

President's Greetings

Friday, December 28, 1990

HOUSE OF REPRESENTATIVES

Friday, December 28, 1990

The House met at 10.25 a.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

PRESIDENT'S GREETINGS

Mr. Speaker: Hon. Members, it is customary that we receive a message from His Excellency, the President, before Christmas. This one dated December 21, 1990 was received by the office of the Speaker on December 27, 1990. It reads as follows:

"Dear Sir,

On behalf of my wife and myself, I wish you and the Honourable Members of the House of Representatives and your respective families Peace and Happiness during the Christmas holidays and throughout the New Year.

With kind personal regards.

Yours sincerely,

Sgd (Noor M. Hassanali)

President."

**NEW REPRESENTATIVE
(DIEGO MARTIN CENTRAL)**

Mr. Speaker: I also have a communication dated December 28, 1990 addressed to the Speaker, signed by the Chief Elections Officer of the Elections and Boundaries Commission:

"Dear Mr. Speaker,

In accordance with Election Rule 108(5)(B)(i) of the Representation of the People Act, please be advised that the duly elected representative for the Diego Martin Central Electoral District is Mr. Kenneth Valley.

Respectfully submitted."

ORDER OF BUSINESS

Mr. Speaker: Most hon. Members may be aware and more particularly, the Leader of Government Business, that press reports were that this sitting would take place at 1.30 p.m. this afternoon rather than 10.00 a.m. this morning. I understand that the newly elected Member was also of that view and I crave the indulgence of Hon. Members at a later stage of today's proceedings, on his arrival, to have him take the oath of allegiance so that he can take his seat in the House.

**MR. C. A. THOMASOS
(DEATH)**

Mr. Speaker: Hon. Members, it is with deep regret that I announce the passing of Claytus Arnold Thomasos, former Speaker of the House of Representatives, who was born on July 23, 1906 at Arima and died on Thursday December 20, 1990. He was buried on Friday, December 21, 1990 after a funeral service at the Santa Rosa RC Church in Arima.

On October 3, 1956 he was elected a Member of Parliament. He became Deputy Speaker on October 26, 1956 and then he became Speaker of the House on December 29, 1964 and served in that capacity until November 27, 1981.

The services which he rendered not only to the Parliament but to the people of Trinidad and Tobago have been most outstanding. In 1981 he was the most senior Speaker in the entire Commonwealth. Indeed he created history by serving for 20 consecutive years as Speaker. He was an educator, poet, philosopher and an inspiration to the people of Arima in particular.

In my time, 1976—1981, I stretched my luck with him many times. He responded with fatherly guidance rather than with confrontation. He understood and taught me the first basic lesson of speakership, that is, that every Member is under a sacred obligation to speak out as a representative of the people and should be facilitated at every time by the Chair; but at the same time, balance must be struck to allow for respect, dignity and orderly conduct.

I loved him most when he was out of the Chair, mostly in his chambers. I enjoyed his sense of humour as he reminisced about the turbulences, the bitter arguments, the wit and humour, the cut and thrust and the rowdiness that characterized the 1976—81 term of this Parliament. Beneath the personality of this apparently strict disciplinarian, there was a passionate caring and understanding human being.

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On Friday, September 18, 1981, as we were closing, he had his own comments to make and I again would like to read his contribution on that occasion into the record. This is what he said:

"Hon. gentlemen, it is late in the evening and all good things must come to an end. I am surprised that I was the topic today and to be the topic is the greatest tribute that this Parliament can hand out. I am the oldest person in this House. I have lived with you for 25 years. This was a great family. I have loved everybody, man and woman. I enjoyed the company of the men and I enjoyed the company of the women. There are many of you who do not know how much I am loved in this Parliament. The women of the staff have taken care of me as though I were the daddy of the group and the men of the staff, from the Clerk of the House through every department, have had the greatest love and respect for me. If I have to leave them, it is with a very heavy heart of a father who is leaving the children he loves. But the end must come at all times; no matter how long the years may roll, you are going to depart from your staunchest friends.

As to the Members of the Parliament, there have been some great Members who had the greatest respect for the Chair to the extent that I could keep order and discipline by the flick of a finger. I had not to say a word at times, just my presence and an attempt to stand would make them take the hint. Panday was not a bad boy, he just lost his balance at times and I knew that. Nizam was not a bad boy, Nizam lost, not his balance, but he lost tenor of his speech, when he would appear to be so vitriolic against his enemy, then he realized that there were no enemies around him. Dr. Murray was very, very, very respectful to the Chair. I had occasion to deal with him as a recalcitrant but he took it in good stride and it made him a better boy.

Therefore, I can tell you that I enjoyed the days that I spent here with the Members. We do not know what is going to happen. The term has come to an end. We wish each other well and may we remember that we were good friends in spite of the moments when it appeared that we were not. I think we had a good Parliament. I think we had a Parliament that had character in it. May the future Parliaments of this country be as tough and as good and as friendly as the 1976—81 Parliament."

This, from what he said here hon. Members, would give an indication as to the character of the man. When one looks at the role he played in the evolution of

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the parliamentary process in Trinidad and Tobago, it can be safely said that as of today Claytus Arnold Thomasos stands out as the father of the Parliament of Trinidad and Tobago.

I would like to send our condolences to his bereaved family and pray that his soul may rest in peace.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, I was privileged to be at the funeral of the late ex-Speaker of this House for several years, and I was struck then by the obituary that was read out by Mr. Guiseppi, who traced his life as an Arimian, an individual, a citizen and also as someone who had come forth at a critical period in the life and history of this country, to render service and to give of himself for his people and for the society. A better example I think, of stalwart, yeoman service to one's country cannot be found in any country, therefore, it is with regret that we on this side of this House view the passing of the ex-Speaker, Mr. Arnold Thomasos. One of the Members of this House, the Member for Arima is the daughter of that stalwart.

10.35 a.m.

We wish to pay our special condolences to her, his wife, his other children and his family circle who would be most affected, hurt and grieved by his passing. You, Mr. Speaker, have said it: Parliament today is richer for his having helped to guide and to shape it for over two decades and you have also pointed out the character of the man in his last words, so to speak, to the Parliament in 1981.

We wish that he would long be remembered for the sterling contribution he has made to his community, country and to the parliamentary system in this country. More than that we have no doubt that his influence will continue to be felt in the life and character of this parliamentary Chamber during the number of decades as several parliamentarians continue to pass through this House. Thank you.

Mr. Basdeo Panday (Couva North): Mr. Speaker, my colleagues and I wish to join you and other Members of this House in expressing our deepest sympathies and condolences to the bereaved family of the late Speaker of this House. As you rightly mentioned, he was the Speaker during the years 1976—81, the period you referred to as the turbulent years. There were many ups and downs for us, the Opposition, at that time, but by and large he was a person who respected this House and who was respected by this House. I wish to second the

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motion that this House records the sympathy and sends a message of condolence to his family.

Mr. Patrick Manning (*San Fernando East*): On behalf of those of us on this side of the House I too join other Members of this House in expressing condolences to the family of Mr. Thomasos, including his daughter, who is the Member for Arima at this time.

I first became familiar with him in 1971 when I occupied a position for the first time in this hon. House. At that time I was very young and inexperienced and it was to Mr. Thomasos I turned, as indeed did many newcomers to the Parliament in those days. One could always rely on him for friendly guidance which he imparted to all Members of Parliament, and for the tremendous reservoir of knowledge and experience that he had acquired over the years.

One of the things that stood out with him was his tremendous sagacity. In fact, I can recall an incident in this Parliament somewhere between the 1976—81 term, when there was a commotion in the public gallery. Mr. Thomasos had cause to call a lady to the bar of the Parliament and on that occasion the hon. Member for Tobago East took the decision that if the lady were to be called to the bar, he will join her at the bar and there was the potential for an incident in the Parliament. It was to Mr. Thomasos' credit that he reprimanded and discharged them both, and the matter was thereby defused.

I think that Parliament was richer for his presence as a presiding officer. He has contributed in no small measure to the deliberations of presiding officers in the entire Commonwealth. He had been associated with the Commonwealth Parliamentary Association, as I am sure you and other hon. Members would be aware. In that capacity, at that level he made his contribution, not only to the Parliament of Trinidad and Tobago but to the fostering of Westminster democracy to the rest of the Commonwealth. He was a member of the political party which I have the honour to lead at this time.

On behalf of those Members from that party, and I am sure I speak for all Members of this hon. House, I wish to express our condolences to his bereaved relatives.

Mrs. Muriel Donawa-Mc Davidson (*Laventille*): Mr. Speaker, I could not allow this opportunity to pass without making some reference to what I consider one of the greatest men of Trinidad and Tobago. His greatness was most reflected in his simplicity. Further, he was one man in Trinidad and Tobago, of course apart

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from our late dearly beloved political leader Eric Williams, who understood the importance of women participating in political life.

Mr. Thomasos as a Speaker in this House, gave encouragement to the women in the Parliament. He was a believer in the democratic way of life and all of us have observed that he has been able, coming from his own house, to influence the women of his family to become politicians in this country, and it did not matter to him what their choice was so long as democracy was allowed to flourish.

Particularly on behalf of the Women's League of the People's National Movement—with whom he has shared his love and, given his encouragement—and women generally in Trinidad and Tobago, who also loved and admired Mr. Thomasos, I say may Almighty Allah have mercy on his soul, may he find a place in paradise, and may his family be strengthened in the knowledge that they had a father who made God first in his life and affairs and who demonstrated by his actions, the values of women as part of the democratic development of Trinidad and Tobago.

Mr. Speaker: As I indicated, we will direct the Clerk of the House to send an appropriate letter to the bereaved family. At this stage I ask that we observe one minute's silence.

The House stood for one minute.

OATH OF ALLEGIANCE

Mr. Kenneth Valley took and subscribed the Oath of Allegiance as required by law.

10.45 a.m.

ORAL ANSWERS TO QUESTIONS

Post Office

(Debe)

1. Mr. Trevor Sudama (*Oropouche*) asked the Minister of Works, Infrastructure and Decentralization:

Could the Minister state whether his Ministry intends to construct a post office in Debe in 1991 for which requests have been made over the last nine years?

The Minister of Works, Infrastructure and Decentralization (Dr. The Hon. Carson Charles): Mr. Speaker, the designs and working drawings for the Debe Post Office have been prepared and the project was included in the 1990 estimates. Sufficient funds were not available in order to undertake the project this year and the project is being considered in the 1991 programme, which would be finalized in January 1991.

**Roadways
(Resurfacing)**

2. Mr. Trevor Sudama (Oropouche) asked the Minister of Works, Infrastructure and Decentralization:

With respect to resurfacing work on the South Trunk Road, the Princes Town/Manahambre Road, the Naparima/Mayaro Road and the San Fernando/Siparia/Erin Road, could the Minister inform the House as follows:-

- (a) The sums expended under Development Expenditure and Recurrent Expenditure on each highway for the years 1987, 1988, 1989 and 1990?
- (b) The distance of roadway resurfaced on each of the above highways for the years 1987, 1988, 1989 and 1990?

The Minister of Works, Infrastructure and Decentralization (Dr. The Hon. Carson Charles): Mr. Speaker, I will read (a) and (b) together in respect of the sums expended and the distance of roadway surfaced on the various highways referred to in the question.

South Trunk Road

Year	Recurrent Expenditure	Development Expenditure	Distance of roadway resurfaced
1987	\$16,434.00	Nil	Nil
1988	\$25,556.00	\$853,000.00	3.3 km
1989	\$32,124.00	Nil	Nil
1990	\$29,519.00	\$341,168.00	1.9 km

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Year	Recurrent Expenditure	Development Expenditure	Distance of roadway resurfaced
Manahambre Road/Princes Town			
1987	\$21,420.00	Nil	Nil
1988	\$43,083.00	Nil	Nil
1989	\$17,942.00	Nil	Nil
1990	\$197,842.00	\$728,656.00	5 km
Naparima/Mayaro Road			
1987	\$2,709,322.00	\$445,200.00	3.4 km
1988	\$2,479,681.00	\$150,000.00	1.2 km
1989	\$2,016,403.00	\$255,000.00	2.1 km
1990	\$1,806,541.00	\$780,000.00	3.04 km
San Fernando/Siparia/Erin Road			
1987	\$160,544.00	Nil	Nil
1988	\$186,065.00	\$247,000.00	1.63 km
1989	\$317,425.00	Nil	Nil
1990	\$316,033.00	\$398,159.00	2 km

Mr. Sudama: Given the relative expense on those roads which are in the vicinity of the San Fernando/ Siparia/Erin Road, would the Minister indicate to this House why his Ministry is discriminating against adequate expenditure on the San Fernando/Siparia/Erin Road despite representations by me?

Dr. Charles: I am not aware that the officials of the Ministry of Works, Infrastructure and Decentralization are discriminating against the constituency represented by the hon. Member or in respect of any road. The engineers of the Ministry prepare the estimates and make proposals based on traffic usage, condition of the road and such other matters.

Mr. Sudama: What about who represents the constituency? Could the Minister tell me from the 0—24.92 km. on the San Fernando/Siparia/Erin Road, what distance has that been resurfaced which falls in my constituency?

Dr. Charles: I do not have that information at this time. I responded to the question which was asked in respect of the entire road.

Mr. Panday: None. I can tell you because I live there.

**San Fernando General Hospital
(Extension)**

3. *The following question stood on the Order Paper in the name of Mr. Trevor Sudama (Oropouche):*

Does the Minister of Health have any plans for the extension of the San Fernando General Hospital in order to have increased bed space available to relieve the chronic over-crowding at that institution?

Mr. Trevor Sudama: Mr. Speaker, a request was made for a deferral of question No. 3 since at this point we have no Minister of Health.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, we have asked for a deferral.

Question, by leave, deferred.

BUSINESS OF THE HOUSE

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, at this point I request the permission of the House to defer the item under “Private Business” and with the leave of the House to proceed with the two motions under “Government Business”.

Mr. Trevor Sudama (Oropouche): Mr. Speaker, I have had prior consultation with the Leader of Government Business and the deferral is on the understanding that next week Friday will be treated as Private Members' day. It is on that understanding that I agree to the deferral.

Dr. Tewarie: Mr. Speaker, we have no problem with that.

Customs Duty (Exemptions)

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

Whereas it is provided by section 56 of the Customs Act, that it shall be lawful for the House of Representatives from time to time by Resolution to exempt from duties of customs, goods which may be imported into Trinidad and Tobago for any purpose specified in the Resolution for such periods as the House of Representatives may determine;

And whereas the Resolution of the Legislative Council dated December 21, 1959, providing that certain classes of goods would be exempted from import duty was from time to time extended by further Resolutions of the Senate and the House of Representatives and expires on the December 31, 1990;

Be it resolved that this House in accordance with and subject to the provisions of section 56 of the Customs Act hereby exempts from import duties of customs the classes of goods imported or entered for use for the respective purposes specified in the several items set out in the List of Conditional Duty Exemptions given in Part A of the Third Schedule to the Customs Act, for the period beginning immediately after the expiration of the last such Resolution and ending December 31, 1991.

10.55 a.m.

Mr. Speaker, the resolution before this honourable House is for the exemption from duties of customs on certain classes of goods specified in the Third Schedule to the Customs Act. Under the provisions of section 56 of the Customs Act, the House of Representatives is empowered by resolution to provide that any class of goods specified in the resolution shall be exempt from import duties of customs if the goods are imported or entered for use by any person for any purpose specified in the resolution.

The Third Schedule to the Customs Act sets out the classes of goods which are eligible for conditional duty exemption, and the purposes for which they may be used by approved industries. Once the classes of goods have been granted exemption by the resolution of this honourable House, the Minister responsible for Industry, Enterprise and Tourism may grant licences to importers of the specified classes of goods entitling them to the benefit of the exemption provided for by the resolution. The Minister responsible for Industry, Enterprise and Tourism has the

discretion as to the extent of the exemption to be granted by the licences, the period of the licences and the conditions under which they are issued.

Mr. Speaker, the resolution now before this House seeks to confer exemption from customs duties for the period January 1, 1991 to December 31, 1991 as the previous resolution will expire on December 31, 1990. Hon. Members may notice that the resolution makes reference to the classes of goods set out in Part A of the Third Schedule to the Customs Act. This is because after the Provisional Collection of Taxes Order is published before the end of the year, the common external tariff would come into force on January 1, 1991. One of the effects of the common external tariff will be that certain items will be subject to conditional duty exemption and these items will be set out in Part B of the new Third Schedule to the Customs Act.

Mr. Speaker, this resolution provides for the continuance of a practice of granting duty exemptions to certain businesses, and this is exercised by the Minister responsible for Industry, Enterprise and Tourism.

I beg to move.

Question proposed.

Mr. Basdeo Panday (Couva North): Mr. Speaker, I rise only to clarify something that I do not quite comprehend with this motion. This motion speaks of section 56 which gives the House power, from time to time, to exempt certain goods from customs duties. However, the motion speaks of a list of conditional duty exemptions given in Part A of the Third Schedule of the Customs Act, but when one turns to the Third Schedule of the Customs Act—except there has been an amendment at that time of which I am not aware—it does not speak of Part A of the Schedule. The Third Schedule states list of conditional exemptions:

“(i) for approved industrial. . .”

It goes on to the other page.

“(ii) for approved agricultural livestock, forestry and fisheries;”

It does not speak of A and B as your motion seems to indicate.

I have tried to follow the motion to find out what are specifically involved in this motion because the Third Schedule to the Act speaks of this list of conditional duty exemptions for approved industries which really deal with machinery; a whole list of machinery, equipment, materials for processing, canning and so forth.

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The second schedule speaks of approved agricultural livestock, forestry, fisheries, and machinery, but it says Part A. Is there something I have missed? As I said, I am not resisting your motion, I just want to understand it and to know what goods are in fact involved. Is there a list to which I can refer, or to which the public can refer so that they can be clearer in their minds as to what is happening?

Mr. Trevor Sudama (*Oropouche*): Mr. Speaker, I have no problem with the object of this motion. I understand that when the provisions were made way back in December 1959, the object was to assist the industrialization efforts of this country. It was felt then that if you exempt certain goods from customs duties, you probably would have put the manufacturers or the would-be manufacturers of those goods in a better position to be price competitive after they had done their local manufactures.

The whole question of the infant industry argument was put forward at that time that where you had industries which were starting up for the first time, they needed an element of protection in order that they could find their feet, and then as time went on, you would tend to remove certain of those protections and allow these manufacturing firms to become competitive in their own right.

Mr. Speaker, we have had these regulations enforced for more than 30 years, and from time to time statements are made in this House and elsewhere as to the effectiveness of these duty-free concessions which have been allowed to various manufacturers in this country. I want to say at the outset that we on this side are not against adequate and deserving protection to the manufacturing efforts that were carried out in this country. I believe that this relief ought to be more effectively monitored by the Government and I think there are two areas with which we should be particularly concerned with respect to those people to whom we grant concessions, and that is the area of the price of the products which are manufactured with these concessional benefits, and the quality of those products.

I have no objection to the Trinidad and Tobago public paying perhaps a slightly higher price for good quality goods manufactured locally which provides a measure of employment within the country, and which, of course, has the effect of utilizing input from other sectors of the economy. I believe that was perhaps the reasoning behind the introduction of this measure in the first place. But the duties foregone over the period of time—and we are talking about 31 years now—I imagine have been quite enormous and, therefore, we would have liked an appraisal of the effectiveness of these concessions in terms of how much money

has been foregone in terms of duty concession and what benefits directly, or estimated benefits have been achieved as a result of foregoing these duties. This would enable the House and the public at large to be in a better position to assess the effectiveness of this measure which has been in place for such a long time. The eligibility for continuing duty exemption, the amount of that eligibility for conditional duty exemption and the assessment of that eligibility lies with the Minister of Industry, Enterprise and Tourism.

11.05 a.m.

As a representative of the people I hear many rumours about how licences are granted in this country for the importation of certain things and how licences are granted for duty concession in Trinidad and Tobago. I do not have the facility at my disposal to investigate these complaints which are raised from time to time because our political and parliamentary systems do not afford that facility for the average member of the public or even a Member of Parliament to investigate any suspicion of malpractice in Government ministries or departments. Therefore, in the interest of open government and to squash all these rumours that have been prevailing in the country—rumours which have to do with people being required to pay for licences in hard cash to people who may be intermediaries and do not pass on these payments to the relevant department or Ministries—I raise this matter in the absence of specific proof but as the saying goes, where there is smoke there is bound to be fire. I cannot believe that these rumours are made in a vacuum and have no substance. Therefore, if the Minister of Industry, Enterprise and Tourism has discretion in this matter and if there are rumours that licences can be bought on the open market, then I think it is the duty of the Government to try to clear up those rumours. I believe that there may be, in certain instances, substance to these rumours and perhaps an investigation can be made into that department to find out if these rumours are true, that payment is required for the procurement of licences for duty concessions and other things.

I am told that there are people in different parts of the country who are telephoning people involved in business telling them that if they pay over \$5,000 they will be granted licences. *[Interruption]* I think that the Member for San Fernando East knows this. I am talking about a situation that has been existing both under the previous regime and which persists up to this point in time. We are not too naive in this House to know how the system of patronage in Trinidad and Tobago operates.

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I have heard a rumour that there is a certain businessman who has made allegations against me of having received \$1,000 in 1986.

Mr. Panday: A writ is on the way.

Mr. Sudama: One businessman has gone to the *Bomb* newspapers alleging that I received \$1,000 in November, 1986 for the purpose of the NAR head office, which moneys I did not hand over to them. Further, I am told that the reason Mr. Teddy Mohammed took this action is that he has been promised by the NAR Government that if he takes this action and tries to stigmatize my reputation, and my character that something might be in the pipeline for him. I know he is in the business of importing books to sell in his bookstore and I am wondering if a licence was one of the offers dangled before Mr. Mohammed when he went to the *Bomb* with his story about the cheque.

My relationship with him is that I used his bookstore to sell some books in 1986 and also prior to that period, and he paid me. It was a straight commercial transaction for a book I had published and which was a compilation of some articles. There is so much desperation in that camp—and I suspect it stems from a Member of the NAR—that they will take anything and utilize it in order to try to besmirch the character of the Member for Oropouche about whom they cannot say anything. If they wish to crucify me, I am not Christ and, therefore, they should choose another object for crucifixion.

I raise this matter and it touches my own situation, as to whether the offer dangled to Teddy Mohammed about whose business practices, I am making some investigation and when I am finished with this investigation, I will make that public—was the receipt of a licence. I know that there are certain areas in this country—

Mr. Smart: If the Member would allow me, I just wish to bring to the attention of the House the viciousness of the mind of the Member for Oropouche on his attack of the NAR Government and we are not going to allow this to continue in the House.

Mr. Sudama: It is not for the Member for Diego Martin East to make those statements, but you, Mr. Speaker, who are the presiding officer in this House. I would like to know what motivated the man Teddy Mohammed. Why is it that suddenly in December, 1990, the question of a cheque made payable to me is to be printed in that scurrilous rag called the *Bomb* without that newspaper asking me for an explanation before they rush into print? The only motivation I can come up

with is that perhaps Mr. Mohammed has been offered something by my political enemies. I have two sets of political enemies but for the time being I am discounting the other side and by a process of elimination, I have speculated that the attack is coming from that group of my political enemies.

11.15 a.m.

Mr. Speaker, my life has been an open book, my public activities have been an open book and I have nothing to hide. I make everything public and when the time comes, the people of Trinidad and Tobago and, particularly, my constituents will decide. I trust their judgment and I have confidence in their good sense so that all these capers, all these attempts of subterfuge, all these nefarious efforts to try to smudge my good name, I want to tell them that they will not succeed.

I merely raised that as an illustration of how the concessional duty system may be allowed to operate or may be operated. As I said, I know for a fact, because people have come to me and reported that there are certain people telephoning them and asking them if they want to buy licences for the importation of certain items into Trinidad and Tobago; whether they want also to avail themselves of the duty-free concessions and if they want to do so, then they are required to hand up some money.

I am wondering if this is in fact the prevalence on any significant scale, and what it does to the industrialization policy of Trinidad and Tobago, because people are in the process of paying for licences which are supposed to be freely granted once the criteria are satisfied and once the Minister is using his discretion in a rational manner, you should get a licence as a matter of course. If you have to pay for it, it means then that licences will go to the highest bidder. Is that in conformity with the industrialization policy that we are trying to promote by having instituted these concessional duty provisions in the law?

Mr. Speaker this is a question I would have liked to address, to see that the Government addresses it in a very serious way because the whole issue of corruption, on which we came into office in 1986, which was the very main plank of our mandate of 1986, is still with us today. Even after a new Government has taken office, there are many questions being asked. There are many rumours abroad as to how you can get things done, who are the right contact men in the ministries and the various departments, and what you have to do in order to be on the right track to get favours from this Government and from the various ministries. When we came into office we said that the citizens of this country

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would apply for whatever Government has to offer on the basis of rights and merit; that it would be their constitutional right to do so and they would be granted whatever concessions are permitted on the basis of merit of their case and not on the basis of how much money you can pay to get licences.

I understand that there is a certain scandal with respect to the importation of apples and grapes in this country and who are given licences and permission and who were not given licences and permission. I am carrying out a little investigation myself into this matter and perhaps at some future date I may give the House the benefit of this investigation. This Minister of Industry, Enterprise and Tourism who has been in office for one year now, should give an account of his stewardship with respect to the issue of licences by his Ministry. In fact, I am proposing here today, that if we are serious about open government, that licences given to anybody should be published in the *Gazette* of Trinidad and Tobago and should be made publicly available to everyone so that you know who are being granted licences.

Therefore, if people know that their names would be published, I feel that would be a deterrent and they would approach the Ministry and the Ministry will deal with them on an above-board basis. Not that ways and means may not be found to get around that, but at least the publication will serve as a deterrent to any tendency for suspicious under-hand practice by the Government and by certain businessmen and manufacturers.

Today I make that point and I make it very emphatically, that the question of licences, the discretion exercised by the Minister of Industry, Enterprise and Tourism is a discretion about which we ought to know more. In other words, the criteria that he employs in making these decisions which are discretionary, he ought to make that very public. I am also asking that when licences are granted they be published giving; the person or firm receiving the licence, the amount of the licence and the purpose for which the licence is granted, in the same way, for example, that all contracts awarded by the Central Tenders Board are published monthly in the *Trinidad and Tobago Gazette*. There is a list according to the month in which those contracts have been awarded and therefore it becomes public knowledge and all the details of those contracts are listed in that document.

In a similar fashion, I would not confine it to more licences. I think the Member for Couva North, the hon. Leader of the Opposition, has raised from time to time, the question of making public foreign currency approvals given by the

Central Bank of Trinidad and Tobago which also had to do with the whole question of facilitating manufacturing and industrialization in Trinidad and Tobago.

11.25 a.m.

The fact that it is discretionary, put into their hands the power to give to some and to deny others; to favour some and to discriminate against others, the power to make or break businessmen and manufacturers. That is the power that this Government has. I myself, when I was temporarily a Member of the Government in the Ministry of Finance, wrote the Minister of Finance and I told him that the reports I am getting, the letters which come to me, the representations which people made to me, cannot just be ignored and avoided and that we ought to have a full-scale inquiry into the operations of the Exchange Control Department of the Central Bank of Trinidad and Tobago. Very early in my tenure of office I wrote him a memorandum to that effect but I think all my memoranda were put into the nearest waste-paper basket by that Minister, the Member of Tobago East. Then one day he told me that I should not interfere with the Central Bank, that I should have nothing to do with the Central Bank; but under my portfolio, what I was assigned, was responsibility for financial institutions, but he told me not to interfere with the Central Bank. That gives you an idea of how they operate on the other side. It also gives you an idea, why today, I have to stand on this side of the House in order to make these matters known to the general public of Trinidad and Tobago; all these frustrations that we suffered in those very difficult 12 months in office in which I was a Member of the Government.

With these few words, I wish to tell the Government that we support the principle of duty free concessions in order to assist manufacturing, to create greater employment in the country, and so on and to have greater utilization of our local resources and what other objectives they have. Of course, savings on foreign exchange, on items which we otherwise would have had to import may be necessary to assist our manufacturers in developing their export thrust, not only to the satisfaction of the demand of the local market, but in the development of the export thrust of Trinidad and Tobago. We would be supportive of such measures.

Critically, the question of how this provision is implemented is very important. You may have very good intentions but the manner of implementation is important. The manner in which the licences which are granted under the discretion of the Minister of Industry, Enterprise and Tourism is in fact done, is what we are querying, what we would like to get more information on and what

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we would like greater publicity on. This question of the duty free concessions, of course, has to be taken in the context of something which is relevant—and that is the common external tariff for the Caribbean Common Market.

I do not want to get into that question of the relationship between the allowing of duty free concessions now under this ongoing legislation and its relationship to the application of the common external tariff but I think that is an important issue to raise. When the time comes we will have to deal with that and we will have to deal with the question of the relative competitiveness and advantages which are afforded to manufacturers in Trinidad and Tobago as against manufacturers in other Caribbean Commonwealth countries which are members of the common market—whether Jamaica, Barbados or elsewhere. Because that is also a relevant consideration.

If you have more concessions granted in another territory of the commonwealth Caribbean and our manufacturers have to compete with them, they will, of course, be at a disadvantage. So we have to look at this question in a larger and more comprehensive perspective when the time comes with respect to the harmonization of the external tariff.

I hope that the Minister of Industry, Enterprise and Tourism will take heed of what I have said here today and recommend to his Government, greater disclosure because we on this side are committed to open government, full disclosure of facts and we had promised in 1986 in our election manifesto, that we will have a Disclosure of Information Bill, passed through this House. I do not know who is responsible for that on the other side; disclosure of information so that the people of Trinidad and Tobago would have greater access to information which pertains to the manner in which this Government operates; information pertaining to those things which affect their lives on a day to day basis, as regulated by the Government of Trinidad and Tobago. This was the object of that, but as with so many promises in that election manifesto, this one has also been swept under the carpet. It is in that context of the right to know, which is one of the fundamentals of a democratic aspiration of many countries—the right to know. We will like the Government to be serious about that and I want the right to know about how licences are issued in Trinidad and Tobago. Thank you very much.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, I rise in support of the motion before this honourable House in the name of the Minister of Finance. I want to start by simply

indicating to the Leader of the Opposition that part of the confusion about the documentation may have to do with the fact that some of the items now under discussion and in this particular document have not yet been passed into law. So although you will have all the items under item (B), they are separated under items part (A) and (B) of the Third Schedule which I can make available to you.

The second thing is that with regard to the list of conditional duty exemptions for approved industries, a number of the items under the Third Schedule part (A), are written in the form: machinery, equipment and materials and, therefore—

Mrs. Donawa-McDavidson: Just let us know what document you are speaking of, please.

Dr. Tewarie: Sorry. This document is the laws of Trinidad and Tobago, the Customs Act, Chapter 78:01, First Schedule, Second Schedule, Third Schedule, Fourth Schedule, Fifth Schedule, Sixth Schedule, effective January 1st, 1990. Obviously that is the gap that exists under the items. Many of them are machinery, equipment and materials.

Mr. Panday: Mr. Speaker, I am happy that the hon. Member has given way. I was under the impression that what we are doing here is confirming an already made Order that would have expired on December 31, 1990; but he wants us to go on to 1991. Ought that not to be in a document which is existing as opposed to a document that will come into effect on January 1st, 1991?

Dr. Tewarie: The concern is legitimate, but understand the situation. What we are doing is extending this exemption which comes to an end on December 12, 1990. At the same time, you will have a situation in which you are moving into the CET and negotiations are going on. Right now, for instance, there is representation being made by the Trinidad and Tobago Manufacturers Association on specific products and so on. Everything has not been finalized obviously, whereas, most have been agreed upon in principle and it is that kind of situation that we are moving in. All of this material will be available for public scrutiny, hopefully, soon after January 1, 1991.

I want to make one substantial point in view of the presentation by the Member for Oropouche and that has to do with the business of the protection of industry and so on. Obviously the situation in which we operated before was one in which, basically, we were operating in a relatively closed economy, one which has been assessed as having a very strong anti-export bias and what we were doing was really protecting local industry in a kind of import substitution regime.

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Mr. Speaker, obviously—and the Member for Oropouche will know this—what we have been doing is trying to transform that system, in fact to build an export bias, instead of continuing with the process of import substitution. Although some of that goes on, you open up the economy and try to compete, as the saying goes, with the world.

The exemptions that we are pursuing and supporting are really exemptions which free our industries to compete by taking away this burden of duty from them on the basis of the raw materials and so on. Basically, what we are dealing with is an economy in the process of transformation in which you are reorganizing, re-orienting your industries to deal in the international market-place. We are moving away from a situation in which, up to last year, we had 80 per cent exemption for some particular raw materials, to a situation in which you have full and total 100 per cent exemption.

All of this is being done, as I said, at a time in which the whole business of trade is being looked at all over the world in terms of the GATT talks and so on and within the CARICOM region. That is to say, inter-CARICOM, also in terms of what is happening in the hemisphere and the international market-place. Basically, what we are trying to do is to build industries that indeed address the issue that the Member for Oropouche raised, the issue of quality, and obviously, as you open up the regime, you subject your own industry and their products to competition. You also effect competitiveness and the price structure for some of those items. In the end, if this system is managed properly—and the difficulty is always how to manage a system in transition, to move from one system to another—the result will be competitive, indigenous industries in Trinidad and Tobago, at the same time good, reasonable and competitive prices for the ordinary consumer and, therefore, having some effect on inflation in the country.

11.35 a.m.

I want to address two issues that I do not really consider substantial to the motion before us, but which were raised in a way so that it is possible to cast aspersions on the Minister, or the Ministry or the people in the Ministry. I want to say first of all that this particular Minister has no problem with open information. As a matter of fact, some of my officers are here and they know my position on this. Ever since I got into office in this particular Ministry on February 1, my position has always been, let us be very clear about what the policy is; let us have that policy documented and printed. Let the policy be available for all who may ask

for it. Whenever there is deviation from that policy, it must be clearly on some principle, so that it becomes very clear to all concerned. I have no problem with that.

Mr. Sudama: Could I ask the Minister, is this something you are intending to do, or has this been done already, that you are making policy public knowledge and how you avail yourself of policy?

Dr. Tewarie: Some of it is already available. It will continue during the course of this year and I certainly intend to emphasize that.

Mr. Sudama: Tell us here.

Dr. Tewarie: If you want information you can get it from the Ministry. What is arrogant about saying if you want the information—*[Interruption]*

Mr. Panday: It is either you know or you do not know.

Dr. Tewarie: If you want information it is a public document. Of course it is available from the Ministry.

The second thing I want to say is that as far as I know, in terms of the history of the Ministry, it is not something that has been emphasized and that is one of the problems with all this business about licences, which became very clear to me when I entered the Ministry. Because everything is done in a kind of climate of nebulousness and cloudiness. As a result when you do not have proper information, you have all kinds of situations with all kinds of accusations being made against all kinds of people. One of my objectives is very clear, to indicate on all those matters what are the clear policies, what can be done and what cannot be done.

The other thing I want to mention is that this resolution has nothing to do with the importation of items into the country, like apples or cloth or whatever it is. The Minister of Industry has nothing to do with the disbursement of licences for those things. I want to make that public and very clear.

Mr. Sudama: Can the Minister tell me who is responsible for the issuing of licences?

Dr. Tewarie: The issuing of licences is done by the Chief Trade Officer in the Ministry in consultation with the Permanent Secretary.

Mr. Panday: What is going on?

Dr. Tewarie: I am not avoiding responsibility. I wonder if they would allow me to make my point.

Mr. Sudama: Sure, certainly. Carry on.

Dr. Tewarie: The Minister's signature for the Minister's involvement does not go into licences. The Chief Trade Officer and the Permanent Secretary act in relation to policy in the Ministry. That is the policy that needs to be clear; the policy on all the items that were on the negative list and so on.

Mr. Sudama: Could I ask the Minister another question? Could he tell this House whether at any time any issue of the grant of a licence has ever been referred to him?

Dr. Tewarie: Of course. In the system in which you operate, here again a system which was based on all kinds of things in the party, people feel that the Minister is the person with the power and authority to grant licences. There are people who would cry and say all sorts of things, that they have not been dealt with properly and they would like to refer this matter to the Minister, or there are people who feel they can cry to the Minister and get something done faster than going through the Ministry. This Minister, when he gets such a request, passes it to the Permanent Secretary.

Mr. Manning: To whom does the law give authority to grant these licences?

Mr. Panday: You are trying to escape responsibility now that elections are coming up.

Dr. Tewarie: That is not the point. I am saying that the Minister does not sign those licences. The licences that are signed by the Minister have to deal with what is dealt with in this particular resolution. How does that come to the attention of the Minister? It comes to the attention of the Minister if it has been looked at by the IDC. That is to say, if an investment has been looked at by the IDC and they refuse the application and make a recommendation for approval or non-approval. I may be wrong in saying this but as far as I could remember between February 1 and the present time there are only two instances in which a matter has come with a recommendation from the IDC which I have queried, on the basis on which the decision was taken. Generally, the policy and the basis on which they make a decision are very clear when it comes to me. It says recommended or not recommended because of so and so. Once I have checked and I find that it is reasonable, I go along with the decision. If I feel, however, there is reason for

challenging the premise or the basis on which they have come to a decision, I will refer it through the Permanent Secretary to the IDC and then it will come back to me.

The point I want to make loud and very clear is that I take my job and my responsibilities seriously and I execute those responsibilities with the utmost seriousness. I do them according to due process of law and according to the jurisdiction that is available, under the ministerial system in this country. There is no reason, therefore, for the Member for Oropouche to be concerned about the selling of licences and things like that.

I have no doubt that those practices were part and parcel of the system. I do not know whether they continue to be part of the system. Obviously, if they are part and parcel of the system that is to say, if they exist, and are drawn to my attention I would have no hesitation in referring the matter to the Minister of National Security, the police or whoever is the competent authority to deal with that.

This is a simple motion which seeks to extend the resolution that was passed here last year and which expires on December 31. It is a resolution which seeks to strengthen the industry in Trinidad and Tobago and exempt from duty, raw material inputs into the manufacturing process in Trinidad and Tobago. More than that, it is something which indicates this Government's commitment to industry in general, and to the manufacturing sector, in particular, which has to expand and grow and diversify, if we are to make any significant dent in the national economy and in the transformation process. To the extent that it fits into the policy of the Government, to the extent that it is in keeping with other things that are taking place in the hemisphere, the region and the world, and to the extent that it will contribute to the development process in Trinidad and Tobago, I have no hesitation in supporting this resolution.

Thank you very much.

11.45 a.m.

Mr. Patrick Manning (*San Fernando East*): Mr. Speaker, I had not really intended to intervene in this debate but a question arose in the contribution of the hon. Member for Caroni East which I believe needs further clarification.

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I was under the impression, like other hon. Members I am sure, that what we were seeking to do was to extend the time by which a particular set of concessions would be applicable to a certain group or category of goods.

Also, I was under the impression that the goods that were part of that Order last year were indeed the goods that are the subject of the deliberations of this honourable House today. From what has been said by the Member for Caroni East I am now getting the impression that only some of those goods form part of the Order, the rest of the goods being the subject of the negotiations that are taking place in respect of the common external tariff and which, therefore, will engage the attention of this honourable House in due course.

Mr. Speaker, if it is that the CET negotiations are not yet completed and if it is that some of the items that are subject to CET negotiations at this time are likely to qualify for exemption under this Order in due course, then it appears to me, and to most of us on this side, that a problem will arise on January 1, 1991 when this Order comes into force and when some items which normally would have formed a part of this Order, would no longer form a part of it but being the subject of CET negotiations, are not taken care of either by way of this Order or by way of the CET legislation, which is not yet before the Parliament and which will come in due course. It appears to us that a hiatus will exist and perhaps the better way to have approached this matter would have been to grant this particular concession and this facility to all the items so that when the CET legislation comes to the Parliament then those items that will have to be removed from this provision will be removed and taken up under the arrangements for the common external tariff. It appears to us that is by far the superior way of dealing with the issue. The way that it is now dealt with is a way that is going to lead to a problem on January 1, 1991 and until such time as the common external tariff arrangements are brought to this honourable House.

Therefore, I will be very pleased indeed if somebody on the Government side will take the time to clarify this approach for us and to examine the point that has been raised to see whether it has any merit.

The second point I wanted to raise very briefly is one that has been adverted to by the hon. Member for Oropouche. I just want to clarify that and to find out from the hon. Members opposite exactly what system is going to be used for the allocation of foreign exchange in 1991. I do not know who is going to answer it, especially in light of the statement made by the Minister of Finance in respect

of foreign exchange allocation. Of course, it has implications for the items that are to be imported under the provision that is now before us. I think it is necessary for everybody, especially Members of Parliament and the business community, to have very clear in their minds what mechanism is going to be used in a situation where the country has been told, through this Parliament, that there will be no controls. We get the impression that certainly the controls that have existed in the past for the allocation of foreign exchange will not now be made to apply in 1991.

If that is so, in the absence of the implementation of any other control there are many of us who feel that will result in the rapid depletion of the foreign exchange balances of the country which I am sure is not the intention of the Government. Therefore, I think it will be in the interest of Government to be kind enough to clarify that situation and to let us know exactly what would happen. I do not want to be an alarmist of any kind, but if it is as some people seem to feel, that no controls are going to be exercised then it suggests that in due course the Government is considering a realignment of the parity of the TT dollar in respect of new currencies. We do not know, but that is an implication. I am sure that the hon. Minister will understand the uncertainties that will arise out of a consideration such as that and will move expeditiously to clarify it and to clarify the Government's intention in the minds of the business community and in the minds of everybody who seek to utilize foreign exchange in Trinidad and Tobago.

The Minister of Finance (Hon. Selby Wilson): Mr. Speaker, there were a couple of issues raised on the question of quality and pricing and I can understand the concerns of the Member for Oropouche but I am sure that he would realize that in a closed system where you have protected industries and extensive negative listing, those concerns about price and quality would indeed surface.

I am sure that the hon. Member for Oropouche would also recall that one of the matters being addressed by this Government on the question of trade reform is the dismantling of the negative list and, indeed, trying to make our local manufacturers more competitive. It is only through that competitive spirit can we achieve higher levels of quality in our products and better pricing, and that is one of the reasons why the negative list is being dismantled. One cannot have one's cake and eat it at the same time. You want protection for the industries, then you run the risk of having quality deteriorating and prices rising.

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The Member for Oropouche displays a lot of self-confidence in the Chamber, and I must say that level of confidence was never displayed while he served in the Ministry of Finance.

Hon. Member: He was never given the opportunity.

Mr. Manning: That is not necessary.

Mr. Sudama: You know why.

Mr. Wilson: Mr. Speaker, the issue was raised: How the Central Bank operates and how it allocated foreign exchange. In respect of the queries and the implied suggestion made by the Member for Oropouche that this Government does not wish to deal with the Central Bank or in fact knows of wrong doings at the Central Bank without addressing them, my recollection is that the Member for Oropouche, while he served in the Ministry, in his dealings with the Central Bank, always sought to deal with the junior members at the Central Bank. Indeed, when he had queries, instead of approaching the Governor of the Central Bank, he approached the clerks at the Central Bank.

Mr. Sudama: Mr. Speaker, on a point of order. The Member is attempting to mislead the House. I walk with my files, and if he wants me to read to this House letters that I wrote to the Governor of the Central Bank, I am willing to do so. I have in my possession here a batch of letters which I wrote to the Governor of the Central Bank.

Mr. Speaker: Order please! Order please! Order please!

Mr. Panday: Why did you raise it? You are just vicious and nasty. Diego Martin is not enough for you; we will give you some more.

11.55 a.m.

Mr. Speaker: Order please. Let us have the proceedings without the shouting, please.

Mr. Wilson: Basically, we must be very careful when we are making those kinds of accusations.

Mr. Sudama: On a point of order.

Mr. Speaker: What is your point of order?

Mr. Sudama: My point of order is that the Member is misleading this House with respect to my dealings with the Governor of the Central Bank. The Governor of the Central Bank wrote me and told me that any matter related to the Central Bank is a matter of secrecy, not available for the information of the Minister. *[Crosstalk]*

Mr. Speaker: We cannot engage in that.

Mr. Wilson: I do not intend to anger anybody on this matter, but when people make these accusations they must be prepared to live with the consequences. *[Crosstalk]* How do you know that I am lying?

Mr. Speaker: Can we have order please! Can we avoid the shouting across the floor and the accusations of lying and all that. There has been a point of order in which the Member for Oropouche has taken the opportunity to clarify his position. Can we get on with the debate, please!

Mr. Wilson: In respect of the dismantling of the foreign exchange controls I would like to indicate to the Member for San Fernando East that the Central Bank has already published in the daily newspapers, the procedures which relate to the management of the foreign exchange controls. Foreign exchange controls have been dismantled in respect of merchandise trade but will remain in place for invisible trade and services. Indeed, the system that will be in force would be that which prevailed up to October, 1983, when there were no administrative controls in respect of foreign exchange. What would prevail in 1991 is that manufacturers would be able to deal directly with their commercial banks in obtaining their foreign exchange requirements.

Hon. Member: What is the limit?

Mr. Wilson: There would be no limits. They would be able to deal with their banks in accordance with their requirements. Mr. Speaker, you will appreciate that this is a situation which would be monitored by the Central Bank from time to time, and any suggestion made by the Member for San Fernando East in respect of an exchange rate adjustment is speculative.

Mr. Manning: Mr. Speaker, on a point of order. I do not understand why the hon. Minister of Finance is acrimonious this morning. All I said was that in the absence of the thing being properly explained, it leads to persons getting the impression that there could be a realignment of the currency. I never used the

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word, devaluation. I do not know what has happened to that Minister over the Christmas holiday.

Mr. Wilson: Why are they so edgy? They make these subtle suggestions and when you deal with them, they get annoyed. Whom does the Member for San Fernando East think he is fooling?

Mr. Sudama: Where is the realignment?

Mr. Wilson: So any suggestion of a realignment is speculative. It is better to be a hard working accountant than a lazy economist. I have no difficulty with being an accountant. The likes of you could not pass the accounting examinations.

The other issue raised by the Member for San Fernando East in respect of the apparent transition—I think we must be absolutely clear in our minds that certain industries qualify, by the nature of the operations, for duty-free concessions. In the administration of that duty-free concession, certain materials will qualify for duty-free concessions. It is not the material *per se*, but rather the nature of the industry that qualifies for the concession, and the materials used by that industry will then be duty-free. What we are signalling is that under the CET arrangements there are certain items of materials on which there has been agreement that duty-free concessions will not apply. We have said in my presentation that those items would be listed in Part B of the new Third Schedule. I really do not foresee any difficulties from January 1, in the administration of the duty-free concessions under section 56 of the Customs Ordinance.

So it is a matter of working out these things. There is no special list of materials. The manufacturers engaged in certain types of manufacturing process we exempt from the duties and the materials they import are subsequently exempt from duties. So whereas I can understand the concern that we have not produced a list of materials, the very Part A refers to types of industries and the machinery and materials associated with those industries are exempt. What we are doing is continuing the duty-free concessions to a given number of manufacturers engaged in the manufacture of certain kinds of goods and materials, as a consequence of which the machinery, equipment and the materials used in their processes would be exempt from duties when the licence is granted by the Minister of Industry, Enterprise and Tourism, who has the responsibility for administering the system.

I have great honour to move that this resolution be now approved by the honourable House.

Question put and agreed to.

Resolved:

That this House in accordance with and subject to the provisions of Section 56 of the Customs Act hereby exempts from import duties of customs the classes of goods imported or entered for use for the respective purposes specified in the several items set out in the List of Conditional Duty Exemptions given in Part A of the Third Schedule to the Customs Act, for the period beginning immediately after the expiration of the last such Resolution and ending December 31, 1991.

STAMP DUTY (AMDT.) BILL

Order for second reading read.

The Minister of Finance (Hon. Selby Wilson): Mr. Speaker, I beg to move, That a bill to amend the Stamp Duty Act. Chap. 76:01 be now read a second time.

Mr. Speaker, following the eighth meeting of the conference for Heads of Government of Caricom 1987, the hon. Prime Minister announced that Trinidad and Tobago would grant exemption from stamp duty on goods satisfying Caricom area original criteria, where those goods were imported from Caricom states which grant exemption from similar taxes to products imported from Trinidad and Tobago. It was also decided to grant stamp duty exemption on a bilateral basis to those items in trade to which paragraph 10 of Article 14 of the Annex of the Treaty of Chaguaramas applies.

This decision was implemented with effect from July 1, 1987 by the Stamp Duty Exemption No. 3 Order 1987. This Order continued in force for a period of 12 months and was followed by the Stamp Duty Exemption No. 6 Order 1988, and subsequently by the Stamp Duty Exemption Order No. 6 of 1989. The purpose of the bill is to include the provisions of these orders in the body of the Stamp Duty Act and to amend the Stamp Duty Act to enable the Minister of Finance, by order, to add or remove from the list of Caricom states, which may be afforded exemptions from stamp duty as circumstances change, and new members of the Caricom grant similar exemptions to imports from Trinidad and Tobago.

12.05 p.m.

Clause 2 of the bill amends the First Schedule to the Stamp Duty Act by renumbering paragraph (I) as paragraph (n) and inserting a new paragraph (I) under the heading "Exemptions" to include goods of common market origin produced in any of the states listed in the Fourth Schedule. The paragraph also

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empowers the Minister to amend the schedule by Order. A new paragraph (m) is also inserted to exempt from stamp duty, goods which are consigned from a member-state of the Caricom community and treated by Trinidad and Tobago as being of common market origin under paragraph 10 of Article 14 of the Annex to the Treaty establishing the Caribbean Community.

Under Article 14, paragraph 10, member-states can import goods free of customs duty as though they satisfy the common market rules of origin even when they do not satisfy Caricom area origin criteria, provided that similar imports consigned from other member states are accorded the same treatment. Under paragraph (n), goods which receive this treatment from Trinidad and Tobago are also granted exemptions from stamp duty provided that the state from which the goods are consigned, grants exemption from similar taxes to Trinidad and Tobago. In other words, the exemption from stamp duty is granted on the basis of reciprocity.

I wish to emphasize that these exemptions are already in force and as I have said, have been in effect since July 1, 1987. The purpose of the legislation is merely to empower the Minister to add to the schedule of states from time to time as our trading relationships with our Caricom neighbours change.

One of the main objectives of the Treaty of Chaguaramas is liberalization of inter-regional trade by the removal of barriers such as duties, which act as obstacles to the importation and exportation of goods from member states and the removal of stamp duty on goods imported from within the Caricom region is an indication of Trinidad and Tobago's commitment to Caricom. I commend this bill for the support of the Members of this honourable House.

Question proposed.

Mr. Basdeo Panday (*Couva South*): Mr. Speaker, first of all, it was rather remiss of me on the last occasion I addressed this House not to welcome the new Member. I make an apology for that and I now correct it by welcoming the Member for Diego Martin Central to this House. In welcoming him I want to tell him that he owes me one.

I have no quarrel with the complete liberalization of trade in the Caricom region by the total and eventual removal of all trade barriers: tariff and non-tariff. *[Interruption]*. Apparently, I have raised a hornet's nest. As a matter of fact, this provision—and I think I should draw it to the attention of the Government—is going to result in a fall in revenue for this country. I think that 1988 was the year

we saw the highest trade between Trinidad and Tobago and the rest of its Caricom partners. Of the 22 principal commodities itemized in the CSO Trade Report Part (c), which constituted some 74.7 per cent of our total imports for that year, only seven of these items featured in our principal commodities, are exported for the period—that is the items for which we speak. Furthermore, seven of those items contributed to only 27 per cent of imports, that is to say \$71,126,100 approximately and only 13.6 per cent of our exports to the Caribbean which amounted to \$88.5 million.

The provision for reciprocity, I think initially, can work to our disadvantage only in terms of our revenue because our imports worth about \$263 million would be allowed to enter into Trinidad and Tobago free from duty while \$89 million worth of our own goods would be given similar treatment. I think it is worth foregoing that expenditure if the object of this bill is to liberalize trade in the Caricom region. We have no problems at all with the removal of all barriers, whether they be tariff or non-tariff.

I also take this opportunity to point out that it is not going to be enough for us in Trinidad and Tobago to ensure our economic survival. We have got to begin to look very closely and seriously at our relationship, not only with the Caribbean, but with the rest of the world. At the moment, the world is developing into regional economic blocs and in the budget speech I mentioned the United States of America and Canada on the one hand, establishing a free trade area with the possible inclusion of Mexico. We all know of Europe 1992; the Pacific Rim countries are moving in a similar direction. If we do not do something about that, we are going to be excluded from international trade. I have seen no policy on the part of the Government that tends to indicate that it is addressing this problem very seriously. In other words, Trinidad and Tobago has got to become a part of one or the other of these regional blocs. There is no escape for us. I believe that it affects our ability to attract investments.

12.15 p.m.

The Caribbean region is a market of some four million people. That is a market not large enough to sustain any substantial investment. People coming to invest into a country look, first of all, at the market for its goods. Even so, Mr. Speaker, our Caribbean partners have been very reluctant to remove the trade barriers that exist within the region. So the ideal situation for Trinidad and Tobago would be that there would be a completely free trade area within the Caricom and that

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Caricom as a unit would move into a larger regional bloc. It seems to be that there are several difficulties in the way in the Caribbean with respect to deeper and deeper integration and that is the question of sovereignty. The difficulties surround a concept that we must examine and I think it is part of our own problem. I believe, the time has come for we in Trinidad and Tobago to examine that concept of sovereignty. Does the concept, for example, as it developed with the growth of nation states in the eighteenth and nineteenth centuries and to some extent the twentieth century, really apply equally to us today as it did then? Also the development of the communication technology and the reduction of the world to a global village; the development of the international economic inter-dependence; the regionalization of international trade, how has all of that made the eighteenth century concept of sovereignty relevant or irrelevant to our present needs?

It is only when I think we resolve this problem in our own minds that we will really move towards becoming part of the one or other of the developing regional blocs to which I have referred. I think the time has come for us to take a decision that we must go that way with or without our Caricom partners because of their pre-occupation with this whole problem of sovereignty. I believe the time has come for us to deal rather firmly with our Caricom partners whose uncompromising individuality has militated severely against a deepening of the integration movement in the Caribbean.

Mr. Speaker, a problem which has always occurred in the Caribbean, for example, the question of enforceability of the rules of origin—that is a great controversy in the Caribbean as to whom and how the rules of origin apply. Where we are now contemplating the removal of stamp duty on certain goods, to satisfy the rules of origin, a proper monitoring mechanism has not yet been set up in the Caricom region to enforce the rules of origin. So that our only hope for the unemployed, it seems to me, is to push Caricom faster and faster into deeper and deeper economic integration and then to move the whole of the Caricom region into a regional bloc. It is only that kind of development, I believe, that is going to attract the kind of investments that we need in order to deal with the severe and chronic unemployment problem.

As far as I can see, the Government has not indicated to this country so far, that it has any serious proposals for dealing with this problem and maybe this is an occasion that the Government may seize to indicate to people and to this Parliament how it proposes to deal with this whole question of investment, the

question of employment and the question of markets for our goods. Thank you Mr. Speaker.

Mr. Trevor Sudama (*Oropouche*): Mr. Speaker, I just have one or two points to make on this question of the amendment of the Stamp Duty Act, to exempt from stamp duty, goods satisfying the Caribbean Common Market origin criteria. As the Leader of the Opposition has indicated, we really do not have any objection in principle to freer trade within the Caribbean Common Market area and the boosting of intra-common market trade. That is not a problem. The problem, however, is whether this liberalization of inter-regional trade would work to the disadvantage of any of the sectors currently existing in the economy of Trinidad and Tobago and, whether, in fact, a policy is put in place to deal with the problems which may arise as a result of this move to liberalize the inter-regional trade.

If the Government has done any work as to what the effects of this would be internally on the various sectors of the economy, I am not aware of it. It is probably a secret preserve of the files in their ministries. I am particularly concerned about the effect liberalization would have on the agricultural sector in Trinidad and Tobago. Now we are all aware of the basic principles which apply and that is, when you have free trade you are going to have comparative advantage and where countries have the advantage of resources which can be more easily and more efficiently utilized, they will concentrate on those, and where other countries have comparative advantages in other areas, they will concentrate in those other areas. So you will have specialization. That is what the whole theory of comparative trade has been telling us, that you will have specialization according to countries or within countries you will have the most efficient use of resources. That is the textbook theory and where those theories come from, in the United Kingdom, Europe and the United States, it is those very countries which work to protect certain sectors of their economies, particularly in the case of agriculture. So that while we need to liberalize our trade, we have to be concerned about the impact on and the welfare of our own citizens in Trinidad and Tobago.

If you are doing that, then you ought to have a policy of transition and that is what I am querying. Do you have a policy? For example, when your agricultural resources in Trinidad and Tobago cannot compete and are put out of use, what are you going to do with those agricultural resources of manpower, or land or other resources? Do they have alternative uses for those resources if that production is going to be undermined by a liberalization of inter-regional trade? These are questions that you have to address seriously because we are talking about the

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livelihood of people here in the short term. We have to look at things in the short term, as well as in the long term. As one famous economist said, in the long term we are all dead. It is through a series of short term actions that we can reach that long term goal. The question of what kind of action we take to preserve ourselves, production, the employment of our people and our resources in the short term as we move towards our longer objective, is what I am particularly concerned about.

12.25 p.m.

Let us assume that you can get agricultural products cheaper because of their lower labour costs in other islands of the Caribbean, what then will happen to portions of the agricultural sector here, and those who are so employed in Trinidad and Tobago? My own constituency of Oropouche, for which I have to speak, is primarily an agricultural constituency. The whole question of—as the Member for La Brea rightly pointed out—food security, even within our own member states as a CARICOM region has to be addressed because that is not only a question of economics, but it is a question of survival of our country as such.

Our economy in the old days was based on two industries. In fact, initially it was based on one industry, agriculture, until oil was found in Trinidad and Tobago. Then it became an economy based on two industries. Now we are attempting to diversify but that diversification has not gotten very far. My own feeling is that we have to concentrate on the agricultural sector of the economy if we are going to address certain fundamental issues of employment and unemployment in Trinidad and Tobago. If you do that then you have to do it in the context of this liberalization that we are talking about.

As we are all aware, an investment of a certain fixed figure in agriculture will produce probably five or 10 times the number of jobs as will be produced by an investment probably in the oil or petro-chemical sector. Of course, there are other reasons for this and the previous Government has not concentrated on improving the potential of the agricultural infrastructure of Trinidad and Tobago.

As the Member for Nariva pointed out in one of his sojourns somewhere in the countryside, the reason for a lack of emphasis on economic activity in the rural areas is because they do not get votes in those areas. Now I must commend him for his honesty and it seems as though now that his political life is coming to an end, he is becoming more and more honest in his statements. That is a good tendency, it is a good trend. That is the reason, so we have to be concerned.

I want to raise the point that I think much has been made of and that is the fact that if there is greater liberalization we will sell more to the member states of the Caribbean. Well that has not been borne out, at least from the limited figures that I have at my disposal. Let us see what happened to CARICOM trade in the first six months of 1990. If I may quote from the *Review of the Economy, 1990* the little information that is provided in this glossy document:

"Over the period January to June, 1990, the surplus balance on this country's trade with the rest of CARICOM increased by 19 per cent to \$377.9 million when compared with the corresponding period of the previous year. This was the result of a 45 per cent increase in exports of petroleum."

So it was petroleum which was really responsible for that big jump in CARICOM trade. When petroleum exports are excluded, however, the surplus balance declined by 8.3 per cent over the period and was due to a combination of a fall in the exports of nearly one per cent and a rise of imports of 3.8 per cent.

Liberalization or no liberalization, we will still be selling our petroleum exports to the CARICOM region. So our petroleum exports will not be affected by the measures we are trying to introduce in this House today. What about our other exports to the Caribbean region on which we ought to be concentrating and which the evidence shows, is on a declining trend? I think the Government should attempt to explain these things to the House instead of pretending that everybody is agreeing that there are no problems with the introduction of this. As I said, we are not saying that this measure ought not to be introduced or that we should not have greater freedom of trade within the Caribbean region but also we must look at the problems which confront our own economy as a result of this measure and try to deal with those problems in a manner which will relieve the dislocation and the hardships which may be experienced. This is the point I wish to make.

There is a further point that has to be made. That is, while we are talking of exempting CARICOM origin goods from stamp duty, which will then make those goods freer to enter Trinidad and Tobago and possibly make them more competitive, what about the balancing, harmonization of concessions in the various CARICOM countries? If those CARICOM countries permit their manufacturers and producers to have greater concessions than we here in Trinidad and Tobago, it is obvious then that on account of that, they will be able to undersell our own manufacturers here in Trinidad and Tobago. What then about the harmonization of

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concessions granted to the various manufacturing organizations in the respective countries, so that we will be competing on an equal footing? Reciprocity ought not to just mean that those countries who exempt our goods from duty, we should in turn exempt their goods from duty. It should mean that the terms, conditions and benefits which we allow to our manufacturers should also be permitted to theirs. So you have, what is called, an equality on the basis of which we produce and compete.

The whole question of comparative advantage, as I am trying to say, freedom of trade and so on, we support in theory, but of course, the theory and the practice are two different things. The thinking of member-states of the Caribbean and their particular relationships with Trinidad and Tobago has to go a long way, in order to promote the benefit of this country. I am not saying this in an attempt to disparage member-states of the Caribbean, but when you look at the hassle we have had with respect to our airline becoming the regional carrier of the Caribbean, you will understand what I mean. At the moment there is some controversy about the importation of tyres produced in Jamaica into Trinidad and Tobago, which has to do with those relationships I am talking about.

I hope that this Government is not selling the people of Trinidad and Tobago short in its dealings with other member-states of the Caribbean. That is a point I wish to emphasize. They are in the business of selling—they would sell out anything. They are also in the business of selling out our patrimony—they have done it in the past. They have done it in their dealings with the American Oil company—AMOCO; they have done it in their dealings with the lease of ISCOTT. If given the chance, they would sell probably the Red House. Whereas the other governments, I imagine, would attempt to protect the interest of their own citizens. What are they doing here as the NAR Government in terms of protecting the interest of the people of Trinidad and Tobago and seeing that they get the best possible deal in agreeing that you may enter? Do we have confidence that we are not dealing with another Government? That is a question I want to raise in this context. We must have satisfactory negotiations in duties and concessions. Thank you very much.

12.35 p.m.

Mr. Raymond Palackdharrysingh (*Naparima*): Mr. Speaker, I need some clarification because I have some concern about this matter. This bill seeks to regularize duty concessions. We know that when we talk about the rules within the

Caricom region we are not sure about its applicability. For example, are we speaking about goods that are assembled within the Caricom region, whose raw materials are drawn from Third World countries? Are we speaking about goods totally manufactured from resources within the Caricom region, or is it a mere provision by the Carifta agreement of the criterion of which there was a system, which says that if a product is manufactured in a member state it will qualify for duty exemption?

Provisions were made under the Carifta agreement but what has become of that? Was it ever operationalized? You have to turn to this measure because as was pointed out before, the cost of processing commodities would be perhaps a duplication of such cost and consequently insufficient allocation of those resources. But if there is going to be that form of redress—and I think over the years so many people were looking for it—it ought to be done. What, therefore, would be the medium of facilitating Caricom trade? Can we continue without a single currency? Is it now necessary to earn the region's currency from outside in order to give some uniformity in any transaction? If the production cost of a product is not lower in the Caricom area, and we do not seem to have the competitive edge, are we going to consider the devaluation of the TT dollar to give us that edge? Those questions have to be answered and also the question of the status of Caricom: Is it working or is not working?

From all intents and purposes it would seem that we are not making the kind of headway for the smooth operation regionally; where you are going to have the fiscal and monetary policies put in place and unless you can have that, you will not be able to have equitable development in the Caricom region. We know that the state of the development of each of the units in the Caricom area and the less developed countries need favourable concessions within the Caricom region and on that basis it would seem that we are not prepared to come closer together for strengthening the economy. We will never reach that position and in the interest of fraternity some of the countries would continue to bear the burden. I want to make a plea for our country to ask for clear intentions of the Caricom community.

[MR. DEPUTY SPEAKER *in the Chair*]

12.45 p.m.

Mr. Deputy Speaker, it is clear from the figures that whether we like it or not we have had our greatest trading arrangements with the United States, and if the United States has moved into some sort of economic arrangement with Canada

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and Mexico it would seem that sort of powerful bloc would determine our destiny if we are unable to propel our economy internally. We seem to have lost the will in this generation to have done it and if the Caribbean cannot find a way to deepen the integration movement so as to harmonize fiscal and monetary policies and also to articulate social and economic policies then certainly all of us in the Caribbean would be like sardines among sharks in the new world development.

When we look and see what Europe has done as an entity in terms of integration, and how far Europe has gone; when we look and see what has been happening elsewhere; the crumbling of the socialist republics, then if we do not take stock soon, we would be left out in the cold. Apart from these sorts of hodge podge measures adopted by the Government to bring into line certain measures, we must define clearly and definitely where we are going in the future as Caricom.

Secondly, as has been pointed out, and I must say without fear of contradiction, by the Member for Couva North, the region with its population of about five million people will not be able to compete by itself and, therefore, it would seem that some sort of arrangements would have to be worked out in a larger economic grouping if we are to survive.

Mr. Deputy Speaker, terms of trade continue to move against the less developed countries and these countries are not sufficiently conscious of the fact that the productive capacities we need in these countries, we can inspire our people to those achievements. We must try, but we would still need some sort of working arrangement whereby our major trading partners would also offer some measure of concession.

It has been pointed out by several Members of this honourable Parliament that for a long time to come the economy would be hinged on the production of petroleum and basically after so many years we have not been able to diversify the economy, and it means that if petroleum is going to be our economic survival for a long time we must also recognize that we must tell our partners as it is, try to work out what relationships are possible and, at the same time, propel ourselves towards arrangements which would not mitigate our economic development.

I have raised some of these matters on the question of the rules of origin, the question of devaluation, the crucial question of whether there is an integration movement and how serious is that movement, the question of forging a deeper relationship with Caricom partners to confront the rest of the world. I feel that unless we put some teeth, direction and instruments for giving fruition to our

intentions we shall never really do much to make a dent in our own economy, neither will we do justice to the Caricom integration movement. We would only be carrying on as little tin gods and little islands stressing the question of sovereignty and refusing to accept real growth and development in our countries.

Thank you, Mr. Deputy Speaker.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Deputy Speaker, I feel it would be reasonable to say that if we put side by side the presentations of the Leader of the Opposition, the Member for Oropouche and the Member for Naparima, on an objective assessment one would see a host of contradictions among the various presentations.

Hon. Member: You are not in a classroom, you are in Parliament.

Dr. Tewarie: Mr. Deputy Speaker, when the Members on the other side contribute we allow them to contribute.

Mr. Panday: You are not at the university, you are in Parliament. You are among men, not boys.

Mr. Deputy Speaker: Order please! Order please! Hon. Members, order please. Please continue Member for Caroni East.

Dr. Tewarie: Mr. Deputy Speaker, the point I was making is that there are a host of contradictions among the various presentations.

More than that, if one would recall from memory the presentations of hon. Members in the past, including the Leader of the Opposition, one would see again a host of contradictions depending on when he speaks and on what issue he speaks.

I was amazed to listen to the presentation of the Leader of the Opposition questioning the business of national sovereignty and talking about the emergence of nation states and so on and questioning whether such things have the relevance in today's time. The reason I remember it so well is because I remember the vicious attacks from the other side when during the 1989 budget I spoke at some length about this particular matter. Not only was I viciously attacked during the debate on selling out and so on, as they normally do, but we were castigated as a Government for selling out to all the multilateral institutions and selling out the national sovereignty of the country and so on.

Mr. Sudama: Mr. Deputy Speaker, on a point of order. I cannot permit, without protesting, the Member to mislead this House. We never, on this side, took a categorical position on national sovereignty. If your national sovereignty is going to be dwindled or diminished you have to get something in return. What were we getting in return for a diminution of national sovereignty of Trinidad and Tobago? This was the point we tried to make.

12.55 p.m.

Dr. Tewarie: More than that, at the very time that the Member for Couva North was raising issues and questioning the whole basis of national sovereignty, the Member for Oropouche started on his notion of selling out 2,000 miles to Venezuela. All of these are simply interjections and assertions without any basis of fact—Iscott, this one, and so on. This is the manner in which they parade before this Parliament and outside—not dealing with any facts, changing arguments to suit the occasion and so on, and not interested in any consistency, of any position, on any matter whatsoever, and we have to address these changes on every occasion.

In all fairness to the Member for Naparima, when he made the statement that all Caricom states are not equal and you have the larger and smaller countries and so on, he was addressing a really fundamental issue which is the cause for a lot of the quarrelling and squabbling that takes place. You are not dealing with countries that are equal or have the same rate of development or have reached the same stage of development. While you are addressing the problem of how to bring these countries together, how to deal with the question of trade, and how to deal with the rest of the world, you also have to address the internal concerns of these particular countries [*Interruption*] I am getting to that if you will give me a chance. In the same way—[*Interruption*]

Mr. Deputy Speaker: The hon. Member is being disturbed. Could we have some order, please!

Dr. Tewarie: Mr. Deputy Speaker they got 600 votes in Diego Martin Central—I do not know what they are talking about. They are not going to get a seat in Central—not one. [*Interruption*] If that is the area where you feel you are going to get, you will find out.

In the same way that these countries have particular concerns about their particular situations—and the Member for Oropouche was quite correct in raising the particular situation of Trinidad and Tobago and all countries are concerned

about that. That is why you have negotiations, discussions, agendas and you try to do it in stages. This is what is going on. If you are committed to the idea of a regional community in a world that is changing and in which you have got to address these problems of international trade and of a changing world order—think of 1990 as a year and how fast things have changed at both political and economic levels—all these things have to be addressed at once while you manage the business at home, the business of Caricom and so on.

The trade figures will show you that Trinidad and Tobago as a country, is doing very well in relation to all other Caricom states and all other partners with whom we trade. I have some figures which are provided on the basis of information given by the EDC. The EDC figures are based on shipping bills on a daily basis, so that it is actual trade which has taken place. This covers the period January to August 1990: "Trinidad and Tobago Domestic Exports"—Total domestic exports for the period January to August 1990, amounted to \$480.8 million compared with \$438.2 million recorded for the corresponding period in 1989, which represented an eight per cent increase. This is in keeping with what we have been saying and what we have been attempting to do: to expand exports and to generally improve year by year, month by month as we seek to expand our capability for exports in the various markets that are available for us. Then you have a breakdown of the various things—I would not go through all of this—in terms of food and live animals, chemicals, minerals, fuels, non-oil and non-chemical exports and so on.

If you look at this, exports to the United States of America amounted to \$2,585.1 billion; Caricom, \$679.4 million; non-Commonwealth Caribbean, \$708.9 million; EEC \$304.6 million; Latin and Central America, \$194.1 million; non-EEC, \$87.4 million; Asia and the Middle East, \$84.8 million. Exports to the non-Commonwealth Caribbean increased by 38.8 per cent; Asia by 36.4; non-EEC, 192.2; Caricom, 5.96 while exports to the EEC declined by 35.4 per cent.

I think it is important to understand what we have been seeking to do. We have been telling the manufacturers in Trinidad and Tobago, "Listen, your competition is not in Trinidad and Tobago, your competition is not in Caricom, your competition is the rest of the world. Caricom should not be seen as a foreign market because you do not earn hard currency there. Look at Caricom as part of your domestic market and try to break into the trade that is available to you as negative lists are dismantled, as concessions are given and as opportunities arise. Try to break into Latin America, into North America, Europe and so on." They

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have been pursuing that line in keeping with the policy and objectives of the Government. This is how we are proceeding.

While we are doing that we are trying as well to open up trade in the Caricom region and to deal with many of these things. Many of these are real issues, not only the balance of trade situation. When you are talking about balance of trade you cannot check Trinidad and Tobago's balance of trade without oil, petroleum and all of these things which emanate from the energy sector. How could you possibly do that when that is a major export and something on which the rest of the Caribbean virtually depends?

The question of rules of origin, has been a problem of difficulty for some time. Right now we have a particular problem with Grenada, for instance, with goods. The problems come up from time to time; the whole deepening of the process trying to create clarity within industry.

The Member for Oropouche raised the other question about how equal is the system in terms of the inputs into the productive process, into the manufacturing process. I do not know for sure. I would venture to say that they are not equal everywhere, but in the larger countries there is some parity and equality. In the OECS you have a different kind of problem. The world is not perfect, it is not pure and you are never going to get a perfect world. You manage how you can, with the difficulties that you have, trying to look after your own interests and at the same time trying to address larger interests and this is what we are attempting to do. But convenient as it might be at any particular time, to argue a certain position, they will go to Cedros and say that we should forget about Caricom and establish ties with Latin America because it suits that particular occasion.

Mr. Sudama: On a point of order. The Minister is misleading the House. He is being speculative. What does the question of our going to Cedros in the future have to do with the debate?

Dr. Tewarie: The fundamental point I am making is that they believe in nothing. They have no position on anything. The positions that they articulate on any given occasion, on any particular issue, simply have to do with the convenience at the moment or the political position that they think is valuable at the particular time. They have no fundamental position on anything. They do not care whether Caricom exists or whether it breaks up. They do not care whether we have trade with Latin America or not. They do not care whether we are doing something with the United States or not. But if it is political to raise an issue in a

certain way, they will do that and that is the fundamental ideology of the Opposition.

Mr. Sudama: We care about your giving away 2,000 square miles to Venezuela. What will you say about that?

Dr. Tewarie: On the question of devaluation hinted at in the presentation of the Member for San Fernando East and subsequently raised by the Member for Naparima, when you look at how carefully we have managed—

Mr. Valley: Mr. Deputy Speaker, I think the Member for San Fernando East was on a completely different debate when he spoke about that issue. I do not think it had anything to do with this debate.

Dr. Tewarie: We have proceeded so carefully over the last four years to deal with the question, first of all, of holding the economy together and secondly, of freeing up the economic system. We are freeing up the financial system, we are pulling down items from the negative list and we are dismantling the allocation system. We are doing this in an orderly way. We tell people months in advance. They talk about where we publish things—I was just looking through this file—the negative list is published in the *Gazette*, and as the items are removed from the negative list they are published in the *Gazette*. All this information is available, and yet all they can come here to do, is to get involved in politics. It is their only interest. They have no point of view on any matter of substance that affects either the national economy, or fundamentally, the real politics of this country.

The point is that we have managed the system in such a way that as the system opens up it will be possible to monitor it. It is the first time that the system is being opened up; it was opened up last year. There was not, by any stretch of the imagination, a run on any foreign exchange in the country before. As we move more items off the negative list, in the end, even if there is a rush initially, the simple matter of supply and demand is going to regulate the system.

We had the situation very clear in terms of the apples in this country. Initially people wanted to rush it. Everybody wanted to get into the act, and then the end result is, after starting at \$5.00 now I think it is sixty-nine cents on the market. They will not make that mistake again next year, because they understand that it is pure folly. The system has a way of regulating itself and what you need to do is to have the proper systems in place. You must have a system that can be applied fairly, a system by which you can monitor what is happening so that before a difficulty or problem arises it can be anticipated and dealt with.

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This Government is very concerned about the impact of all of these things on the various sectors, the consumer and on the general economy of Trinidad and Tobago. The evidence will show that as our exports expand in the main sectors which allow us to earn foreign exchange, that is the area in which the growth is taking place. The future of Trinidad and Tobago can only be assured if we can increase our capacity to produce quality competitive goods, not only for the local consumer but to earn hard currency that will shore up the foreign reserve system in this country apart from what we earn in oil. That is the basis for any kind of serious approach to development in Trinidad and Tobago. It is only that which will allow us to survive in the long term.

This Government's whole approach to trade is one of liberalization and we see this as not leading to the demise of any particular sector, although in every situation there is bound to be casualties, but what we see is an opening up of trade in the region, to some extent a rationalization of trade. It will not happen over a period of one year, but obviously, as things begin to impact on each other, people would learn that there are all kinds of possibilities; there would be joint ventures of various kinds; Caricom investors would want to do joint ventures in particular countries to cater to markets jointly. All of these things would be possible and you have got to take the risk; you have got to move forward. We are committed to the Caricom region, to opening it up, not only as a free trade area, but as an area in which we can call our part of the world, so to speak. We are committed to that.

We want to enter into greater trade relations with the Latin Americans and we have started that process, as indeed they have begun to liberalize their own system. We have preferential arrangements with certain countries in North America from which we benefit and we will continue to do that. At the same time, we know that in the back of our minds the preferential access will not be there forever and we are asking our people in the export sector, in the manufacturing sector, to focus on the fact that there is not going to be a guarantee of any kind, no special incentive and they should trade with the world as if they were competing without any preferential arrangements whatever. I think that is having some effect, not only on the quality of industry and the production systems, but the quality of goods produced and the marketing competitiveness that they have been building over the years.

I support the Minister of Finance in this particular bill before this House. It is a simple bill. I think when all the dust is cleared, so to speak, you will begin to see very clearly what our position is. Our ideological position is very clear and I mean ideology in the broad sense. Our point of view on these particular issues is very clear. If the Minister of Planning or I get up to speak on the same issue, it is very clear what our position is. The same cannot be said for the other side because they really do not know what they believe in or what they would like to do for this country. Thank you very much.

The Minister of Finance (Hon. Selby Wilson): Mr. Deputy Speaker, I was very heartened to see the concern expressed by the Members of the Opposition in respect of the revenue impact in Trinidad and Tobago and their realization that we do not operate only within Trinidad and Tobago, but we need to deepen our relationship with Caricom. They engaged in some bit of contradictions as the Member for Caroni East pointed out. I do not know why they had difficulty in recognizing that over the last four years, this Government has worked as no other government ever worked before with the Caricom region in trying to bring the levels of co-operation and integration more closely and deeper than has been done in the recent past. I think it can be said that we have been successful in the deepening and revitalization of our Caricom efforts.

In respect of the revenue loss, I would like to point out that this arrangement has been in force by Order since 1987. In respect of the revenue impact, it is revenue which has already been foregone and, therefore, it does not have any immediate impact on the revenue profile of Trinidad and Tobago. I would also like to point out that even if you exclude oil exports to Caricom regions, the balance of trade is in favour of Trinidad and Tobago in nearly all the Caricom countries. In respect of Jamaica alone, we have a favourable balance. In the third quarter of this year the balance was US \$50 million in our favour.

I do not think that their fears are well-founded in coming to the conclusion that Trinidad and Tobago might be losing out in this arrangement. Indeed, the whole arrangement is geared to encourage reciprocal trading arrangements between our Caricom partners and ourselves. That is the whole rationale for the amendment. It purely amends an Act and puts into law by way of an Act, an operation that has been in existence since 1987 and has been renewed by Order since 1987 on an annual basis. It is nothing new.

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With these few words, I move that this bill be read a second time. In committee stage, I propose to move two small amendments; they are clerical amendments only.

1.15 p.m.

Before I close, I take the opportunity to say that I have great pleasure in welcoming to this House, the hon. Member for Diego Martin Central, Mr. Kenneth Valley. Mr. Deputy Speaker, I have had the opportunity and pleasure of debating in the other place with the hon. Member for Diego Martin Central and I am sure that he will bring to bear in this House, the skills he learnt in the other place. Also, it is probably a record that this Member has had the honour of serving in both Houses in the same parliamentary term and I congratulate him on that. I caution him, but I think he knows how he will repay the debt to the Leader of the Opposition. He is not an easy fellow to repay and I could tell him that his demands are very great. I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House .

House in committee.

Clause 1 ordered to stand part of the bill.

Clause 2.

Question proposed, That clause 2 stand part of the bill.

Mr. Wilson: Mr. Chairman, I beg to move that clause 2 be amended as follows:

- (a) Delete "All the Customs Caribbean Common Market Origin of Goods Regulation, 1981" and replace it with the following: "And regulations made under Section 13 of that Act to be determined by the Customs Act and Regulations made under Section 15 of the Act."
- (b) In (m) the word "similar" in line 11 should be replaced by the word "such".

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the bill.

Stamp Duty (Amdt.) Bill

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Clause 3 ordered to stand part of the bill.

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

House resumed.

Bill reported, with amendments, read the third time and passed.

SEASONS GREETINGS

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie: This is in fact the final sitting before the end of the year 1990, which has been a most eventful year. I take this opportunity, on behalf of all Members of this side of the House, to wish all Members of this Parliament and the Deputy Speaker and, of course, the Speaker of the House and all their families a very Happy New Year in 1991. I hope it will be personally satisfying for each and every one of them. I hope as well that at the end of 1991 we would look back and say that the year has been a year well spent.

I also take the opportunity to welcome the Member for Diego Martin Central, Mr. Kenneth Valley and I hope that his time in this House will be a time for personal achievement and satisfaction.

Happy New Year to you Mr. Deputy Speaker, to the Speaker of the House, all Members of the House and also to the staff. I thank the staff of this Parliament for the unstinting support and the critical role they have played in supporting this House and the parliamentary system in general and for making our lives here easy and simple because of all the work that they do behind the scenes. Happy New Year to you all.

Mr. Basdeo Panday (Couva South): Mr. Deputy Speaker, on behalf of my colleagues and on my own behalf, I too wish to join with the hon. Leader of Government Business in wishing all a Happy New Year, even those on that side.

Now a Happy New Year for them and a Happy New Year for me may be a different thing. For example, the results of the Diego Martin Central election, might be happiness for some and might be unhappiness for others. Be that as it may, Mr. Deputy Speaker, I join in wishing, you, the Speaker, and the staff of the Parliament a very Happy and Prosperous New Year.

Mr. Patrick Manning (San Fernando East): Mr. Deputy Speaker, I too join in the felicitations that have been expressed. First of all to the Speaker of the

Seasons Greetings

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[MR. MANNING]

House and his wife and family; to you and your family, Mr. Deputy Speaker, and to all Members of the Parliament, a bright and prosperous 1991.

I take special pleasure in wishing a Happy New Year to the public servants from the various ministries who have assisted us in our deliberations here in the Parliament; to the police and to the members of the armed forces and to the media and to those persons who, from time to time, visit us here in this Parliament to participate in the important processes of democracy. Last but not least I wish a bright and prosperous New Year to members of the staff of Parliament who have worked very hard indeed, in making 1990 the successful year that it has been. Thank you.

Mr. Deputy Speaker: The Chair heartily reciprocates and wishes all Members of Parliament and the staff a Happy New Year.

Motion made and question proposed, That the House do now adjourn to Friday, January 4, 1991 at 1.30 p.m. [*Hon. B. Tewarie*]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 1.25 p.m.