

*Leave of Absence*

*Friday, September 6, 1991*

**HOUSE OF REPRESENTATIVES**

*Friday, September 6, 1991*

The House met at 1.40 p.m.

**PRAYERS**

[MR. SPEAKER in *the Chair*]

**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members, the hon. Leader of the Opposition (Mr. Basdeo Panday), has been granted leave of absence from Friday, September 6, until September 15, 1991.

**PAPER LAID**

Report of the Auditor General on the accounts of the Trinidad and Tobago Export Development Corporation for the year ended December 31, 1989. [*The Minister of Finance (Hon. Selby Wilson)*]

*To be referred to the Public Accounts Committee.*

**ORAL ANSWERS TO QUESTIONS**

**Penal Vedic School  
(Completion of)**

**65. Mr. Trevor Sudama** (*Oropouche*) asked the Minister of Education:

- (a) Is the Minister aware of the continuing inconvenience caused to both students and parents of the Penal Vedic School by the unbearable delay in having the construction of that school completed and, if so, what action her ministry is taking in the matter to expedite the completion of construction?
- (b) Could the Minister state the total of funds advanced to date by the Government to the Board of the Arya Prathinidhi Sabha for the construction of this school?

**The Minister of Education (Hon. Gloria Henry):** I am aware that parents and children have suffered some inconvenience in relation to the reconstruction of the Penal Vedic School. The replacement of any school on the site of the former building inevitably causes some degree of inconvenience to the students, teachers and parents concerned. The replacement of the Penal Vedic Primary School is no exception in this regard. In part, the inconvenience stems from the tardiness of the

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board in bringing work to a conclusion for reasons which have nothing to do with finance and everything to do with the internal problems of the Board; and problems between the Board and its principal.

Construction work at the Penal Vedic School commenced in May 1990. The construction period was projected to be 12 months. By February 1991, phase 1 of the project was completed and subsequently occupied by the students. Parents, however, withdrew their children on the grounds that when it rained their children got wet. As a temporary measure a shift arrangement was put in place with the nearby Penal Presbyterian School, pending the correction of the problem by the APS Board.

Work is ongoing on phase 2 of the project but progress so far has not been satisfactory. The Minister of Education called in the APS Board on two occasions to express concern about the delay in completing the project. The Board has cited internal problems as some of the reasons for the delay. The Board, however, promised to complete the project in time for the re-opening of school in September 1991. The target has not been met but the shift arrangement with the Penal Presbyterian School is no longer in operation since the pupils are now occupying the completed part of the building.

The Ministry of Education will continue to liaise with the Board to ensure that completion of phase 2 of the project is not unduly prolonged.

The estimated cost of replacing the school is \$1,750,000. The Ministry's 75 per cent contribution is estimated to be \$1,312,500. So far \$1,144,216 has been paid to the Board. There is, therefore, an outstanding balance of \$168,284, which will fall due on the satisfactory completion of the project.

**Mr. Sudama:** Since the school was boycotted by the parents on the ground that there was a faulty design of the school and the children were getting wet, do the engineers of your Ministry have a monitoring function with respect to the design of schools and if so, was this function carried out in this instance?

**Hon. Henry:** The Education Facilities Management Unit has a monitoring function over all Board schools. The problem with that school has been dealt with by the Board so that the children are now back in the building. My information is that the problems have been corrected.

**Mr. Sudama:** The problems could have been pre-empted by satisfactory action on the part of your officials at the Ministry of Education. It was gross incompetence on the part of you and your officials.

You have an outstanding balance of \$168,000 on the amount that is to be provided by the Government, what guarantee do you have that this school would be satisfactorily completed with the expenditure of \$168,000?

**Hon. Henry:** That school is a Board school. The responsibility for the completion of the school is with the Board. The Ministry has a monitoring function and they will supervise the completion of the building and ensure that whatever support is to be placed by the Ministry is in place.

**Mr. Sudama:** If the school is not completed, does the Ministry have any authority in the matter at all if the Board is dilatory in completing the work? What is your function as a Minister, merely to accept this?

**Mr. Speaker:** That is a hypothetical question.

**Mr. Sudama:** Well, everything is hypothetical as far as this Government is concerned.

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

**Oropouche Constituency  
(Visits)**

67. (a) Could the Minister of Works, Infrastructure and Decentralization state why he refuses to respond to my letter to him of June 3, 1991, requesting him to have on-site visit with me to certain critical highways, drainage and bridges problems in my constituency?
- (b) Could the Minister state what is the policy of his Government with respect to requests from duly elected representatives of the people in the House of Representatives for the addressing of problems brought to the attention of the Government?
- (c) Could the Minister state why he visits the constituency of Oropouche at the instance of those who are not duly elected representatives but chooses to ignore the duly elected representative when such requests are made by the latter?

**The Minister of Works, Infrastructure and Decentralization (Dr. The Hon. Carson Charles):** Mr. Speaker, my answer to question No. 67 is not yet ready. I would appreciate this question being deferred for a week so that it can be answered.

*Question, by leave, deferred.*

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

**Foreign Debt  
(Rescheduling)**

- 68.** (1) Could the hon. Minister of Finance state when the debt, rescheduling arrangements with foreign Governments and commercial institutions, will expire and, after that date, what will be the annual foreign debt that this country will be required to pay in the ensuing five years?
- (2) Could the Minister state whether his Government intends to negotiate any further rescheduling agreement with foreign governments and international commercial institutions?
- (3) Could the Minister state whether his Government intends to incur any additional foreign indebtedness before the expiry of its term of office?

**The Minister of Finance (Hon. Selby Wilson):** Mr. Speaker, the answer to question No. 68 is not as yet ready and I would like to have another week to answer.

**Mr. Sudama:** Mr. Speaker, may I make a statement? According to our Standing Orders, you are required to give three weeks' notice and what we are having is regularity of requests for deferrals on the part of the Ministers. Mind you, two weeks is quite a long time to keep these deferrals going. It gives us the impression that, either the Government is non-functional or it just would not answer questions. I just want to make that observation.

*Question, by leave, deferred.*

*The following question stood on the Order Paper in the name of Mr. Kenneth Valley (Diego Martin Central):*

**Trade School  
(Construction)**

- 71.** Would the Minister of Youth, Sport, Culture and Creative Arts kindly state when the Government plans to start construction of the Trade School in Diego Martin which was promised in the 1991 Budget?

**Mr. Valley:** Mr. Speaker, I had a call from the Minister and I have agreed to a deferral.

*Question, by leave, deferred.*

A bill to provide for the regulation of premises to ensure a high standard of childcare is provided and to provide for other matters in relation to the caring of children, [*Minister of Social Development and Family Services*]; *read the first time.*

**REBIRTH HOUSE (INC'N) BILL**

*Question put and agreed to,* That a bill to provide for the incorporation of Rebirth House and matters incidental thereto be now read the first time.

*Bill accordingly read the first time.*

**CHURCH OF SPIRITUAL METAPHYSICS**

*Question proposed,* That the bill for the incorporation of the Church of Spiritual Metaphysics and for matters incidental thereto be now read a first time

*Bill accordingly read the first time.*

**1.50 p.m.**

**CENTRAL TENDERS BOARD (AMDT.) BILL**

[THIRD DAY]

*Order read for resuming adjourned debate on question* [August 6, 1991]: That the bill be now read a second time.

*Question again proposed.*

**The Minister of Social Development and Family Services (Dr. The Hon. Emanuel Hosein):** Mr. Speaker, I rise to support the bill moved by the Minister of National Security. Having said that I want to say that my entry into this debate would not have been necessary had not the Member for San Fernando East, in the course of his contribution, made certain remarks.

Mr. Speaker, on the occasion that the Member for San Fernando East spoke, he attempted to make a point which he could not support, that there is a chance of corruption if this bill went through as proposed and with the proposed amendments. But in making that rather loose statement he made reference, in an attempt to put some substance to his wild charge about corruption with the ECHO programme for which my ministry is responsible.

Mr. Speaker, I would not have even thought it necessary to get involved had he merely made his wild charge and gone on, as I thought one could have ignored

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that as merely the obvious wild charge that it was, except that he made two specific charges and I thought it was absolutely necessary that they be clarified.

Mr. Speaker, at the time the Member for San Fernando East made his wild charge that there was corruption in the ECHO programme, I intervened to say that the ECHO programme had as its *raison d'être*, assistance to families in need. I also said that when we are talking about helping the disadvantaged there are forces even more powerful than those in this Parliament that keep an eye on these matters, and I made the point that it is something that I feel very strongly about. When he made specific charges I thought it necessary to investigate these matters and to clear the air for the records of this Parliament and, indeed, for the national community.

Mr. Speaker, the first charge, as I understood it, was that somewhere there was corruption because some group had bought tanks of gas in excessive amounts. Mr. Speaker, there is only one instance of any such matter coming to the attention of the secretariat via its supervisory mechanism and that is in the St. Patrick County area. I do not know if the Member for San Fernando East wishes to correct me and claim it was something else, so I will proceed on that basis and, indicate that it was drawn to the attention of the secretariat by the supervisory person for that county that there appeared to be a discrepancy with bills submitted by a particular organization. I could name the organization if the Member for San Fernando East cares which appears to have purchased the small cylinders of cooking gas in the month of May, appearing to have purchased double what would have been their normal amounts. I am told that, normally, this is one group that engages in prepared meals and they cook almost on a daily basis, and that group deals with a fairly large number of persons and would normally purchase between 12 and 16 small cylinders of gas per month. In May they submitted bills for 26 cylinders of gas. This was brought to the attention of the secretariat by the co-ordinator for that county and this matter was investigated.

The report I have indicates that after investigations by the Director, the deputy director and others, and a discussion with a delegation from the organization, it was revealed that the supplier had erroneously billed the organization for 26 cylinders instead of what I am told should have been 16 cylinders, totalling in monetary terms \$448.50.

**2.00 p.m.**

If we take the average of months prior, the over-billing would have been to the extent of \$241.50. So that if, perchance, anything untoward had taken place in this instance, it would have been to the extent of \$241.50.

Mr. Speaker, the Member San Fernando East stood in this Parliament and for an hour and a half defended O'Halloran as not having engaged in any corruption or bribery on the DC-9 matter, I find it amazing that he has charged corruption, for what would have been a potential problem for which there was an explanation of \$241.50.

Mr. Speaker, I want to go further and state that the particular organization, over a period of six months, has, in fact, raised funds and contributed to the programme to the extent of \$7,456. In other words, it is one of the organizations that mobilizes funds on its own to engage in this very worthwhile programme. So I make that point just to clear the air on that matter.

The other point that was made by the Member for San Fernando East was that—and I was flabbergasted to hear this—ECHO funds were used to transport persons to NAR rallies or functions. All I can say is that I know of no such thing, and I am prepared to go on record as saying that the head office of the NAR has supplied the funds for transportation to all our Patriots personally involved and I am told from all the Patriots Alert we have had, that the funds for transportation were paid directly from NAR's head office. Mr. Speaker, I will leave that matter.

What I want to do for the record is to clarify the whole question of how funds are accounted for in the ECHO programme because I think that is what is important. I want to say when I heard the charge, I immediately, on returning to my ministry, sought records from the groups that had immediately come in, and on the particular day four groups had come in, and I have these four here. They have come to me purely because they had arrived at the secretariat on that particular day. The first one is from the St. Charles Dharam Sabha, in the Chaguanas area.

Mr. Speaker, this is the accounting package. On their letterhead, addressed to the director, statement of expenditure per cheque number so-and-so, *et cetera*:

"Dear Sir/Madam,

I refer to the caption and hereby submit the following for your

- (a) report on feeding programme for the month of May;"

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It is "May" in this instance.

- “(b) names and persons receiving hampers;
- (c) names and addresses of children benefiting from meals;
- (d) accounting forms (a) and (b) ;
- (e) statements from Hi Lo Food Stores dated...”

three separate bills and the dates given, and,

"receipt from Bermudez Biscuit Company, dated..."

date given,

"and receipt for market goods dated..."

date given, and it is signed. Included, as well, is an overall statement on the organization, stating the gross amounts given, properly typed. Typed sheets, names and addresses with signatures of recipients, page after page. I want the Member for San Fernando East to keep looking. Another form giving gross figures. Typed sheets for all the children and their addresses. Bills given on the accounting form; that is gross amounts. Then the actual bills, themselves, from Hi Lo Food Stores, *et cetera*.

Mr. Speaker, this is the way accounting is done under the ECHO programme. Since the programme has started, the secretariat and the supervisory persons have been keeping an eye on all the groups. I want to remind hon. Members that these are, by and large, voluntary groups who give their service free of charge, and who are not paid in any way or remunerated in any way either out of ECHO funds or normally by any other means that I am aware.

Mr. Speaker, the secretariat, from time to time, has upgraded and amended the accounting package, have held seminars and meetings with groups to ensure compliance, because many of the persons, of course, are not accountants, and from time to time, they may not fully comply or do everything.

For the records, I want to refer to another group which came in on the same day, apparently. They distributed 76 hampers. They reported that this benefited 398 persons, a ratio of virtually 5:1. Their accounting package is here. There are bills and a sheet for the persons, the names are written in, buy there are no signatures.

In an instance like this, the secretariat will merely point out to the group that they have failed to get the signatures of the persons. What would be most unfortunate is if on seeing this, persons like the Members for San Fernando East were to charge there was any suggestion of corruption. It would be most unfortunate, because it is the Rancho Quemado Senior Citizens Group programme co-ordinator, one Sheila Lamorel. So it would be most unfortunate.

**Mr. Manning:** I thank the hon. Member for giving way, Mr. Speaker. I wonder if he would be prepared to investigate a group called People Helping People, Hunter Street, Port of Spain, Apartment 3. We would like to know who lives in that apartment and in whose name are cheques made out; who is identified as the leader of that group.

**Dr. Hosein:** Mr. Speaker, first of all, no cheques are made in the name of any individual; all cheques are made out in the names of groups.

There is no problem in checking it. If the Member for San Fernando East wishes again to make any specific charge, he may do so, the ECHO programme deals with 147 groups. A breakdown will show that these groups are resident in every single county of Trinidad and Tobago, that they involve—to the extent of more than half of the groups—mostly religious or religiously affiliated bodies, including: Catholic, Baptist, Muslim, Hindu, Seventh-Day Adventist, Presbyterian and Pentecostal. About a little less than half are community groups, and we have a list of all the persons who are responsible. As I pointed out to the Member for San Fernando East, I happen to have taken up the four that came in on the particular day, and it is only perchance, I assure him, that the group from Rancho Quemado happens to be one of them. Believe me, I made no attempt to embarrass the leader of the PNM, because the particular person responsible is a well-known PNM county councillor for many years. So I do not know how he could charge that the the programme is political, Mr. Speaker. I cannot imagine, unless the lady is a member of the old PNM.

**Mr. Manning:** Mr. Speaker, I am afraid I did not lay that charge. But while the Minister is at it, I wonder if he could tell us who is in charge of the group at Prizgar Lands, Kelly Village, Eastern Quarry, Laventille, and to whom are the cheques made out, and whether that person is in any way associated with this party. I am not charging politics at all. I am just asking a question.

**Dr. Hosein:** Mr. Speaker, if the leader—I keep referring to him as the Leader of the Opposition, maybe it is because the other one has discredited himself recently.

I am more than willing to make available to the Member for San Fernando East—he is pretending not to listen—the full list of all 147 groups. It is no secret. These are community-based groups. He can do anything he wants with them. I am merely asking if he has a specific complaint, please make it and I will have the matter looked into.

**Mr. Manning:** While the hon. Minister is at it, I wonder if he would be kind enough to tell us a little more about the Arima Welfare Group, and the purchasing practices that are associated with that group.

**Dr. Hosein:** I am not giving way again.

**Mr. Speaker:** Order, please. Are we getting into a question and answer sitting concerning the ECHO programme? We are on the Central Tenders Board (Amdt.) Bill.

**Mr. Manning:** Corruption.

**Dr. Hosein:** I only intervened in order to clear up what was a charge of corruption which I think no Government Minister could allow to pass unanswered. I had hoped to be brief and the Member is merely disturbing me and the proceeding of this House with these silly questions, really.

The point I am making, Mr. Speaker, is that there are community groups. Sometimes they need to be guided. If there is anything untoward that takes place, they are investigated. I would conclude my contribution by pointing out that if, perchance, any group spends funds on any non-approved expenditure, and that includes transportation, to the extent that this unauthorized expenditure may have, whether inadvertently or otherwise, been engaged in, it is deducted from their following month's cheque. In other words, many groups do things because they have not been properly guided in the matter or they were unaware, or may have spent funds. It happens from time to time. These matters are looked into; the group is informed; they are guided appropriately. On occasion we have had to tell groups, "Okay, you have spent funds which you should not have, you will get less the following month." This is what is done.

So I just wanted to clear the air on this matter, because it is the kind of charge that one could not have allowed to go unanswered, and I want to assure the

Member for San Fernando East if at any time he wishes to bring to my attention anything untoward—and I am not giving way to any more silly questions, I do want to get out of this debate—I want to let him know he can bring it to my attention and I will certainly look into it.

Thank you.

**The Minister of Justice and National Security (Hon. Joseph Toney):** Mr. Speaker, let me first thank most sincerely all Members for their participation and contribution to this debate on the amendment to the Central Tenders Board Ordinance.

Some of them, Mr. Speaker, particularly the Member for St. Augustine and the Member for Oropouche used the debate for their own selfish, personal motives, and to vent what is now becoming a customary trend on their part to show their hatred and their dislike for the Member for Tobago East. But by the large I have found all the contributions to this debate extremely worthwhile.

Several points were raised, Mr. Speaker, very interesting points, and in the time allocated to me, I shall attempt to respond to the queries that were raised. The Leader of the Opposition—regrettably he is not here this evening—spoke of the lack of anticipation and the lack of planning on the part of the Government for goods and services for the Defence Force and protective services. Hence, as he argued, this is the reason why we are in the position that we are in today; this is why we have had to bring the bill, because we are not planning.

Mr. Speaker, let me say that a government, in fact, any government, can draw up long-term plans for development of any sector of the country. We have long-term plans for all units that fall under the purview of the Ministry of Justice and National Security, plans that will take us way into the 21st century. However, given the time which it now takes to acquire goods and services for these various units using the Central Tenders Board, what can be achieved in one financial year, is limited. I want to make it absolutely clear, Mr. Speaker, I am not ascribing any blame to the Central Tenders Board. They are bound by their rules and their procedures.

I am submitting, however, that freed from these procedures at the Central Tenders Board, an in-house tendering mechanism at the Ministry of Justice and National Security will be able to acquire goods and services in a faster time-frame than at present exists. Let me add that it is because we are planning and anticipating what we propose to do for the Defence Force and the protective

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services over the next decade, that we have brought this piece of legislation before this honourable House.

The next issue that the Leader of the Opposition raised, Mr. Speaker, is one of corruption. He said, that to have these matters handled in-house will be a formula for corruption. As it stands now, goods and services that do not cost more than \$25,000 and \$100,000 can be acquired by the Permanent Secretary and what is referred to as a Ministerial Tenders Committee, respectively. They are bound by certain regulations of the Central Tenders Board, the very regulations which will guide the award of contracts for items and services for the Defence Force and protective services when they are done in-house; that is, of course, if this bill is passed, in which, Mr. Speaker, no Minister will play any role.

So there are very strict guidelines for accountability. The Permanent Secretary, the head of the Ministry, is always subject to the Public Accounts Committee. The Public Accounts Committee, which is made up of Members of this honourable House, can question any transaction undertaken by the Permanent Secretary or the Ministerial Tenders Committee.

Also, Mr. Speaker, one must not forget the role and the function of the Auditor General. That office can question, it can probe, it can report whatever it wishes. It can call in the police, it can call in the DPP whenever it finds any unusual financial activity. Given the trend of the debate as developed by the Member for Couva North, you may well ask, "Well, what has the Government done to stamp out corruption amongst possibly Government Members and government officials?" I want to take a brief look at our manifesto, the very manifesto that they go all over the country saying that we are not implementing. I want to take you to page 5, of part 3, the "Immediate Action Plan." I will have the Member for Couva North, when he gets the time, answer these questions himself when he goes onto the platform and states that the NAR is not implementing its manifesto.

It speaks here, Mr. Speaker, about preparing and presenting to the Parliament legislation to establish the Integrity Commission as required by the Constitution. It speaks about the introduction of the register of gifts. It speaks about the introduction of a code of ethics for Members of Parliament, Parliamentarians, public servants and members of local government bodies. I want him to answer

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that question, himself, after he comes from his jaunt, to say whether or not the Government has created the type of climate where it will be impossible for there to be corrupt Members of Parliament, corrupt Ministers or corrupt Government officials.

Another point, Mr. Speaker, where the Leader of the Opposition attempted to cast some measure of ridicule, was the desire for the confidentiality of the information leading up to the purchase of goods and services for the Defence Force and the protective services. He referred to me as being arrogant when I said that with the present arrangements, every Tom, Dick and Harry got into contact with information which, if improperly used, could lead to breaches in our security system. My good friend, the hon. Member for Point Fortin, informed him of whom I was referring when I spoke of every Tom, Dick and Harry. I want to endorse this evening every word spoken by the hon. Member for Point Fortin.

But I want to make the point as well, because sometimes these matters are spoken of rather flippantly. One gets the impression that sometimes the Government may want to be alarmist in a situation. But I want to inform you that sometimes information about security matters can get into the wrong hands. Would you believe that the information that we have is that prior to the incident last year, July, there were certain people who were trying to get the layout plans of the Red House? Do you know that we had to rearrange the purchase of a number of vehicles for the Police Service within recent times because long before the vehicles were on the streets, we had information that individuals not the least connected with the transaction whatsoever were telling their cohorts that the police were about to purchase a number of vehicles and they were able to tell you the type, make and number of these vehicles.

**Mr. Manning:** What does that mean in security terms?

**Mr. Toney:** Mr. Speaker, do we want this type of behaviour to continue, where we have these breaches? I will come to the Member for San Fernando East later on. Have no fear, I will come to you.

Do we want to have a situation where very sensitive matters that relate to provisions for our defensive units are discussed willy-nilly with people who do not have anything whatsoever to do with those matters?

**Mr. Manning:** Would the hon. Minister put in that category, servicing of a surveillance radar? Would he put that in the category of sensitive equipment, the

discussion of which he would not like to take place with people outside of the immediate system?

**Mr. Toney:** I told you I will come to you, later on, and you will be surprised what a former Minister of National Security, Sen. Donaldson, had to say about security matters. But I will come to you shortly, have no fear.

Mr. Speaker, I agree that after the items have been bought, as the Member for Couva North says everyone will know about it. But I am not concerned with what happens after the items have been bought. I am concerned with what happens before the items are bought; this is my concern.

Mr. Speaker, my friend from Couva North said that he had no problem whatsoever if this arrangement could have been put in place for the purchase of arms and ammunition for security purposes. The position now, and I am advised by the Director of Contracts, is that no information on purchases in this matter are made public. They are not even Gazetted before or after the purchase. You would not find this information in any magazine. Whether you read a magazine for relaxation or not, you will not find this information in any magazine. The reason why this is done is that on matters of this nature, no nation worth its salt, whether it is for internal consideration or for external defence considerations, tells the world exactly what is its military might. It is just not done. I want the Member for San Fernando East to know that. So you can quote from how many magazines, it is just not done.

So, Mr. Speaker, I want to make the point that sometimes, as I said, information about these sensitive matters for security purposes, can fall into the wrong hands. I think that the Member for Point Fortin made the point as to whose hands we were speaking about; people who would not hesitate to shoot at our First Lady, for example; people who will bomb police headquarters. These are the elements I am speaking about.

Mr. Speaker, in his contribution, as well, and I found it extremely improper, and in a way it was bordering on the obscene—that the hon. Leader of the Opposition should use the opportunity in this debate to make out a case for the review of the award of contracts involving another Member of Parliament, the hon. Sen. Mootilal Moonan. I do not wish to comment much on the matter, but I found it indecent and in poor taste that he should use this forum to plead such a cause. Mr. Speaker, that is the sum total of what I wish to say on the contribution of the hon. Member for Couva North.

I shall not dwell too much on the contribution made by the hon. Member for St. Augustine. He was adequately dealt with, in my view, by the Member for Point Fortin and the Member for Ortoire/Mayaro. All I will say from what I heard and what I heard quoted from documentary evidence, both from the hon. Member for Point Fortin and the hon. Member for Ortoire/Mayaro, is that it is perhaps the greatest irony in Trinidad and Tobago today that the hon. Member for St. Augustine is referred to as "Honest John." When, based on what he, himself, said in his contribution in this debate, and in particular on the award of the contract for the Scarborough Deep-Water Harbour, any description of his being honest is the furthest thing from the truth.

**Mr. Humphrey:** Will the Member give way to a question?

**Mr. Toney:** You had your time.

**Mr. Humphrey:** I want to ask the hon. Minister, Mr. Speaker, whether he was a junior Minister in the Ministry at the time.

**Mr. Toney:** Mr. Speaker, I was a junior Minister at the time.

**Mr. Humphrey:** Very junior.

**Mr. Toney:** Let me make the point. Actions that were taken on the part of the Minister would also fall on my shoulders and I accept responsibility for that. I do not run away and say I did not do that. I accept responsibility as part of the Ministry for the flouting of the rules and regulations of the Central Tenders Board on the part of my senior Minister at that time. I have no problem with that, whatsoever.

**Mr. Humphrey:** If my former junior Minister is going to charge in this House that as Minister I flouted the rules of the Central tenders Board, will he please bring proof of that? Because I contend that I never did any such thing. In my contribution I made it clear that where there was doubt we brought the Director of Contracts into the proceeding.

**Mr. Speaker:** Just before we get to that, the remark about the Member being far from honest, if I am quoting you correctly, one gets the impression that you are talking about the Member being the exact opposite in a very subtle kind of way. Well, not so subtle. I think we have to be a little more careful, as the Member for San Fernando East says, it is a simple matter, just withdraw it and let us continue.

**2.30 p.m.**

**Hon. Toney:** Mr. Speaker, it is difficult to withdraw but I will abide by your ruling.

Had I not known the facts myself, I too could have been fooled. I want to let the Member for St. Augustine know that he can fool some of the people some of the time. You know the rest.

**Hon. Member:** You cannot fool anybody at any time.

**Hon. Toney:** People will find you out; as the Member for Couva South found you out.

Mr. Speaker, I want to come to some of the points raised by the hon. Member for Laventille. It was a point also raised by the Leader of the Opposition and the Member for San Fernando East. The point they raised was this: Well, if it is that you are saying that you are having these problems in getting provisions for your protective services and the Defence Force, in as quick a time as possible, why do you not go via the route of what is referred to as the "sole selective tender"? I have heard that argument many times before, and whilst in some instances, the pace for the award of a contract is quicker by the use of the sole selective tender method, that is not always so. It is a fallacy to say that if you use the sole selective tender route, that you can quicken the award for a contract. Let me give some examples. The sole selective tender procedure is contained in section 20(b) of the Central Tenders Board Ordinance. It says, and I quote:

"The Board shall, subject to the approval of the Minister, invite such bodies or persons as may be selected by the Board to make offers for the supply of such articles or for the undertaking of such works or services, as the case may be, whenever the Board considers it expedient or desirable so to do. The procedures to be adopted are:

1. The Ministry request the Director of Contracts to invite a selective or sole selective tender, and justification for this choice of tendering should be given;
2. The firm or the supplier be registered with the Central Tenders Board;
3. The Director of Contracts seek the approval of the hon. Prime Minister, under whose portfolio the Central Tenders Board falls, for the sole selective tender to be invited;

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4. On approval, the invitation to tender is issued to the firm or the supplier selected;
5. The tender when received is sent to the Ministry for a recommendation of acceptance or otherwise;
6. The tender if accepted, an award is granted by the Central Tenders Board on the recommendation of the Permanent Secretary of the Ministry."

This is what the procedure is. I want to give you an instance where we had a situation at our Ministry, where we needed some very sophisticated engines to repair our coast guard boats. Let me tell you the steps that were taken. The Coast Guard made an application to the Ministry; the Ministry made an application to the Central Tenders Board; the Central Tenders Board made an application to the Prime Minister; the Prime Minister responded to the Central Tenders Board; the Central Tenders Board made the necessary invitation. A proposal was sent to the Central Tenders Board, and the Central Tenders Board reported to the Ministry; the Ministry reported to the Coast Guard; the Coast Guard reported back to the Ministry; the Ministry reported to the Central Tenders Board; the Central Tenders Board considered and made an award; the contractor had to make the necessary deposits.

**Mr. Valley:** Mr. Speaker, is that not the same procedure to be followed by every Ministry? If that is so, and if there is a need to make the amendment, does it not point to the need to do a comprehensive overhaul of the Central Tenders Board legislation?

**Hon. Toney:** Mr. Speaker, I have absolutely no problem with the argument about an overhaul of the entire Central Tenders Board Ordinance. I am saying, in the circumstances, and if we need to get, very quickly, for our security services, the goods and services that they need for the security of Trinidad and Tobago, then we have to accept this amendment to the Central Tenders Board Ordinance. That is our argument.

**Mr. Valley:** Mr. Speaker, is it not a fact that the Ministry of Health may want to come next week with a similar argument?

**Hon. Toney:** Mr. Speaker, as I said, I have absolutely no problem with any move to overhaul the Central Tenders Board.

**Mr. Manning:** Mr. Speaker, I am not trying to be difficult. Just to follow up on the points raised by my colleague from Diego Martin Central. Is it not really that a case has been made out here, in the view of the Government, for the complete removal of the Central Tenders Board Ordinance and the Central Tenders Board. That is the argument that has been raised, if the Minister accepts that he will not be surprised if the Ministry of Health comes next week with a similar argument. In other words, this Parliament might well be getting itself into a very difficult position by agreeing to the bill, as argued before us.

**Hon. Toney:** Mr. Speaker, let me make the point again, that our security services, as they stand at this moment, need very quick action, and we, as a responsible Government, are doing what we can, in the circumstances, to ensure that the necessary goods and services for the security units are placed at their disposal in the shortest possible time-frame.

I am making the point that in some instances where there is need to have a foreign input into matters that come under the sole selective tender purview, there are other considerations and other steps to be made. It is not quite correct to say that the sole selective tender route is the quickest route to go, in the circumstances. What I want to point out as well, is that, in all instances where in the procedure, which I have outlined to you earlier on, to achieve an award under the sole selective tender route where the Central Tenders Board is mentioned, if we have the amendment to the Central Tenders Board, that we are proposing here this evening, the Central Tenders Board will be replaced by the special committee at the Ministry. So that we would cut out the need to go to the Central Tenders Board for these various approvals.

**Mr. Manning:** Is it therefore that the Minister is suggesting—because that is the effect of the argument—that he is merely replacing the Prime Minister, in this case, by the Ministry of National Security? This is the reality of it.

**Hon. Toney:** The Member is so quick to jump up and make his comments. He had all his time. He talked all his nonsense, and I listened to him; I did not disturb him.

The point I want to make is that—and I have made the point earlier in my contribution—the rules, as drafted, give the Minister of Justice and National Security no role whatsoever in the award of contracts that fall within the purview of his Ministry. I want to make that absolutely clear.

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**Mr. Humphrey:** Would the Minister give way to a simple question?

**Hon. Toney:** Go ahead.

**Mr. Humphrey:** Mr. Speaker, the Minister was saying that there are procedures that are time-consuming. Will the Ministry not have to have procedures, as well, that could well be time-consuming? Would it not be necessary to have checks and balances to ensure that there is accountability and that serious mistakes are not made?

**2.40 p.m.**

I said that rules and guidelines would be drawn up. I also said that once we have an in-house mechanism, the necessary procedures that had to be taken in respect of the Central Tenders Board will be cut out and we would have a shorter route to go to get the goods and services for members of the protective services.

My friend from Laventille also asked whether the new arrangements—as she referred to them—would inspire public confidence in the integrity of the new arrangements. She also spoke about the whole issue of accountability. The point I want to make is that the rules as drawn up, make provision for the Permanent Secretary of the Ministry to be the chairman of this special tenders committee. The present arrangements make provision for the Permanent Secretary to spend up to a maximum of \$25,000 for goods and services and it also makes provision for him to be chairman of a ministerial tenders committee, which can spend up to \$100,000.

I want to say that as far as accountability goes, arrangements are in place where questions can be put to Ministers; where questions can be posed by the Public Accounts Committee; and where queries can be made by the Auditor General so that public moneys can be accounted for.

We are not going to behave as the Member for St. Augustine, who gave out contracts willy-nilly to his friends to clean out drains and rivers—

**Mr. Humphrey:** On a point of order. The Minister is misleading this House. I want to point out to this honourable House that the Permanent Secretary in the Ministry of Works, Settlements and Infrastructure, recommended the award of the contract to Realsons Limited, which is a fact. Now if he is saying that he is going to rely on the Permanent Secretary for proper accounting and proper decisions, then he must blame the Permanent Secretary in the Ministry of which he was a junior Minister, for taking that decision. I did not award any contracts. He is talking absolute nonsense

**Mr. Toney:** I was there. He called in his friends and told them; "You take Diego Martin river and you take this one and you take that one."

**Mr. Humphrey:** On a point of order. The Member is misleading this House. What he is saying is totally untrue and he knows it. He was a party to it.

**Mr. Toney:** This is why I am able to say this because I was at the meeting. I would tell about that afterwards. I was subjected to a lot of criticism because I met contractors—

*[Crosstalk]*

**Mr. Speaker:** Order please! Let the Minister continue, please.

**Mr. Toney:** Mr. Speaker, I thank you kindly for your protection.

What I want to say is that, after the improper award of contracts by my friend from St. Augustine, I was subjected to the most bitter criticism by other contractors, because they were meeting me on the streets and telling me that our Ministry was discriminating against them, that because they were not the friends of the Member for St. Augustine, they could not get contracts as well. This is what contractors met me and told me.

**Mr. Humphrey:** Mr. Speaker, again, on a point of order. The Member for Toco/Manzanilla was a Minister and I want to tell this House that he, as my junior Minister, never brought these complaints to me. In fact, I suggest that he is inventing them. Let him name the contractors who complained to him. Why did he not bring those complaints to the Minister at the time?

**Mr. Sudama:** Why are you only saying this now, two months before election?

**Mr. Humphrey:** You are a totally dishonest, man, Toney.

**Mr. Sudama:** Two months before election, they are finding all sorts of things.

**Mr. Toney:** Mr. Speaker, all I want to say is what was told to me and the criticisms that were told to me. *[Interruption]* I think that was the time he ran up here to the Red House; we could not find him. He sought refuge in the Red House; abandoned the Ministry; and the Member for Ortoire/Mayaro will tell you

that he came and he sought refuge here. You could not find him. He was the senior Minister and you could not find him; he was hiding in the Red House.

**Mr. Manning:** Mr. Speaker, would the hon. Minister be kind enough to give way?

**Mr. Toney:** You get up again?

**Mr. Manning:** The charge that is being made by the hon. Member for Toco/Manzanilla is exactly the same charge that was made—

**Mr. Speaker:** You are going to have to tell me which Standing Order you are intervening under. I am trying to find one to bring order to the proceedings.

**Mr. Manning:** The Member has given way, Mr. Speaker.

**Mr. Speaker:** Let us see when a Member can give way.

**Mr. Manning:** There is no Standing Order, Mr. Speaker.

**Mr. Speaker:** Well, I am asking you to help me. Do not jump to conclusions. We have a debate proceeding. The only time a Minister should give way is when a Member, who has spoken previously, wants to elucidate on some matter in reference to his contribution. That is the Standing Order. What is going on here in this debate this afternoon, is the manner in which we should conduct ourselves during the committee stage of the bill.

So, may we allow the Minister to continue, please?

**Mr. Toney:** I am grateful for your protection, Mr. Speaker.

I want to move on to my friend from Barataria/San Juan. He raised a point about Camp Mucurapo. Let me say that the advice that we have from our military personnel is that a site within proximity of the centre of Government was considered essential and it needed to be big enough to accommodate a battalion-size body of men. In addition—if I could help my friend from Barataria/San Juan—the prospective site needed to be adjacent to a set of major roads to allow for quick deployment of the troops, if this became necessary.

There were not many options available and the choice was narrowed down to two localities. One, the Port Authority lands at the western end of Wrightson Road and; two, state lands at Mucurapo. In selection of the site at Mucurapo—which was the site that was finally determined—consideration was given to the following points:

- (a) The construction of a military barracks to house approximately 750 men which can be utilized in a multi-role function;

That is, a base for operations in case of natural disasters and periods of unrest.

- (b) Well-established lines of communications;  
That is, a sea port and a well-defined road network;

- (c) Enhanced security for surrounding areas of Woodbrook, St. James, the dock area and Port of Spain, generally;

- (d) Quicker response to natural disasters.

Of course, improved facilities would lead to higher morale and increased efficiency.

The military advisers also pointed out that the construction of barracks at Mucurapo would see the first phase of the withdrawal of the army from Chaguaramas; allowing for the development of Chaguaramas in accordance with plans, already drawn up, by the Chaguaramas Development Authority.

Militarily—and I think that this is well known—from a strategic standpoint, Teteron has always been unsuitable for a military barracks. I want to point out—and this is the advice that we have from the military advisers—and make it absolutely clear, that no military manoeuvres or training will be carried out at Mucurapo. So the residents of surrounding areas need have no fear of the soldiers. They may have fear of other people but certainly not the soldiers. Instead, their presence in the area could lead to a greater sense of security among residents of Woodbrook and St. James, especially.

So this is the background that led to our decision to site the barracks at Mucurapo. Also, I found it a bit strange that a person who has some sort of acquaintance with sports should be suggesting that the area be reserved for a sporting facility, when right next door you have the stadium. I am wondering if that would not be too much of a centralization of sporting facilities in one place in Port of Spain.

**2.50 p.m.**

**Mr. Butcher:** Could I just clear a particular matter please? The Minister said that the military advisors advised on this. One of my major points was, that was the last remaining land available for sport and recreation and it was now under the Ministry of Youth, Sport, Culture and Creative Arts. It was the last 16 acres of land west of Port of Spain. We have no more land left. I want to know if

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the sporting advisors were also involved with Town and Country Planning in advising on the use of that land?

**Hon. Toney:** The Town and Country Planning Division indicated that they had no objection on land use plans for development of the area for the Trinidad and Tobago Regiment Barracks, subject to certain conditions. That is, it must get the approval of the Institute of Marine Affairs; the Director of Surveys; it must go through the Ministry of Works; the Highways Division the Drainage Division; the Chief Architect must also connect the Water and Sewerage Authority, the Fire Services Department and so on. The Town and Country Planning Division said that they are giving approval subject to the fact that no military exercises will take place on the site. Town and Country Planning has given its blessings to this project.

I want to make the point that this Government has always been ready to comply with all the various agencies that have to give approvals for buildings and projects in Trinidad and Tobago. It is a pity that other groups in the country do not follow the example of this Government.

**Mr. Butcher:** On a point of order, please. I believe that the Minister is misleading the House, in that there is a major contradiction. The Minister said that in the military advisors' consideration, they wanted a place centrally located for quick mobilization if necessary. Yet Town and Country is giving permission, but with a condition. They are saying that they should have no drills and other activities there, from what he is saying. Town and Country Planning is putting conditions on the use of that place. There are serious contradictions and I want to make that point here and let it be recorded.

**Hon. Toney:** Mr. Speaker, I have to confess that I fail to see the contradiction, as mentioned by my good friend, the Member for Barataria/San Juan.

I come to the contribution from my friend from Oropouche. I am sorry he is not here. I was reading through his contribution last night and I must confess I found nothing to respond to. The Member for Point Fortin had responded and I do not think there is anything new that I would have to add to what my friend from Point Fortin said in his contribution in this debate. I certainly would not wish to add anything to his present woes—the Member of Parliament for Oropouche—I know that he is coming to the end of his political career and he is

preparing to give way to a young and dynamic member of the National Alliance for Reconstruction. I would not dwell too much on him.

I want to say a few words on the contribution from my friend, the Member for San Fernando East. In his contribution, the Member behaved as though it was the first time that matters were being taken from the purview of the Central Tenders Board. Firstly, I want to refer him to Act No. 36 of 1979. What I refer to as the Government-to-Government Contract Amendment. *[Interruption]* The *Ballah Report* is there. I also want to refer him to Legal Notice No. 70 of 1981, where from within the purview of the Central Tenders Board the following corporations and authorities were taken away. I refer to the Industrial Development Corporation, the Public Service Corporation, the Water and Sewerage Authority and the Port Authority. So, for him to behave as though this is the first time that matters are being taken from the purview of the Central Tenders Board is, to my mind, not to give an accurate picture of the amendments which have been made over the years to the Central Tenders Board Ordinance.

**Mr. Manning:** Would the Minister be kind enough to give way?

**Hon. Toney:** A point of order? No, man. You had your time to talk.

**Mr. Manning:** So that I can clarify a point made in my own contribution?

**Hon. Toney:** Mr. Speaker, let us look now at what took place in both Houses at the time during that debate on the government-to-government contract. I was astounded when—

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

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. *[Hon. B. Tewarie]*

**Hon. Toney:** Why are you so jumpy?

This is an amendment that was going to say that we should have these government-to-government contracts. I will read what took place on that day, Friday, August 10, 1979, in the Lower House. It was moved by the Minister of Energy and Energy-based Industries at the time, the hon. E. Mahabir.

I am going to read it because it is so short; it is not going to take more than two minutes. He gave a short explanation that a bill to amend the Central Tenders Board be now read a second time. He goes on:

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"On January 12, 1979, Cabinet agreed that the hon. Attorney General and Minister for Legal Affairs should prepare a suitable amendment to the Central Tenders Board Appointment of Consultants Order 1977, so as to ensure that consultancies of all kinds fall within the purview of the Central Tenders Board.

It should be noted that the President, by virtue of the powers conferred on him by section 42 of the Central Tenders Board Ordinance and by the Order referred to above, extended the functions of the Board to include the appointment of consultants.

The bill contains two important elements:

- (1) To amend the Central Tenders Board Ordinance of 1961 by excluding from the provision of that Ordinance certain contracts entered into by the Government of the Republic of Trinidad and Tobago with the governments of others states or other agencies.
- (2) To extend the definition of consultants in the Order to include marketing consultants or technical or managerial consultants.

Government has decided as a policy, to enter into Government-to-Government arrangements for the development of certain key sectors of our economy. In pursuance of this objective, it is necessary that arrangement has been made for the timely execution of these projects. This bill seeks to ensure this.

In addition, the bill will encompass consultancies of all kinds and not only marketing, as experience has shown that our future economic development will depend on obtaining advice from consultants in many areas of our economic life."

That is the end of his contribution.

**3.00 p.m.**

*"Question proposed.*

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

*Clauses 1 to 9 ordered to stand part of the bill.*

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

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

What he should ask is, who was the Minister in the Ministry of Finance at the time, under which the Central Tenders Board fell. That is the question he should have asked—Hon. P. Manning. He said nothing, not a single word. But I am told, Mr. Speaker, that at the time he could not speak, they used to “boof” him, they used to tell him to shut up and so on, so I do not know what took place.

Why I am so shocked is that these government-to-government contracts, did not cater for any sub-regulations whatsoever. I will read excerpts from the *Ballah Report* for you just now. These government-to-government arrangements: Mount Hope Medical Complex—\$1.5 billion; Hall of Justice—\$400 million; Twin Towers—\$500 million. These were the sums of moneys they were dealing with. You see how they passed the legislation? The Member for San Fernando East was a member of the Cabinet at the time. Mr. Speaker, you see how they want to shift the blame; always attempting to shift the blame. There were no sub-regulations and we are just talking about the base figures. We are not talking about what was siphoned off—who got Japanese gardens; who got Japanese houses and so on and so forth. We are not talking about that. I think that my friend from Naparima, dealt quite adequately, in his presentation, with the *Ballah Report* and on the arrangements, but I must say a few things on the *Ballah Report* because billions of dollars have been involved. In the introduction of the *Ballah Report*, it says here:

"The Prime Minister and Minister of Finance, in his *1979 Budget Speech*, introduced a fundamental departure from the traditional method for the implementation of development projects in Trinidad and Tobago. He introduced a system of Government-to-Government arrangements as a novel formula for the expeditious implementation of Trinidad and Tobago's development projects".

Nothing is wrong with that. But at the end of it all, this is what they had to say. This was not written by the NAR, you know. This was written by top public servants.

"Contract Agreements

In some cases, works have commenced on the basis of a draft contract agreement prepared by a foreign government."

**Mr. Palackdharrysingh:** Mr. Speaker, on a point of order. Page 35, Standing Order, section 4, I think the hon. Minister is trying to misrepresent the context in which I placed my statement. I want him to know that I was equally critical of his Government's response, especially in the light that the Member for Point Fortin indicated that the proposals were more or less akin to the previous government's position. I do not want him to give the impression that I was supportive of his Government in this matter.

**Hon. Toney:** Mr. Speaker, I want to say that I expect the Member for Naparima not to support this amendment. After all, he has to look after his seat. He wants to get a seat and if the Member for Couva North says he is not going to support it, he has to follow suit.

The point I want to make is that the contract was prepared by the foreign government and it also went on to say that:

"There is no standard form of Agreement on Government-to-Government contracts."

Billions of dollars being spent; no standard form of agreement. It also went on to conclude:

"The Government-to-Government arrangements were badly conceived and are being poorly executed."

I want to recommend this *Ballah Report* for the reading of my good friend, the Member for Port of Spain East. He is always making the point about poverty and destitution and homelessness of the people in his constituency and surrounding areas. I want him to have a look at the report and to see how billions of dollars of taxpayers' money were spent and understand why there is now destitution and poverty.

**3.10 p.m.**

Read the report and see. To crown it all, Mr. Speaker, the Member for Diego Martin Central said; "Well we took action on the report." It reminds me of the attitude of the PNM to the Drug Report as well; "We got the report and we took action on it," whilst taxpayers' moneys are being let out of back doors.

Mr. Speaker, in respect of the 1981 Order, where they excluded from the purview of the Central Tenders Board Ordinance the PTSC, WASA, IDC and the Port Authority, the various ministries were left to work out the various tendering procedures for the award of contracts. This is basically what we are attempting this evening.

I want to say that we do not propose to go in the direction of having these rules and regulations being kept a secret. We will lay them bare for the national community to see exactly in what direction we propose to go. This is why I am going to suggest later on in the committee stage, an amendment to the following clause which says:

"The President may by order make rules governing the award of contracts for items and services referred to in the Third Schedule."

I am going to suggest that it be amended to "shall" so that it will be compulsory; it will be mandatory, and these rules and regulations will be put before the national eye.

Mr. Speaker, I was shocked when the hon. Member for San Fernando East said, "Well you know, you people are making amendments since the first reading. You are coming with amendments and you do not know what you are doing." That was his argument and I was amazed. As far as I understand it, the rules of the conduct of proceedings in this House, allow for amendments. This is why there is a first reading of a bill; a second reading; this is why there is a committee stage and then there is the third reading. So at any time in the proceedings amendments can be made.

Mr. Speaker, he also made the point about the retroactive nature. He said that maybe we are doing this because we have to; we want to cover up some sort of track that we had cut before. I want to make the point that if we are to go in that direction, there must be a certain clause in the bill. I do not know who gives him legal advice, but certainly, in this debate, he demonstrated an astounding lack of legal knowledge and an astounding lack of parliamentary procedures.

**Sen. Valley:** Mr. Speaker, the Minister would recall that on those same contracts that he said his friend gave away to other people in 1987, there was no such clause in the bill, but at the committee stage such a clause was added to allow for retroactivity in the other place.

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**Hon. Toney:** Maybe he would want to discuss that matter with the hon. Member for St. Augustine. After all, they are very close colleagues these days, I am told; helping out one another, giving a hand here, and there and so on. It is amazing.

Mr. Speaker, I want to turn to something I saw, and it was in the debate on the Central Tenders Board (Amdt.) Bill when it was being debated in the other place. This was in 1979. I raise the point because my friend in his attempt to be ridiculous, said, "Well what is this all about? You going to buy a few dogs and you have to come to amend the Central Tenders Board Ordinance, and if you want to do these things you have to go through the Central Tenders Board Ordinance."

While I was looking through the debate on the last occasion when the Central Tenders Board was amended in 1979, Sen. Donaldson—he was then the Minister of National Security and External Affairs—I am told that they do not want him on their slate at all. Is that true? I will sit down and allow him to answer. He is a fairly young man. I do not know if he is the old PNM or new PNM. I know they all have their oldness and their newness.

Mr. Speaker, and he was saying:

"I think we should look at what has been the Government's practice even in the areas where today the Government is of the view that the Tenders Board need not necessarily be involved."

This is the Minister of National Security speaking in 1979.

"In the Ministry of National Security..."

And this is the first ministry that he came to.

"you have to buy horses, dogs, etc."

This is Sen. Donaldson speaking.

"You cannot look at a horse and ask people to tender. There are certain difficulties and problems in observing the normal procedure. We have decided that if you are going to buy horses or dogs or animals generally, you get a member of the Tenders Board to accompany the vet, etc., in checking out the facilities or whatever you want to buy, and on that basis, act."

This is for your consumption, Member for San Fernando East.

**Mr. Sudama:** What is the point?

**Hon. Toney:** You will never understand the point. The point I want to make is that even at that point in time, the Minister of National Security was saying that the possibility existed that the Central Tenders Board was in no way of tremendous assistance to him in his work at the Ministry of National Security.

**Mr. Manning:** May I ask you a question? Then what therefore—

**Hon. Toney:** No. I am not allowing you to ask a question. When you see Mr. Donaldson ask him what he meant by that.

Mr. Speaker, it is a fundamental mistake to state that there will be no procedure for the award of such contracts because the award of contracts is for items and services for the Trinidad and Tobago Defence Force and the protective services. I want to give the House the assurance this afternoon, that there shall be no involvement on the part of any Minister, certainly not under an NAR Government, in the award of contracts being made under what will be referred to as a “Special Tenders Committee” in the Ministry of Justice and National Security, when this bill is passed.

Let me conclude by saying that the single intent of this amendment to the Central Tenders Board Ordinance is purely to facilitate the activities of a ministry which is highly sensitive and to allow the Ministry to proceed to carry out its mission in the most efficient and effective manner. Mr. Speaker, I beg to move.

*Question proposed,* That the bill be read a second time.

*The House divided: Ayes 19, Noes 8*

**AYES**

Robinson, Hon. A.N.R.

Hosein, Hon. Dr. E.

Dookeran, Hon. W.

Johnson, Hon. J.

Richardson, Hon. S.

Myers, Hon. L.

Charles, Hon. Dr. C.

Wilson, Hon. S.

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Henry, Hon. G.

Samaroo, Hon. Dr. B.

Tewarie, Hon. Dr. B.

Toney, Hon. J.

Hector, Mrs. M.

Hem Lee, Mr. O.

Fox, Mr. J.

Raphael, Mr. R.

St. George, Dr. A.

Butcher, Mr. K.

Sanderson, Mr. A.

**NOES**

Manning, Mr. P.

Donawa-McDavidson, Mrs. M.

Humphrey, Mr. J.

Sudama, Mr. T.

Marshall, Mr. M.

Roopnarine, Mr. G.

Palackdharrysingh, Mr. R.

Valley, Mr. K.

*Question agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

**3.20 p.m.**

*Clauses 1 and 2 ordered to stand part of the bill.*

*Clause 3.*

*Question proposed,* That clause 3 stand part of the bill.

**Mr. Toney:** Mr. Chairman, I beg to move that clause 3 be amended by inserting in paragraph (a) (iv) under item (f) immediately after the word “are”, occurring in line 2, the words “approved by the Minister as being.”

Mr. Chairman, I also beg to move that subclause 3(b) be amended by substituting for section (2B) the following:

“The President shall, by order:

- (a) make rules governing the award of contracts for items and services referred to in the Third Schedule;
- (b) amend the Third and Fourth Schedules.”

*Question put and agreed to.*

*Clause 3, as amended, ordered to stand part of the bill.*

*Clause 4.*

*Question proposed,* That clause 4 stand part of the bill.

**Mr. Toney:** Mr. Chairman, I beg to move that clause 4 be amended by as follows:

Replace the words of Item 2 of the Third Schedule with the words “repair and maintenance of aircraft, equipment and vehicles including coast guard vessels.”

Replace the words of Item 5 of the Third Schedule with the following: “vehicles, aircraft, marine craft, mechanical equipment, and parts thereof.”

Replace the words of Item 6 of the Third Schedule with the following: “wireless equipment and spares including the radar systems.”

Include as Item 7 of the Third Schedule the following: “horses and dogs.”

Include as Item 8 of the Third Schedule the following: “rations.”

Include as Item 9 of the Third Schedule the following: “construction of physical facilities.”

*Question put and agreed to.*

*Clause 4, as amended, ordered to stand part of the bill.*  
*New Clause 5.*

**Mr. Toney:** Mr. Chairman, I wish to include a new clause 5 which reads as follows:

“This Act shall become law on proclamation by the President.”

*New clause 5 read the first time.*

*Question proposed, That the new clause be read a second time.*

*Question put and agreed to.*

*Question proposed, That the new clause 5 be added to the bill.*

*Question put and agreed to.*

*New Clause 5 added to the bill.*

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

*House resumed.*

*Bill reported, with amendment; read the third time and passed.*

#### **CARICOM ENTERPRISES BILL**

*Order for second reading read.*

**Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie):** Mr. Speaker, I beg to move that the Caricom Enterprises Bill, 1991, be read a second time.

Mr. Speaker, the Caricom Enterprises Bill, 1991, which is now before this honourable House, simply seeks to give legal effect to the provisions of the agreement to establish a regime for Caricom Enterprises. It is one of the instruments among a package of measures which are to be implemented in the context of the single market and one might say the single economy, which is to come into effect in 1994, in Caricom.

At the outset, I wish to emphasize that bringing this bill before this honourable House is in keeping with Trinidad and Tobago's own commitment to the Caricom integration movement, and in so doing, adherence to the various common market instruments by member States has become necessary in order to

further strengthen the very foundations for economic advancement of our regional economy.

The Heads of Government have repeatedly endorsed, at their various conferences, the need to strengthen the regional bloc, particularly at this time as new configuration emerging from globalization and international competition could have serious consequences for caribbean trading relationships in the future.

On the other hand, it is our prerogative to implement the Articles of the annexed Treaty of Chaguaramas which had been designed to strengthen and deepen economic development within the regional context.

In this context, Mr. Speaker, the following articles of the Annex to the Treaty have direct relevance in setting up an enterprise regime which seeks to develop economic activities in the common market on the basis of joint enterprises between national investors with the added advantage of developing regional entrepreneurship and managerial as well as technological capacity in the production of goods and services on the regional basis.

Article 46 provides for the promotion of industrial development through greater utilization of regional raw materials, provides also for the creation of production linkages within and among national economies. It provides for the minimization of product differentiation, and the achievement of economies of large-scale production; it encourages greater efficiency in industrial production; it encourages the promotion of exports bought within and outside the Caricom market; it also focuses on enhancing the equitable distribution of the benefits of industrialization throughout the region.

Article 47, on the other hand, provides for the development of joint projects, for the increased utilization of natural resources within the Caricom market, while Article 49 provides for the rationalization of agricultural production within the common market with a view to promotion complementarity in national agricultural programmes. These provisions in the Annex to the Treaty of Chaguaramas, have laid the foundation for the Caricom Enterprises Regime in the present economic thrust in the region. Trinidad and Tobago now finds it necessary and prudent to take advantage by acceding to this Regime. Some entrepreneurs from Trinidad and Tobago have already started investing in enterprises in Caricom, and through this medium the Regime will augment further the more profitable investments, taking advantage of comparative advantage.

The Caricom Enterprises Regime is designed, therefore, to promote joint ventures among nationals of one or more member States of Caricom in activities

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which are intended to bring significant economic benefits to the region as a whole. It is seen as one of the instruments to facilitate the development of the single market and single economy. In the light of other common market instruments, this honourable House will recall that Trinidad and Tobago was the first member State in Caricom to implement the common external tariff (CET) on the targeted date of January 1, 1991. We were the only country in Caricom at that time to meet the deadline.

Trinidad and Tobago in fact, did ratify the Rules of Origin on that date, even though this instrument has not yet been implemented throughout the rest of Caricom. To date, however, seven member States have introduced the CET and have also ratified the Rules of Origin. In light of the urgency in the implementation of these instruments, the recently concluded 12th Heads of Government Conference agreed that full implementation by member States of the CET and of the Rules of Origin should be completed by October 1, 1991, and other countries are seeking to honour that deadline.

The Conference also noted that the revised harmonization of the fiscal incentive scheme is currently being revised and should be ratified shortly. In the areas of other common market instruments in support of production and trade, the Caricom Enterprise Regime and the Caricom Industrial Programming Scheme now need only enabling national legislation to become operational.

Hence, there is necessity for Trinidad and Tobago to give legal effect to the current bill before this honourable House. Mr. Speaker, giving approval to this bill, which was carefully considered at various levels, by the government of Trinidad and Tobago, for a considerable period of time, would be in keeping with the thrust of the single market which will be based on the free movement of goods and services, capital and labour, with supporting monetary, fiscal, and economic policies. There would be additional harmonization of economic policies to provide for a much higher degree of production integration. While the common market had primarily focused on the trade liberal situation, the single market will focus on the provision of a supportive base for the integration of production, more efficient allocation of resources, and therefore more competitive production for all markets. These would be facilitated through the free movement of labour, as well as capital.

For Trinidad and Tobago to keep abreast of these measures which will be introduced in the coming years, we feel that the Caricom Enterprise Regime is an essential element to buttress the integration of production in Caricom, and which

can be seen in the context of broadening the base for investment opportunities in the Caricom region. Of course, the bill really focuses on joint investment prospects. The Regime, therefore, has actually paved the way for a legal framework for the establishment of business enterprises across boundaries in the Caricom region. This Regime would augur well for all of our own businessmen to spread their investment portfolios outside of Trinidad and Tobago as well as encourage businessmen from other countries within Caricom to invest here with some of our own.

The agreement of the Regime itself, at Article 3, has stated the purpose and functions of a Caricom enterprise and has identified particular areas where investments can take place. In most of these areas, Trinidad and Tobago has a distinct comparative advantage for investment. The Regime would also be administered an authority which would identify appropriate enterprises to be classified as a Caricom Enterprise, so that this enterprise would then enjoy the benefits that would be accrued under the Regime. This, of course, is taken care of under Article 12 of the bill which spells out the benefits to be enjoyed by Caricom.

In addition to those benefits which are mentioned in the bill, I wish to simply mention four additional direct benefits which will accrue from the bill. First of all, under the Foreign Investment Act, 1990, which we passed in this honourable House and in the other place, citizens of Caricom member countries have been facilitated with investment opportunities in Trinidad and Tobago because they are treated just as we would any Trinidad and Tobago citizen. Similarly, Jamaica, Barbados, and Guyana have also provided unrestricted investment opportunities for Trinidad and Tobago nationals, and as a result, we have significant investment now developing from the Trinidad and Tobago business community in all three of these islands.

This is the second benefit: The Caricom Regime certainly seeks to build investor confidence so that more funds for investment could be generated throughout the region, and secondly, more funds could be made available to each of the various islands, and we hope some of them will flow to Trinidad and Tobago. Thirdly, products of these enterprises will automatically get Caricom duty-free treatment within the regional trading arrangement. Finally, it is to be

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noted that in terms of enabling legislation to give effect to the Caricom Enterprise Regime, the following countries have already introduced legislation, so, in this particular instance, we are behind Jamaica, Barbados, and Grenada. Montserrat has only ratified it so far, but we are still coming behind Jamaica, Barbados, and Grenada.

Mr. Speaker, I beg to move.

*Question proposed.*

**Mr. John Humphrey** (*St. Augustine*): Mr. Speaker, we on this side, really have no problem with this, except that it is taking so long to achieve what the founding members of the Caribbean community had stated was desirable for our community.

The hon. Minister, in presenting this bill indicated that the single market should come into being in 1994. This is 21 years after the bringing into being of the Caribbean Community by treaty, the signing of which occurred on July 4, 1973. It was done at Chaguaramas and signed by Errol W. Barrow, for the Government of Barbados; L.F.S. Burnham, for the Government of Guyana; Michael Manley, for the Government of Guyana; Michael Manley, for the Government of Jamaica; and Eric Williams, for the Government of Trinidad and Tobago. Now we have to admit, Mr. Speaker, in Caribbean history, all of these names loom large, and the question we have to ask is: Why is it taking so long for a Caribbean region that has a commonality of interests and has a very similar history of colonialism and independence and neo-colonialism to establish a common market?

Mr. Speaker, looking at Trinidad and Tobago's position *vis-a-vis* Caricom, we must ask ourselves if this is the only route that we can consider for enhancing our economic opportunities and benefits. As desirable as it might be, Mr. Speaker, I think things have changed dramatically since July, 1973, to the present time. Trinidad and Tobago, in the last decade has performed abysmally in terms of its economy, and conditions are worsening. With the coming into being of a new Government in December of 1986, there was great promise for our country with the hope that we could turn the economy around, we could roll back the recession that had continued unabated for the previous six years. With all of the promises that were made and all of the hope that was enjoyed by the people of this country, the last four and a half years have demonstrated that we have not, in fact, made any gains whatsoever. It has been exactly the opposite.

**Dr. Tewarie:** Mr. Speaker, I simply want to make a point, because these assertions somehow take on the aspect of being reality.

The evidence that is, Mr. Speaker, provided by documentation made available to the public by independent people, will indicate that the rate of unemployment, the amount of foreign reserves, the amount of investment, and what is happening on the stock exchange, all of these things indicate that the economy is not in any doldrums, as the Member suggests, but that there has been definite progress and that the recession has, in fact, been rolled back.

**Mr. Humphrey:** I do not know where the hon. Member gets his evidence.

**Dr. Tewarie:** I am talking about Central Bank reports, Mr. Speaker, I am talking about CSO figures.

**Mr. Humphrey:** If we look at other sources of evidence, for example, *Caribbean Development Bank Annual Report, 1990*, where it is clearly shown that the more developed countries of the region have not done as well as the less developed countries of the region—Trinidad and Tobago is one of the more developed countries, and in fact Trinidad and Tobago is the only country of the region that is a supplier of petroleum and petroleum products, the only one, all the others depend on importing that vital commodity. We have the energy that we require; we have the lubricants that we require. We have the means of earning foreign exchange that none of them have. On average, the more developed countries of the region in the period 1986 to 1989 showed a gross domestic product per capita of \$2,924, accepting that Trinidad is above the average, slightly. But another source that is of more concern, is the decline of gross domestic product that has occurred in the last ten years as reported by the World Bank. We have an average decline of five point something per cent in the ten-year period, 1980 to 1989, and in the three-year period of the NAR, 1986 to 1989, according to the Caribbean Development Bank, we have a decline of 4.9 per cent average. These are the figures that are of concern, Mr. Speaker. We have an unemployment level that is not improving, in fact, there are many make-work programmes that impact on the statistics, but there is nothing in the foreseeable future that gives the slightest promise of the creation of substantial permanent jobs for the enjoyment of the people of Trinidad and Tobago.

The Government of Trinidad and Tobago, since 1986, has borrowed tremendously from both foreign and local sources to the extent that the national debt has increased by an average of 16 per cent per annum.

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Where has that money gone? If you are going to borrow at that level, surely that will impact on the performance of the economy, and surely, if you are going to borrow those billions of dollars, you are going to see some improvement in the standard of life of the people, you are going to see some job creation, you are going to see some physical manifestation of this borrowing. What I see looking around my country today is that the country is deteriorating. For example, the road system of the country has deteriorated in the last four and a half years, worse than it has ever deteriorated because there has been absolutely no maintenance. I mean, if you borrow that amount of money, surely you can at least maintain the infrastructure of the country. The roads are an extremely important part of that infrastructure.

Let us look at what the founding fathers of the Caribbean Economic Community hoped would be achieved. It is in the preamble to the Treaty, and I am going to quote.

"The Governments of the contracting States,

Determined to consolidate and strengthen the bonds which have historically existed among the peoples;

Sharing a common determination to fulfill the hopes and aspirations of their peoples for full employment and improve standards of work and living; Conscious that these objectives can most rapidly be obtained by the optimum utilization of available human and natural resources of the Region, by accelerated, co-ordinated and sustained economic development, particularly through the exercise of permanent sovereignty over their natural resources; by the efficient operation of common services and functional co-operation in the social, cultural, educational and technological fields, and by a common front in relation to the external world;

Convinced of the need to elaborate an effective regime by establishing and utilizing institutions designed to enhance the economic social and cultural development of their peoples;

Have agreed as follows:"

And then we have the conditions of the Treaty laid out.

So, Mr. Speaker, the concern was to achieve full employment and improve standards of work and living for the Caribbean people. We must ask, in

the 21 years that have passed whether, we have seen any marked improvement that could give the people of Trinidad and Tobago, the people of the other Caribbean States, any real hope that these objectives can be fulfilled? And the answer is quite obviously "no." There is no real hope.

**3.50 p.m.**

We are witnessing in the world, conglomerating of nation States into very large blocs that are taking strides in achieving similar objectives. and very recently, a very dramatic event has occurred that none of us could have foreseen a few years ago. It is all in keeping with humanity's recognition that we have got to pool the resources of all mankind and utilize the natural resources of the world in our interest, if we are to survive and enjoy a decent life as a species of life form on this earth.

Europe is way ahead of all of us. By next year, in fact, an important step will be taken in achieving unification of Europe. What has happened that is really remarkable, is that even though the capitalist States of Western Europe had that commonality of interest and ideology and could, without too much difficulty—even though there are language differences—achieve that unification of their economies, groupings of States which were mobilizing resources in a totally different way, had adopted an ideology that seemed in total distinction from the capitalist ideology, and whose social revolutions were virtually based on opposition to capitalism, they, too, are moving to come into the economic unification process, and they are modifying their approaches.

Mr. Speaker, quite obviously the destiny of small states like Trinidad and Tobago, that cannot achieve their stated objectives on the basis of their own resources, must be linked with larger conglomerations of states that share common interests. An initiative has been taken in this hemisphere, seeking ultimately to counter that taken in Europe, where I am sure in our lifetime we will see a unified Europe, certainly a unified economy of Europe, possibly political unification as well. An initiative has been taken in our hemisphere seeking to achieve exactly the same thing for the Americas—North America; South America; Central America; the Caribbean.

The leader of the party of which I am now very proudly a member, advanced a proposal on August 31, 1991, Independence Day, and that proposal has been subject to some misrepresentation, but it is relevant to the matter before us. I want to put on record what the Member for Couva North said on that occasion. I quote:

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"If we are going to create permanent well-paid jobs for our unemployed, there must be massive investments in agriculture and manufacturing by local, foreign, and joint-venture investors. Local investments alone are unlikely to be sufficient to absorb the thousands of our unemployed. We need foreign investment.

The NAR has failed miserably in its efforts to attract foreign investments because they do not understand the concepts that motivate such investment, and that is in addition to their own shortcomings.

People invest their time and money to make a profit. If the investment is a manufacturing undertaking, it would be pursued only if there is a market for its products large enough to justify the size of the investment.

The local market in Trinidad and Tobago is much too small to sustain any investment large enough to have a significant impact upon the unemployment situation. Even the Caricom market is too small. You need a large and rich market. The United States of America is physically and culturally the nearest such market to Trinidad and Tobago. We are only going to attract significant investments in Trinidad and Tobago when we have access to a market the size of the United States. We must seek to become an integral part of that market, soon to be expanded to include Canada and Mexico.

I would like to suggest that the United National Congress convert the next general elections into a referendum, in which the UNC seeks a mandate from the people to negotiate with the United States, a Treaty, which allows for the free movement of labour, capital, and goods between Trinidad and Tobago and the United States.

The Caribbean Basin Initiative of the Americas (that is the enterprise for the Americas initiative of President Bush), the Partnership for Progress, and all such schemes, have failed. Only a bilateral treaty between the two countries, which allows for the free movement of labour, capital, and goods between the United States and Trinidad and Tobago, will provide us with the economic space impetus necessary for the solution of our economic and social problems. Let the next elections be the occasion for us to seek a mandate from the people to negotiate such a treaty. I am prepared to debate with the leaders of the other political parties, this proposal for solving our economic problems."

Mr. Panday has extended an invitation for dialogue with the leader of the NAR, the Leader of the PNM, the leader of the NJAC, and any other political party.

"I expect that our political opponents, bankrupt of ideas as they are, will raise several objections if they cannot steal the idea themselves. You will hear all sorts of arguments about a nineteenth century concept to sovereignty, none of which you can take to the grocery. They will argue that we cannot compete with the influx of foreign goods and that would adversely affect local industry and employment.

I disagree entirely. Such an attitude is one of inferiority and/or the desire of some firms to hide forever behind the barriers of protection and the privilege of monopoly. In any event, that argument is in contradiction to any appeal to develop exports. If you cannot compete against foreign goods in the local market, where you should have a cost advantage, how are you going to compete against them on the international market to which you must export?

I would like to argue against the case that you must protect certain industries in order to save jobs. The question is, for how long? If this is to be a permanent situation, then such industries will never expand beyond the local market and its workforce will consequently never expand to employ more of the unemployed. If however, the industry is able to compete on the international market, then its operations are likely to expand, so employing more workers."

Mr. Speaker, that is what the Leader of the United National Congress said on Independence Day, 1991. He is recommending, negotiating a bilateral treaty with the United States of America to achieve for Trinidad and Tobago, the benefits that the United States of America has achieved in our relations historically.

In our relations historically, you had an outflow of capital from Trinidad and Tobago into the United States, and you had an outflow of people, in fact, what could be described as a brain drain. A number of our highly qualified, trained, skilled sons and daughters have left this country because of frustration. The United States and other countries have been the beneficiaries of that outward migration. I can assure you that there is not a single Trinidadian or Tobagonian who seeks to migrate to the United States, Canada, or the United Kingdom and who does not take with him his fortune that is debarred—not one. Every single

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one of them will get their visas; their green cards and will eventually be enabled to become citizens. But you see, they take our wealth with them. That has been a one-way street for decades that has affected us adversely. There is a capital drain and a brain drain from little Trinidad and Tobago to big United States of America.

**4.00 p.m.**

Mr. Speaker, what the leader of the United National Congress, and the substantive Leader of the Opposition, has proposed, is to achieve some type of equity in the arrangements. So that instead of having constant leakage of our wealth to the United States, we will get a bit of the reverse occurring, so we can achieve some of the benefits of the free flow of people, capital, goods and services.

Now, one might ask: Well, what is there in Trinidad and Tobago that could possibly attract a US citizen to have him pack his bags and come South and seek to settle here in Trinidad and Tobago, the way our people head North and seek to settle in the United States? That is a good question. But you know, there are some American citizens—

**Mr. Sudama:** Many of the NAR Ministers have their visas already.

**Mr. Humphrey:** —who came to Trinidad and Tobago and settled here. I know some of them personally. In fact, some of them who came here on contract to work on particular projects, fell in love with this country, and decided to root up what they had in the United States, plant it here and establish a new life for themselves, and their children were born here and they are as Trinidadian/Tobagonian as any of us.

I think that if some could find our country attractive, then others would find it as well, but the conditions have got to be right. You cannot expect to put restrictions on the movement of people and on the movement of their wealth, and hope that they are going to be attracted to settle in your country. I want to support the leader of the United National Congress in this proposal.

As a seasoned campaigner myself, who has done in the past the job of persuading the electorate to do certain things—I mean, I persuaded the electorate to support the Member for Tobago East, with deep regret today. But I was the main salesman. I first went to Tobago and persuaded the people of Tobago to release him—

**Mr. Sudama:** Against the wishes of some of us.

**Mr. Manning:** To my regret.

**Mr. Humphrey:** Then I came to Trinidad and persuaded the people of Trinidad to accept him. I regret it. It was a mistake. But it is a mistake that would be remedied in the not too distant future.

**Mr. Sudama:** May I ask the Member a question? Will it be a mistake that would be remedied with retroactive effect?

*[Laughter]*

**Mr. Humphrey:** So, it will be in the capacity of a seasoned campaigner that I will seek to persuade the electorate of Trinidad and Tobago to accept this proposal; because all the proposal is asking, is that we enter into negotiations for the purpose of establishing a treaty. That is all it is asking. Let us remember that bilateral arrangements are decisions made by two parties. So you have got to sit down and confer and negotiate.

You know, I had hoped that we would get a degree of debate on this occasion on this idea and that Members of this House would not seek to jump, as a Member of the other House has done. In today's *Express* newspapers, page 2, there is a headline "Panday's US treaty talk is a pie-in-the-sky idea". Let me say who that has come from.

"The suggestion from Opposition Leader, Basdeo Panday, that this country should negotiate a treaty with the United States to allow the free movement of labour, capital and goods between both countries is 'a-pie-in-the-sky' idea'.

This was how External Affairs and International Trade Minister, Sahadeo Basdeo, described the suggestion made by Panday at the United National Congress' National Assembly at the weekend.

In an interview with the *Express* yesterday, Basdeo said: 'I do not know what country in the world today would accept unemployed people. The emphasis should be on training the youth to develop professional skills which could make them marketable in both the national and international environment'."

So, if that is the official position of the NAR Government on this issue, I would like to hear it from a spokesman a little more senior than the Minister of External Affairs. Because this is going to be a campaign issue and we know the elections are not too far away.

**Mr. Manning:** When are they?

**Mr. Humphrey:** I would say on Mr. Robinson's birthday, December 16.

**Mr. Sudama:** December 16, 1991.

**Mr. Robinson:** They obviously do not want it to be that day.

**Mr. Humphrey:** I would be very happy to drink to the victory of my party on the birthday of the Member for Tobago East.

Getting back to Caricom and the pace of development, I want to refer to something that I personally was involved with in the middle of 1987 when I was a Minister of the Cabinet headed by the Member for Tobago East. To give the context of that involvement—it was very relevant because it was dealing with the very aims and objectives expressed in the Caricom Treaty of full employment and improving the standard of living of the people. As a Minister of the Government, at the time, I was also a member of a parallel Cabinet called the National Planning Commission.

It was an institution set up by the hon. Prime Minister, so that Cabinet would not take decisions on any controversial matter, that those controversial matters would be passed to another group—parallel cabinet called the National Planning Commission. I was a Minister and I was on the Planning Commission, appointed by the Prime Minister, and I raised the problem which is clearly identified in the NAR Manifesto, of the declining economic fortunes of Trinidad and Tobago and the fact that in the oil-boom years, we had accumulated surplus in certain areas of economic activity, which if mobilized and applied to the development thrust that the new Government had promised it would take, could restart the stalled economy.

#### **4.10 p.m.**

I was particularly concerned with the construction industry; that sector of this economy which had in fact over-capitalized during the oil boom when things were overheated. When you over-capitalize in an area like construction, you get a tangible resource that is not difficult to mobilize and to put to work in your interest.

There is a cadre of citizens of this country who had been trained in the developed world, and who had assimilated the skills of development in that

process of training, and had achieved distinctions at universities of North America and Western Europe, in addition to that we also had what we estimated to approximate \$2 billion worth of idle capital resources in place, supported by work that is surfaced infrastructure, and the National Planning Commission under the Prime Minister, was persuaded by me to form a sub-committee with the purpose of identifying idle capacity, not only construction, but other areas of idle capacity, and to find some means of mobilizing those resources. It was not difficult for me to identify the idle capacity of the construction sector.

That is actually phenomenal because in the oil boom years we had put in place a steel mill; expanded a cement plant; put in place countless quarries or countless sawmills in the country; countless concrete batching facilities; countless road surfacing facilities for batching the materials for road surfacing; a number of factories producing components from mainly our own indigenous resource base for the construction industry. Indeed, we were very well placed to mobilize these resources that were idle at the time, to enhance our nation's capacity to satisfy job creation in a meaningful way and the basic requirements of our people. That is to aim for food self-sufficiency, food security, as it is described in the NAR Manifesto and to aim to provide adequate shelter for those who needed shelter, particularly those who needed homes to shelter their families. We had developed unique approaches to achieving this mobilization programme. In fact, we had demonstrated, and it took star billing in the manifesto, that you could mobilize the resources of those who had the least resources, the landless, the poor and the dispossessed, you could rally their meagre resources and properly manage them to solve a major problem of land. We had done that with the Sou Sou Land experiment.

In those days the Member for Tobago East, beat his chest proudly when he shared the credit for the Sou Sou Land Movement. I am sure that any visitor to the New Grange project in Tobago will say how wonderful a project it really is and how we were able to reduce the cost of land by a fraction of the market cost. The hon. Member said that those who opposed the idea should be hung from some tree or the other. I do not know if it is a hanging tree in Tobago, but I agreed with him.

In fact when he was Prime Minister and I was a Minister of his Cabinet, he even told me privately, and I do not know if he is now going to deny it, for two of the things which I had contributed in the struggle in the interest of our country,

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the Sou Sou Land Movement and for developing the tri-sector partnership concept, which again takes pride and place in the NAR Manifesto, that he wanted to honour me with the highest National Award. Now I realize of course in hindsight that he was using Tobago “piccong” on me.

**Mr. Robinson:** After the next general election, the hon. Member would qualify.

**Mr. Humphrey:** To give myself an award as he is in a position to give himself? Even so, I would never abuse my position, contrary to what Members opposite are trying to intimate to this country. That is the very last thing I would ever consider and those who know me know that is true. Self-serving is the very last thing.

Getting back to the National Planning Commission, it was agreed by the committee and so reported to the Commission, that there were indeed vast identifiable resources which could have been deployed to enhance the economic life of this country, and to solve some of our basic problems. There was a problem.

The then Governor of the Central Bank, Dr. Euric Bobb, was included on that sub-committee of the National Planning Commission by my prompting. In fact, I virtually insisted to the Prime Minister that he put both of us on the committee. We did agree that there were tremendous resources in place. In fact, you did not need to find foreign exchange to acquire all the resources that you had in place which were idle. I was more concerned with the construction aspect than other aspects of it.

For example, we identified a number of hotel rooms that were constantly empty. Why would you want to build more hotels before you fill those empty rooms? That is one of the plans that we discussed, but the problem was that we could not readily identify the cash that was needed to get this programme going. In fact, at the very first meeting of the sub-committee, the then Governor of the Central Bank identified a phenomenal source of available cash which could be considered for financing a programme of production. It was \$1.2 billion in the Central Bank Statutory Reserve Account. It was not in fact being utilized to achieve demobilizing of the capacity of this country's economy to produce.

The Members for Tobago East and Caroni East have one thing in common—East. And they are laughing. I am glad that I am amusing them. The then Governor of the Central Bank, a man for whom I have the highest regard; I found him technically competent; responsive to every single question that Ministers at the time raised about the state of the economy; in fact he walked around with a little portable computer and he could answer any question that we put to him, which we did on occasions. The computer helped him quite obviously.

**4.20 p.m.**

He pointed out that, in principle, we could put more money into the domestic economy and rally these resources to enhance the output of the nation, but he foresaw only one problem, that if we put more domestic currency into the economy, the people have a tendency to consume what they do not produce. That is what is favoured by our people. Their tastes are not focussed on what we ourselves produce. Their tastes are focussed on what we import and historically have imported, and his concern was, that by mobilizing idle capacity, putting the economy in forward gear, and by putting money into the system in order to do it, we would further exacerbate the crisis in our balance of payments, that was already on us. That was his concern. I agonized because, as Minister responsible for Construction, I could not accept that here we had all the resources required to deliver, and to satisfy the needs of our people, but did not have the money, so we could put them to productive work. Something had to be wrong.

I had gone through an intellectual exercise many years before, trying to visualize how an economy would function if you did not have money at all in that economy and—*[Interruption]*

Now you see the misunderstanding, the representative for San Fernando East has just suggested barter. The monetary system is a system of barter. That is what it is. I am talking about a system without money, therefore, that does not have the need for exchange—a money-free system. I visualized, as I have a natural ability as an architect to do this, how society would function if you did not have this system of exchange and value and what would happen if it could be removed, and naturally it is pure hypothesis and theory. What I found was that human individuals could get satisfaction, expressing themselves in a natural way, in a useful role as a member of society, which could be a great reward for effort, and as long as abundance resulted from the freeing of human labour and human endeavour, there would be few problems. But where there is shortage, you will have problems because people would be forced into a feeling of insecurity and

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that natural instinctive demand for survival would come to the fore and human selfishness would be expressed and you would have chaos. So rather than throw the idea out altogether, I thought of what mechanisms could be developed to ensure that we did not have chaos where there were shortages and where there were critical needs, and I went back to the experience of the Second World War.

I was born before the Second World War. I was young at the time of the war but I remembered that Trinidad and Tobago had in fact adopted a system of rationing. We were part of the international crisis, of a global war, and were able to control distribution and achieve equitably and very happily, distribution of the basic requirements for survival. I also remembered where the German U-boats were torpedoing the ships that brought our supplies and took our primary products back to the United Kingdom and that those ships were not coming as readily as was needed, and we needed the food that we imported. In those days we imported nearly all of the food we consumed. It was only the very poor who in fact grew food, the rest of us purchased food. Some true patriotic citizens got together and decided, "Let us rally the resources of our people to produce basic food," and one of those patriotic people is a close friend and associate of the Member for Tobago East, Dr. Martin Sampath. He was a very young physician, an agriculturist at the time, and he was directly involved, and he can—

**Mr. Speaker:** The hon. Member 's speaking time is up.

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

*Question put and agreed to.*

**Mr. Humphrey:** We were able to produce enough food in a very quick time to feed our people—to give our people an adequate diet to enable them to survive. That was at a time of global crisis when there was a state of war, when in fact we were not developed in our own self-interest—we were developed to be exploited. That was the whole purpose of colonization, and still we were able to meet the basic needs of our people through mobilizing the human resource.

So, when I considered these things, I realized that the argument, that if you inject cash to enable the positive, productive, mobilizing of idle capacity that is in place, you are going to have the problem of a drawdown on the foreign account of the country and you are not going to be able to support the kind of consumption that will emerge. I realized that you had to find some means of

avoiding that. Because if you could not put your idle capacity to productive work—and we are talking, in construction alone, \$2 billion—then how are you ever going to get the economy moving forward? Have we seen \$2 billion of foreign investment come into this country in the last four and a half years? No, we have not. We borrowed a lot of money. Some of it has been invested, but that was investment already in place; that was surplus; that was national savings. I could not just throw the whole thing aside and say, “Well you cannot do it because you will have an adverse effect on the balance of payments of the country, which is already in a state of crisis.”

That is why I put my little mental capacity to work and sought to find a means of resolving that problem. I put a lot of ideas out for discussion and the proper place to discuss those ideas was with my Cabinet colleagues, so I tried to get that going. I tried at Cabinet meetings to get a discussion going. I even virtually forced the Prime Minister to organize a retreat over a weekend to discuss these problems. I prepared a paper for consideration. We went for a weekend in retreat, beautiful environment, and the only paper the Prime Minister, who made himself chairman of the retreat, never got around to discussing, was my own. Many ideas were thrown out and when I reached a point of frustration in not getting the Cabinet to discuss this problem that I took very seriously, I then started to give hints publicly about the need for monetary reform.

**4.30 p.m.**

You know these people open their mouths without even thinking before they speak. What does he know about any of that?

Mr. Speaker, I remember it very clearly. I had been invited as Minister to address the South Chamber of Industry and Commerce, San Fernando, and a member of the Chamber sent his car to pick me up, and we used the opportunity for discussion and I presented this problem to the members of the Chamber. All of us then started to agonize over this problem because, in private discussion which I had with several of the members, they agreed that we must find a way to put our idle resources to productive work. We do not need to look for more investment, we have it already and we must find a way of putting it to productive work in response to the needs of our people. They all agreed with that and we discussed some of the ideas.

One of the ideas I threw out for consideration, hoping to stimulate discussion, was that the same way we ration foreign exchange for our travellers abroad,

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perhaps we could consider giving a quota to the citizens for consumption of imported goods and services. That was one of the proposals and instead of giving the merchants ECOs for them to import wholesale whatever they wanted to import, put the onus of consumption of imports on the citizens and they would import only what the citizens wanted to consume. We were in a position then, Mr. Speaker, with the "one-love" philosophy well accepted by the society, to persuade our people to make any kind of sacrifice in the interest of our country. I had no doubt that was so. But, it was on the way home, after I had left my host, that I struck on the idea of a second monetary instrument that could act as an insulator between foreign exchange and domestic currency, that would enable us to manage our domestic money resource to fulfil the objectives of fully mobilizing the idle capacity in response to the needs of our people and still protect the balance of payments and the idea was, Mr. Speaker, a facility that the Caricom member states could adopt as a common trading currency, which I call the Cari-dollar. Eureka! That is what it was like.

I called the Prime Minister from my office first thing the following morning and I put the proposals to him and his response was "splendid idea John" but again Tobago "piccong" no doubt—I have exhausted my time, Mr. Speaker.

**Mr. Sudama:** Would the Member give way to a question? Did he subsequently say that you were interfering in his ministry?

**Mr. Humphrey:** No, he never told me that.

**Mr. Speaker:** The sitting is suspended for half an hour.

**4.32 p.m.:** *Sitting suspended.*

**5.10 p.m.:** *Sitting resumed.*

[MR. DEPUTY SPEAKER *in the Chair*]

**Mr. Humphrey:** When we took our tea adjournment, Mr. Deputy Speaker, I was relating to this House certain events that had transpired while I was a Minister of the Government, in 1987, to show that the stated objectives of the founders of Caricom, which I put on record, are by and large the stated objectives of each member state, including Trinidad and Tobago, of mobilizing our resources to achieve full employment, and to meet the basic requirements of our population; that we have not, in fact, been able to achieve any hope of satisfying those objectives, I was relating a first-hand experience that I had in an attempt to mobilize tremendous idle capacity in the Trinidad and Tobago economy, working alongside the then Governor of the Central Bank, Dr. Euric Bobb.

Mr. Deputy Speaker, we had identified the resources and we had agreed that it was in the interest of the country to put them to productive work, and we had also agreed that it was necessary to identify the sources of finance to enable it. Dr. Bobb had identified an idle source of finance of \$1.2 billion at the time, which was the statutory reserve of the Central Bank. I had related the efforts that I had made as a Minister—first within the Cabinet, that were frustrated by the Prime Minister—to get on the agenda for discussion, the problem that Dr. Bobb had indentified. That problem was, that if we put domestic currency into the domestic economy to stimulate production by rallying and mobilizing the idle capacity of the conomy, we faced the danger, as a nation, of further exacerbating an already critical situation on the foreign account in the balance of payments of the country.

Mr. Deputy Speaker, I had related the attempts that I had made to bring this to the discussion level of Cabinet, that had been frustrated, and how, in my own pursuit of looking for a solution to the dilemma, I identified what I thought was a viable facility which I then presented to the Prime Minister for consideration. This was done with the hope that some developments would occur so that all of my colleagues in the Cabinet would get down to discussing and finding a means of enabling this country to exercise that tremendous possiblity that was available to us, and still not fall into the trap of external debt that was foreseen.

I had developed the idea that if we could persuade our Caricom colleagues to accept a unified Caribbean currency for trading, that currency could act as the insulator between foreign exchange and the use of domestic currency. I had put a proposal to the Prime Minister, who in fact, was about to attend the Heads of Government Conference at the time that I spoke to him, that raised the question at the Caricom Heads of Government Conference of adopting unified Caribbean currency. I had put, also, the possiblity of unifying a trading instrument within Caricom. We could establish a Caribbean Central Bank, we could consolidate the Caribbean region's foreign exchange reserves and resouces and have a source of hard currency investment, that we could manage within the region, that we could deploy strategically in our own interests.

I have suggested, Mr. Deputy Speaker, that that instrument would be the hard currency in use by the Caribbean people, and our domestic currencies would be the soft currencies in use. I explained that our citizens could hold two accounts in the commerical banks, one of the soft currency, TT—which is what we use today—and one of Cari-dollars, which, in effect, would be a special drawing right on the consolidated foreign exchange of the region. That would enable the conserving of that resource.

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I foresaw that our citizens would be inclined to save their hard currency if an incentive were given—which could well have been given—of an interest on savings in hard currency locally, and that would have brought back the money that left the country—much of it would have come back. We would have encouraged our people to hold accounts in foreign exchange through that instrument. In their depositing the foreign exchange, that would have added to the consolidated account of foreign exchange of the Caribbean, which would have enhanced our position.

I proposed that we establish a floating relationship between the domestic currency and the Cari-dollar, and a fixed relationship between the Cari-dollar and either the US, as we are now, or a basket of hard currencies, decided strategically by our advisors.

Mr. Deputy Speaker, what I advanced was that if we should do this, we would be in a position to manage domestic finances in such a way as to fully mobilize the idle capacity, and therefore, enhance the production of the country, especially in the basic requirements of food and shelter, and at the same time we could conserve, through the mechanism of market forces, our foreign exchange through the floating relationship. It is simple, but where there are shortages of foreign exchange, you would have to pay for more in domestic currency to acquire that foreign exchange and that would be a break in consumption of foreign exchange. Where there was no shortage then the value of the two would get closer.

Now, Mr. Deputy Speaker, it is sad to say, but neither the Prime Minister nor his close confidants at the time—I am not going to suggest that—took me seriously, and no effort was made by the Prime Minister to have any kind of discussion whatsoever. In fact, I wrote to all my ministerial colleagues suggesting that this was an issue that we should meet and discuss and I got replies from only two, both of them admitting that they knew nothing of the monetary system, and therefore, could add nothing to such a discussion, and the third Minister wrote to the Prime Minister directly and copied me, saying that he agreed with rationing foreign exchange, but he did not agree with the hard currency facility. So no discussion ever occurred.

Then, Mr. Deputy Speaker, I was fired and no reason has ever been given for that action. I hear a lot of allegations that are totally unfounded and, I dare say that much mischief must have been made. People in whom the Prime Minister had confidence were going to him and whispering things which were not true. So I am hearing these things. But I was virtually traumatized when I got hold of a

tape-recording of a report that was made to the Port of Spain South constituency executive of the NAR by Member of Parliament for Port of Spain South, and in that report I discovered that the Prime Minister had several private meetings, first with my colleagues in Parliament, and with county councillors and with the Women's Arm and Youth Arm of the party, and so forth. At these meetings he had told them, or he was alleged, by the Member for Port of Spain South, to have told them, that I was trying to get contracts awarded to my friends, that I was corrupt, that I got a house for the Down Syndrome Association, and this sort of thing, and that I embarrassed him and the Government by trying to raise this issue of a debate on monetary reform. It is also alleged that I was a mad man, that I did not know anything about the subject, and so forth.

Then, Mr. Deputy Speaker, to come more up-to-date, we find that the Caricom Heads of Government have mandated the very Prime Minister and his Government to commence the groundwork for such a facility. Now, I dare say, the emphasis has not been to develop an instrument that would enable an insulation between the use of domestic currency for mobilizing capacity and foreign exchange; that is not the emphasis, but that will be one of the benefits of such a facility, and that came four years later.

Now, Mr. Deputy Speaker, I believe that if we had hammered the iron when it was not, we could have achieved miracles in this country, because the groundwork had been established for it. Our people were ready to be mobilized in the interests of developing this society, and they were prepared to make any kind of sacrifice towards that objective. I have personally, as Minister, achieved what I consider to have been miracles.

I have to tell you, Mr. Deputy Speaker, that architects are the most individualistic of any profession you could ever hope to meet. They are so individualistic that very often they fight their own clients in doing the service of designing buildings for their clients. Yet, because of the climate of "one-love" and national unity that existed at the time, as Minister I was able to mobilize all the architects of this country to come together under an umbrella organization with all the engineers, the quantity surveyors, the land surveyors, all the professionals of the construction industry, in the interests of this country. I was able to mobilize, not friends who were in the construction fraternity, but the contractors of the country to come together under the Contractors Association so that we could sit and look at a programme of mobilizing the construction sector in the interest of

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development of Trinidad and Tobago, without waste and without the hindrance of the procedures, some of which were discussed earlier today.

Mr. Speaker, it was entirely democratic. The deliberations of these groups of people were completely free, and they themselves measured their own competence and their own capacity to respond to such a call, and they, in a democratic way, proportioned their resources in such a way as to respond to the programme of the Government. Now, I considered that to be a miraculous accomplishment on the part of our citizens.

What happened to all of that? Well, it has collapsed; the entire programme collapsed. And one day perhaps the Prime Minister will write in his memoirs the real reason for firing me, and for firing all of the people who had come into the process to assist in giving these services in response to what had been promised to the electorate in the manifesto. He described them as "Humphrey's boys" honourable men who were put to manage the National Housing Authority. He called them Humphrey's boys! That was another thing said, that I was trying to get an inordinate sum of money for them. Before I went to Cabinet with the note requesting that these men be paid for doing full-time work, 18 hours a day at the time, seven days a week, in the interests of developing this country, I got the advice of the Chairman of the Law Reform Commission, Dr. Watkins, and I got written advice from the Chief State Solicitor, that it was perfectly in order, that members of these boards could be paid if, in fact, they delivered more service than was required of them as directors. I have that in writing, and yet we still hear the mischief. I was not here on the last occasion when the Member for Ortoire/Mayaro spoke, but I have the advice in writing which I could show him.

So, Mr. Deputy Speaker, the whole programme collapsed: He fired me, fired all the Members of the NHA board, and the entire programme collapsed, and severe mischief was done. And we are no nearer to solving the economic problem of this country today than we were on July 4, 1973 when these leading Caribbean luminaries put their signatures to the Treaty that is the basis of this debate today.

In the foreseeable future, I see absolutely no hope of rallying indigenous resources in such a way as to solve the basic problems of feeding our people, of clothing our people, of sheltering our people with the strategy that is being employed.

Now, in addition to the initiative that my leader has proposed, that we seek a mandate from the electorate to enter into bilateral negotiations with the United States, so that Trinidad and Tobago can take an early jump into an opportunity

that is being extended to this hemisphere—we see the need to go right back to where we were in the middle of 1987, when resources were being rallied. We see the need today, perhaps more urgently today than it was even then, to do exactly what we were doing then.

I cannot imagine what the leader of the NAR, the Prime Minister of Trinidad and Tobago, will go to the electorate and say he and his Government can offer, having destroyed the one opportunity we had at the end of 1987 and the beginning of 1988. There is absolutely no hope for the Prime Minister to lead this country into any bright future.

In fact, what we are seeing today is the corrupting of the society, that is what we are seeing, the use of state resources—as never happened in the days of the PNM—to try to bribe the electorate to support the NAR in the election. Having destroyed the opportunity to do something meaningful and saying that he had no money—they were bankrupt—all of a sudden money is available to throw around the place, wholesale.

Well, Mr. Deputy Speaker, although we will support this measure, we do not have very much hope that anything will be achieved as long as the NAR is the Government of Trinidad and Tobago, but I am looking forward to the proposals that will be advanced to the Caricom Heads of Government Conference on the Unified Caribbean Monetary Facility, I am looking forward with great anticipation to those proposals.

So, Mr. Deputy Speaker, I have, in fact, exhausted my time, and I think I have touched on the areas of my concern and the party's concern on this occasion, so thank you very much.

**Mr. Kenneth Valley** (*Diego Martin Central*): Mr. Deputy Speaker, I am pleased to associate this side of the House, or the Back Benches, as it were, with the legislation which is before us this evening. We are on record, Mr. Deputy Speaker, as being committed to the one economy, one market concept in the Caribbean.

Just a few weeks ago, Mr. Deputy Speaker, my political leader, the Member for San Fernando East, spoke to the Chamber of Industry and Commerce at a luncheon, when he made that point. In outlining what he designed as the four tenets of our economic policy, Mr. Manning identified competitiveness in our domestic economy, within a widened concept of what is our domestic economy, inclusive of the Caricom, as being the first pillar of that economic tenet. As we say, if we have to move forward, given the current economic environment, given

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the alliances which are being sought, which are being implemented with respect to North America, with respect to Europe, with respect to Asia, we see it as critical that we in the Caricom realize that we are in the same boat. While we agree that there ought to be that competitiveness, that there ought to be that market orientation within the domestic economy, at the same time the Member for San Fernando East made the point that we do not agree that we should open up our economy, as it were, overnight.

Mr. Deputy Speaker, I would like to refer Members to a recent study done by Stephen Smith, there was an excerpt in the *Express* of August 13, where Mr. Smith was making the point that when we look at the new industrializing countries, Taiwan, South Korea and so forth, we would see that, rather than market economy, in fact they were protected for some time, and were able to achieve what they have achieved so far because of that protection.

I want to refer Members further to the *Finance and Economics Magazine*, IMF World Bank publication, September of 1991—I got my copy only early this week—and there they are making the point that, yes, there are some areas of the economy which should be opened up, market economy, but that there are other areas where governments must take a leadership role, where governments must intervene, because the market by itself will not do justice. I make that point, because within Caricom, as we move forward, we must realize that it is not sufficient to put the legal framework. Yes, we have placed on the books the common external tariff legislation; yes, we are putting on the books today legislation which is going to allow a joint venture within the Caricom, but we have to realize—as my friend, the Member for St. Augustine asked earlier—Why it is taking us so long to come together to do what is required?

**Dr. Tewarie:** If the hon. Member would give way.

I do not know how he is going to proceed in that argument, Mr. Deputy Speaker, but I want to let him know that this Government can only be held responsible for the last four and a half years.

**Mr. Valley:** I do not think I said anything controversial, as yet, I wonder what is going to happen before I finish. He is going to be jumping up every minute. I will continue, Mr. Speaker.

I was making the point that the legal framework is not sufficient that, in fact, if we have to get the Caribbean moving, then governments would have to come together to do certain things. We must realize that it is taking us quite some time to come together in the Caribbean partly owing to our history, partly owing to the direction of trade during that period, the triangular nature of the trade, England to

Caribbean countries to Africa, without any inter-Caribbean interaction and that if we have to move forward, we have got to develop that inter-Caribbean interaction; that, as a fact, we tried federation. Perhaps federation failed because we started at the top rather than trying to get people together, rather than getting the communication going among our people. Then, of course, Caricom today, floundering at times, because the reality is a fact—unless we talk about the free movement of goods and services and capital and labour, it will not work. We cannot simply speak about the free movement of goods and services, there must also be the freeing up of the movement of capital and labour. When I talk about labour, I talk about skilled labour. Because, unlike the Member for Couva North, I really do not think that any country wants unemployed, and unskilled labour. But as a fact we have to move to the freeing up of skilled labour within Caricom. We need other things if we are to set the environment within the Caribbean so that we can take off, as it were. We need to get our business people together, and perhaps they ought to be meeting on a regular basis with our governments, so that we can target certain areas in the different countries for industrial growth.

**5.40 p.m.**

There has been much talk, for example, with respect to the resources available in Guyana. We all know the situation that Guyana is in right now. Can we not plan strategies that will assist Guyana, and assist the Caribbean as a whole? As I said, there is a need to realize that our future really is interlocked.

There were other tenets of economic policies that Mr. Manning outlined in that address. A second, and perhaps very important one, is the facilitative role for the Government. Let us face it. The purpose of Government is to set the environment so that things can happen.

**Dr. Tewarie:** I simply want to ask a question.

**Mr. Valley:** Are you on a point of order?

**Dr. Tewarie:** Mr. Deputy Speaker, is the hon. Member articulating the policies of the Government, or the policies of his own party?

**Mr. Valley:** Mr. Deputy Speaker, I am not aware that that party has any policy, whatsoever. I am aware that they act by vaps. We are here every week, and yes, they have a manifesto, but no, they are not implementing that. They brought in a certain individual who told us in the other place that he never read that document, but he was in charge; he held significance; he had the big man's

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ear, while my friend was in another place collecting moneys under false pretences—ministerial salaries for doing party work.

**Hon. Member:** You are coming up with that old story again.

**Mr. Valley:** I am saying that the second pillar of our economic policy is a facilitative role for the Government, which implies, at times, the Government taking a leadership role to set up things. Getting involved in industry is also a facilitative role.

[MR. SPEAKER *in the Chair*]

We are aware that in developing countries such as ours, sometimes the private sector just cannot get the capital that is required to undertake certain investments. If the Government wants to lead the economy along a certain path, then it may have to take that major investment, and I cite Iscott, as the case in point. If, in fact, we want to move into industrialization, a steel plant is essential.

I hear certain persons talking about opening up the economy and removing the negative list, and so on; then I hear them saying that the motor-vehicle industry may have to wait some time. If there is one industry in Trinidad and Tobago in which we do not have a comparative advantage or a competitive advantage, it is the motor-vehicle industry, and that is the industry that should be opened up first. That is the fact.

**Hon. Member:** Who set it up?

**Mr. Valley:** Mr. Speaker, let them take their plants—no longer should they be protecting their friends—let them go downstream from Iscott; let them make springs for the motor-vehicle industry worldwide; let them do something, because we do have a competitive advantage there; we have a steel plant.

Another aspect with which I would like to deal rather briefly is the claim I heard this afternoon from my friend, the Member for Caroni East, when he interjected to make the point that, in fact, the economy was turning around and that if we were to look at information from the Central Bank, or anywhere else, we would see that. Nothing could be further from the truth. If we were to look at the Central Bank Report, we would see that, at present, we are much poorer than we were in 1986. In terms of GDP, we are producing much less. For every dollar of GDP we produced in 1986, today we are producing less than 85 cents. We are more dependent on the oil sector. I remember, in the budget speech of 1987 we

were hearing that for 30 years we have been dependent on the oil sector and there has been failure of the diversification effort. They say that, but at the same time they criticize our initiative with respect to Point Lisas. Whereas in 1986, 23 cents in every dollar came from the oil sector, in 1990 30 cents in every dollar came from the oil sector. So that we are today more dependent than we were in 1986 on the oil sector.

With respect to overall, GDP, what is worse is that non-oil GDP has been declining much faster than the oil sector. One expects that the Government would have more sway over the non-oil sector of the economy. We know that we are a price-taker with respect to oil. All we can do is seek to encourage further development in the oil sector, as much as possible, but in terms of price, we are a price-taker. It is Government's policy, however, which will influence the level of non-oil sector growth. In 1987, the non-oil sector declined by 4.2 per cent; in 1988, by 5 per cent; in 1989, by 0.7 percent; in 1990, by 1.5 per cent. So that we see an upward movement in the decline. You can get all of these figures from the Central Bank bulletin, you do not have to write them down.

Mr. Speaker, what has happened with the public debt? In the 1987 Budget Speech, we were hearing about the external debt trap. At that time, the external debt was said to be \$5.6 billion. At the end of 1990, it was \$10.7 billion, which meant that we added \$5.1 billion over the period. What has happened with the domestic debt. It moved from \$1,552.2 million in 1986 to \$3,952.6 in 1990, so we added \$2.4 billion. In total, we owe \$7.5 billion more than we owed in 1986. When we consider the oil revenue in that period—you see, they get up and ask: What did we do with the oil revenue between 1973 and 1982? The oil revenue during that period was \$23.6 billion. We can look around this country and see the Hall of Justice that my friend built.

**Hon. Member:** Including a few banks in Miami.

**5.50 p.m.**

**Mr. Valley:** We can see the financial towers; we know about the infrastructure; we know about the investment in Telco, that my friend over there nearly mashed up; we can look at Point Lisas, the growth pole that we established, we can look at it; we can look at a number of things and say: "Yes, at least we have done something with our oil wealth."

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Given that over the period, the Government collected roughly, I think it was over \$7 billion in oil sector revenue, and given that they borrowed a further \$7.5 million, I want to ask them: What did they do with the approximately \$15 billion in oil sector revenue and borrowings over the period; other than throw away \$100 million in a deep-water harbour that is not deep? Everybody knows that it is not deep. Only the Prime Minister does not seem to know that it is not deep. But I was in Tobago the week before and everybody knows that.

Our debt. We have not been paying our debt since 1988. We have rescheduled the indebtedness, so we are paying interest. They are leaving everything for the next Government. We now owe the IMF. We joined the IMF in 1963—that was before oil sector revenue; before the oil boom. We were in the IMF 10 years before; never had any cause to use any of its revenue; up to 1986. But now we owe the IMF; we sold our airplanes; sold Telco and then talking about getting some dividends from Telco. No capital expenditure.

Let us turn to trade, because they want us to believe that the economy in 1990 or 1991 is much better than it was in 1986. The Central Bank Report will tell us that there was a decline again in 1990, yet they go about the place talking about turnaround. They are still talking about growth in 1990, in spite of the figures. Completely oblivious of the truth. They do not care about the truth. Trade—

**Mr. Wilson:** Mr. Speaker, the Member for Diego Martin Central is misleading the House. The figures relating to the GDP were published by the Central Statistical Office and those were the figures used.

**Mr. Toney:** Apologize, apologize.

**Mr. Valley:** My friend a while ago talked about the authenticity of the Central Bank Report, and having worked in the civil service, I know that we can depend on the Central Bank's figures.

**Dr. Tewarie:** Are you saying that you cannot depend on the CSO figures?

**Mr. Valley:** I know, looking at the CSO figures, that they gerrymander the CSO figures. I know, because one simply has—and I am saying that here—to take up the 1989 Review of the Economy and compare it with the 1990 Review of the Economy and you would see what they have done with GDP growth rates. In 1990 they are going back to adjust 1986 and 1987, real GDP figures. You can fool morons and so with that.

Speaking about trade. *[Interruption]* I do not have to fool anybody. I do not need to fool anybody. You go out on the streets, because the little guy on the streets knows exactly what is happening.

**Mrs. Johnson:** You know what the little guy thinks? Just wait and you will know what the little guy thinks.

**Mr. Valley:** I am willing. I faced it on December 17, and I will face it again. I tell you, I am coming, you are going.

**Mr. Robinson:** Mr. Speaker, since there has been a reflection on the professional integrity of the statisticians of the Central Statistical Office, I would like to make it absolutely clear to the country that that office falls within the portfolio of the Minister of the Economy; and the Minister of the Economy has had absolutely nothing to do with the preparation or presentation of those statistics.

**Mr. Valley:** Mr. Speaker, for the avoidance of doubt—because I know they have their friends—let me say that I have the highest respect for the professional integrity of the people in the CSO. I am saying, however, that those CSO professional people fall under a Minister and before—I know, I worked in the public service—their information can be published, the Minister has final say. I am dealing with the facts—

**Mr. Robinson:** Mr. Speaker, let me make it absolutely clear, not only have I had nothing to do with the preparation or presentation of the statistics from the Central Statistical Office, I have had no contact with even the staff of the Central Statistical Office.

**Mr. Richardson:** You have heard from experience.

**Mr. Valley:** Mr. Speaker, I ask one simple question. Somebody, and it must be the Minister responsible, had better come and explain the differences. Why is there a difference in the GDP figures in the 1990 edition of the Review of the Economy, the figures which they say came from the CSO, as from the 1989 figures? That is all I am asking.

Mr. Speaker, I would say that I would agree that one may have—if you were in 1989—preliminary figures for 1988. I could understand that; but when you are going back and adjusting 1986 and 1987 figures, I am saying there must be a question mark and the Minister—if he wants to clear any doubt—has to explain why there are those differences. The facts are all I am dealing with, the facts.

*[Interruption]* No, the difference between the Central Bank and the CSO, I have no problem with that, one deals on a quarterly basis and the other one looks at an annual figure, but tell me why from year to year, they change. That is all I want to know. That is the fact.

**Mr. Myers:** Ask the office.

**Mr. Valley:** Ask the office? The Minister is responsible, I do not have to ask the office.

I was on the question of trade. *[Interruption]* It is not me; it is the people on that side who should be ashamed.

In 1985, the year before oil prices collapsed, the country's trade balance was \$1,508.1 million. Up to 1989, in spite of the recovery of oil prices that level of trade balance was not achieved. They want you to believe things are happening. When you look at 1990, you would remember that oil prices started to rise somewhere around July or August—the “Saddam” effect—so that our trade balance in that year was some TT \$3,480.2 million. In 1989, the trade balance was merely TT \$1,479.9 million and they are telling us that they are doing better.

Let us look at foreign reserves. At the end of 1986, the foreign reserve was \$1,184.5 million; at the end of 1990 it was \$844.4 million. But they are doing better.

**6.00 p.m.**

**Dr. Tewarie:** On a point of order. The hon. Member by presenting the statistics in the way that he is doing, using 1986 figures and ignoring the fact that we had a decline beginning in 1983, is simply manipulating the perception of what he is saying. It is tantamount to lying with statistics.

**Mr. Valley:** Would you believe that?

Mr. Speaker, the PNM left office in 1986 and all I am doing is looking at figures at the point when the PNM left office and the current situation. I do not understand the Minister.

**Dr. Tewarie:** What he has to look at in foreign reserves is -\$23 million in 1987 to \$832 million in 1990.

**Mr. Valley:** Who is responsible for the -\$23 million? Who was in Government? Not the PNM?

**Dr. Tewarie:** We were in government for six months.

**Mr. Valley:** I do not understand what he is talking about. I am looking at the figures at the end of 1986 when the PNM demitted office. I am saying if you are telling me all this fancy thing has happened and you cannot correct it in four years—look give me a chance. As I tell the people, they are telling them exactly what they want to do. They say, we want another five years to finish the job. I believe them. They want to finish the job.

Yesterday, I had lunch with someone who had left this country for about ten years. *[Interruption]* Let me just finish the sentence. She was back yesterday for only two weeks. She said: “When I look around we are back to the days of the POPPG”.

**Mr. Wilson:** I wonder whether I was listening to a Parliamentarian or a bad-John?

**Mr. Valley:** I missed the point.

**Mr. Wilson:** I was simply enquiring of the Speaker, whether I was listening to an hon. Parliamentarian or a bad-John?

**Mr. Valley:** I do not know. I say I believe in evaluation by my peers all the time. So he will have to tell me. I never boast.

I continue, they do not like the truth. I do not know why they do not like the truth. Go to the Central Bank. The Member for Caroni East said that this thing is turning around. All I am saying is that these are the facts.

If you look at the employment figures, you will see that at the end of 1986, this economy was providing about 390,000 jobs. If you look at the figure for the first quarter of 1991, you will see that your economy is providing 361,000 jobs. We have lost about 30,000 jobs. Then we must remember, that every year there were 20,000 persons coming out from our schools.

I can understand when the Member for Couva North said “Boy, we better get into some agreement, so that the United States can take some of our unemployed,” because the situation is terrible and now because an election is in the air, everywhere you turn you can see a LIDP project.” The people who come to my office say, “Mr. Valley I do not want a job for ten days. I want a job for 365 days in the year. That is what they want. The latest thing that they are doing is saying, “Look if you do not want to campaign for me, you cannot get a ten-days.” It has come to that. Then we have people talking about human dignity and all types of things. We can continue.

*Caricom Enterprises Bill*  
[MR. VALLEY]

*Friday, September 6, 1991*

Prices on average, anything which costs a dollar—*[Interruption]* Do you want to get up again? I told you that you will be jumping often this evening. I told you that.

**Dr. Tewarie:** I was just going to say as far as the Caricom Enterprises Bill is concerned, he is being totally irrelevant.

**Mr. Speaker:** During your contribution, I was wondering—

**Mr. Valley:** It is the hon. Member for Caroni East, who interjected—if you were to look at the *Hansard* when my friend from St. Augustine was speaking—to say that in fact, this economy was turning around under his Government. I merely attempted to show what the facts said with respect to that. Thank you.

Central Bank figures, I was on the point of prices and I simply want to make the point, that with respect to prices on average, it increased by over 50 per cent over the period. If we are looking at food prices, it is more than 70 per cent.

**Mr. Wilson:** I just wanted to ask the Member for Diego Martin Central—because a while ago, he said he was in the public service and he knows what happens—whether he had been manipulated by Prevatt and those fellows when he served under them.

**Mr. Valley:** If you are talking about Prevatt, you will have to ask his nephew.

I continue. I simply thought I should draw those figures to the attention of Members so that I can disabuse the minds of any turnaround in this economy. The people outside know that there is no turnaround and they have to face the reality. Coming back. *[Interruption]* I am sure about that. They say they go back to POPPG. I know that they do not want any part of that. The PNM led them into independence and they want to go forward. This Government has taken them back.

Yesterday morning, a young lady came to my office. She said, "Mr. Valley, I have a problem. I am a third-year medical student and I understand these people want to raise the fees again." I said, "No they cannot do that." She said, "Mr. Valley, my parents are pensioners. They have mortgaged everything they have to send me to medical school. I have to find \$55,000 in the next month. I do not know where to find it. Could you help me, Mr. Valley? Could you try to find a

sponsor for me?" That is the situation. A number of children just cannot go to medical school any longer. That is what we have in this country.

If they come and tell me that they want to move to the one economy, one market concept in the Caribbean, they have my full support, because I feel that is the way we have to go. We have to do more than that. We have to do more than simply set up the legal framework. We have to realize that that whole concept also is contra to this open market economy concept. Let us face it. Yes, we can have competition within the Caribbean. Trinidad and Tobago's light bulbs must be able to compete with light bulbs coming from Barbados, Jamaica and so on, but we must learn from our experience with Iscott. It does not matter whether they call it dumping or countervailing duty. It is protectionism in the US, because you see they have their steel plants that they bought in the early part of the century, that cannot compete with our mini mill. Then we have our friend here coming to agree that we could only export 70,000 per annum over a three-year period, or something of the sort.

We have to understand these things. We have to look at our interest because they are looking at theirs. We have to remember that. We have to understand that we need governmental intervention, because if we really want to move the Caribbean, we have to sit around a table and say, "You know what? Dominica has all sorts of forests; let us get the wood from Dominica; let us make furniture from here; let us send it outside to the extra Caribbean market; make some money so that Trinidad is happy and Dominica is happy."

In Guyana, they talk about the pine plantation; let us set up a canning plant here; let us bring the pine—somebody said "If they are bringing in water?" No problem—can it; send it to England all over the place. Let us do that. But to do that it takes governmental agreement. At this time we cannot talk about the open market concept.

**6.10 p.m.**

**Dr. Tewarie:** If the hon. Member would give way just for one comment. All the things that he is talking about we are actually doing. I hope he will take note.

**Mr. Valley:** They will not have time, Mr. Speaker. I am supporting this legislation really because I am setting the framework for when the PNM government comes in—whenever. It does not matter when they call the election. It does not matter whether it is November; it does not matter whether it is December, or as somebody told me, there will be no election. They will just go up to March and say, "I give up".

*Caricom Enterprises Bill*  
[MR. VALLEY]

*Friday, September 6, 1991*

The Government has the support of this little Back Bench here with respect to this legislation. I thank you.

*Motion made and question proposed, That the House do now adjourn to Friday, September 13, 1991 at 1.30 p.m. [Dr. B. Tewarie]*

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 6.12 p.m.*