the sectors and the greater use of your own indigenous resources, in fact, do occur or are seen in terms of the growth which is either experienced or projected. So there is no developmental theme.

It seems to me that the only theme is where they can possibly win an election. So they identify projects in certain constituencies and then they run around and tell people, "well you know we have put a project here and you must vote for us" on the basis of their building a police station there or a fire brigade station somewhere else, or doing some other infrastructural project which may not be of any kind of priority, in terms of the economical development of this country. That is significant, because when you look at the distribution of these projects, I waited and listened to see if I may even get a little project in Oropouche.

Now there is one project which is being implemented there, in the Debe Wholesale Market, about which I can never hear the end—a small expenditure of \$4 million or \$5 million. They have put the market in the wrong location, to start with. Nobody in the Oropouche constituency can find a single job on that project. But of course, that is their commitment to Oropouche. They do not say anything about improving the economic infrastructure of that constituency, whether they are going to provide agricultural access roads, or drainage and irrigation facilities, or improved financial resources available to the farmers. They do not say anything about these matters, they would have a processing plant developed in the Oropouche constituency so that agricultural products can be processed for the export market and improve the foreign exchange earnings of Trinidad and Tobago at the same time. Nothing to that effect and the distribution tells a story.

I have asked for minimal things, and I have been asking since the days of the previous regime. I asked for a post office which will facilitate the flow of communications in that district. That would not cost very much, but it will never be a priority under this Government as it never was under the last Government. I have been asking the Minister of Works and Infrastructure, year in year out: Can that not be a priority? A few hundred thousand dollars to spend for a post office in Debe will never find itself as a priority of this Government, or to build a bridge to facilitate the farming population in La Fortune/Pluck Road, or to resurface the road, or to deal with the drainage problems in the constituency of Oropouche. Not of course to do any major things like putting down an industrial estate. That will be like asking for the moon for a Cinderella constituency, such as mine.

Mr. Speaker, if we do not look at the question of national development in Trinidad and Tobago—and when we raise money we assume that we raise money for national development and one of the aspects of national development, is that all areas of Trinidad and Tobago should benefit from that development. They accuse me of not asking, not making requests. I have been in this House since 1981, I have been making requests upon requests for something to be done to alleviate the horrendous economic situation in constituencies such as Oropouche and in the rural areas generally in Trinidad and Tobago and they ignored me, as they have ignored us in the past.

I urge him to look again at those projects which he seeks to finance from these moneys, look at the developmental aspects of those projects. I understand that a lot is being done in Point Fortin because that is his constituency and he is

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the Minister of Finance. So he runs down there and whatever money he can get hold of—whatever projects he can push through, for approval by the Government and so on—is all going into certain constituencies. Not that I mind Mr. Speaker, that the people of Point Fortin should also benefit. But the people of Point Fortin, as in fact, the people of Tobago, ought not to benefit in measure which deprives other areas of Trinidad and Tobago from benefiting in any marginal or minimal way. This is the point I am trying to make. It is the whole question of distribution and the equity of distribution which we are talking about, something which has dogged us from the end of 1986. One of the reasons there had to be a break in the NAR was a failure to address this question of equitable distribution, a stubbornness, a downright negativism to address this whole question of equitable distribution in Trinidad and Tobago, which is still on the agenda. No amount of window-dressing could hide that fact, of where we spend money, how we spend money and for the benefit of whom.

2.50 p.m.

We have been told that we must have a national perspective and we have no quarrel with that—having a national perspective. What is that national perspective comprised of? That the favoured get and the unfavoured are ignored; and when you are ignored you must not complain and when you complain that is not having a national perspective, not being patriotic and nationalistic. Therefore, you spend \$500 million and more in Tobago in order to make them nationalistic and patriotic; in order that you do not have a secession movement in Tobago. So that is the price we have to pay for the nationalism of Tobago but the nationalism of other areas in Trinidad and Tobago which have languished and have been ignored is taken for granted and they expect us to be colloquial and anti-national; and they have not defined what is their concept of nationalism.

Mr. Speaker, the Minister of Finance in his 1990 budget made all kinds of statements. He said:

"We have been making positive strides towards our objectives. We have not yet succeeded in generating current savings for reasons discussed earlier."

That was in presentation of his 1990 budget, when, as you know, the oil prices and the export performance of the Government was in a different state—

But our overall deficit has been reduced from one billion dollars in 1986 to \$709 million in 1989. This is a solid achievement but the deficit is still too high."

Now in 1990 what do we expect their current savings to be? Will they be employing financial discipline? He says:

"As great as the temptation may be, we cannot now relax and give in to fiscal indiscipline in 1990. We cannot play politics with our country's economic future and opt for pre-election-type budget as was done in 1986. This Government will not put immediate political gains ahead of our long-term economic viability."

I am waiting with bated breath to see this 1991 budget and whether we are going to have politics played with a pre-election-type budget; whether we are going for immediate political gains at the expense of our long term economic viability.

So, Mr. Speaker, this House seeks assurances. We are not satisfied on this side of the House that these moneys which are going to be raised—and they are going to be raised, this is the reason for bringing this resolution to the House—will be spent in the right way. What I mean by the “right way” is in order to serve, as he said, "the long term economic viability of Trinidad and Tobago."

My suspicion is that it will be used to create an aura of well being, to bribe people in 1991, to pay them off, so to speak, and to make a short-term, or to attempt—I thank the Member for Port of Spain North for correcting me—to bribe the population of Trinidad and Tobago. Because they will not succeed in Port of Spain South as they will not succeed in Port of Spain North, in attempting to bribe the population. This is why my friend from Port of Spain North must be a little worried because the bribe may not work, or the attempt to bribe may not work.

Mr. Speaker, this Government has to convince this country that it is serious about national economic development; that it is serious about bringing development to all areas of Trinidad and Tobago; that it is serious about not mortgaging the future of this country and placing an exorbitant debt on future generations which they may not be able to carry and that this Government is committed, not unlike the first Government, to working in the true interest of all the people of Trinidad and Tobago and that is what, in the final analysis, development is all about. Not in the interest of the minority but in the interest of the majority of the people of Trinidad and Tobago, to improve their welfare, to improve their well being as a result of the pattern, the kinds of expenditure that it is going to make from now on and the few months in 1991 when they will still be holding the reins of Government. Thank you very much, Mr. Speaker.

Mr. Speaker: Member for San Fernando East.

Mr. Patrick Manning (*San Fernando East*): Thank you, Mr. Speaker. I assure you and hon. Members that I will be brief.

As a Member of Parliament, I pledge to uphold the Constitution and the law and that is the responsibility that does not devolve just on my shoulders or on the shoulders of the Members of the Opposition. Indeed, such a responsibility comes with the office and devolves on the shoulders of every Member of Parliament. A recognition of that reality becomes ever more critical when one is a member of the ruling party and a Member of the Government clothed as it is with executive authority. Therefore, I listened very carefully to the hon. Minister of Finance when he read a section of the motion and it goes as follows:

"Whereas it is provided by section 3(1) of the Development Loans Act, that for the purpose of financing general development in Trinidad and Tobago...."

Mr. Speaker, you could imagine my consternation, therefore, when the hon. Minister of Finance, in his contribution, admitted to this honourable House that the large scale borrowings on which the Government of which he is a Member, has embarked, have been used in part for financing the budget deficit and, therefore, the current expenditure. To use borrowings under the Development Loans Act in this way is to run counter to the spirit of the Act, if not the letter of the law and, therefore, I expect in this debate and I sincerely hope that the hon. Attorney General will make an intervention, no matter how brief, so that he can clarify, for the benefit of this honourable House and the national community, the Government's legal position in respect of the use to which moneys borrowed under the Development Loans Act could be put.

3.00 p.m.

Mr. Speaker, they have done it and it is not insignificant because every budget from 1987 to today is one that has had a deficit. There has been deficit financing and the Minister admitted in the Parliament this afternoon that they have been financing the budget deficit by borrowings. For example, whereas the Government has announced that it planned to raise about \$850 million in 1990 by borrowing, the deficit on the current account for this year alone stands at something to the order of \$263 million. At the beginning of the year, the time the budget was brought before the Parliament, that was the anticipated amount of money that would have had to be financed from borrowings in respect of the current account and the Minister has admitted that the Government is doing this

by way of the Development Loans Act. It appears to me that the Minister has not taken as seriously as he should have or as all Members of the Government ought to take, the commitment and the responsibility that devolve on the shoulders of Members of Parliament to uphold the Constitution and the law.

I would like to talk about the PNM and what the PNM did and how the PNM spent money and particularly for the Member for Oropouche when he was a Member of the Government. He likes to talk about the PNM in the context of profligate spending.

The Development Loans Act was enacted in 1964 and the limit of borrowings under that Act was taken to the level of \$1 billion in 1983. In other words, it took the PNM 19 years to incur loans under the Development Loans Act to the tune of one billion dollars. By 1987, the Member for Oropouche who spoke so eloquently a while ago, was the Minister who came before the Parliament and who sought, on behalf of the Government, parliamentary approval to improve that limit by a further billion dollars. In one year, between 1986 and 1987, what it took the PNM 19 years to do, they sought to achieve in one year, in terms of the limit on borrowings under the Development Loans Act. That was 1987.

Mr. Wilson: Thank you for giving way. Mr. Speaker, I would like to ask the hon Member: What did they take the limit to under the External Loans Act in 19 years?

Mr. Manning: Mr. Speaker, as the Minister of Finance, I expect that in his contribution, he is going to give this Parliament whatever information he considers relevant in the context of the debate. It is very unfortunate that the Minister of Finance expects a Member of the Opposition to make available information to the Parliament, which he himself has at his disposal.

In 1986 and 1989 they sought and received parliamentary approval for an increase in the limit to which they can borrow under the Development Loans Act by a further figure of \$2 billion. Today, one year later, the Government comes to this Parliament and is seeking further approval for an increase in the limit of borrowing under the Development Loans Act by a figure of, not one, but \$2 billion. In other words, between the years 1986 and 1990, the Government has come to the Parliament to increase by 400 per cent what it took the PNM 19 years to spend under this Act.

It is now \$5 billion they are seeking and because, of course, they have a parliamentary majority, they are guaranteed that it is going to be passed by

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the Parliament. Certainly not with the approval of those of us on this side of the Opposition. We just cannot agree with this. Five billion dollars in 1990 is what they are now coming for, an increase of \$2 billion. What is even more significant is that one will get the impression, coming as they are at this time of the year—this is the middle of November and a budget is due not too long from now—that they have come close to the limit that has been authorized by Parliament and there is some important loan that they may wish to float that is causing them to seek, at this stage, an increase in that limit. The limit it is assumed being a constraint; but have we been given any such information by the Minister of Finance? The answer is no, therefore one can only come to the conclusion that is not the case because he was fairly generous in the information that he gave this afternoon in presenting the particular resolution, and I compliment him on that. He is very different from many of his colleagues in that regard, but that does not exonerate him.

If he has not indicated to the Parliament that there is an urgent need to increase, to permit the Government to raise some loan that is needed for developmental purposes six weeks before the end of the year, to what conclusion are we expected to come? There must be some other reason the Government is seeking to do this at this time. What is even more significant is that the Minister sought to give Parliament the impression today that the mere fact that they are seeking to increase that limit by \$2 billion does not mean that they intend to borrow to the full extent of the authority, which they are seeking from the Parliament today. Indeed, what the Minister sought to do was to give the Parliament and, through the Parliament, the country, some comfort that there is a constraint placed on the Government and that constraint is what is approved in the budget for any particular year. I take great issue with the Minister, not just on the view but on the attempt to perpetrate such a view on this Parliament because the Minister knows something else. He knows there is something called variation of appropriation, but in the instant case there is also something called supplementary appropriation.

In other words that Government can go ahead and incur expenditure and come subsequently to the Parliament and get it authorized by way of a supplementary appropriation. More than that, since 1991 is likely to be an election year, the Government can go ahead and incur expenditure to the limit of the authority given by this Parliament under the Development Loans Act and since we all know that they will lose the next election, it is going to be left to their successor to come to the Parliament and get the sum eventually authorized.

That is the strategy. They just do not care. That is what it is. They have no responsibility as far as they are concerned. I do not want to get into the polls and so on. You understand what the strategy is. Therefore, the hon. Member for Oropouche was right on this occasion when he spoke about lack of accountability. They just do not care nor do they see themselves accountable to anybody but themselves, absolutely no accountability. It is a strategy, if I ever saw one, designed to finance their election campaign of 1991. That is what it is all about. They are really asking for \$2 billion. They are asking the Parliament today for a blank cheque for \$2 billion to finance the election campaign in the year 1991.

3.00 p.m.

If what the hon. Minister of Finance said was correct, that is, that the constraint on their expenditure is what is approved by the budget, why is it that the Government sought to pursue this strategy rather than a strategy that is more in keeping with that point of view? That strategy is that you first present your budget, which is due very shortly, and on the basis of what comes out in that budget you come and seek parliamentary authority to raise the limit on the loans to finance the borrowings that you anticipate in the fiscal year 1991. There has been no such approach. Instead, this House is being asked to buy cat in bag, that is, give them a blank cheque for \$2 billion and assume that they are responsible enough to spend that money in the interest of national development.

On what basis must I come to that conclusion? They have not done it for four years. Why must anybody believe that in the winter of their parliamentary life they are now going to seek to be any more responsible than they have been between 1986—

Mr. Sudama: Twilight. We do not have those seasons. The analogy is very foreign.

Mr. Manning: Therefore, I think the strategy is quite clear.

I have had reason in the past to accuse the Government of seeking to prepare a bed of thorns for their successor. They know that they are a one-term Government. They know that. This is indeed a bed of thorns because not only will their successor have to come to the Parliament to seek parliamentary cover for the expenditure that has been made outside of the pale of the budget, but it is their successor that will have the responsibility of putting in place economic plans and programmes designed to raise the money that will be required to repay this significant and substantial sum of money in respect of which parliamentary

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approval is being sought today. I accuse the Government on yet another occasion of seeking to prepare a bed of thorns for their successor.

It was the Member for Oropouche who raised the question: Why were there borrowings in PNM time when we had a surplus in current account based on enhanced oil revenues? He scoffed at the point of view—after trying to distort it—that it was fiscal prudence that will cause a government, in circumstances where it does have a financial surplus, to go on the foreign markets and borrow. Contrary to what the hon. Member for Oropouche said, the reality is that it was done so that Trinidad and Tobago's credit-worthiness could be established in such a way that against the possibility of financial adversity hitting the country it would have been made easier for Trinidad and Tobago to be able to borrow on those markets. You see, when the PNM was borrowing money it knew how it could pay it back.

Indeed Mr. Speaker, in 1980, Trinidad and Tobago established an A-1 credit rating in Latin America and the Caribbean. That A-1 credit-worthiness remained with us until 1986 when the PNM took its leave of office. What is the position today? I would have thought that the hon. Minister of Finance [*Interruption*] Mr. Speaker, there is some reason hon. Members opposite prefer not to hear me speak in this Parliament.

Trinidad and Tobago was the most credit worthy nation in Latin America and the Caribbean from 1980 up until 1986. It suddenly changed. What change took place at the end of 1986 that could be ascribed in some way to the fact that the credit-worthiness changed? The Government changed, and with that change fiscal prudence went through the door. We had cause to say this before. I ask the hon. Minister of Finance: What is the credit-worthiness of Trinidad and Tobago in Latin America and the Caribbean today?

Mr. Wilson: You should know. You seem to be obsessed with that.

Mr. Manning: He says that I should know. Why is he getting so hot under the collar? Parliament is diplomatic; there is no need for him to raise his blood pressure. I asked the hon. Minister a question and I should like him to answer it before the debate comes to an end.

When Trinidad and Tobago, under the PNM Government, sought to borrow in circumstances where we experienced a surplus on current account, we did so to establish a credit-worthiness for Trinidad and Tobago, and we did so successfully to the extent that our credit-worthiness was established as No. 1 in 1980 in Latin

America and the Caribbean, and it stayed with us until 1986. It is precisely that action on which the Government can rely today to be able to go on international markets and borrow moneys under the Development Loans Act, and indeed to borrow on the local market either under this Act or under one of the several other pieces of legislation that will facilitate it. From 1987 onwards the position changed, fiscal prudence went through the window with a change of Government. Today I think we are about the 6th—and falling—in Latin America and the Caribbean in terms of credit-worthiness.

Mr. Speaker, it was the hon. Minister of Finance who, not too long ago, raised the question of external borrowings—how much money did we borrow on the external market? Before I get to that, permit me to deal with another point that has been raised by the Minister of Finance in his contribution this afternoon and, that is, that their intended borrowings under the Development Loans Act and the local market will not be done in such a way that it will crowd out the private sector which will no doubt have to borrow on the domestic market as part of the tool of economic development in Trinidad and Tobago.

3.20 p.m.

Whether that happens or not, depends entirely on the extent to which they borrow and the method by which they borrow. It depends entirely on that. What we do not have is assurance. I am sorry, I cannot operate on the basis merely of the Minister saying that they are going to do this or they intend to do that. We had those kinds of assurances in the past and there are umpteen examples of this Government giving assurances that it will do (a) but it will not do (b) and turning around and doing precisely that.

I remind you of one statement: "Come hell or high water, we are not going to the IMF." Do you remember it, Mr. Speaker? The hon. Prime Minister and Member for Tobago East was the one in his capacity as Minister of Finance at the time who made that statement. "Come hell or high water, we are not going to the IMF." That was his statement. What is the position today? Not only have we been taken to the IMF, but we have just concluded a second standby facility with much fanfare on their side. It is the standby facility that has the conditionalities associated with it and which has led to such a substantial deterioration in the quality of life and standard of living of such a large section of the people of Trinidad and Tobago.

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They say one thing and do a next; double speak. On what basis are we expected this afternoon to accept the assurances of the hon. Minister of Finance in circumstances where, 1991, an election year, and the spending spree has already begun? It is not that it is to come, you know, it has already started. Let me give you an example of that spending spree.

A circular went out to a number of small firms advising them that if they are prepared to hire apprentices—what they call “apprentices”—and pay them \$20 per day, the Government will finance half of it directly. In fact, indirectly, the Government will finance more than half of it because the expenditure of the company is deductible as a charge against the computation of their tax liability. So the state, in fact, is going to be financing more than half of it.

I ask the question: Since the scheme was due to begin on October 6—it is a scheme—how come it is only now the Government comes to the conclusion that such an arrangement is necessary? How come only now? Why did it not do it in early 1990? Why did it not do it in 1989? Why did it not do it in 1988? Why did it not do it in 1987? The Government did not do it because an election was not in the air and any such actions on the part of that Government are not being taken out of love and affection. Certainly not out of love and affection at all.

It is merely a part of the total programme that the Government is putting in place to seek to purchase, once again, the confidence of the electorate, not because it wishes to do something for the population, but because it wishes to preserve its own political position by seeking to win the 1991 general election. That is what they are doing.

So that they are going to do just what they say that they will not do. The intention is clear because of the method by which they have approached the thing. If they feel that they only want to spend about \$1 billion in 1991—indeed, in the budget for 1990 the Government indicated that it would be borrowing about \$850 million and not all of that under the Development Loans Act either; some would be external borrowings; some would be domestic borrowings. I could have understood a situation where the Government had come to the Parliament, and had indicated that in the budget for 1991, because of this and that, whatever the reason, whether we agree or disagree, it had come with a proposal to borrow a certain amount of money in fiscal year 1991 and, therefore, on that basis seek an increase in the limit authorized by Parliament under the Development Loans Act; then you can see a basis. But for the Government to do it in the way it was done suggests not only that there is no basis or no basis that we are privy to as a result

of the statements of the Minister, but it gives rise to suspicion; it gives rise to a view that is, in my view, difficult to evaluate, that the Government really is seeking a blank cheque from the Parliament in the context of an election next year.

The hon. Minister spoke about external borrowings under the External Loans Act, seeking to give the impression, even though he was not as specific as that, that the PNM was irresponsible in terms of foreign borrowings and they are responsible. That is the impression he is trying to give. When I listened to the Member for Oropouche, the point which I thought he was going to make he did not make it, and I do not understand why. I detect that when the Member for Oropouche was speaking, he was not speaking with a free tongue at all.

Mr. Sudama: I was not speaking with a false tongue either.

Mr. Manning: Perhaps he might have been speaking with a forked tongue, but then that is not for me to decide. I do not know. I impute no such improper motive to him.

It was the Minister of Finance himself who gave us the figures which I am about to repeat to the Parliament. He gave us the figures in respect of external borrowings. Because one of the concerns of countries like Trinidad and Tobago is escaping the debt trap. That is one of the imperatives that the hon. Member for Tobago East, in his capacity as Minister of Finance in his 1987 budget, identified that must be avoided at all costs. One of them was the imperative of the IMF dragon at all costs. Do you remember it, Mr. Speaker? "At all costs we must avoid the IMF dragon." It is the hon. Minister himself who, at the appropriate time, after saying, "come hell or high water we are not going to the IMF—"

Mr. Robinson: Mr. Speaker, I rise only to place on the record the repeated misrepresentations of my statements by the Member for San Fernando East. I place that on the record. He should have the decency, if he is attributing a statement to me, to quote what I said from the relevant document. He has no such decency or scruples whatever.

Mr. Manning: You know the Prime Minister is too easily ruffled, Mr. Speaker. I could have predicted that he would have come to his feet. Because he knows what is coming behind that. After having said, "come hell or high water, we are not going to the IMF," it is the same Prime Minister and Minister of Finance who said, "if we have to go then we have to go. If we have to go to the IMF, then we have to go to the IMF".

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Gun talk in 1987, *bravé danger* in 1987, fiscal irresponsibility—because it is their actions in 1987, or in fact their lack of action in certain key sections of the economy that has taken this country to the International Monetary Fund and the standby facility, the conditionalities associated with that and the pauperization of large sections of the population. They did it. Mr. Speaker, external debt service, because we are concerned about the debt trap. That was the other dragon of the debt trap identified by the hon. Minister of Finance which we must avoid at all costs.

3.30 p.m.

What was the projection of external debt service on the basis of the debt left by the People's National Movement? The hon. Minister of Finance knows the figures, but I think I have a responsibility to remind hon. Members of those figures and in so doing I shall also give them the other figures which the Minister identified. One was debt service under the NAR's anticipated borrowings programme before rescheduling of the debt, and the current position after the debt had been rescheduled. In fact, there are three figures; the position left by the PNM; the position they generated as a consequence of their actual projected borrowings and the reality today—the figures were given last year—after the debts were rescheduled.

Mr. Sudama: Would the hon. Member indicate from what document he is reading?

Mr. Manning: Mr. Speaker, I am quoting from figures given by the hon. Minister of Finance in this honourable House in response to a question. Public information—projection of PNM debt service in 1987, US \$402.6 million. The Minister's projection under the NAR before rescheduling was \$396 million and after rescheduling \$396 million—same figures. In 1988 PNM, \$389.6 million; NAR, before rescheduling US \$471.5 million and after rescheduling US \$368.4 million, and in 1989 PNM, US \$388.3 million. Before rescheduling the NAR anticipated that the debt rescheduling charges would have been US \$562.8 million. They are saying that we were irresponsible for borrowing. That is what the debt service they had anticipated went to. In fact, after rescheduling the figure was \$420 million, US \$32 million higher in that year than they would have been before the figures were rescheduled and under the liability left by the PNM. They are talking about our having borrowed externally and so on.

In 1990, PNM, \$401 million. Before rescheduling they anticipated, as a result of their external borrowings, that their debt service charges in that year would have amounted to US \$656.9 million, after rescheduling it is significantly lower, it has gone to US \$341 million in that year. From \$401 million in the previous year, in 1991 under the PNM, it would have dropped to US \$245.7 million. The Minister's projection under the NAR for that year before rescheduling was US \$534.9 million, after rescheduling the figure is US \$315 million, which meant that because of the borrowings that they have done after the external loans had been rescheduled, the debt service charges in the year 1991, as anticipated by the hon. Member for Point Fortin, amounted to US \$315 million in that year which is approximately US \$70 million more than the position that was left by the PNM after rescheduling.

In 1992, the debt service charges would have been US \$256 million after the PNM had left. They anticipated \$590.5 million, under their borrowings. After rescheduling projected by the Minister of Finance the debt service charges would amount to US \$512 million or twice the debt service charges that would have been incurred as a consequence of the position left by the People's National Movement, US \$502 million in debt service charges in one year.

Mr. Speaker, under the PNM they had no further figures, they would have gone down and down. We would have gotten over the hump. What will happen in 1993 under the NAR? It goes from \$512 to \$672 million, and take note of the fact that 1991 is an election year. It goes from \$315 million in the election year to \$512 million the year after—1992. The bed of thorns was being prepared for their successor even then. From \$315 million to \$512 million, and in 1990, \$672 million.

In 1994, US \$673 million in debt service charges after rescheduling as a consequence of the borrowings of the Government—and then they talk about irresponsibility and so on. Mr. Speaker, the figures speak for themselves. If anybody has brought this country to the brink of the debt trap, it is the Government of Trinidad and Tobago from December 15, 1986 to today. Today they have come back to the Parliament seeking, not just to prejudice our position, having already prejudiced the country on external markets with respect to foreign debts, they are now seeking—

Dr. Tewarie: Would the hon. Member give way? In using his figures the hon. Member has absolutely misrepresented the facts. It is a total misuse of figures of the PNM before and after rescheduling. The hon. Member, in my view,

has sought to mislead this House and no correct analysis could make sense of those figures.

Mr. Manning: Mr. Speaker, one will believe that the hon. Member for Caroni East is not entitled to 45 minutes with a 30-minute extension if he so wishes. Get up and give your view. These figures are already in the parliamentary records and they have been placed there intentionally, not by me or by any Member on this side of the House; they have been placed there by none other than the hon. Minister of Finance. Facts are facts, they are very stubborn things, they cannot go away: US \$673 million in 1994. They have already done it in terms of external borrowings. They are now coming today to seek our approval—we must go along with them by giving them a blank cheque for a further TT \$2 billion in circumstances where we have been given absolutely no indication of how they intend to spend it. An obvious reason presents itself in the context of an election campaign in 1991 where it is clear that the Government intends to use all the resources available to it, in whatever manner, to ensure, as far as possible, that it is re-elected. What is even more surprising about all of this is the fact that he has come at a time when oil prices are high. I do not know what their projections are because nobody on the Government side has seen the need to take the population into its confidence and indicate the outcome—as they see oil prices giving some kind of indication—of what is the anticipated revenue position of Trinidad and Tobago. Therefore, they have left the door wide open for all kinds of speculations and then they will come from behind and say that this one is responsible and that one is responsible. No such thing. They just have not kept faith with the population and, therefore, they are the ones who have created the circumstances in which all kinds of views are permitted to prevail.

Mr. Speaker, the hon. Minister of Finance was quoted as having said—and I have seen no disclaim, therefore I accept it as fact—that to date up to the third quarter, they received \$94 million more than was needed. They received \$94 million more than he had anticipated under the budget for the period up to the end of the third quarter. Oil prices are high today. There is a fundamental principle that is involved in the taxation of oil companies. The principle is that the benefits—especially in the context of windfall profits—that accrue as a consequence of the production and exportation of the natural resources of a particular country ought to accrue, not to the company, but to the people who own the natural resource. I said it before and I say it again, this Government—I do not know if the word is "parliamentary"—has not taken steps to protect the interest of the people of Trinidad and Tobago by making appropriate adjustments

to the oil taxation structure in circumstances where windfall profits are accruing to the oil companies.

3.40 p.m.

They were quick to come here at the end of 1987 to adjust the tax arrangements—I have no quarrel with that even if we might have disagreed on some aspects of the matter; I have no quarrel with the principle. The principle was to put in place a tax regime that permitted the companies to develop our petroleum resources in such a manner that revenues accruing from it would be used in the interest of the people of Trinidad and Tobago whose resources are being exported. But what has happened now? Oil prices have sky-rocketed. They did not anticipate that at the time the budget was predicated in this honourable House. And they come to talk about economic growth and so on. Say thank God for Saddam Hosein.

Dr. Tewarie: Economic growth has nothing to do with the rise of oil prices.

Mr. Manning: Economic growth has nothing to do with the rise in oil prices? Tell me another.

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

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. M. Marshall*]

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Manning: I thank you very much Mr. Deputy Speaker and other Members. [*Interruption*] The hon. Member for Couva South has put his finger on it.

Mr. Ramnath: Mr. Deputy Speaker, did you hear me say anything to him?

Mr. Manning: What is required in the current circumstances is an appropriate adjustment to the taxation structure that governs petroleum operations in this country in such a way as to make it flexible enough to take care of the instability that now prevails on the petroleum market. One of the things the Minister is sure to get up and say is: We do not know what the oil prices are likely to be and, therefore, we are in no position to compute a proper tax liability arrangement. Since we have a mechanism called “supplemental petroleum tax”, all you have to do is to ascribe a certain level of taxation to a certain range of oil price. If you do it that way, then the country is protected—and by agreement

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these things are negotiated and if the oil price goes up or down, then the level of taxation is adjusted in such a way that on the one hand the citizens are not adversely affected and the country gets its dues; and on the other hand the structure is not unfair to the companies but permits the companies enough returns to continue a programme of reinvestment to ensure that we do not kill the goose that is laying the golden egg. That is a simple answer to it.

Where is the Minister of Energy today? I am not seeing him at all. We have not heard anything from the Minister of Finance on this. But we can get into a long argument over new oil and old oil and what in fact has been the effect of the tax structure that was put in place since 1987. The point I am making is that at a time when they have come to increase the limit granted by Parliament under the Development Loans Act to borrow a further \$2,000 million, account is not being taken of either the reality or the potential. Certainly on the Government side, account has not been taken in this debate by anybody when the hon. Minister spoke of the potential revenues and the actual revenues that Trinidad and Tobago is gaining at this time and the potential revenues that the country can acquire as a consequence of a prudent Government, as a consequence of an adjustment in the tax regime, as a consequence of developments in the Middle East over which we have absolutely no control—a development which can affect us positively in such a way that with a responsible government something meaningful could be done for the people of Trinidad and Tobago.

It is with deep regret that I advise hon. Members that we are unable to support this motion.

Mr. Jenson Fox (*Port-of-Spain North*): Mr. Deputy Speaker, I really have been humoured into making a contribution here this afternoon. It seems to me that both the Members for Oropouche and San Fernando East remind me of “Houdinis” of distortion and vociferate contractors of—

Mr. Manning: He does not remember it, he forgot his lines.

Mr. Fox: They stand here today and talk about who set standards for borrowing and as they look at each other and the old proverbial saying of “dead playing dead to catch corbeau alive”, should really apply to both of them this afternoon. Actually, it is the first time I am seeing two people in second place trying to play dead to catch corbeau alive. I do not understand how the Member for San Fernando East could try to justify the borrowing rate of the People's National Movement. It is significant because we have heard over the last four

years consistent appeals by their side for us not to make reference to the PNM and what has happened in the past. But they come this afternoon and make statements about trying to justify the 19 years of borrowing rate.

What the Member for San Fernando East did not state this afternoon is that during those 19 years of PNM borrowing—whatever rate that was—they were in a far better position than this Government. Those 19 years saw the greatest windfall that this country has ever seen. One would have thought when he was winding up and he spoke about oil revenues and responsible government, that during that 19 years the Government of the People's National Movement they would have been so responsible that they would not have found themselves in a position where they succumbed to borrowing. It seems to me as though the simplest form of management in the simplest home would say that you should not find yourselves in that situation.

Then we hear talk about a bed of thorns for elections; the elections are coming and the National Alliance for Reconstruction is laying a bed of thorns. When the National Alliance for Reconstruction came into Government in 1986 the thorns that we were put to lay on were not short and blunted ones; they were very sharp and extended. The Member for San Fernando East reminded me this afternoon of someone who is possessed by fear—the very fear that engulfed the PNM before 1986 when they could not handle the situation and lost the election in December of that year. He sees himself being engulfed once again with fear. He sees himself and his party approaching another election and being very scared of handling the situation again should they have the misfortune befall them again.

3.50 p.m.

I think he was trying to prepare the population by telling them that the NAR is preparing a bed of thorns for them and I dare say that the population may very well be alert and consider that the 10 per cent that was taken from their salaries—on which I had my own objections—under the People's National Movement led by a gentleman who is possessed by such fear; he is talking about stringent measures they may have to take may mean another 20 per cent from their salaries. He must not stand here and try to distort facts and figures. He must not stand here and talk about debt servicing and how under the People's National Movement what the position would have been.

Mr. Deputy Speaker, he cannot stand here and say that when the only thing that the People's National Movement has been honest about over the years is a

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blunt statement that all of them thief. How can the Member for San Fernando East stand here and make a comparison that under the PNM Government the debt servicing would be reduced when nobody in this country can seriously take their honesty to heart? You see Mr. Deputy Speaker—and I am staying on the points the Member for San Fernando East raised—whenever election year comes around no one in this country has had more practice than people under the regime that he was part of for 30 years in blowing their own trumpet in the final year of their five-year term. I think it is a very—I do not want to use the word “dishonest” because it may not be parliamentary language. It is not in keeping with the standard of the ex-leader of the Opposition who stood here and blew his trumpet this afternoon and tried to give the impression that the NAR is doing the same thing in the election year.

The present Members of the Opposition front bench and the back bench, for the past four years have consistently demanded that the NAR Government put into place, social benefits for the population. The Member for Oropouche, this afternoon, spoke about a post office and the fixing of roads and drains in his constituency. Given the circumstances that existed in 1986 and what we have had to endure for the past four years, one should not frown if the Government seeks to take measures to come to grips with the reality to deal with the same situations the Member for Oropouche and the Member for San Fernando East have been calling for over the last four years.

Is it a question that a responsible government will increase oil prices? It is a hurting situation for the Member for San Fernando East. Is he afraid that with increased oil prices and increased revenue the NAR Government will find itself in a situation where it can deal with all those ills they spoke about over the last four years—the need to increase old age pension, the need to have greater job opportunities, the need to run something in various constituencies, the need to fix the drains in Oropouche? Is he afraid that all these things, in an election year, which happen to be a blessing for Trinidad and Tobago and a blessing for the NAR, notwithstanding the fact that over the last four years, we have dealt with the situation in such a way that we have managed to bring under control the question of excessive expenditure in state enterprises and other areas? Is he afraid Mr. Deputy Speaker, that all these things coming into play at this point in time will leave him and his opposition party in no man's land?

I would like Members of this House to approach their contributions with a little more honesty. They need to reflect on their stewardship over the years while

they were in power. They need to reflect on the years that they have sat in the front benches of the Opposition and ask themselves, why is it they can stand here today and say that they have been waiting for such a long time for certain amenities? If they cannot answer that after so long then I dare say that they may very well be waiting an equal number of years in the future. They need to look deeper within, do a bit of soul searching before they stand in this House and try to deliberately distort the facts, before they try to deliberately distort the thinking of the population and in the final analysis, ridicule themselves, make themselves less in the sight of the population.

I would like to close by saying that it is a good thing that we have been exposed by these two Members and given the opportunity for the rest of the country to be privileged to the minds that now aspire to run Trinidad and Tobago after 1991, hopefully with a bed of roses and not a bed of thorns.

Thank you.

4.00 p.m.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Deputy Speaker, this particular motion before this honourable House has to do with an increase in the authorized borrowing limit, not with the increase in borrowing. We are not determining what is going to be borrowed here today. Just under a minute ago—

Mr. Sudama: Why are you increasing the limit?

Dr. Tewarie: Mr. Deputy Speaker, I wonder if the hon. Member would desist. If he has any questions, I am prepared to answer if I can. The first point I want to make, therefore—and I think the hon. Minister of Finance in his presentation also made the point—is that we are borrowing nothing here today but simply increasing the authorized borrowing limit.

The second point and corollary to that is that clearance for the actual borrowing of money is to be given by this Parliament. In other words, when the budget comes around, when the expenditure is set, Members of Parliament have an opportunity to speak and to influence the proceedings in Parliament. The hon. Minister of Finance, when he made his presentation, talked about the problem of capital formation and the fact of it not being adequate to finance our requirements at this time. I think he mentioned as well how the money is going to be used and

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he identified some projects for financing capital development and for financing a developmental programme including a public sector investment programme.

This Government did come here in 1987 and raised the ceiling, but it did not do so in 1988. It came again in 1989 and again it raised the ceiling. I think that what it signals is that the Government did not come to Parliament to increase the ceiling and, therefore, its capacity to borrow, simply for the sake of doing so, or simply to spend money, but basically what has happened is that we have sought to borrow in keeping with our management of the debt portfolio, which from the account of all who have looked objectively at the situation in Trinidad and Tobago has been properly done, has been adequately done, has been properly managed and has given us the breathing space necessary to talk about development at all.

When I was listening to the Member for San Fernando East after part of his presentation, I was moved to get up and say that he was misinterpreting the figures that he was using and misrepresenting the facts. I was really quite upset in a way, because if, in fact, the rescheduling had not taken place I do not think that this country and this Parliament would have been here today to talk about economic growth whether with or without the rise in oil prices or to talk about development programmes or to talk about projected growth into 1992 and 1993 because the entire economy was on the verge of collapse.

The debt portfolio was weighing down on this country and the economy as heavily as any weight that a country could be asked to carry. The borrowings that are necessary now are only necessary, in the absence of cash, after cautious, organized and orchestrated management of an international debt portfolio and a national economy in a changing world. It is only now that it is possible for the state to make some specific and strategic interventions that would support the expansion that has already begun in the private sector. So that far from being irresponsible I think it is fair to say that this Government has been reasonable. I think the Prime Minister as the leader and manager of this economy in the initial year of this administration has been wise and I think that the Minister of Finance, thereafter, has pursued his responsibility with diligence and I think that Cabinet as a whole has functioned in such a manner as to make any country proud.

All this talk about electioneering from the other side does not alter the fact that this Government led by the hon. Prime Minister and Leader of the NAR beat that Opposition in the back bench there in 1986 and we did not do that by guess. The men and women on this side, including the people on the other side from the

Government, the men and women in this Government have the staying power and the capacity to withstand the test of time, and the fortitude to deal with adversity that the people on the front benches on that side did not.

Mr. Humphrey: On a point of order. The Member is misleading this House. It is not a matter of staying power. It is a matter of having ejecting power. We were kicked out. We did not leave.

Dr. Tewarie: I do not want to get into a battle, I simply wanted to say that the will of this Government to govern in the interest of the country and to govern beyond 1991 should not be under-estimated. I simply say that because we have made an assessment of what it might mean to surrender the Government, by that I simply mean to allow the Government to fall in the hands of the people now on the opposition. We feel that the country's future and the people's future into the 21st century, and the future of the NAR are one and the same, and we have no doubt that poll or no poll, when a proper assessment is made, people will come to the conclusions that are in their best interest and in the national interest.

The hon. Member for Point Fortin and Minister of Finance made the point that the raising of the ceiling was not meant to crowd out private sector investment and I think it is important to make that point because clearly, the strategy of the Government over the last few years has been really to create the space necessary for increased private sector participation, the widening of ownership and increased investment by the private sector in the national economy. The point is that notwithstanding that thrust and the positive development in that area that can be seen in every figure or statistic, the Government does have to spend on things that the private sector will not spend on. Secondly, it has to provide infrastructural support for industry and in a critical way, although the Government has perhaps limited its role in terms of direct investment, although the Government has sought to divest the state enterprise sector on a gradual and systematic basis, governments in a country such as ours, still have to play a leading role in the 1990s, sometimes even paving the way for private sector follow up and follow through and it is for these reasons that the Government must have funds. It must have flexibility. It must be able to make strategic interventions.

When the Member for Oropuche was speaking and he was joined in this chorus by the Member for San Fernando East they talked about borrowing on the eve of an election year and even purporting to quote from the hon. Prime Minister that this was an attempt to raid the Treasury. But I want to say that in this House

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the people on this side of the House, and by this I mean, the people in the Government, are perhaps the only people in this House who have a horizon beyond 1990.

4.10 p.m.

When the parliamentary session of 1987 was ushered in, I remember the hon. Member for San Fernando East, then leader of the Opposition, declaring his party “the Government in exile” and embarking on a strategy to have elections as early as possible, long before the five-year period had come to an end, by every strategy that one could devise and ever since the break in the NAR which led to the formation of the present Opposition today, the discussion has always centered around elections and popularity.

This Government has persevered. We have held elections whenever they have had to be held and the hon. Prime Minister today set the date of the by-election as is provided for under the Constitution and the Government obviously will call election when they are due in 1991 or 1992 or whenever, and the Prime Minister has that prerogative under the Constitution, but the point we made is that this Government—and I think all the objective facts will indicate that—has never been concerned about elections as it impacts on what it must do to deal properly with the national economy.

If you say that today a budget is anticipated which will be an election budget—as I see in the newspapers everyday now—and if you say that these borrowings are meant to finance the elections of 1991, then how do you make sense of the very difficult, harsh—as described by many—decisions that were made in the interest of this country in 1987, 1988 and 1989 to get us to the point where today we can talk about positive growth in 1990? I want to say that the signs for positive growth were there even in the first quarter of 1990 and they were discernible even earlier than that in the last quarter of 1989. Anybody who was looking carefully at the figures would have seen that.

No anticipated rise in oil prices was perceived at that time and what you can see from the statistics, whether you look at the foreign exchange reserves, whether you look at the growth in exports, whether you look at the diversification that is taking place, in terms of expansion of the non-oil sector, whatever you look at in the economy you can see an economy which has begun to respond to the economic measures put in place by the Government of Trinidad and Tobago.

The end result being that we have moved from seven systematic years of economic decline beginning in 1983 to positive economic growth in 1990 and projected positive growth—slow perhaps, over the next few years, 1991, 1992 and 1993. I want to say again, I have no doubt as I have indicated in this House before, that when you have an economy on the decline that begins to grow, the last thing to be affected is the unemployment figures, but I have no doubt, given what is happening in the national economy that at the end of the year, statistics are likely to show a very slight drop in the unemployment rate in Trinidad and Tobago.

We have stabilized at 22 per cent and I will not put my neck on the block for it is very hard to predict these things, but I will venture to say, given what is happening in the manufacturing sector in terms of investment, given the expansion taking place in the existing plants, given the new projects that have in fact been initiated and given the slight stimulus that is taking place in various sectors of the economy, I think we are likely to see a slight growth. *[Interruption]* What I can say with some measure of certainty is that we are likely to see a pretty buoyant economy around April, 1991 and I think all the signs are indicating that and I am sure that is exactly what they are afraid of because oil did not cause that, it is the proper and cautious management of the finances in the initial period of governance by this Government and secondly the management of the macro economy and the stimulus in the right sectors, in order to ensure that growth and diversification are in fact taking place. All the economic financial statistics on trade and exports will show that diversification and transformation of the economy are in fact taking place before our very eyes.

The statistics are there and people are saying it too. Look at this Latin American *Monitor* of October 1990 *[Interruption]*. The people in Trinidad know and they understand and they feel and they see but what is happening now, is just that a gap is now developing between what the Opposition explains as the reality and what the people sense as the reality in the places they live and time has caught up with us. This Latin American *Monitor* of October, 1990 says that:

"After two years of austerity programmes, there are clear signs that the economy of Trinidad and Tobago is picking up after falling by 4.3 per cent and 0.8 per cent in the first half of 1988 and 1989 respectively. Real GDP is expected to raise by between 0.5 to 1 per cent in 1990. Much of the improvement performance has been due to the expansion of the non-oil

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sectors, such as sugar and manufacturing exports. These offset poor performance in other areas."

That is only a synopsis of what the Central Bank figures actually revealed and I would not present these in any detail here today.

Mr. Deputy Speaker, one of the sure signs that an economy is moving upwards and moving away from the downward trend is the interest by investors. This country, as I have said, never had a problem with investment and investors in the petroleum sector especially, but in the energy sector in general, but I think for various reasons the country has never been looked at seriously in other areas, but one of the sure signs that the economy is moving and that people are perceiving is the increased investor interest in Trinidad and Tobago. The figures suggest that Trinidad and Tobago is going to be doing very, very well in terms of investment both at home and abroad, that is to say, from our own private sector and from the point of view of foreign investment. It is important to understand how the economy is taking shape and what is happening to the national economy and the various micro sectors of it.

4.20 p.m.

In the private sector, Mr. Deputy Speaker, we now have in Trinidad and Tobago indigenous multinational corporations, that is to say, companies which are home bred but which are now in the international market-place investing even in other countries. There are companies here which are now in 18 countries in the world including Caricom countries. There are others that might be in three or four, and there are others that are trying to get into new countries, and the intention basically is to try to get a bit of the market share in certain parts of the world.

On the other hand, the medium sized companies, especially in the manufacturing sector, after the decline in the economy and after having to reshape their entire operations, and to tighten their belts, have now begun to expand, and they are investing in new plant, and new equipment and they are creating new jobs. Jobs are being lost—there is no question about that—and jobs have been lost, but new jobs are also being created in the new manufacturing enterprises and the expansion of existing manufacturing enterprises.

There is, as well, a whole programme and a thrust of trying to encourage people in small business and to link these small businesses to larger operations. All of this really is something that is very healthy both from the individual point of view, from the point of view of the citizen, from the point of view of the

sociology of the place and from the point of view of the national economy and generally from the point of view of the psychology of people as independent citizens in a nation. All of these things are happening simultaneously. It is not just job creation, it is business creation as well that is taking place.

Mr. Ramnath: How many foreign investors came into this country in the last few years?

Dr. Tewarie: I cannot give you the exact figure from the top of my head but—

Mr. Ramnath: In the energy and petrochemical sectors.

Dr. Tewarie: It is a fair number of them. I can name the projects. I can tell you that the foreign investment for 1989 was \$632 million which was way in excess of the projections of both the World Bank and ourselves, the joint projections after collaborations.

Mr. Ramnath: Does that \$632 million include the investment in the South East Coast Consortium project?

Dr. Tewarie: What it does include is the investment in Telco, but even when you discount that it is higher—the amount of investment outside of that—than the projected figures.

In 1990, investment in Trinidad and Tobago up to the month of July has already exceeded the projections for 1990. But I was making reference to how the Member for San Fernando East misrepresented the debt situation. Not only was I appalled by what the Member for San Fernando East said about the debt—I do not have all the details; I am sure that the Minister of Finance will have much more information than I do—but when you look at the debt service ratio you see a systematic decline in terms of the ratio before rescheduling and after rescheduling. For instance:

Year	Ratio	Remarks
1986	20:20	(It remained the same)
1987	25:25	(It remained the same)
1988	27:22	
1989	32:20	
1990	38:25	
1991	30:24	

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The point I am trying to make—

Mr. Sudama: Could the Member give way to a question? Do you not think that these ratios are really meaningless except you tell us the basis of your projected export earnings which has not been provided anywhere in any Government document?

Dr. Tewarie: I do not have all the facts but I know that these figures are accurate.

Mr. Sudama: You do not have the facts but you know that the figures are accurate. What a *non sequitur*!

Dr. Tewarie: It is not a *non sequitur*. You assume that the people in the Ministry of Finance and the Central Bank who are doing this work, know what they are doing.

Mr. Deputy Speaker: The hon. Member is advised to continue with his contribution rather than cross talk.

Dr. Tewarie: Yes, Mr. Deputy Speaker. So that far from being an issue which has anything to do with elections or which has anything to do with any intention on the part of the Government to spend unwisely, this is simply an attempt to come to the Parliament to increase the ceiling that is available to us and, therefore, to give us some flexibility—

Mr. Sudama: To fight an election.

Dr. Tewarie: We have come a long way in the last four years and the objective facts, as I said, as opposed to the opinions of the Opposition, will reveal in fact not only the long and hard road but the very positive road that we have travelled.

Hon. Member: Potholes for so.

Dr. Tewarie: The Prime Minister sometime ago in speaking, I think, to the Southern Chamber of Commerce, identified the dilemma of industrial restructuring and what difficulties it will present for Trinidad and Tobago. The country is already embarking on that course and we are at the point now where the country is really poised to become a significant country in the world in terms of a diversified economic base; in terms of the investment that accrues to this country; in terms of the savings that we can raise; in terms of the diversification

and the expansion of the manufacturing sector, and most important of all, in terms of the linkages that we can make with the international economy.

The Member for Oropouche talked about the fact that no broad view had been given. We have a problem in this House. When you give the broad view, they say you talk in generalities. When you deal specifically, they say you do not give the broad view. The Minister of Finance sought to present very specifically what he was seeking to achieve.

The point is, if we can talk about industrial restructuring with positive economic growth as an assumption; with foreign investment as a reality; with local investment increasing; with a diversification of the economy; with exports increasing; with linkage with the international economy, if we can talk about that in 1990, I want to say that those things did not happen by guess. When you look at the macro economic plan, and at what has been achieved you see that there is a significant relationship between the plan, as envisaged, and the actual reality that is taking place before our very eyes.

Despite what has been said about how we have dealt with the manifesto, if you take the manifesto seriously and you look through it and you see what we have identified as priorities for achievement and for focus and what, in fact, had been achieved, you will find that there again is a very close correlation, contrary to what is advocated and said by Members on the Opposition benches.

The reason we could talk about industrial restructuring and linkages with the rest of the world, as well as linkages at home which was mentioned, is because significant things have been achieved and the economy has really been opened up in a significant way, and that expansion is a reality. Because of that and because of where we have come from many things are necessary now.

Mr. Deputy Speaker: I think this is a good time to take our tea break. We will resume at 5.00 p.m.

4.31 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

[MR. SPEAKER *in the Chair.*]

Dr. Tewarie. Mr. Speaker, I will just be a few minutes more. I was saying that if we have gotten this far where we could now talk about industrial restructuring and diversification as being realities, and we are linking ourselves

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up with the international economy, then much of the preparatory work had been done over the last three or four years in order to bring us to this point. As a consequence this achievement could not be discounted and the attacks on the Government which seems to suggest that we have not looked after this country or its people properly could not stand against the objective facts which are available for all to see.

There are two other issues, really, that the Member for Oropouche raised. One was the question of cost overruns and accountability. I will not deal with that at any length. The Minister of Works is likely to have much more information on these matters than myself. But from my general knowledge of what is taking place in Government in terms of expenditure, besides the single project that he mentioned, which is the Scarborough Deep Water Harbour, where there is, in fact, a cost overrun which has been acknowledged by Government, there are very few other projects which have any overruns at all. Where they do exist, if they do, they are very minor cost overruns and adjustments.

But by and large this Government has taken pains to do things on time and within budget and I think that on occasions in the past, Ministers have gone out of their way to point out these things as a deviation from the practice that has taken place in the past and which became the norm in terms of Government expenditure prior to our administration. I do not think this Government, quite frankly, can be faulted on accountability. You may rant and rave about it, but what is the specific instance of lack of accountability of this Government? I think this Government, like any government at any time in the history of any country, has done many good things. It has done things which may be considered errors of judgment, or it may have said things, but that is part of the whole experience. The thing about a democratic society is that it allows for that.

On the question of accountability, however, the Government has been very, very committed and I do not think there can be a single instance articulated by anyone which says that the Government failed to be accountable or was being callous about accountability at all. Therefore I do not feel it is fair to simply talk about these things like that.

There is one other point. I cannot say I understand the point that the Member for Oropouche was making, but he seemed to be saying that when you increase the ceiling for borrowing and you borrow and part of that money goes to pay for the current account deficit, that you are really borrowing twice. That could not

possibly be so, without any economics or finance, just on common sense. I simply want to say that this charge also could not be correct.

Mr. Sudama: Let me just correct the Minister. There were two points raised with respect to borrowing under the Development Loans Act to finance current account deficits. That is, that these loans should not be used in principle for that purpose. Secondly, that when you finance current account deficits in that way, which does not have an impact on productive capacity and the creation of goods and services, then you are setting in place the conditions for an inordinate increase in inflationary rates. Those are the two points.

Dr. Tewarie: Well I did not understand him to be saying the first thing. The second one I agree. I think that Government's spending, the more it is spent in the direction of directly productive undertakings, obviously in terms of what it does in output for the economy, is a more favourable choice. But Government has to choose between doing that and supporting the infrastructure for the rest of the economy and also to do those things which Government has to do, which nobody else will do, and some of these are not productive, and that is a choice the Government has. When you deal with a situation in which many of the services and the infrastructural bases of the economy, while having been built, there was deterioration in some areas or there is limited capacity in some other areas, Government has to spend on that.

I simply want to close by saying that on all fronts, regardless of the statistics or the angle that you choose on objective criteria and statistics that are available, and in terms of the mood of the country; in terms of the mood of the actors in the economy, I think it is fair to say that we have travelled a long way but we have come out on top over the last four years in terms of transformation of the economy, the movement towards that, and in terms of growth and real prospects for continued growth in the national economy. If the Government wants to borrow now in order to add to that process, in order to facilitate that process, and in order to supplement that process, that could only be a good thing for the national economy, and a responsible intervention, a well meant intervention, on the part of the Government. In the end all of this is part of our strategy of development. All of this has become necessary, the borrowings and so on, because we do not have the money. People do not borrow if they have the money, in spite of the fact that somebody said that, in fact, that was the strategy of the last regime, to borrow when it had. But from our point of view the borrowing is a necessity because the money is just not there. It is not available. Therefore one

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has to finance the projects, the expenditures, the inputs in some way, and that is why we have come to ask for this increase in the ceiling.

The Minister of Finance has indicated that his interest is not in borrowing the \$2 billion, but having the capacity, so that he can have the flexibility. In the end I want to add that it is Parliament ultimately, that will take the decisions about the appropriations and about the expenditures when the budget comes or when the allocations are brought before this House. So that in the end this is simply a debate about raising the ceiling and not about the funds themselves. There will always be appropriate opportunity for debate on the specific things on which exact sums of money are being allocated to be spent in the national economy. Thank you very much, Mr. Speaker.

5.15 p.m.

Mr. John Humphrey (*St. Augustine*): Mr. Speaker, I was not planning to contribute to this debate, but the Member for Caroni East has made statements which I think should not be allowed to go unanswered.

He said, for example, that the Members of the NAR who remained in the Government, demonstrated some great courage in doing so, whereas their former colleagues left. That is totally untrue. The other thing he said which needs to be answered is that the remnants of the NAR Government were true to the NAR manifesto and if anybody carefully read it they would see where the Government has been true to it. That is a blatant falsehood. In fact, I, more than any other Member of this Parliament, time and time again, have gotten up in this House to try and steer the Government back on course to deliver to the people the promises contained in the manifesto. Let me give an example of it, Mr. Speaker.

The Member for Caroni East said that four years of good economic management has brought the Government to the point where it can now have a state role in the economy. This is what he said, that the borrowing has nothing to do with elections and the \$2 billion increase in the limit is related to the four years of good management that has virtually laid the space to enable the Government to more actively participate in the development process. That in fact is what the NAR manifesto promised, that the Government would have a dynamic role in getting this economy started and in solving the problems, in diversification and job creation. He said the statistics indicate that there is a turnaround. But you see when something is falling sooner or later it is going to hit the bottom when it cannot fall any more, but it could stay there for a very long time before it starts to

rise again, and that is what the statistics reveal about this economy, that the fall has slowed down, possibly bottomed out, but how long are we going to stay there? I can put my head on a block—though he said he could not—on the unemployment statistics. They have not changed. Unemployment at the end of 1990 is exactly what it was last year, 22 1/2 per cent and in some parts of the country it is far worse. In fact, I have been advised that the Member for La Brea has recently done a private survey of his constituency and has found that the unemployment in his constituency exceeds 40 per cent of the labour force. Things are not improving. If things were improving, surely, the society would have known.

At the end of 1986, we had the support of approximately 70 per cent of the people in this country; the NAR as constituted then. The elections demonstrated this, that we won a resounding victory. Today a poll reveals that exactly the opposite has occurred. Where you had a 70 per cent support in 1986, you have 73 per cent of the electorate against Mr. Robinson as Prime Minister and 71 per cent against the NAR as Government, as reflected in a recent sample by Dr. Ryan.

Miss Nicholson: Whom did he interview?

Mr. Humphrey: I understand that it is a national sample. I think that this reflects how the country feels. As a politician I have my finger on the pulse. To illustrate my point that the NAR Government strayed from the strategy of development promised in the manifesto, let me go back to a point raised by the Member for San Fernando East about a programme that is now being introduced on the eve of the elections to provide jobs through encouraging businessmen to employ unemployed people, by the state subsidizing that employment programme—asking the businessmen to pay \$20.00 per day and the state will assist by paying about the same amount. That was something which was proposed in the NAR manifesto. In fact, I know about it because I proposed it. I proposed the idea of helping to solve the unemployment in the short term by a programme absorbing unemployed people in productive enterprises in both private and state sectors, where unemployed workers could be trained on an apprenticeship programme by working side by side with skilled workers that the state would subsidize. In fact, I proposed that the state should pay the whole wage for those workers. They would work for a period alongside these skilled workers and they would gain the skills which those workers have, but that was in the context of being absorbed in an expanded economic programme of expanding industries and creating new industries. We had the strategies spelt out on how we would have

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accomplished that. You have a period of six months, a year, a year and a half or two years of training while new buildings are going up, new factories being established, old ones that have closed down will be restarted and you then have a skilled work-force to transfer into the productive sector. That was part of the programme proposed for DEWD. It is here in the manifesto. On the eve of the election you introduced something which is totally unproductive and not in fact related to any kind of economic dynamism.

In the manifesto we had argued that idle capacity accumulated in the oil boom years would be the basis on which we would have started economic activity, particularly in the construction sector. It was spelt out in great detail and I have quoted the manifesto time and time again to remind the Government what was promised. I am afraid that this apprenticeship programme which is now being introduced is nothing more than an election gimmick because it is not related to training unemployed workers and giving them skills so that they can be absorbed in the production process. It is not related to that. It is related to social relief which is obviously very necessary because the events of July 27 indicated how necessary social relief is.

In the manifesto we had promised an unemployment insurance scheme as part of a modified national insurance. Where is it? It has not been done. But the strategy related to the absorption of these newly trained workers was to have a continuing tri-sector conference—another idea that came from us, from me specifically, after 14 years of discussions with my colleague, the Member for Couva North, on developing indigenous approaches to solving problems—a tri-sector conference, where you would have pooled the resources of the state with those of the private sector and those of labour, and where you would have kept a constant analysis of the economy going to see where you could invest in new enterprises from local resources to create the jobs and enhance productivity and production generally of the country. Where is it? We have not seen that institution. In fact, none of them are interested in the concept any more. We were booted out, in my view, because we were insisting that the NAR continue to adhere to those indigenous approaches, while the Prime Minister and his close colleagues were insisting that Trinidad and Tobago had to append itself to the capitalist world, the back-water of US capitalism.

5.25 p.m.

They even tried to justify their strategy by pointing to what was happening in Eastern Europe and the Soviet Union. But the Third World is not an Eastern

Europe or the Soviet Union; the Third World is under-developed. We have not found a means of mobilizing our resources to get the development process going. But when we in the former ULF decided to come into a coalition with the DAC of Tobago, the Tapia House Movement of which the Member for Caroni East was the chairman and then the ONR, we did it with a clear perspective for the future of this country and we went in there and had three years of intense discussions to seek to persuade our colleagues that we could, in fact, on the basis of our own resources, get our country moving. We took the ideas of the Sou Sou Lands approach to land reform—the provision of land for the landless to give them a start, to enable them to build their houses on their own resources, but to assist them in developing the plans and developing approaches that were implemental, which would enable them to start small and take subsequent steps until they enjoyed a middle-class standard of living.

I remember well sitting in the car with the political leader of the NAR as he was at the time—he is now Prime Minister and still political leader—and talking to him about an incremental approach to mortgage financing, suggesting that the first increment of \$10,000 should be interest free and should be extended to everyone as an interest free loan and you should not have rigid repayment schedules attached to it. And if poor people had a piece of land on a loan of \$10,000 they could start a house; they could move their families into that starter house and gradually improve it, aiming for the sky if necessary, but at least make a start. Also, to approach mortgage financing in an incremental way where you put a ceiling on the interest rate that any householder would have to pay. Therefore, you treat people with equality. He seemed to support it then but as soon as he became the Prime Minister that kind of approach to managing resources was no longer there. He went the road of the developed world; he chose the prescriptions of the IMF and the World Bank. These things were not imposed on him; these things were put there by him because he believes in the liberal capitalist system. That is what he believes in. It is philosophical. We believe that for the Third World you have to modify that system.

Dr. Tewarie: Which world is that?

Mr. Humphrey: I know that the Member for Caroni East believes that this is not a Third World country. He always opens his mouth and talks nonsense as he did this afternoon. Only he believes the things he says. He is trying to justify this increase in the borrowing of \$2 billion on the grounds that we are now ready for the state to be involved in a new dynamic form of economic expansion. For four

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years, the state was not to be involved, the state was stepping aside; let the private sector get the economy going. It is a philosophical position that the remnants of the NAR has taken.

Mr. Sudama: That is Thatcherism.

Mr. Humphrey: Their entire approach to tax reform is based on that—the assumption that is held by the President of the United States and the incumbent Prime Minister of England. Is she still Prime Minister of Great Britain?

Mr. Sudama: Yes, she is for the time being.

Mr. Humphrey: The assumption that if you relieve the taxes of the rich they will have more surplus to invest and the country will benefit.

In this country as you well know, if you relieve the taxes of the rich they have more to take out and that is what they are doing. They are not investing in this economy. Money is available now because nobody is borrowing to invest it. The banks are begging people to come and borrow money at 8 per cent to buy cars and to buy computers because nobody is borrowing it to invest so there is tremendous liquidity.

For a very long time I have advocated an approach of money creation to stimulate idle capacity and it is not the same thing as deficit financing. They believe that management of money has to relate to certain prescriptions which are mind fixed. So those who are capable of thinking out of that syndrome are deemed to be mad—like myself. The Prime Minister went around to my parliamentary colleagues telling them that: “Mr. Humphrey is a mad man. What does he know about money? He is talking about reforming the monetary system.” This is what Humphrey was talking about—instead of man serving the demands of the monetary system make the monetary system serve the demands of man. That is madness.

Mr. Speaker, like a voice in the wilderness, as long as I have life in this ageing body, I will express these ideas for the good of my country and sooner or later people would be convinced by these ideas.

Mr. Robinson: Sudama is not.

Mr. Humphrey: So why did you not keep Sudama with you? Mr. Sudama might not have been convinced but, I will tell you something; he was the only Minister of the Government who came to the meeting in St. Augustine which I

called after being fired. I remember some very distinguished people at that meeting. He had the courage not only to attend the meeting but to come on the platform and speak. I think he made some very memorable remarks. *[Interruption]* We did not have a meeting of the Parliament that evening. I seem to recall a remark—I do not know who he is alluding to about "sawdust Caesars". No "sawdust Caesars" were going to tell the Member for Oropouche about what to do and what not to do.

I do not think the electorate is going to be convinced with the type of argument that has been advanced here to justify this \$2 billion of extra borrowing that the Government is trying to give itself on the eve of an election. We are not convinced. In fact, I know that it is an elections move and I do not care what he says on that side. The Member for Caroni East cannot convince me that it has anything to do with anything else but with the coming elections. They have made the mistake of believing that our people are like they used to be—short memories. That is the mistake they have made. For four years they could put a noose on the people's necks and tighten it, as my revered leader describes, and then leave the noose on the neck but release the knot slightly and make the people believe that it is a good government. Not anymore. *[Interruption]*

5.35 p.m.

The economy is not turning around. There is only one indicator that demonstrates that the economy is turning around and that is job absorption. If you are not creating new jobs, how are you increasing production? By what means? Are you investing in robots that are taking the place of human beings? If the economy is turning around it means that you are producing more and if you are not absorbing the unemployed in that process, where is it coming from? They are looking at the dollar accounts. They are not looking at the mobilization of the real productive capacity of the society. But we did, you see, when we prepared this.

Mr. Speaker, I attended several of those discussions, as I remember you did as a ULF representative then, and I will never forget the meeting when the late ONR Member who was quite obviously well read in philosophy and ideology, an attorney, Neville Hordath, when he was arguing as a counter to what we were proposing, that we were trying to introduce communism through the back door and it took a little persuading to show him that is not what we were in fact doing. We were making proposals to modify capitalism, to remove the exploitative aspects of capitalism and in fact to spread the benefits of the capitalist system to more people, by spreading the ownership, and the equity among more people.

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That is what we were advocating, and that the state had a historical role and a responsibility to do this in the interest of the people of this country. Because this is a country where, historically, the people have been exploited by the owners of capital to the extent of colonialism. That is the furthest extent that kind of exploitation can reach. Slavery, of course, is the ultimate limit of exploitation.

We went through all of that and now it is our duty, as a people who are responsible to manage the affairs of this country, to do something to redress the imbalances of the past. The ideas that came from us were intended to achieve that and that the state's role as representing all of the people of this country should have been dynamic. A lot that is contained in this manifesto, with respect to divestment, is what we came to those discussions with. Those were the ideas that we brought, Mr. Speaker. We presented a means of achieving that divestment.

The Sou Sou Lands approach is an example of it. The Member for Tobago West was brought in and taught the principle by the master himself, the Member for St. Augustine—and I must say she learned very well. Unfortunately she did not teach her master. The principle of the Sou Sou Lands approach—not only are you solving the critical problem of enabling families to have a home—a problem which the entire world faces. Even the developed countries of the world have a very serious homeless problem. Not only were we going to solve that problem by providing land at an affordable price to everyone, we were also going to achieve community ownership of a land base for economic activity. That is the basis of it. What would that have done? If the community as a co-operative had shares in the land that was ear-marked for development, it is quite obvious that such co-operative would go to the lending agencies and get the development process going on their own property, and the enhanced value would redound to them, not to some exploiting group, conglomerates or rich individuals. That was one approach: modifying capitalism, including all the positive aspects of it, but sharing it wider afield; improving the lives of people as you go, making them more self-sufficient.

The other concept was the trisector partnership. The state would have taken the people's resources into a forum of discussion with the private sector and the representatives of labour and would have found means of creating new industrial and economic activities by absorbing the people in the process and the little people were to become equity participants in all of those new enterprises. That was the idea. It would have transformed this economy; it would have transformed the lives of little people. But these things, although written out quite clearly in the

manifesto of the NAR, have not been implemented. When I pointed out that a way to achieve it is for the state to source the finance to get the programme going—the state, remember, controls a major part of the foreign exchange earnings of this country—if you properly manage those foreign exchange earnings, you have the foreign content of internally generating economic activity, already owned by the people of this country. So the private sector that did not have the foreign exchange, would have rallied domestic finance and the state would have put the foreign exchange in place and we would have seen the expansion taking place and the little people benefiting from that expansion.

These ideas—you will find them if you read carefully. The people who conceived of these ideas were kicked out, and when we were kicked out who was left to see to it that you were true to this strategy?

I know the concept under which the Member for Caroni lives. It is a little homestead where a group of his friends got together, bought cheap land—an abandoned estate somewhere—and cut out a little five acre parcel for each of them and built a nice little palatial, wooden house. A beautiful house designed by my good friend, Steven Mendez. I am hoping that the Member for Caroni is supplementing his family's food needs by growing food on his own private land. Sure you are. That is exactly the approach. So the Member for Caroni East having seen first-hand benefits of that approach for himself and his family, has no excuse for trying to impose liberal capitalism on the people of this country.

Mr. Speaker, these ideas were carefully worked out. You know, I will never forget the night—because we had reached midnight in our discussions—trying to get agreement from our capitalist friends, Members of the ONR. We were seen as left socialist. We were in a deadlock that midnight and one of my colleagues and myself went behind the speaker's chair and we discussed this deadlock, because we did not want the NAR to break up. We got on the phone and arranged to get a private aircraft to fly Mr. Panday, to collect Mr. Robinson in Tobago and to go and meet with Mr. Hudson Phillips *[Interruption]* That enabled the NAR to come into being. But these efforts went on for a long period of time to achieve the most important single object, if this country is to go anywhere, and that is national unity. Without that we cannot possibly hope that \$2 billion more of borrowing by the Government will benefit the people of this country. That is what we were working for. All of the work that we did—and I did more than my fair share—in fact people are blaming me today for bringing A. N. R. Robinson into Trinidad politics, so that he could become Prime Minister. *[Interruption]* We thought he

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was committed to the things to which we were committed. We did not know that there was a hidden agenda. People did not know it either. That agenda revealed itself in the last four years.

Mr. Speaker, look at what the Government is doing, for example, with the Sou Sou Lands concept of the National Housing Authority. The Sou Sou Lands concept is based on mobilizing indigenous resources, totally. There is absolutely no foreign content in that approach to that development, but the National Housing Authority has virtually stalled, awaiting a loan from abroad to finance the entire Government's programme. They are looking for the vast majority of the cost of that programme from the IADB.

5.45 p.m.

Miss Nicholson: Just for some clarity here, Mr. Speaker. When I went into the Ministry of Settlements, I took over from the representative for St. Augustine and I just want to inform the House, that was the individual that approached the IADB. That man sitting there!

Mr. Humphrey: Mr. Speaker, I am glad that the Member for Tobago West raised that point, because it is true. I had broken precedence as Minister sitting in on the discussion with representatives of the multilateral lending agencies. That had not been done before. Public Servants have sat in on those discussions and then the Ministers merely signed forms, but I sat in on every discussion and I threw out an idea to the bankers because it was quite obvious that a certain component of foreign exchange was required to get the national programme going.

For example, we had many bulldozers, excavators, graders, trucks and so on but we had to keep those things running. So we needed spare parts. We had many factories producing PVC for sewer lines, plumbing and electrical conduits, and roofing materials which required foreign content. So I negotiated with the IADB not to lend us the US money to finance the programme but to source the requirements of those factories to introduce a three-shift approach in every factory to multiply the level of employment, to get a production level that would sustain the kind of programme that was being planned.

Miss Nicholson: Mr. Speaker, he is misleading the House. What the hon. Member went to the IADB for, was against the background of Settlements in the National Housing Authority. I met it there. The records are there.

Mr. Humphrey: Mr. Speaker, I was told by the bankers—

Mr. Speaker: I am not particularly following the contribution with respect to the motion that is before the House. Try and make up your arguments please.

Mr. Humphrey: We are discussing here, increasing the extent of borrowing to \$5 billion for development purposes. So I am talking about development approaches and the first-hand experience I had.

The Minister raised the point that the money was not negotiated to finance a settlements programme, the money was negotiated to sustain a massive thrust in mobilizing the whole construction sector of the country. The Member for Point Fortin, the Minister of Finance knows well the hours I spent with him and his advisors seeking to borrow \$600 million for the 1988 thrust. Cutting me down to \$450 million, if he remembers.

Mr. Wilson: Why are you involving me in this? When you were there, I was a junior Minister, you never spoke to me.

Mr. Humphrey: You know, the *mamaguy* can occur here but I want to see them come in the public place and try to *mamaguy* me. I want to see that. I sought to negotiate \$600 million from the Ministry of Finance to put the entire construction sector in forward gear and to recreate 65,000 construction jobs. That was the strategy. A miracle had been achieved by pooling all the professional resources of this country, private and state, to get the planning process going. Do you know what has happened since, when he fired me from his Cabinet? The whole programme collapsed and you cannot find today in this country, a civil engineer, required for construction purposes because most of them have migrated. All of them were organized and mobilized into design teams, ready to move this country forward.

We had planned a range of projects and it is not to say it was pie in the sky, it was taken out of the very manifesto; and listen to it. At page 8 it says:

"Economic Recovery—

The NAR Economic Recovery Programme will focus on the creation of jobs, sustained and intensive effort to widen our economic base, a search for new economic space and the shaping of an environment for economic opportunities. The economic fortunes of all workers, the young and the small business sector rank high in our order of priorities. The concern is reflected in all aspects of our strategy and policies for economic change.

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The NAR sees the excess capacity of the construction sector and the great potential of the agricultural sector as the foundation for an immediate Employment and Production Plan. An NAR Government will adopt measures to ensure that the resources available to the construction and agricultural sectors will be used to satisfy our acute housing needs, to ensure food security for the nation and to develop an economic infrastructure that supports the production platform."

and listen to part of the economic infrastructure:

"Immediate priority will be given to infrastructural works outlined in the Caroni River Basin Study. The Caroni River Basin comprises the wards of St. Ann's, Tacarigua, Arima, San Raphael, Montserrat, Chaguanas, Cunupia, Charuma, Valencia, Manzanilla and Tamana."

It covers a major part of our country:

"Infrastructural works undertaken will include flood water storage reservoirs, river diversion facilities and irrigation systems. Catchment areas for controlling floods will at the same time be used to provide irrigation. Infrastructural works that will support economic activities will be undertaken in the Oropouche Basin."

Mr. Sudama: Is that so?

Mr. Humphrey: Yes. That was the development strategy envisaged. Four years have passed and what have we seen? We have seen the Government retreating from its role of involvement in the economy. We have seen a Government arguing the case for reducing economic activity on the basis of the declining fortunes in the current account. That is all we have seen.

I think the Member for Couva North described it beautifully, when he described the Prime Minister as riding in a bus today, 30 years ago, that he is 30 years behind the time. It is a fact, and nobody who is 30 years behind the time can possibly lead a country in this day and age into the future. That is why the people are rejecting the hon. Member for Tobago East—quite rightly.

Mr. Speaker, I raise these matters because the Member for Caroni East is trying to make the country believe that we retreated from our responsibilities; that we ran, left them in trouble but the country was not in trouble, we had national unity at the end of 1986, a unity like we had never had before, like all of us had dreamed of. We got it, we captured it. When we called on the country at its own

expense to clean up the place, did the country not respond? Did we not get a commitment even from the official Opposition not to oppose unless of course the issue deserved opposition? Even the official Opposition was ready to jump in and make its contribution to the welfare and development of our country. What happened to that?

Mr. Robinson: Marshall was marching from day one.

5.55 p.m.

Mr. Humphrey: I was perfectly happy to march with him. Perfectly happy. The Member for Tobago East used to march too. He used to march for peace, bread and justice. It was the PNM Government that gave me body music for doing that, but that is the group before Morris Marshall, I can attest to that. I have often described Morris Marshall and myself as the different keys on the piano keyboard—the ivory and the ebony because our hearts, our minds, our souls and our political lives are involved in trying to alleviate the problems of the little people. *[Interruption]* Mr. Speaker I object to that remark and you should rule it completely out of order. The Member for Diego Martin East said that Mc Leod, Knolly Clarke, Abu Bakr and all of us are in the same thing. The lives of Members of this Parliament were saved by the intervention of Canon Knolly Clarke who risked his life. I know the circumstances.

Mr. Speaker: Order please.

Mr. Humphrey: Get some order over there, not here. This thing did not happen long ago. It affected all of us very profoundly, some more than others. Some learnt from it, others did not.

Mr. Robinson: I am watching carefully to see how the hon. Member for St. Augustine has been affected.

Mr. Humphrey: The Prime Minister is wasting his time. He is watching me carefully to see how it has affected me. He should look in the mirror to see how it has affected him. It seems to me he has learnt absolutely nothing from it.

The point I was making is that on the eve of an election the Government is now changing its strategy midstream—totally, completely and trying to justify that change on the basis of some spurious argument advanced by the Member for Caroni East, that the four years of hardship laid the groundwork for the takeoff and that is why they need all this money to assist in that takeoff. This clearly is an election gimmick. On the eve of election they are looking for more money to

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buy votes. It is quite clear that is the strategy, no different from what we have witnessed election after election for the last 30 years. The more things change, the more things stay the same.

The Member for Tobago East was the most critical of all of our colleagues of the PNM for squandering money in that way. I could spell out the development projects that were identified but I am waiting now for the budget speech. I hope the budget speech comes early because I am being denied a little vacation. I was due to leave November 29 for three weeks holiday abroad but I cannot go again. I have to stay here and pound the Government in the campaign. In fact, I do not think I will need a rest, that change is as good as a rest.

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

Motion made, That the hon Member's speaking time be extended by 30 minutes. [*Mr. G. Roopnarine*]

Mr. Humphrey: Thank you, Mr. Speaker. I do not need 30 minutes because I think I have made the point which I stood up to make, that in fact what the NAR is doing now is what the country is accustomed to election after election of subsequent PNM administration: the use of state resources for campaigning purposes. All kinds of relief that were being given to the people of the country with the hope of recapturing the support that was lost. But that is impossible. That cannot be done. In fact, the best thing the Prime Minister could do for Trinidad and Tobago, instead of setting an early date for the by-election for Diego Martin Central, is to set an early date for the general elections. But the country does not want him! Go back to the people. In this manifesto too, there is a section dealing with the referendum. Do you remember that? [*Interruption*] Yes, I represent a number of them. In the manifesto the Government promised to go back to the people with the referendum. Why not go to the people and find out? In fact, Ryan did it. The Ryan poll is quite clear. The vast majority of people have asked for early elections within six months. They are not going to get it because this money that the Government is seeking parliamentary approval to borrow, they need a lot of time to be able to spend it effectively.

I advise the Member for St. Joseph, my once junior Minister, that he could start fixing some of the roads of the country with some of this money. There was no reason for not fixing some in the last four years because he had everything that was required for fixing roads—instead of sitting there doing nothing. The roads have deteriorated today, worse than ever in the history of Trinidad and

Tobago, even, I understand, the roads in Tobago, which I am very surprised about. I have had a report that the roads in Tobago are deteriorating, Mr. Speaker. Use some of this money to fix the roads.

What about the hospital in Arima that was promised allocations out of the 1990 budget? We heard from the Member for Point Fortin, Minister of Finance, that he has identified certain projects that are to be financed from this increased borrowing capacity. What about the money that was sourced, identified and included in the budget of 1990? I am waiting for the budget debate to deal with him on that.

This is a government that has not really performed and nothing that they say can persuade the people of this country that they have in fact performed in their interest. They have performed in the interest of the IMF; the World Bank and the Paris Club, the conglomerates and the banks. They have performed in their interest, not in the interest of the people of Trinidad and Tobago. All they can do is talk about what is hoped to be achieved, they cannot point at anything that has been achieved. I could seize the opportunity of going at the Member for Tobago East on the Scarborough project. I am very tempted to because one of these days it has to be exposed, the love affair between the Member for Tobago East and the Member for Ortoire/Mayaro and Wimpey; the kind of foreign exchange that was required by Wimpey to do that contract when they were bringing equipment into the country to take it out. I said it in public but I have not used the opportunity of Parliament to expose it.

6.05 p.m.

Mr. Robinson: Mr. Speaker, may I say emphatically that there is no love affair between the Prime Minister and Wimpey. I do not even know Wimpey.

Mr. Humphrey: The Prime Minister and the Member for Ortoire/Mayaro were insistent that Wimpey get the contract to build the Scarborough Deep Water Harbour.

Mr. Robinson: Mr. Speaker, let me deny that emphatically. The matter was left to the Tenders Board.

Mr. Humphrey: The Tenders Board did not award it to Wimpey, Mr. Speaker.

Mr. Robinson: May I say the hon. Member tried to interfere in the tendering process to award the tender to a person he describes as his friend who built his own house.

Mr. Humphrey: Mr. Speaker, let me deny that emphatically. That is totally and absolutely untrue.

Mr. Robinson: I have the letter from the hon. Member—

Mr. Humphrey: I have it here myself, and if I read that in the context of what transpired I will expose them. I will expose the love affair.

Hon. Member: Read it for the budget.

Mr. Robinson: Mr. Speaker, I challenge the hon. Member to read the letter. I challenge him to read the letter.

Mr. Humphrey: I am not going to debate it but I have many letters, in fact, put together for a publication to expose the Member for Tobago East, a publication of correspondence between myself as Minister and himself as Prime Minister. Those letters are being published, and with all the distortions that came from the Prime Minister and from his Minister sending him to the Senate to make the cowardly attack. He would not come to the House where I could reply to him—

Mr. Robinson: On a point of order.

Mr. Humphrey: In fact breaching his own rules as Prime Minister.

Mr. Robinson: On a point of order, Mr. Speaker.

Mr. Speaker: Point of order.

Mr. Robinson: The hon. Member continues to try to mislead the House. May I ask that he publish the letters and shut his mouth.

Mr. Humphrey: Mr. Speaker, he is out of place to ask any such thing, for me to shut my mouth. My mouth will continue to be opened and when it opens it is going to expose the Member for Tobago East. I am not going to use the protection of the privilege of Parliament to do it, I am going to do it in public. He can use his gagging writs procedure to try and stop me but it is not going to stop me.

Mr. Smart: The people are not listening to you any more, John, long time now.

Mr. Humphrey: Is that so? As Minister responsible for the Scarborough project, as the Minister who got it going—because that and other projects were stuck on Eugenio Moore's desk, just outside his office—he could not get one of those projects going. I got the two Tobago projects going—Deep Water Harbour and extension of the Crown Point runway.

Mr. Robinson: Mr. Speaker, those are the very Members who blame me and say I am spending all the money in Tobago.

Mr. Humphrey: Wasting money by the way it is spent in Tobago. You did not have to spend \$100 million on the Scarborough Deep Water Harbour project. That project did not require that kind of money.

The facts are there. Mr. Speaker, contractors were being prequalified by the Central Tenders Board and the technical officers of the Ministry. Having been prequalified, they submitted their tenders and the law says that the award of the contract must go to the lowest tenderer if there is no compelling reason not to so award. Having been prequalified, there were no technical arguments. You would have saved \$13 million, and his allegations against me of being corrupt, that I was in collusion with a friend. How do you share minus \$13 million with your friend? I want to know how I enriched myself by doing that. I know how he shared \$13 million plus because the contract was awarded—

Hon. Member: Plus \$50 million.

Mr. Humphrey: Yes, \$49 million, when it could have been awarded at \$36 million.

Mr. Sudama: How has it reached \$100 million?

Mr. Humphrey: You explain how it was possible for more foreign exchange to be required to rent equipment than to buy equipment and bring it and keep it here permanently. How was that possible? When he explains these things to me then I will explain the love affair.

Mr. Speaker, time is longer than twine and I am going to deal with these issues in the campaign for the Diego Martin Central seat. I am not going to use Parliament for this. I will deal at length with that project and we will see what we will see.

I think I have made my point and there is no need in further exhausting myself. I have just come out of a sick bed and I do not want to be forced to return there prematurely. I thank you.

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The Minister of Finance (Hon. Selby Wilson): Mr. Speaker, I should like to express my appreciation to all those who participated in this debate. I should like to remind the House that it was only 11 days ago when this session of Parliament began, and it began with a very sterling address by His Excellency the President of the Republic of Trinidad and Tobago. I should like to quote a part of that address which I think is relevant to today's proceedings. He said:

"There are in our country other accredited leaders in different areas of human endeavour. Along with them hon. Members have in common certain responsibilities to those whom they lead or are expected to lead. Those responsibilities require the leaders to lead and not mislead.

I want to repeat that—

"Those responsibilities require the leaders to lead and not mislead."

Hon. Member: Direct that to the Member for Caroni East and the Member for Tobago East.

Mr. Wilson: I continue:

"Leaders ought to strive to communicate by reasoned language or worthy examples or both. They do not appeal to emotion when this may obstruct the path of reason or conscience."

Mr. Speaker, I think this is relevant because we have had displayed here this evening by Members on the opposite benches exactly what the President was exhorting us not to do—not to mislead, and not to appeal to emotion as this obstructs the path of reason and conscience.

The principal offender of this principle enunciated by the President is no less a person than the hon. Member for San Fernando East. His apparent statesmanship behaviour is nothing more than hypocrisy masked by deceitful double talk. I want to demonstrate what I mean because the Member for San Fernando East spent a long time trying to convince the House and the larger population of the debt profile and the debt servicing of the country.

He, in fact, indicated to the House that he was quoting from information provided by me in response to a question asked of me in the other place. I want to read the response to demonstrate the manner in which the Member for San Fernando East manipulated the information in order to deceive.

6.15 p.m.

Mr. Speaker, I was asked on March 6, 1990 in the other place to respond to a question. The question was:

“Would the hon. Minister:

- (1) indicate the projected external debt service for the period 1990—1997?
- (2) state the cost incurred to date by Government arising from the rescheduling exercise with respect to the following:
 - (a) Legal fees;
 - (b) Advisory services;
 - (c) Management fees; and
 - (d) Other charges.”

For purposes of giving the answer it is necessary to inform the other place of the debt service position both before and after the rescheduling. Therefore this is the format in which my answer was given. The debt service ratio before the rescheduling—I proceeded to quote the figures as follows. The Member for San Fernando East used US dollars; my answer was in TT dollars.

Year	\$	Year	\$
1986	1,373.6 million	1993	2,18.8 million
1987	1 billion	1994	2,145.4 million
1988	2,3.9 million	1995	1,774.4 million
1989	2, 391.9 million	1996	1, 392.2 million
1990	2,791.8 million	1997	1,506.6 million
1991	2,273.3 million		
1992	2,545.3 million (this is where all the projections begin)		

Then I went on to give the debt service requirements after the rescheduling.

Year	\$	Year	\$
1986	1,373.6 million	1992	2,176.0 million
1987	1,685.6 million	1993	2,856.0 million

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1988	1,565.7 million	1994	2,860.3 million
1989	1,785.0 million	1995	2,584.0 million
1990	1,449.2 million	1996	2,303.5 million
1991	1,338.8 million	1997	\$2,380.0 million.

Then I went on to give the debt service ratio which really is the relationship between the debt payments and export earnings. That was given.

Mr. Speaker, the Member for San Fernando East attempted to convert the information into US dollars, then he attempted to separate the debt servicing between what he calls the pre-NAR period, which is the PNM period. I never mentioned the PNM period and NAR period. What he sought to do in presenting the information was to take a snapshot of the debt service requirements, or the debt profile, as at the end of December 1986, and proceeded to work on the assumption that no more borrowings would have taken place beyond 1986. That is what he did. So I do not know if he intended to freeze the economy and not to embark on any additional expenditures if they had assumed office in 1986.

Indeed, in response to the question that was asked of me, I had to project what were the possible borrowings to be made, having regard to the Government programmes to be pursued. We also had to make some assumptions about the export earnings capacity in order to calculate the debt service ratios. On that point the Member for Oropouche, at some other time, also made reference to the fact that he had not had the information on export earnings.

The Member for Oropouche could never be satisfied. He will then question the assumption we used in determining the export earnings. He is aware that there are many variables. I want to make the point that the question of the debt service ratio is a dynamic situation. It is something which has to be reviewed continuously because there are a number of variables which we project over time and which we need to keep looking at to see if those variables are keeping in line with our projections. If they are not, we might have to review it. Therefore the ratios might change and that might influence what we do in the future. But at any one point in time you make our best estimate of what those variables would look like and present a picture.

The Member for San Fernando East then proceeded to show that if the position had been frozen after 1986, in other words, if the Government had

ground to a halt—and I have no doubt that it would have done that if they had continued in power after 1986.

The economy would have been in ruins if they had continued in Government after 1986. Mr. Speaker, we cannot conclude any other way of describing what he did this evening other than saying he was less than honest in presenting this information to the Parliament. Indeed, he probably did not listen to His Excellency the President, when he opened the Parliament just 11 days ago.

He also boasted about the credit rating of Trinidad and Tobago. Indeed the credit rating was once very high and it happened during the boom years. If one were to accept the arguments by the Member for San Fernando East that one needed to establish Trinidad and Tobago's presence in the capital market, then even if that were a laudable objective, one must ensure that one does that with a certain amount of prudence. If you wanted to establish that, then you must also ensure that you have the means and wherewithal to honour those obligations when they came to maturity.

It must be remembered that this country in that period, quite apart from having a very healthy stream of income, also accumulated large amounts of savings. But do you think the savings were there to service the debt liabilities that were incurred in order to put Trinidad and Tobago onto the capital market map? They were not there, because they not only borrowed resources; they also drew down on the savings of the country to get us into the kind of position that we inherited in December, 1986. They were not only satisfied with borrowings on the international market, but they also drew down our savings at a very rapid rate, depleting, as it were, the foreign reserves of the country in 1986 by some \$2 billion. This is what they did. I think it was the Member for Oropouche, and I would like to tell him that the import coverage was indeed 19.5 months in 1985 which was reduced to 2.9 months by the end of 1986. That is the kind of reckless management of the economy which took place in that period when we had *[Interruption]* in addition to the drawing down of our savings on overdraft at the Central Bank; all indeed leading to the kind of inflation we experienced in those boom years. Mr. Speaker, one has to be careful when one listens to the Member for San Fernando East because he does not always present the facts.

6.25 p.m.

I want to clear once and for all the question about oil prices. Sometimes I am led to believe, when I hear hon. Members especially those Members whom I believe should have better knowledge of the situation like the Member for San

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Fernando East, who comes from an oil town and has been involved in the oil industry for quite a while. He has even been a Minister responsible for the energy sector. I would, therefore, expect him to demonstrate a greater knowledge of the sector and a greater knowledge of the trends in the sector. I expect that he would behave responsibly and not play cheap politics with a resource so important to our development.

The fact of the matter is that oil prices in the third quarter were indeed high and the impression is sometimes given as if these high prices existed for the whole year. But the latest information I have is—if we look at the OPEC basket of crudes which is comprised of seven different crudes, qualities and prices—the average price for that basket for the year is between \$22.00 and \$23.00 a barrel. In the case of Trinidad and Tobago our crude prices are not necessarily tied to the OPEC basket; we are tied to the Venezuelan basket of crudes which are somewhat below the OPEC basket of crudes. I think that the Member for San Fernando East should level with the population and share that kind of information and not give the impression that the Government has been earning revenue at the level of \$38.00 to \$40.00 a barrel. That has only happened in the last few months. The average price—in fact, up to September, if one took the OPEC basket of crudes for the year—is between \$22.00 and \$23.00 a barrel.

Mr. Speaker, it is a fact that we have benefited from better oil prices during the year 1990. As at the end of September our additional revenues accruing from oil amounted to \$107 million. In our best projections we are of the view that if prices continue to hold, by the end of the year the excess over our budgeted oil revenues is likely to be in the region of \$300 million, a long way from the kind of numbers I am hearing, \$600 million, \$800 million and \$1,000 million. It is going to be in the vicinity of \$300 million if the prices continue to hold.

Mr. Speaker, I wish to further state that when one examines all the sources of revenue available to the Government: income tax, revenue from international trade and the value added tax at the end of September, our net revenue position is better off by \$94 million. That is taking the pluses and losses on various revenue heads.

The VAT revenue has contributed approximately \$720 million to date. We believe that it is staying on schedule. We might end the year marginally better off than we had projected in our original submissions of what the VAT revenue should produce, but it is no way going to be a windfall of VAT or oil revenues. Mr. Speaker, I have to make the point that this Government does not intend to

squander these additional revenues, election year or no election year. We will not be accused of fiscal indiscipline or fiscal recklessness. We have demonstrated that over and over again. We will not be accused of fiscal recklessness whether we approach by-elections or otherwise.

I now come to deficit financing. I want to read this into the records because we become so wise when we sit on the opposition benches. The Member for Oropouche had the honour to move a similar motion on February 6, 1987. I should like to quote how he moved that motion:

"Mr. Speaker, I beg to move the following motion:

Whereas by section (3) of the Development Loans Act, the Government is authorized for the purpose of financing general development in Trinidad and Tobago or repaying interim borrowings effective for such development, to borrow money externally or internally in such term and in such currency as may be specified by resolution passed by the Senate and the House of Representatives;

And Whereas it is considered expedient to increase the sum of money specified by Parliament which the Government may borrow under the section for this purpose;

Be It Resolved, that for the purpose of financing general development in Trinidad and Tobago, the Government be authorized to borrow money in a sum not exceeding the aggregate \$2,000 million.

He did not advance one iota or a reason for borrowing. I am sure he did not do that under the directions of the hon. Member for Tobago East. But today he comes here with all his recently acquired wisdom as to how the motion should be presented and what should be stated under the motion. I think he is under a very serious misunderstanding to come to the conclusion that if Government borrows money it should be totally used for development expenditure. Mr. Speaker, I make the point that ideally, if the Government has to borrow money, a large portion, if not all of it, should be used for development activities or productive revenue-earning activities.

Mr. Speaker, when one has to present a budget which shows a deficit which encompasses also a shortfall in respect of your current revenues on your current account, that deficit also has to be financed. I know that you can only finance that deficit by earning the money yourself or if you do not want to go forward with a

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deficit on your current account, then you either have to raise taxes or cut your expenditure. But if you do not do that then the funding of that deficit must be funded by moneys borrowed. I think he is labouring under the misconception that you cannot borrow to finance your current deficit.

Mr. Speaker, that is a bit worrying because we have been accused in this House by Members of the Opposition benches of adopting a dollars and cents approach to budgeting. We have been accused of cutting expenditure time and time again and yet when it comes to the question of financing your budget, where expenditure exceeds revenue they then tell you that you must not borrow to do that. I would like to advise the Member for Oropouche that he should probably get an opinion on what is the meaning of general development in the context of the Development Loans Act.

6.35 p.m.

Mr. Sudama: Have you read the manifesto?

Mr. Wilson: You do not understand it. In December, 1987 the Member for Oropouche did not know whether he wanted to be in the executive of Government or just working as a back bench parliamentarian serving his constituency. This was his dilemma; he discussed it with me. His problem was—“I did not ask anyone to be a Minister. Maybe, the thing to be doing right now is to serve my constituency. That is where you can get the best mileage”. That was his dilemma.

I want to say one other thing. We are hearing that we have not learnt anything from the events of July 27. I think it is important that some of the things that went on in the Red House be made known because some of us that were there did not appreciate that what happened was an attack on the democratic institutions of Trinidad and Tobago. The Member for Oropouche exemplified that lack of knowledge when he said to the Muslimeens in the face of death of his colleagues, “the next time you all have a problem with the NAR, leave us out of it” It tells you the level of his understanding of what went on in Parliament on July 27. The Member for Oropouche did not understand that it was not only an attack on the NAR but an attack on the democratic institutions of Trinidad and Tobago.

I want to indicate to this honourable House that in respect of the years 1987, 1988, 1989 and 1990 based on the budget presented to and approved by this Parliament in 1987, the overall balance on the fiscal operations as presented in the budget was \$1,012 million and it was estimated that the financing required was

about \$1,001.6 million. In 1988 the overall balance was minus \$983.8 million and we projected that our requirement would be \$1,148.8 million to finance the fiscal operations of the Government. In 1989, the deficit was \$763.8 million and it was estimated that we would need \$1,350.9 million to finance the operations of the Government. When we looked at our performance we found that in 1987 the total domestic borrowings amounted to \$495 million and in 1988 we borrowed on the domestic market \$450 million and in 1989 we borrowed \$599 million and up to December, 1990 we borrowed \$487 million. You would recall that in our budget speech of 1990 we projected net domestic borrowings of \$852 million. So as of today, we are considerably below our projected financing borrowing requirements for the year 1990.

Since the information was requested, I also want to deal with the debt levels. At the end of 1989, the internal debt was \$3,683.2 million and the external debt stood at \$5,265.4 million. It is projected that by the end of 1990, the internal debt would be \$4,183 million and the external debt would be to the tune of \$10,497 million. These are in TT dollars.

I want to disabuse the minds of all those who are conveying the impression that this Government is embarking on borrowing \$2 billion for election purposes as totally false. I was very clear in my presentation that we were raising the limit from \$3,000 million to \$5,000 million, in other words, the increment was \$2,000 million. I also indicated that this limit would not be spent during the course of this year nor would it be spent during the course of next year.

I would like to conclude by assuring this House that this Government intends to continue the discipline it has shown in managing the affairs and finances of the country and that we have no intention of squandering the resources of this country for election purposes. We would proceed on the basis of building a strong economy so that this country can enjoy a better standard of life.

Question put and agreed to.

Resolved:

That, for the purpose of financing general development in Trinidad and Tobago, the government is hereby authorized to borrow money in a sum not exceeding in the aggregate five thousand million dollars.

Motion made and question proposed, That the House do now adjourn to Friday, November 23, 1990 at 1.30 p.m. [Hon. B. Tewarie]

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*Question put and agreed to
House adjourned accordingly
Adjourned at 6.45 p.m.*