

*Leave of Absence**Friday, May 1, 1992***HOUSE OF REPRESENTATIVES***Friday, May 1, 1992*

The House met at 10.05 a.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the hon. Member for Point Fortin, (Dr. Vincent Lasse).

**SESSIONAL SELECT COMMITTEES
(Appointment of)**

Hon. Members, we are way into the session now, four months has passed, and so I think the time has come for me to appoint the various select committees.

Standing Orders Committee

Mr. Speaker (Chairman)
 Mr. Keith Sobion
 Mr. Augustus Ramrekersingh
 Mr. Hedwige Bereaux
 Mr. Shamshuddin Mohammed
 Mr. Trevor Sudama
 Mr. Basdeo Panday

House Committee

Mr. K. Valley (Chairman)
 Mrs. J. Pierre
 Mr. A. Casimire
 Dr. R. Griffith
 Mr. R. L. Maharaj
 Mr. John Humphrey

Committee of Privileges

Mr. Speaker (Chairman)

Mr. D. Allum

Mr. A. Casimire

Dr. L. Baboolal

Mr. A. Ramrekersingh

Mr. R. L. Maharaj

Mr. B. Panday

Regulations Committee

Mr. Speaker (Chairman)

Mr. C. Imbert

Dr. V. Lasse

Dr. Rupert Griffith

Mr. S. Panday

Dr. C. Singh

With respect to the appointment of the Public Accounts Committee and the Public Accounts (Enterprises) Committee, a draft resolution will be moved at the next sitting to take care of these two other committees.

PETITIONS**Rescue Mission**

Mr. Desmond Allum (*Port of Spain North/St. Ann's West*): Madam Speaker, I beg to present the petition on behalf of the members of the Rescue Mission of Trinidad and Tobago, who are desirous of constituting the Mission into a corporate body by private bill.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

Maingot Village Samati Sabha

Mr. Edward Hart (*Tunapuna*): Madam Speaker, I beg to present the petition on behalf of the members of the Maingot Village Samati Sabha, who are desirous of constituting the Sabha into a corporate body by private bill.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

10.15 a.m.

ORAL ANSWERS TO QUESTIONS

Community Upgrade Programme

25. Mr. Trevor Sudama (*Oropouche*) asked the Minister of Community Development, Culture and Women's Affairs:

- (a) Whether a provision was made in the 1991 Budget for a programme entitled, "The Community Upgrade Programme of the Prime Minister's Office"?
- (b) How many projects were undertaken under this programme according to constituencies and how were these projects identified?
- (c) What was the total expenditure on these projects and whether such expenditures were in conformity with existing financial and exchequer regulations?
- (d) Whether relevant tender procedures for the award of contract were observed for the execution of these projects?

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, no provision was made in the 1991 Budget for a programme entitled "The Community Upgrade Programme of the Prime Minister's Office." Advances were made under the provisions of section 16(2) and 17(1)(b) of the Exchequer and Audit Act, Chap. 69:01 to fund the programme.

Madam Speaker, a total of 92 projects were undertaken. The programme consists of the renovation of 26 schools; eight health centres and the provision of 58 social and recreational facilities. The stated rationale for the programme at the

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decision was taken in 1991 was to provide services and facilities by the renovation of schools, health centres and the construction of social and recreational facilities. From the records available to us at this time the distribution of projects relating to health centres and social and recreational facilities by constituencies is as follow:

	Health Centres	Recreational and Social Facilities
Arima	1	
Barataria	1	
Diego Martin East	1	
Diego Martin West	1	
Diego Martin Central		1
Chaguanas	1	3
Tunapuna	1	1
Siparia	1	2
Oropouche	1	9
Fyzabad		5
Naparima		6
Tabaquite		1
Nariva		2
San Fernando West		5
San Fernando East		5
St. Augustine		1
Caroni East		1
Toco/Manazanilla		3
Couva South		3
Arouca North		2
Princes Town		1
Mayaro		2

Madam Speaker, it was difficult to classify the schools according to constituency. However, the following schools were renovated: Four Roads Govt. Primary School; Pt. Cumana Govt. Primary School; Diego Martin Boys' R.C.; Chaguanas Govt. Primary School; Lendore Sanatan Dharma Maha Sabha; Claxton Bay Anglican Primary; Cocoyea Govt. Primary School; Woodland Sanatan Dharma Maha Sabha; Clarke Road Sanatan Dharma Maha Sabha; Sunchit Trace Sanatan Dharma Maha Sabha; St. Stephen's College; Woodbrook Presbyterian; Moulton Hall Methodist; Tulsa Road Sanatan Dharma Maha Sabha; Rousillac Sanatan Dharma Maha Sabha; Salazar/Trace Govt. Primary School; Plymouth Anglican Primary School; Des Vignes Road Govt. Primary School; Roxborough Anglican Primary School; Picton Presbyterian; North Oropouche Govt. Primary School; North Manzanilla Govt. Primary School; Arima West Govt. Primary School; Tranquillity Govt. Secondary School; St. Joseph's Convent; Ste. Madeleine Govt. School.

Madam Speaker, the total expenditure to date on projects carried out under the Community Upgrade Programme is \$11,730,167. The distribution of the cost among projects is as follows:

Renovation of Schools	—	\$6,006,550
Renovation of Health Centres	—	\$3,081,948
Social and Recreational Facilities	—	\$2,641,669

The former Government of Trinidad and Tobago appointed National Insurance Property Development Company Limited, (NIPDEC), as the executing agency under the Community Upgrade Programme. The public accounts of the Republic of Trinidad and Tobago for the year 1991 have been referred to the Auditor General whose report will determine whether or not such expenditures were in conformity with existing financial and exchequer regulations.

Madam Speaker, NIPDEC, the executing agency, on behalf of the Government of the Republic of Trinidad and Tobago, has confirmed that all contracts let under the Community Upgrade Programme were subject to the Organization's tendering procedure.

Mr. Sudama: Since the Minister has indicated that these funds were authorized through the Exchequer and Audit Act Chap.16(2) and 17(1)(b) could he indicate to this House whether these funds were derived from the Consolidated Fund?

Hon. K. Valley: Madam Speaker, I do not know the answer to that question. As you know under 16(2) the Contingencies Fund is part of the Consolidated Fund, so that to the extent that it came from the Contingencies Fund, it would have come from the Consolidated Fund. Under 17(1)(b) that makes provision for Treasury deposits which, technically, are outside the Consolidated Fund so that to the extent that it came from Treasury deposits, it is outside the Consolidated Fund.

Mr. Sudama: Is it possible at a later date for the Minister to get some specific information on this matter to the House? Because it relates to the possible abuse of financial authority and the attempt to circumvent the authority of this House. So I am asking the Minister whether he will make that information available in due course.

Hon. K. Valley: The Government will make available any information the Opposition wishes, within the law.

Madam Speaker: The Chair has received a communication that the Member for Couva South is detained until a little later.

The following questions stood on the Order Paper in the name of Mr. Ramesh Lawrence Maharaj (Couva South):

Crime Commission

28. Would the Minister of Foreign Affairs state:

- (a) Whether there is still a Crime Commission in Trinidad and Tobago?
- (b) If the answer is in the affirmative, is it functioning?
- (c) If there is, would the Minister say if it has formulated any plans for dealing with the escalating crime situation in Trinidad and Tobago?
- (d) If it has formulated any plans, would the Minister tell this honourable House when were these plans formulated and which, if any, of these plans were implemented?

UN Drug Convention (Ratification of)

29. Would the Minister of Foreign Affairs state:

- (a) Whether the Government of Trinidad and Tobago intend to ratify the United National Convention against Illicit Drug Trafficking in Narcotic Drugs and Psychotropic Substances?

- (b) If it so intends, would the Minister indicate to this honourable House when the Government intend to ratify the said Convention?

**Couva Hospital
(Repairs to)**

Would the Minister of Health indicate:

- (a) Whether he intends to cause any repairs and/or renovations to be done to the Couva Hospital?
- (b) If the answer is in the affirmative, would the Minister give an appropriate date for such repairs and/or renovations to commence and the nature of the said repairs to be undertaken?
- (c) If the answer is in the negative, would the Minister give the reasons for not undertaking any repairs and/or renovations?

Mr. Humphrey: Madam Speaker, the Member for Couva South is detained until a little later and has requested that these questions be deferred until a later stage of the proceedings.

Madam Speaker: The Member has communicated with the Chair.

Questions, by leave, deferred.

10.25 a.m.

**NEW FISCAL YEAR
(REVIEW)**

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, for some time now, the Ministry of Finance has been giving consideration to a change in the fiscal year. Then during the debate on the 1992 Budget, some Members of this House suggested that a review should be undertaken to determine whether a shift in the year would be beneficial. At that time, Government undertook to conduct a detailed review. The Government, after careful consideration, have now agreed that the fiscal year should be changed from January 1—December 31, to October 1—September 31.

The main reasons which informed such a decision are:

- (1) Under the present arrangement, ministries and agencies have very little time to plan, design and implement projects, especially construction projects, before the onset of the rainy season. In the current system, budgets are usually

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presented to Parliament either in December or January. After the presentation, it normally takes approximately two weeks before the budget is approved in both Houses of Parliament. It is only after this process is completed that ministries and agencies can begin meaningful planning for the implementation of new programmes and projects. The proposed change in the fiscal year would therefore facilitate maximum use of the dry season and thereby allow for optimum benefits for moneys spent.

(2) The financial year of a number of state enterprises coincides with the Government's present fiscal year end. Some enterprises have argued that if the fiscal year were to commence before their financial year, they could take the Government's policy directives into account in planning their own activities for the year.

(3) A change in the fiscal year will reduce the number of activities which tend to take place towards the end of the year.

The Government are aware that this change would require changes to all legislation which refer to year of income or financial year. Accordingly, the Government will very soon be tabling draft legislation in this House to enact the necessary changes. Ministries and agencies are hereby notified that all necessary administrative changes must be made to facilitate a smooth transition to the new fiscal year. In all probability, the budget will be read in early September.

Finally, I wish to draw to the attention of the House, the momentous and almost universal changes taking place at great speed in the global trading regime. In our hemisphere, I refer to the development of regional trading blocs in North and South America that in a sense, has made our Caricom CET, dated even before all Members have complied with the treaty. The change in the budget year provides a one-off opportunity to advance the pace of our own macro-economic reforms, trade and investment promotion programmes. I thank you, Madam Speaker.

Mr. Sudama: On a point of clarification, Madam Speaker. Could the Minister indicate whether the change in the fiscal year would be effective from this year, 1992?

Mr. Mottley: That is our intention, Madam Speaker.

ECKANKAR SOCIETY (INC'N) BILL

Eckankar Society (Inc'n) Bill

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Question put and agreed to, That a bill to provide for the incorporation of the Eckankar Society, be now read the first time.

Bill accordingly read the first time.

ORDER OF BUSINESS

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, I seek leave of the House to defer consideration of motions Nos. 1, 2 and 3 on the Order Paper and to proceed forthwith with Bill No. 1 under "Bills Second Reading" at this stage.

Question put and agreed to.

FINANCE BILL

Order for second reading read.

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, I beg to move, That a bill to provide for the imposition or variation of certain taxes and duties, for the incorporation of the amendments made by the Provisional Collection of Taxes Order, 1992, and for related and other matters, be now read a second time.

The budget for 1992 was presented to this honourable House on January 17, 1992. In accordance with the Provisional Collection of Taxes Act, the Provisional Collection of Taxes Order implementing the fiscal measures outlined in the budget presentation, came into effect on the following day, January, 18.

This Order was confirmed with some modifications by resolution of this House on February 7, 1992. Under section 3(2) of the same Provisional Collection of Taxes Act, an Order imposing a tax has effect for a period expiring at the end of four months after commencement of the Order. The provisions of that Order, as modified by the resolution, are the subject of the bill which is now before this honourable House.

The bill also contains modifications to the provisions which were confirmed by resolution on February, 7, 1992. In addition, we are taking the opportunity to include certain administrative provisions for improvement in the collection of stamp duty and in particular the value added tax.

In keeping with the ongoing programme of trade liberalization, the Government will be removing further items from the negative list and provision

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has been made in the bill for the imposition of certain import surcharges on these items. The understanding is that those surcharges will give a period of temporary protection in the transition away from the quantitative restriction which is the negative list, to purely tariff protection. The idea is that these duties will be imposed and will be reduced over time, until we are left just with the common external tariff. That will be the period of transition, somewhat now foreshortened in affording protection.

I do not propose to deal with the several other changes of taxes that were announced in the 1992 Budget, since those items were fully debated, in fact, almost two debates in this House already. Therefore what I propose to deal with at this stage are the items which are amendments and those items which are administrative improvements in the system which we are neatly taking under this general rubric of the Finance Bill, 1992.

Part III of the bill amends the Central Tenders Board Ordinance to require all persons bidding on contracts to submit to the Central Tenders Board a certificate from the Board of Inland Revenue stating that their VAT obligations have been fulfilled. This would bring VAT obligations in line with the income tax obligations that contractors already have to comply with when they bid on contracts to the Central Tenders Board.

Consequential amendments to the Value Added Tax Act were also necessary to give effect to this requirement and these are to be found in Part XV of the bill in clauses (15)(1)(a)(i) and 15(1)(f).

Clause 9(1)(b)(ii) of the bill makes a change to the section of the Income Tax Act which provides for an allowance not exceeding \$200.00 in respect of membership fees payable to trade unions. At the time that we read the budget there was a lacuna in the way we presented it, in that, although it was our intention that all trade unions and quasi-unions be covered by that provision, the fact is that certain associations are specifically excluded from being trade unions. I refer, in particular to the Prison Service, the Police Service and the Fire Service Acts. We are, therefore, now broadening the provision that was clearly intended in the budget declaration to include these associations to give them the power to have that \$200 in respect of membership fees payable to trade unions. Madam Speaker, I repeat. This amendment is proposed because these associations formed under these Acts are prohibited from registering under the Trade Union Act.

10.35 a.m.

Another item, simply to make it abundantly clear. Hon. Members should note that by clauses 9(2) and 10(2) of the bill, the provisions dealing with income tax and corporate tax take effect from the year of income 1992 which commenced January 1, 1992.

Part XI of the bill deals with amendments to the Stamp Duty Act. Clause 11(a) (vii) introduces a provision to empower the Comptroller of Customs and Excise to institute legal proceedings relating to stamp duty on custom entries in respect of imported goods in the same manner as if the stamp duty was a duty of customs. This is again another oversight and it now gives the Comptroller of Customs the authority to go after people who evade the payment of stamp duty, in much the same way as he would do with evasions of customs duty.

Clause 11(b) of the bill exempts corned mutton in tins from the payment of stamp duty. You may wonder why this peculiar exemption.

Madam Speaker, as a result of representations made at the meeting of the Caricom Council of Ministers in St. Kitts and Nevis in June 1991, Trinidad and Tobago obtained approval from the Caricom Council for the reduction of tariff rates on corned mutton from 45 per cent to 5 per cent and for the suspension of the common external tariff on corned mutton for a one-year period. You see, corned beef also enjoys such a similar suspension and exemption, and because of the religious preferences of certain groups in our society we have decided that corned mutton in tins which is more acceptable should enjoy the same preference as corned beef.

Clause 12(1) (c)(ii), and Clause (1) (c)(iii) of the bill amends the Miscellaneous Taxes Act to impose import surcharges on a range of non-oil manufactured products from extra Caricom sources. These products will be simultaneously removed from the negative list.

Clause 12(2) indicates that items listed in subsection (1) (c) (ii) will become subject to import surcharges from May 12, 1992 and will bear that surcharge. The Minister of Trade Industry and Tourism will remove these items from the negative list by issuing the appropriate orders. This is what I referred to earlier, that is, at the time that this measure is finally passed on May 12, 1992 and those surcharges go on, then the Minister of Trade will, by administrative order, remove those items from the negative list and we will move from quantitative restrictions to a system of duty protection with the extra amount of this surcharge

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to give a temporary protection as the manufacturers and others adjust to the new regime. The rates of surcharge proposed will vary between 25 and 55 per cent. The rate has been specified as zero in cases where either the items are not manufactured locally or, the customs duty has been suspended with the agreement of the Caricom Council of Ministers. The total tariff protection including customs duty, stamp duty and import surcharge will not exceed 100 per cent of the c.i.f. value of any item except on certain garment items where under the agreement we have been allowed an additional surcharge of 20 per cent.

The Government are committed to a gradual phasing out of import restrictions and the system of import duty exemptions to the local manufacturing sector as well as the eventual reduction of tariffs imposed on extra-Caricom imports to a level corresponding to the common external tariff. This is in compliance with our commitment under the loan agreement with the World Bank, the Structural Adjustment Loan (SAL), which was executed on January 25, 1990, and the specific items that I referred to in summary table under what is known in the loan as a policy matrix. That is, these loans are granted and as conditionalities to the loan the Government have to comply with certain policy positions that are stated to the loan and disbursements are tied to those conditionalities being adhered to. The conditionalities that I have just referred to, the removal of the negative list, trade liberalization and this question of removal of the duty-free concessions are here in the loan agreement and it states; initiate elimination of import duty exemptions.

Madam Speaker, Part XV of the Bill deals with amendments to the Value Added Tax Act. I have already referred to clause 151(a) and (i) in relation to the Central Tenders Board Ordinance. Clause 15 (1)(b) is intended to enhance the collection machinery in relation to indemnity payments. Where under a contract of insurance, a registered person receives an indemnity payment relating to a loss of goods or services in the course of business, such payments are taxed on receipt under section 46 of the Value Added Tax Act. The proposal in clause 15(1)(b) is to give the insurance company the responsibility for withholding and paying over to the the Board of Inland Revenue the value added tax which is due and payable.

Madam Speaker, there are further amendments which I will detail in a moment, all with the intention of strengthening the administrative machinery and eliminating certain loopholes that are becoming apparent in the value added tax administration.

I want to sound a concern that although I announced in another forum that the budget was consistently on track and that in fact we are slightly ahead of the game, so to speak, in what we had forecast with revenues and expenditure, one area of concern in the Ministry of Finance is the value added tax collection. It would appear that there are two areas that are working against us: one, that there are loopholes that we need to address and which we are addressing, and then there is the matter of evasion. I will deal with both of these matters now.

Clause 15(1)(c) deals with what is referred to as "Option C" in the Value Added Tax Act. Under section 33 of the Act a registered person who proposes to make supplies that are zero-rated and supplies that are not zero-rated and does not propose to account separately for the total value of the supplies that he makes in each of those categories, may apply to the Board of Inland Revenue for approval to use "Option C" in his output tax.

10.45 a.m.

"Option C" is the formula which is set out in section 33 (6) (c) of the Act. This formula was adapted from a similar provision in the United Kingdom legislation. However, whereas in the United Kingdom value is defined as consideration including VAT, in Trinidad and Tobago value is defined as consideration excluding VAT, so that in order for the formula to be correct in the context of the Trinidad and Tobago legislation, it is necessary to define value in the components of the formula as inclusive of tax. Clause 15 (1) (c) makes this change. By clause 15 (2) of the bill this provision is proposed to come into effect on June 1, 1992.

Clause 15(1)(d) (ii) seeks to amend section 34 (1) (b) of the Value Added Tax Act in order to ensure that where applications for refund of input tax are in respect of imported goods, the VAT thereon has actually been paid, and also to limit the claim of such input tax to one person. The person entering goods may not necessarily be the person who pays the input tax and this causes some difficulty in the administration of the Act. The amendment seeks therefore to ensure that the person who claims the refund is the person whose name appears on the entry documents.

Clause 15 (1) (e) deals with tax invoices. Under section 36 (1) of the Value Added Tax Act a registered person making a commercial supply is only required to provide the recipient with a tax invoice if the recipient requests one. Under the proposed amendment, tax invoices are made mandatory for all transactions above \$20.00 except for certain types of businesses specified in Schedule 3A. This

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requirement was relaxed in the case of fast food outlets, gas stations and cinemas because of the nature of these businesses and in order to minimize inconvenience to the public.

However, where a full tax invoice is requested, the registered person is required under clause 15 (i) (e) to provide one. A full tax invoice will be required under clause 15 (1) (d) (i) for the purposes of claiming for input taxes. I repeat that. A full tax invoice will be required under clause 15 (1) (d) (i) for purposes of claiming for input taxes.

Clause 15 (2) (b) provides that these provisions will come into effect on July 1, 1992, in order to allow some time for implementation and the necessary administrative machinery.

Clause 15 (1) (i) (g) makes provision for the amendment of item (1) (L) (a) of Schedule 2 of the Value Added Tax Act to clarify the meaning of unprocessed food by specifying that unprocessed food must be of a kind used for human consumption, not animal consumption. In this connection, hon. Members are asked to note that animal feeding stuffs suitable for animals of a kind which are generally used as food for human consumption, are already exempt from VAT.

Clause 16 of the Bill seeks to—before I lead that point may I also touch on some other matters relating to VAT which are not covered by this Act. Several regulations will shortly be put into effect. For instance, section 38 (2) of the VAT Act states that regulations may make provision as to what books and records are required by subsection (1) to be kept and the manner in which they are to be kept. We are now in the process of getting these regulations implemented so that there would be a full list of what records are required, and other such regulations which the Minister of Finance is already empowered to implement will in fact be put into force so as to, again, make very clear the conditions under which the VAT Act is to be administered.

All of this is happening because it would appear that with the fluxion of time, loopholes have been discovered and we are plugging them up and in the course of time we are seeing a situation in which the revenues of VAT have not so far been on track with what we have forecast in the budget and in fact there have been quite some substantial refunds. And we want to deal with that.

In addition, I want again, as a slight diversion from this matter but again related to VAT, to state that while I was in Washington we did seek the help of the IMF and the very strong systems which they have up there in terms of their

expertise in the administration of VAT. They have given us the assurance that officers of the IMF will be here to give us that assistance in strengthening our own administration so that quite apart from plugging the loopholes, the audit and administrative machinery in the VAT office will be strengthened to deal with the evasions that are occurring and we shall shortly be in a position to deal publicly with those offenders.

Clause 16 of the Bill seeks to empower the Minister of Finance to remit or refund purchase tax on transactions which occurred prior to the repeal of those sections of the Miscellaneous Taxes Act which dealt with purchase taxes. With the introduction of the value added tax, the provision for remissions or refund of purchase taxes were repealed and as a result there are cases where applications have been made for refunds or remissions and we are not now in a position to do so; legitimate cases often presenting real hardship often involving remittances of purchase taxes paid by charitable bodies, and we just cannot do anything about it. We are proposing an amendment to allow these outstanding matters to be tidied up.

Madam Speaker, in closing, I wish to take the opportunity to inform this honourable House that the Cabinet has taken a decision to reduce the customs duty on imported fabric from 10 per cent to five per cent and to remove the 20 per cent stamp duty. This decision has been taken in recognition of the need for providing incentives to the local garment industry which has the potential for substantial employment and the creation of jobs in the short and medium term, a fact that was pointed out to us at the just concluded Unemployment Symposium. This, in fact, is one of the decisions that are flowing from that symposium.

In the light of our obligations, however, under the treaty establishing the Caribbean Common Market, it is necessary for us to seek the agreement of member states before any change in the common external tariff. Accordingly, the Government propose to approach the Caricom Council of Ministers for a suspension of the CET on this particular item. When this has been obtained, in accordance with the powers vested in the Minister of Finance under sections 8A (1) and (2) and of the Customs Act, an order will be issued to give effect to the reduction in the customs duty as agreed to by Cabinet.

With respect to the removal of stamp duty, this measure is included in the list of amendments which would be considered at the committee stage.

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Madam Speaker, I have no hesitation therefore, in commending this Bill for the approval of this honourable House.

I beg to move.

10.55 a.m.

Question proposed.

Mr. Trevor Sudama (*Oropouche*): Madam Speaker, today is the first day of May, 1992, fully four and one-half months since the Government have been in office, and almost four months since the budget was presented to this House, and it is the fiscal measures in that budget which are now being put into legislative effect today.

Madam Speaker, fiscal measures do not exist in a vacuum. They are designed to achieve certain objectives, and one should have thought that the Government would have taken the opportunity today to indicate to this House how these measures, which were introduced in mid-January, were affecting the economy of Trinidad and Tobago. What are the effects of these revenue measures which were introduced in that budget debate of the Government? I make the point to indicate that if the Government are unaware of what is happening to the economy of Trinidad and Tobago, then all I can say is, like an ostrich, they are burying their heads in the sand and completely ignoring the fact that those budgetary measures, if they have had any effect at all, have had the effect of putting this economy in a continued state of decline.

Today the economy of Trinidad and Tobago is as a number of businessmen term it, at a standstill. Nothing is happening in the way of any recognizable form of improvement in any area of the economy. We have been told, for example, that the revenue forecasts are on track. They are on track for what purpose? For the purpose of deflating this economy and putting it into a state of decline or into shambles? Is that the purpose of the revenue estimates being on track? I believe that this is the next question to which the Minister of Finance should address his mind. I do not want to talk now about the expenditure forecast; let us confine it to the revenue forecast.

As I said, these measures which are introduced today to be given legislative effect do not exist in a vacuum. They have been designed to do a number of things as was outlined by the Minister of Finance in the presentation of his budget in mid-January. When he presented that budget, he outlined a certain scenario then existing, and, I think the first matter, on which he commented, was the very

high and unacceptable level of unemployment which was the state of affairs then. Now, what is the state of employment today? He indicated that the official figures would have been even higher were it not for electioneering expenditure and for make-work schemes which were generated towards the latter half of 1991. When therefore we come today to discuss this issue—perhaps he may have indicated to this House how his measures in the budget have attempted to deal with that problem of the very high level of unemployment in Trinidad and Tobago.

He indicated that in order to deal with this problem of unemployment, we need to have greater investment in this country, and in order to have that, we had to increase the domestic rate of savings and remove the obstacles to foreign investment. Well, four months have elapsed in which we sought to introduce certain measures to have some impact on the domestic rate of savings. What trend is being shown with respect to the domestic rate of savings? We had argued that if they wanted to do that one of the ways to do so was to remove the punitive 15 per cent tax on the interest gained from savings in commercial banks and elsewhere, because that tax militated against having a higher volume of savings. But, if I am to go by what I am told on the streets on a daily basis, incomes are falling as a result of the measures introduced in this budget and people's capacity to save is thereby reduced.

Today we are told that we are merely coming to give legislative effect to these measures as if nothing is unfavourable in the economy, everything is on stream, the economy is rebounding, but everyone knows that from the beginning of this year we have gone into a state of rapid decline. Whatever sector of the economy you take into account—whether it is the petroleum sector, the domestic agricultural sector, whether in fact it is manufacturing—with respect to what has transpired from January to now, we see a state of erosion of the foundation of this economy, which apparently is known to everybody except the Government. How much more local investment have we been able to attract in the interim, as a result of the measures proposed in the 1992 Budget? I will come later to deal with the question of the banking system, the liquidity in the banking system and the effect it is having in the closure of businesses on a daily basis, and on the whole question of unemployment.

11.05 a.m.

I just want to say a few words about the Government's approach to this problem of unemployment. Apart from instituting the LID Programme—and we

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have complained about the manner of employment on the various projects. We are back in the old syndrome where LIDP is now the mechanism through which you effect party policy; through which you give jobs to the boys.

That is one of the means of effecting governmental policy. But apart from instituting a few LIDP projects in the country, on a very discriminatory basis, when we look at the pattern of distribution of LIDP projects, we would like the Government to tell this House what is happening elsewhere with respect to alleviating this very difficult and chronic problem of unemployment with which we are confronted today.

I have indicated to this House over and over again that LIDP, while it is a short-term measure to bring short-term relief, cannot be a permanent solution to the unemployment problem that we face in this country. But the mentality associated with LIDP is part of the PNM culture as to how to address the problems in this society on a very temporary, ephemeral basis for purely political objectives. That is the approach to all the problems, and it is reflected in the manner in which the LIDP programme has been created and re-established in this country and how it has proceeded from what it was in the last regime.

The Government said that to deal with the unemployment problem—which is everybody's business and I agree with that—they wanted to have a symposium. The symposium lasted four days with an extended discussion period, inviting all and sundry, and then there appeared an advertisement in the *Sunday Express*, "Together we aspired and we achieved..."; what was achieved we will come to it in a while "and we will continue to achieve even more." I have no problem with symposia, I have no problem with the Government engaging in whatever it wishes to engage in for publicity purposes.

Madam Speaker: You did not give the date. Would the Member kindly give the date?

Mr. Sudama: This is the *Sunday Express* of April 26, 1992, and of course it is more costly to advertise in the *Sunday Express*. The first thing I want to find out is who paid for this advertisement. Was this an advertisement paid for by the Government of Trinidad and Tobago and on whose authority? Is it governmental policy to publicize what I am going to tell this House is sheer propaganda? Is that the way public moneys ought to be used? Two full pages? Whose idea was this and what was achieved?

Let us look at some of the solutions which we are told will come to grips with this unemployment problem in this country. One is the stimulation of the coconut industry. They have been there for 30 long years, 1956 to 1986. They have now discovered there is a coconut industry in Trinidad and Tobago which needs stimulating. So you need a symposium to talk about that. I am waiting to see the stimulation which will be put into the coconut industry.

The next is the rehabilitation of cacao plantations, We all know what is happening with respect to cacao plantations with respect to the inability to attract labour at the prices which farmers can afford to pay.

There are other solutions mentioned:

Introduction of satellite garment manufacturing factories; commercialization of the handicraft industry, including the establishment of export trading companies; furthering of ornamental glass industry, and soft loan window at banks.

Now, this is very interesting. Is the Minister of Finance aware of the rate at which banks are lending money today when people want to borrow for investment? Are you aware of the rates being charged? Sometimes, it is in excess of 15, 16 and even 20 per cent. But we are being told that there will be a soft loan window at the bank. I want to ask the Minister, who will bear the costs of putting this soft loan window at the banks? Certainly not the banks. Are the Government going to bear that cost? How are they going to determine who will get soft loans and who will not? On what criteria are they going to determine that? Or is this one of the gimmicks or one of the means by which those who are in favour will be facilitated? Let us look at some of the other solutions proposed.

— Expansion of the horticultural industry.

Well, I know he has personal expertise in that area and maybe he put that in to show how he could help in relieving the problem.

— Rationalization of tenure of agricultural lands.

— Setting up of a national apprenticeship training system.

— Implementation of furniture manufacturing project.

— Acceleration of projects under a design finance/construct programme.

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- Refurbishing of community centres.

Perhaps under the same scheme that the last Government attempted.

- Lease farm out of oil wells.
- Environmental enhancement project.
- Establishment of a shoe polish production facility.

That is going to make a significant dent in our unemployment problem.

- Textile fabric design and manufacturing facility.
- Youth programme in agriculture.

Very interesting.

- Manufacturing of pottery.
- Fish and shrimp processing.
- Re-opening of construction job site in Gonzales.

Why Gonzales and not elsewhere?

- Fruit and vegetable preservation.

As I look at this list, I want to ask the Government whether any of these initiatives indicated here were not known to them prior to the holding of this symposium. If any of these were known to the Government, what prevented them from implementing these measures? What prevented them?

Let us assume that people are interested in what has been outlined. Where are they going to get the financing to get into these projects to deal, as the Government say, with the unemployment problem?

Soft loan window at the bank. Madam Speaker, that this is an exercise in propaganda is clear to all concerned in this country. I do not want to dwell any further on it because the outcome of this symposium and the effect it will have on job creation will be known to us in a matter of months. We shall know that this is one of the additional schemes, if I may say so, which the Government have come out with.

The measures in this budget, if they were designed to deal with the high and unacceptable level of unemployment in Trinidad and Tobago, I am afraid for the last four months, have done, the opposite. They have caused an increase in

unemployment, an increase in bankruptcies, a number of businesses going out simply because the banks have been levying upon them on a daily basis and today, Madam Speaker, the banks must be one of the largest groups to hold real property simply because the collateral which they held to secure loans have, most of them, had to be called in.

So the banks are in the business now of property dealing, selling properties—and here we have a situation where the Government are coming to this House, probably unaware of this, and saying that their budget measures are on track.

Madam Speaker, we were told that the scenario we faced in January of this year was a drain on our foreign exchange reserves in the last two quarters of 1991. Therefore, the measures which were put into the budget had, as one of their objectives, the stemming of the haemorrhage of our foreign exchange reserves. My understanding is that the foreign exchange reserves—I do not have the figures from the Central Bank—for some strange reason, they do not send their quarterly or monthly reports to the Members of Parliament. That is confidential, and confidential to whom I do not know, but we do not receive this here. It is not laid on the Table of the House, nor do we see this privately. But my own information is that the foreign exchange reserves of this country over the last four months have taken a dive, and we are now in a position of net negative foreign reserves as we have never been in the past. What have these budget measures, in fact, succeeded in doing?

I do not want to comment on the Minister's discussion with the IMF. Now, I am told that he went there to talk about implementation of VAT and to get assistance to boost the mechanism that we had in place here so that the administration could be more effective.

Dr. Rowley: Who told you all these things?

Mr. Sudama: He said so. Where were you? Are you in this House?

Dr. Rowley: That is your interpretation. Who told you this?

Mr. Sudama: He went to the IMF—I do not know, you must have been a very bad student in class. You would not listen. This is what the Minister said. He took the opportunity to approach the IMF to talk about—

Dr. Rowley: You are brutalizing the language.

Mr. Sudama:—getting assistance. Now, what I want to think aloud is: Was that the only thing he took the opportunity to discuss with the IMF?

Dr. Rowley: You would think that.

Mr. Sudama: Madam Speaker—

Dr. Rowley: Only you could think that.

Mr. Sudama: This Member for Diego Martin West, I rise in this House, I do not necessarily say anything to disturb him, but he is disturbed. I then have to respond to him, and what of course happens is that he takes up my speaking time in the process. Maybe that is the objective.

Madam Speaker: I would think the hon. Member is too experienced to be lured by such interruptions.

Mr. Sudama: I will deal with him in due course.

Madam Speaker, the Government may have taken this opportunity to tell us what they intend to do about the disastrous situation with respect to the foreign exchange reserves of this country at this time. We know they also indicated that they had determined a certain oil price level on the basis of which the budget calculations were made. But they did indicate that both the oil price level and the international prices for petrochemicals were fluctuating, and these were the major sources of our foreign exchange reserves. What is happening today, four months later? Has that situation improved?

What the Minister indicated in that budget speech, and what he berated the last government for, was that while the last government had a tight fiscal policy, they had a loose monetary policy. And therefore, their loose monetary policy was undermining their tight fiscal policy and the economy and the financial administration were in a very parlous state. That is what he said in his budget speech.

He said that he would have tight fiscal policies supported by tight monetary policies. In fact, in that respect, he has been true to his word. Tight monetary policy to the extent that the Central Bank is not lending to the commercial banks, and therefore the commercial banks are in a very serious liquidity crisis, a liquidity crisis which has forced them to recall a number of loans, which has forced them not to issue new loans, which has forced them into a position where they are calling in collateral on a daily basis and they have now got into the business of property and chattel disposal. They have become, in a sense, like auctioneers. They are getting all this and they have to sell it off. In fact, it is not their real concern as to what happens with this economy. Their real concern is

that they get back their money from those to whom they have lent, by hook or by crook. Whatever means they employ, they get back their money today. It is going to continue.

I am going to ask a question: How many businesses have gone into bankruptcy over the course of this year and how has the poverty level increased as a result of the measures of the Government. The next question: On whose directions are we following this fiscal and monetary policy? Is it on the Government's own initiative, or is it directions from the World Bank and the International Monetary Fund?

Now, the next scenario we had was a difficult situation with respect to the servicing of our debt at the beginning of the year. Whereas in 1991, we had debt service commitments of US \$423 million; in 1992, this is going to go up to US \$612 million, an additional US \$250 million to service our debts. The debt service ratio is estimated to go to 30 per cent. I should like to ask: Are they getting the money to service this debt? If so, where are they getting the money from? Because our capacity to service this debt is a concern to everybody in this country.

You see, the Minister of Finance made it clear and he rejected the alternatives. But that is merely by word of mouth. He rejected the marked deflation of the economy to reduce the demand for imports and therefore to conserve foreign exchange reserves. But regardless of the fact that he said so, there is a marked deflation of the economy in the last four months. He rejected the other alternative of refinancing or rescheduling some of our external debt obligations, therefore we are going to pay our debt on schedule, all US \$623 million of it, both direct and contingent. In order to do that, we are going to tap the international bond market. Well, where is the international bond market, and have we approached it? I am not sure that he will approach it in Washington.

Madam Speaker, assurances that there will be no debt rescheduling, there will be no IMF Programme, we are not going to the IMF, there will be no devaluation and so on, I wonder if the Government think that they are talking to people who have absolutely no economic sense as to what is going on in Trinidad and Tobago today? Because if our options are limited, tell the country so, and what they are. You see, except that they are magicians and will just draw foreign exchange positions out of a hat, and they will get—

Mr. Mottley: The dragon gone.

Mr. Sudama: The dragon was the cause of all our problems, and the dragon is now gone. So they are not going to get an inflow of foreign exchange—the likes of which we have never seen in this country. When you look at the objectives of this budget and these measures which we are delineating here today, you almost want to know whether these measures really were related to those objectives or were they merely words? Sustainable growth of the economy. The economy has gone into a nose dive. Significant and durable reduction of unemployment, they say but apart from the make-work schemes and so on, there is nothing either significant or durable about any reduction which has taken place over the last four months—and they talk about restoring an adequate level of foreign exchange reserves.

Madam Speaker, I want to submit to the Minister of Finance that his budget measures are not working, his budget measures will not work and it would do him well to come back to this House with a new set of budget measures in order to get this economy going again.

Mr. Valley: It is coming in September.

Mr. Sudama: September might be a little too late, at the rate at which things are going in Trinidad and Tobago. But he is concerned, as was the last government—you see, they are all birds of a feather—his greatest concern is to bring expenditure in line with income. Now, I have no problem with the broad objectives of bringing your expenditure in line with income and no thought is being given to the composition or the pattern of that expenditure.

We have made this point before: It is not only a question of the total levels of expenditure and income, it is also a question of the composition and pattern of that expenditure which will seek to achieve the objective that they want. Similarly, with respect to our revenues, it has to do with the composition and the pattern of that revenue to, in fact, implement the policy measures which you have put in place.

Now, if these things are contradictory, as they seem to be—given our experience over the last four months—then I humbly submit that despite the talk, despite the propaganda and despite their attempt to *mamaguy* the population, as one newspaper has put it, "despite the theatre over the last four months", they are not going to achieve these objectives.

We hear in the process vague talk of structural reforms, structural reforms in the economy which, when they take place, will bring about the achievement of all

these objectives. I want to ask them, when they had the money, when money was no problem in the 1970s and in the 1980s, when money was no problem the Minister—

Mr. Manning: In the 1980s?

Mr. Sudama: In the 1980s. The decline came here only in 1984. In the early 1980s, you had money flowing and you had it in the special funds and you were drawing them down in 1983, 1984 and so on. When money was no problem in the 1970s and the 1980s, the Member for San Fernando East was a Member of the Cabinet, and I presume that he had some input into the decisions of Cabinet. What structural reform were you undertaking when you had the money? What meaningful, structural reform so that we would not be so dependent today on one commodity, one sector of the economy—on the earnings received from the oil sector? What diversification thrust had you embarked upon then to get this economy today in a situation where we would not have been so solely dependent on the fortunes of the oil industry?

Madam Speaker, they have a lot to answer for. The fact that they have been there in office only for only four and a half months this time does not relieve them of that responsibility for answering for the gross and wanton profligacy in the years of plenty. But, as they say, the way of the transgressor is hard. And they have transgressed. They have transgressed and sooner than later that transgression will meet with the proper and inevitable consequences.

The Minister of Finance set himself in that budget a very great and monumental task. Do you know what that was? To service a higher level of debt and at the same time to add to the net foreign exchange reserves of this country. Where are we with respect to that, today? Are we servicing our debts on schedule? Are we adding to the net foreign exchange reserves of this country?

With respect to foreign exchange reserves, my information is—if the Government have different information, fine, they will tell this House—that the foreign exchange reserves have gone into a decline. Secondly, if they are going to boost foreign exchange reserves and service the debt, I want to ask them: Will it be done by floating loans on the international market? In other words, you borrow to service your debt.

I am merely saying that if that is their intention, to borrow to service the debt and to keep going on that basis, I do not know where they will get additional money for investment purposes and so on. But if they are going to borrow to

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service the debt—they said they are not going into any kind of IMF programme and so forth—have they disavowed that. I want you to tell the public of Trinidad and Tobago that this is how they intend to deal with the debt situation in Trinidad and Tobago. They are going out there to borrow money on the international market in order to service the current debt. Where does that leave us in terms of improving the fortunes of this economy? This is a question that they ought to answer.

Now, Madam Speaker, there were certain specific provisions, but before I go on to the specific provisions in this Finance Bill, and to say something in some detail about some of the measures proposed, let me say this. We are told that we are on track with removing items from the negative list, that is removing items from the negative list and imposing import surcharges, and this will be for a transitional period. Could the Government tell us, today, given the difficulties being faced in the manufacturing and other sectors, what this transitional period would be?

11.35 a.m.

You see, we are being dictated to by an ideology coming from Washington, and elsewhere, which speaks about trade liberalization, freeing up everything—let the market decide what prices are going to be, what the cost of imports are going to be, and so on. We are being told that. The Government, like the previous regime, have gone along with that ideology. I want to ask them a simple question: What can we produce in Trinidad and Tobago in a system of complete free trading at a cost less than the cost of the import? In other words, if we take this question of trade liberalization to its ultimate limit, we would be importing everything we consume in Trinidad and Tobago.

Mr. Mottley: You have no confidence in the people; you have no confidence in yourself.

Mr. Sudama: We will come to the question of confidence. I see you have much confidence by going to this symposium and getting ideas to solve your problems. If that is the case, and we remove all the restrictions, and we begin to import, because it is cheaper to import, there is hardly anything which we can produce here that we cannot import at a cheaper cost—what would happen to your local manufacturing capability? If you are saying that after the transition period they would be able to boost their productivity to the extent that they can

compete satisfactorily, then you have to tell me what is that transition period you are talking about.

The lack of realism of this policy as it relates to the fortunes of economies, such as ours, must be very clear with respect to what the developed countries themselves are doing. One cannot get into the US market just like that. The Japanese protect their agriculture to the extent that it is impervious to competition from the outside. The developed countries are doing it. Therefore, this whole question of trade liberalization has to be taken with a pinch of salt. In what areas can we introduce this measure without having damaging effects on the local economy? With what areas can we proceed to effect trade liberalization measures that would protect production and employment options in this country? To go *carte blanche* and adopt that trade liberalization policy, and so on, will not do this economy any good.

Mr. Palackdharrysingh: You must have devaluation.

Mr. Sudama: Then there is the statement that you will have import surcharges from extra-Caricom sources. You cannot have it from within Caricom sources; you will have it from extra-Caricom sources. The Government might have told us what measures are in place to monitor that situation, because, as we know, much manipulation goes on. There are extra-Caricom sources which are deemed to be intra-Caricom sources, and, therefore, will get the advantage of the lower rates of import duties and the lower tariffs that will be charged when goods are from intra-Caricom sources.

We have been told, of the conditionalities attached to the structural adjustment loan from the World Bank where they have insisted that there must be a complete elimination of import duty exemptions. What effect will this have on the manufacturing and other sectors which need to have these exemptions, perhaps not on a permanent basis but need them in order to survive in a situation where such exemptions are being offered by other countries?

I am afraid that their policy, which is an extension of the policy of the last regime, needs further elaboration to the extent that it is different from the policy of the last regime.

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

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

Question put and agreed to.

Mr. Sudama: Madam Speaker, I merely wish to make the point that we on this side understand the trade liberalization objectives, its premises, its philosophy, and so on, but we will not and cannot adopt that *carte blanche* as the policy of an alternative UNC government. We have our basic difference on that score. For a loan of merely US \$40 million, they have submitted themselves to these conditionalities not only with respect to the elimination of import duty exemptions—

Mr. Valley: If you had acted in 1987, you would not have been there. This is where you were.

Mr. Sudama: Madam Speaker, we do not want to go back to what transpired in 1987, and so on. Whenever I go back in time, they say I am going too far back, they are the new PNM. Whenever I go back to the 1970s and 1980s, they completely disavow any responsibility for what happened during that time; now they want me to go back to 1987.

Hon. Member: There was a reason why you were fired, you know.

Mr. Sudama: I want to comment on some of the specific provisions. What I want to warn the Government about is the fact that the path that they are proceeding on, this rush to adopt a trade liberalization policy will do serious and irreparable damage to this economy in terms of production, employment creation opportunities. I merely want to give them that warning.

Madam Speaker, we are now told that the Central Tenders Board can ask for additional information from those who would wish to apply for contracts. One has to have income tax certificates, value added tax certificates, and so on. While this is merely a monitory measure, perhaps we should get an idea from the Government what they propose to do about the Central Tenders Board and the manner in which it operates. The fact that people may comply with all those requirements and you have this little notation at the end of the advertisement, that the Central Tenders Board is not obliged to accept the lowest or any tender, where they do not accept the lowest tender, should there not be an obligation on the Central Tenders Board to explain, publicly, why they have not accepted the lowest tender? Otherwise, in the first place, what is the point of tendering? You could have done this by a private administrative exercise where you do not have the issue of public tenders to determine who your contractors will be.

11.45 a.m.

Now this has happened with such regularity over the last few years under both the PNM and NAR regimes that we must question the role and operation of the Central Tenders Board. Once you do that, you are subject to complaints from the other side, that it is an independent body and are you questioning the integrity of members of the Central Tenders Board? We say, no we are not questioning the integrity of anybody. But once you are in public life and doing a public function you have a duty to explain to the public.

So that if you make decisions which are above board, and explain it to the public, then you have absolutely nothing to fear. But the suspicion is there that the Central Tenders Board can be manipulated—its decisions, its operations—can be manipulated in order to produce certain outcomes. I am saying to the Government that they have a duty to the public of Trinidad and Tobago to make the operations of the Central Tenders Board more transparent to the public of Trinidad and Tobago. They may, or may not, take that advice but it is my duty, on behalf of my party, my constituents and so on, to give them that advice.

Now, Madam Speaker, I see that they are going to raise the moneys that are payable for births and deaths registration. I am wondering, how much more money you are going to get from raising the fees payable on births and deaths. Is the objective to discourage people from registering births and deaths?
[Interruption]

Mr. Palackdharrysingh: Make the dead more uncomfortable.

Mr. Sudama: If you get a couple of thousand dollars more from this measure, is it worth it? I do not know. They seem to have run out of ideas as to how to raise money and here we have come to raising the fees payable when you are going to register births and deaths. No wonder that they cannot produce accurate population and other census figures, because people are being saddled with these charges and say, well look, I do not have the money to go and register births. I am not going to register any birth. You see? I really wish to question the rationale behind raising these fees for births and deaths—how much revenue you will get from it; whether it is justified in the circumstances and whether it may not have certain undesirable consequences—although they might consider the fees to be rather minimal. Today you have people who do not have an extra dollar to buy food—I do not know if they are aware of that—let alone, when they give birth to a child they have to find that money to register that birth.

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Today, again, the motor vehicle industry in Trinidad and Tobago is in a state of crisis, and having applied these taxes over the last four months we ought to know, or have an idea of what has happened to the motor vehicle industry. If one of the objectives was to create employment by having a motor vehicle industry, what is happening to the employment in that area? I know what is happening because I have been told what is happening. I do not have official figures but, the Government ought to be in a position to provide us with official information as to what is happening there. But what this motor vehicle tax has, in fact, done, with all its import duties and so on, is to put the price of a motor vehicle completely outside the income of the average man in Trinidad and Tobago.

I have to operate a small motor car which, today, will cost, if I were to go and purchase that, in excess of \$75,000. While Members of Parliament get a loan of \$25,000 for the purpose of purchasing a new car, I should like this Government to tell me where I can get \$50,000 and at what rate of interest, in order to purchase a car to carry out my public responsibilities. Where will I get that? But they have put in place taxation measures which have placed motor cars beyond the reach of the average man in Trinidad and Tobago. So what is the rationale behind this policy? They perhaps can explain. Or is it just a revenue raising measure as the Minister of Finance said? They do not care what the consequences are. Once they bring revenue in line with expenditure that is all their concern; no other concern with the impact or the consequences on the economy, the employment opportunities or what is happening otherwise.

Let me just touch on this issue of savings bonds—national tax free savings bonds. The regulations were amended and for bonds which have a maturity of five, seven and ten years, interest shall be paid annually at the rate of six, seven and eight per cent respectively. Now, how does that compare? We are in a situation of rising interests. How does that compare with interest offered by other financial intermediaries? Or are they trying to get money from the public on the cheap to finance whatever excursions they may wish to embark upon? I should have thought that if you want to attract money from the public on National Tax Free Savings Bonds, then your rate of interest should take into account what is happening in the market at this particular time.

Mr. Valley: Which rate? What is the effective rate?

Mr. Sudama: What is the effective rate? The effective rate cannot be determined out of hand. It is determined on people's income level. You should know that, as a man who was in the Ministry of Finance.

Mr. Valley: It is a tax credit.

Mr. Sudama: Madam Speaker, what savings people will have will depend on their marginal rate of tax—the allowance you are giving here as a tax free bond. Is this a rate of interest that will, in fact, attract purchasers to National Tax Free Savings Bonds? I want to raise a question about the allowable expenses. This is a matter where we have many difficulties with the Inland Revenue Department and many people come to me—my constituents—and complain about what could be regarded as expenses that are wholly, exclusively and necessarily incurred and defrayed to get the income which they receive. Now I am told that you cannot claim.

In fact I have had a claim rejected by the Board of Inland Revenue which I am contesting at this point. You see, I am a Member of Parliament. I represent people. I have to maintain a constituency office and have certain costs involved with the maintenance of that office. The fact that now we are getting allowances, is something that is relevant from this year. But in the past I maintained a constituency office at my own cost and I did it in furtherance of my responsibilities and duties. It was wholly and necessarily and exclusively incurred.

Mr. Valley: I want to ask the Member whether the matter is under review or whether it is in court.

Mr. Sudama: Madam Speaker, I am talking about a general principle here, not necessarily about my own case. I am using my case as an illustration. The hard-nosed attitude taken by the Board of Inland Revenue in these matters is that you have to prove. But the proof that they require is such that nobody could prove.

11.55 a.m.

So, as I said, I raise this question because it has caused much controversy in the past. I believe it has been the subject of court action and so on already. But how does the Board of Inland Revenue go about determining what are expenses which are wholly, exclusively and necessarily incurred and defrayed? Here it merely applies to travelling in the performance of duties or the employment of office or keeping or maintaining means of transport to enable the performance of those duties. Well I am not confining it merely to travelling—wholly and necessarily incurred with respect to travelling. I am dealing with a situation where you incur expenditure, wholly, necessarily and exclusively, for the purposes of

the performance of your duties and your functions and which are necessary in order for you to do that.

What is the attitude of the Board of Inland Revenue in this matter? Is there a discretion? Is there not a discretion? I think the Minister of Finance ought to respond to that, because it affects hundreds and perhaps thousands of people who make claims for allowable expenses under these items. So while it also affects me, I am merely one person in the scenario, and if I may make a representation on my behalf—I do not think I am debarred from so so—I also make a representation on behalf of a large constituency in Trinidad and Tobago which is affected by this regulation.

I want to deal with this question now of the mortgage interest deduction which is an allowable expense under the Income Tax Act. In addition to the mortgage interest deduction, those people who expend under \$12,000 with respect to repairs to land and improvements thereon, are also entitled to use that as an allowable expense from this year. We questioned in the budget debate whether this would have the effect of creating more job opportunities for people, and also a positive effect on the construction sector. But let us assume that it will have such an effect on the construction sector. What I am a bit disturbed about here, is that this allowance is applicable both to people who own their houses or who occupy rent-free houses. So that we see in subclause (6) on this, page 13—let me read this out:

"The allowance of a deduction under subsection (3), in respect of land and improvements used by or on behalf of the owner in a year of income does not prevent or limit the allowance of a deduction under that subsection in respect of land and improvements used rent-free by the occupier in the same year of income."

In other words, if I understand this regulation correctly, if you own a house and you spend up to \$12,000 in effecting repairs to that house, you can claim that as an allowance. If you occupy, at the same time, a house rent free and money is spent on that rent-free premises, you can also claim that as well as an allowable, deductible expense from your income tax. The question I ask is: Which constituency of persons is this designed to benefit? Is there a special constituency of persons who have houses and also have access to rent-free accommodation? Why?

Mr. Valley: If you have a house and your mother is living rent free—

Mr. Sudama: If I am a public servant and I have my own house, but I also occupy a rent-free house and I do repairs to the rent-free house that I am occupying, am I entitled to deduct this money? If I am working for a company and I have my own house and the company gives me premises and says, "look here, you see the repairs to that, you look after that," is such a person entitled to a double deduction? That is what I want to know. So I am asking you: When you put this regulation in place, what, in fact, did you have in mind? Which category of people you wanted to benefit? Was it or was it not a special constituency? That is the question I am asking.

If you know what you wanted to do, please explain it to this House. What was the intent of this regulation? Will this benefit Ministers, for example, who have their own houses and who may spend money in occupying rent-free accommodation elsewhere? Therefore, will they be entitled to a benefit under this regulation and, in fact, enjoy a double benefit with respect to repairs to accommodation they are occupying? I know how things work and that certain things are stuck into the laws and the regulations to facilitate particular groups of people. That is the way the thing works. I know that. So I should like some explanation.

On page 14 of this bill, you have new rates of taxation for the band \$20,000 to \$40,000. In other words, if your chargeable income is between \$20,000 and \$40,000, your rate of tax in the budget—and this is implementing the budget—has gone up from 30 to 35 cents in the dollar. If you are over \$40,000, then you go from 35 to 40 per cent. We warned the public servants that the increases which they were getting will be completely eroded by the new tax rates which had been introduced in the budget, and this is, in fact, what is happening. There had been a little grace period. But, you see, from April, going on, when they get their pay packet, it is less than what they had received before the increase which the Government granted. So you want to ask yourself. Why did the Government go to all this trouble? Was it merely for the superficial honouring of collective industrial agreements, when, in fact, what they intended to do was to further deflate the net take-home pay of these people? You give with one hand, you take away more with the other hand.

What has that done to the revenue situation? We had asked to be given an update as to what transpired over the last four months: How these measures were implemented? What were the consequences of the implementation of these measures? How has the economy fared. We are not here merely to talk about

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dollars and cents. The Prime Minister has gone. When he was sitting in the Opposition here, he insisted that he was not talking about dollars and cents; that the previous regime was a dollars and cents government, who only looked at things in dollars and cents.

12.05 p.m.

Today the only thing that we have been told as an update after the passage of that measure, is that revenues are on tract except for VAT. Revenues are on track as predicted. We have not been told about the expenditure because if you have revenues it must be for the purpose of expenditure. We have not been told whether expenditures have been kept in line, whether the Government at this point in time, after the first quarter are in a fiscal deficit or, are in an even position or whether in fact, there is a surplus on the fiscal account. No mention has been made of that, but VAT is not on stream.

I want to say a few things about VAT. I repeat what I said merely for the record that this is a regressive system of taxation which impacts more seriously on lower income groups than it does on higher income groups in this society. Therefore, the rate at which that tax is levied is critical with respect to the well-being of the masses of this country, the lower income groups. We had made a representation that given the revenue flows from VAT in 1990 and 1991, more revenues were coming than in fact were estimated in the budget. Both in 1990 and 1991.

In fact, in 1990 we had a period of emergency—a coup attempt—an extended period of emergency yet, despite that, the revenues which actually came in exceeded the estimates in the budget. And they said in the light of that, a so-called caring Government would have done something quite apart from removing value added tax on a very few selected items, would have reduced the general rate of the value added tax. In fact it is something they had promised in the election campaign of 1991—to reduce the general level of value added taxation. Now we are told that VAT is not on stream and in fact they are getting less money from VAT than anticipated.

I think the Minister indicated that the reason for this is avoidance of paying VAT. There also could be another reason, that their policies have so deflated this economy that purchasing power has reduced and therefore VAT will be reduced because they were making estimates on the basis of volume of purchases and of transactions in 1991 and their estimates have been way out of line. That is a sure indicator that the economy is on the decline. There is less business activity, less

purchase transactions and consequently there will be less revenue accruing from value added tax. I do not know if he has considered that as one of the reasons why they are collecting less revenue from tax VAT. If they are collecting less revenues he might consider the raising of value added tax so that they could be on track.

Madam Speaker: Would the hon. Member wind up please? His time is up.

Mr. Sudama: Madam Speaker, I just want to make a final point and that is, the way in which San Fernando is treated. Now what has happened is that to pay for liquor licences they have charged an annual fee of \$3,000. It was higher in Port of Spain; it has been reduced, but in San Fernando it was lower and has been increased, so that people in Port of Spain and the environs who have liquor licence premises pay the same liquor licences as those in San Fernando and its environs. That is on the assumption of course, that people in San Fernando have as much disposable income and the same number of people, the same levels of disposable income as you have in Port of Spain. You so put this liquor licence at the same level.

I cannot understand the reason. If you have premises in San Fernando you are bound to have a lower volume of sales in San Fernando and the environment than you have in Port of Spain and its environs. So why this discrimination against San Fernando when the Prime Minister himself comes from there and represents a constituency in San Fernando? He should explain to his constituents particularly to those who are involved in the retail liquor business. I want to say that I am disappointed that we have not had an update on what is to happen in the economy and the effect of these measures; and I further want to say that the budget measures have not done anything but the opposite of what the Minister of Finance indicated in January this year. Thank you very much.

Mr. Krish P. Jurai (*Nariva*): Madam Speaker, I wish to remind this honourable House that when I made my maiden speech in the budget debate I said that this was one of a series of budgets which we may see for 1992, and so said, so it has come to pass. We have seen several amendments and even today, which is May 1, 1992, we are still debating the budget and its amendment.

I should have thought that today we would have seen something positive coming from the Government with respect to alleviating the unemployment problem by way of investments in the economy. Instead of the economy expanding, it has been contracting, and is contracting daily. I should have liked to

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see the banking sector given some incentive for giving lower interest rates to people or investors wishing to invest so that they could absorb the unemployed. I should have also liked to see the agricultural sector being expanded so that we could grow more food and reduce the import bill.

During my budget contribution I made reference to the development of the Nariva Swamp where there is large rice production being undertaken at present. The farmers there can produce only one rice crop per year. If the lands are fully developed they can perhaps produce two or three crops per year. So that I should have thought that the Government which has been in power for over four months would have started a project in that direction. All we have had from the Minister of Agriculture so far is a plan which he mentioned for growing more corn. We are yet to see the fruition of that statement—whether it has taken off. I am appealing to the Ministers concerned—Minister of Agriculture, Minister of Works—to ensure that drainage projects be undertaken immediately in the Nariva Swamp, Oropouche Swamp and in the other areas which need irrigation for growing rice and other food crops.

12.15 p.m.

We on this side of the House have seen that the only employment created by the Government is the LIDP project. I have no argument with that. But perhaps what I should like to see is that this project be used, particularly at this time of the year, to clean and open the drainage system on the roadways. If this is done it will protect and preserve our roadways. What is happening at the moment is that the water flows on the road, settles there, it creates big depressions and vehicles cannot pass.

I see this daily when I go through the country—and even in the built-up areas, we can see the same thing happening. I travel throughout my constituency, Nariva, and the Plum Mitan Road is the only road link between Rio Claro and Port of Spain. I have been appealing to the Minister of Works to look at the situation. There are 25 trucks laden with boulders and gravel which use that road daily. Can you imagine what happens when those big trucks are stuck in the Plum Mitan Road which is the only road link between Rio Claro and Sangre Grande?

The Ministry of Works in Sangre Grande said that they are doing repairs. But what are they really doing? They are just dropping the earthfill there and when the trucks pass it goes back into depression and that is the state it remains in. What we would like to see is that the potholes in the roads—we are not asking at this point for barbergreen roads—are filled and maintained. If the drains are cleared on both sides of the road—and not only the Plum Mitan Road; I am talking about the country as a

whole—then we can protect our roadways. We may not have to spend as much, perhaps, next year and beyond.

As I said earlier, we on this side of the House should have expected to see the Government coming with some positive policy towards the expansion of the economy. Lo and behold, what we are seeing is that the Minister of Finance indicated this morning, that he is going to remove items from the negative list. He has also indicated that there will be a period for readjustment. May I suggest to the hon. Minister that he give a fair period and from time to time advise those involved in production that the period is becoming shorter so that they could prepare themselves for the eventual removal of those items under the protection policy. I hope that the Minister could give a fair period for readjustment and not just say that it would be abolished in a short space of time.

When I looked at the budget for 1992, the Minister of Finance said liquor licence duties would be increased by 50 per cent. I do not know if he has forgotten his arithmetic, but what we are seeing is that instead of an increase, it is a reduction. In Port of Spain and San Fernando the annual spirit retailer's licence has been reduced by \$750.00. The spirit grocer's licence in San Fernando has increased from \$2,400.00 to \$3,000.00. The spirit grocer's licence elsewhere has been reduced from \$1,500.00 to \$1,200.00. Why was consideration not given to the spirit retailer's licence elsewhere to be reduced similarly? I urge the Minister to give some consideration to this.

We also see that precious metals will be given special consideration. It says, diamonds, precious stones, waste and scrap precious metals from the Third Schedule to the custom tariff thereby making them eligible for conditional duty exemption. I am wondering what is the motive behind this. Are diamonds and precious metals not luxury items? Aesthetic value for people who can really afford these items. Why do we have to give them special consideration, especially at a time like this, when our economy is in a depressed state?

I have my reservations that there are no ulterior motives here. I say this because I am of the view that certain conglomerates are going to invest in precious metal in foreign countries and hence they have started this move now, so that by the time of fruition of that investment, we would have forgotten this and those precious metals would be entering this country perhaps free from duty, or at a reduced rate of duty.

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When I look at the Public Sector Investment Programme for 1992, I see under Public Order and Safety:

"Investment expenditure amounting to \$35 million will be allocated in 1992 for the upgrading of police stations, improvement to prison facilities including the completion of the remand prison at Golden Grove and dormitory for the regiment at Camp Ogden.

In 1992, construction activities will continue on the San Fernando Supreme Court, Chaguanas Fire Station and the Marabella District Police Station. In addition, construction work will commence on the Santa Cruz Fire Station, Arima Magistrates' Court and the rebuilding of the San Fernando Fire Station."

Madame Speaker, \$35 million has been allocated for this project, yet we see recently the Minister of National Security saying that they are going to spend \$200 million on the Golden Grove Prison.

12.25 p.m.

Only a few days ago he again said at San Juan to a group of concerned citizens who are concerned with the increase in the crime situation in the San Juan district, that he is building a new police station. Where is the Government going to find the additional revenue for these developmental projects? It seems, therefore, that several changes are being effected to this Finance Bill and the Government are cutting here, building there, trying this and that in order to collect funds and, as the Minister of Finance has that said, his budget is moving on target. Perhaps he means collecting revenue. He does not say where he is going to invest to create jobs for the unemployed and this is something that we must be very concerned with in this country. The situation has reached crisis proportions.

People are complaining to me every day and not only to me but also to all the Members on this side of the House, and I am sure, also to those on the other side. People do not have jobs; they do not know what to do; they do not know where to turn. What can they do? They are prepared to accept anything, they are willing to do anything for any "small change". Things have gone so bad. I am therefore urging the Government to encourage investment in the public and private sectors, so that we can absorb the unemployed as early as possible.

Five months has gone in the year and still there are no signs that the unemployment figures are reducing. Rather, what we have seen is that, as a result of a certain statement made—and I refer here to a statement made earlier on the

Government side that the TT dollar would be linked to the US on the floating exchange rate—has led to a massive flight of foreign exchange. The foreign debt situation is critical. The figure quoted for our foreign debt is—\$6 million at this point. What are we going to do? The Minister of Finance said he has just returned from Washington. However, he has not said anything to us here this morning.

What I am hoping is that we on this side of the House would see the Government take positive action to reduce unemployment in this country. The LID Programme is insufficient. As a matter of fact, the LID Programme is creating problems in some areas. People are fighting one another for securing jobs on those limited projects that are given. In my constituency, there are only two projects allocated to me, and I have the largest constituency—the constituency of Nariva. If I had a say I would have directed where these projects should have been undertaken, but those concerned with the administration of LIDP determined where priority should be given. I am not asking for consultation at this point. The projects are already there. But certainly we should like to see the number of projects increased, but what I should like to see is priority given to drainage which I had mentioned earlier. I think that should be given top priority in this country.

12.30 p.m.: *Sitting suspended.*

2.05 p.m.: *Sitting resumed.*

**ARCHBISHOP DR. ELTON GRIFFITH
(DEATH)**

Madam Speaker: Hon. Members, at this stage we are going to pay tribute in this House to the late Archbishop Dr. Elton Griffith. Most of us know of the great contribution he has made to this country.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, the late Archbishop Dr. Elton George Griffith, spiritual leader of the National Evangelical Spiritual Baptist Faith, was a man of the soil, a man of the people, a man of faith, a man dedicated to serving God and to serving those who sought to serve God in a truthful manner in the homeland of his choice, Trinidad and Tobago, and in the entire Caribbean.

Archbishop Dr. Griffith came to Trinidad and Tobago in 1942 from Grenada, the land of his birth. A mason by trade, he was already a spiritual missionary. He immediately embarked upon this mission here, at first as a one-man team, a solitary preacher. Over the years, he concentrated on pursuing his spiritual work

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in Port of Spain, initially having his base at Ovid Alley and on George Street. Taking his civic duties seriously, and endeavouring to function within the law, in 1945, he applied to the authorities for permission to preach throughout Port of Spain and in Trinidad and Tobago generally. Approval was granted, but in practice he was forbidden to use shouter practices.

Persistent in the quest for freedom to worship as he and his followers considered it necessary, and befitting the praising of God, yet determined to conform to the law of the land, he sent a petition to the Colonial Secretary. He also applied for the use of a river for their religious practices. His tenacity, persistence and dedication resulted in the enactment of Act No. 21 of 1964, an Act to provide for the incorporation of a body to be known as the Incorporated Trustees of the National Evangelical Spiritual Baptist Faith Archdiocese in Trinidad and Tobago.

By 1981, this indomitable spirit had a congregation of some 90,000 persons. It was no surprise that his religious peers, leaders from throughout the Caribbean region and North America, came to Trinidad and Tobago to pay their last respects to their colleague, elder and friend.

It was apt that Archbishop Dr. Griffith, in 1988, when he was alive and busy about his Father's business, would have received national recognition through the receipt of the National Award of the Humming Bird Silver Medal for Social and Voluntary Work.

The history of the National Evangelical Spiritual Baptist Faith in Trinidad and Tobago is the history of the man whom we eulogize here today, a fighter for freedom of religious practices, a great seeker of justice and recognition of the Spiritual Baptists as a legitimate religion. A great leader who fought relentlessly for a bona fide cause, despite personal threats and affliction imposed on him for his pursuits incurred the wrath of the colonial powers in Trinidad and Tobago.

Madam Speaker, there was a time when religious freedom as we know it today was non-existent in Trinidad and Tobago. Pastor Griffith was the pioneer in advancing the case for religious freedom. To the extent that he was successful, that success represented not merely an achievement to the Baptist religion, not merely an achievement of religious freedom, but really an achievement for freedom in general, freedom and fair play.

I think it is fitting that at this time when it appears that in so many places in the world fair play, the rule of law and perhaps even freedom are being

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questioned, that, Madam Speaker, on behalf of the Members of this House, we pay tribute to the life of Pastor Griffith.

Mr. John Humphrey (*St. Augustine*): Madam Speaker, the Opposition joins the Government in paying tribute. I was one of the Members of this honourable House who attended yesterday's funeral service at the Jean Pierre Complex of the late Archbishop of the National Evangelical Spiritual Baptist Shouters Faith, the most Reverend Dr. Elton George Griffith.

It is fitting that this House pay homage to the late freedom fighter, Elton George Griffith, for much of his struggle was focused on Parliament. Those of us who attended yesterday's service will not understand how the Spiritual Baptists could have been debarred from freely practising their faith for so long. The Shouters Prohibition Act of 1917 made it illegal for Baptists to worship or keep articles related to the practice of their worship. It was Elton George Griffith who led the struggle to persuade the Governor in Council to grant freedom of worship to the Baptists. The law was finally repealed in 1951. It is due, to the dedication of men and women like the late Archbishop Griffith that the Constitution of the Republic of Trinidad and Tobago enshrines the right to freedom of religious belief and worship.

We, the Members of the House of Representatives, who take our rights for granted, should pause to reflect on those who enabled this. On behalf of the Opposition, I wish to express condolences to the bereaved family, his widow and helpmate in struggle, Mother Elaine Griffith; their six children and grandchildren and the entire Spiritual Baptist community of Trinidad and Tobago and the Caribbean.

Madam Speaker, I should like hon. Members to take note of the fact that our guest in the gallery is the late Archbishop's son, who takes his name George. George Griffith is a son of Trinidad and Tobago and he is very proud of his father. Madam Speaker, on behalf of all the Members of this House, may I wish that God repose the soul of the late Archbishop; may his soul rest in peace.

Madam Speaker: I, too, should like to join hon. Members in the expression of their sentiments with respect to the late Archbishop Griffith. I am of the view, like Archbishop Griffith, that the incarnation of souls serves only one purpose and that is the upliftment of planet Earth. I think that this goodly gentleman spared no pains in the upliftment of his flock and I think we all share the view that Trinidad and Tobago has been indeed uplifted and blessed.

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I now direct the Clerk of this honourable House to send a letter of condolence to the bereaved widow and children of the late Archbishop Griffith expressing our heartfelt sympathy to them.

ORAL ANSWER TO QUESTION

**Couva Hospital
(Repairs to)**

30. Mr. Ramesh Maharaj (*Couva South*) asked the Minister of Health:

Could the Minister state:

- (a) Whether he intends to cause any repairs and/or renovations to be done to the Couva Hospital?
- (b) If the answer is in the affirmative, would the Minister give an appropriate date for such repairs and/or renovations to commence and the nature of the said repairs to be undertaken?
- (c) If the answer is in the negative, would the Minister give the reasons for not undertaking any repairs and/or renovations?

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, the answer to part (a) of the question is yes.

Repairs are planned for implementation during the months of June, July and August of 1992, funded out of the 1992 Development Programme Appropriation.

The nature of the repairs is:

- (i) Extension of the accident and emergency department to provide additional washroom facilities;
- (ii) Upgrading of the washroom and sluice areas in other wards.

Madam Speaker: Questions Nos. 28 and 29 will be deferred to the next sitting of the House.

FINANCE BILL

Mr. K. Jurai: Madam Speaker, I was on the point of re-emphasizing that the LID Programme should be used for drainage purposes on the roadways, on the sides of the roadways because unless we have proper drainage, no matter how

much we build on the roads they will continue to deteriorate, so I urge the Minister concerned to take note.

Whilst I am on roads, I may also mention that there is a bridge in my constituency and I am very concerned, because that bridge needs about 26 more planks so that the residents can cross. When I made enquiries, I was told that the regional council is responsible for that. When I contacted the convenor, he said that he had no funds. These planks would cost only about \$3,500. They were not purchased and the people cannot use the bridge; they have to use an alternative route, which is about 10 miles out of the way. I am urging the Minister of Local Government to look into this matter very urgently.

It bothers me that we have to come to this House to discuss such trivial matters, \$3,500 for the purchase of planks for a bridge. Why do we not have active local government in place? Why does the Minister not call the local government elections so that those local councillors—

Mr. Valley: Madam Speaker, let me just inform the Speaker that calling local government elections is not part of my portfolio.

Mr. Jurai: Madam Speaker, he is on the Government side and it is the Government's responsibility.

Mr. Sudama: What is your portfolio?

Mr. Jurai: So we are urging that the local government elections be called immediately so that those minor matters—if I may refer to them that way—can be handled at the local government level.

During my budget contribution, I mentioned one major bridge which affects my constituency, and that is the Mitau River Bridge at Cocal. That bridge collapsed almost a year ago. A question was asked by me in this honourable House of the hon. Minister of Works and Transport, and he promised this House very faithfully that this bridge will be reopened by the middle of May, 1992. But I was there Tuesday last, and that bridge cannot be reopened in two weeks' time.

Madam Speaker: I am having a little problem with the hon. Member's contribution at this point. I know that several complaints have been made in this House with respect to that bridge, but I am wondering could the hon. Member indicate the relevance of the repair of that bridge to the bill that we are considering at the moment? What really is the relevance?

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Mr. Jurai: Madam Speaker, we are dealing with the taxation here and this is an important factor. If I may continue, with your permission.

Madam Speaker: I should like to know the relevance. What is the relevance of that bridge to the bill under consideration?

Mr. Jurai: This is exactly the point. Revenue is being collected, but it is not being spent on the projects. It is not creating employment. This is the very point I am making.

I am very concerned with this bridge, because when I went there Tuesday, the bridge was being repaired at both ends, but only 80 feet on either end—which I consider to be the shallow end of the river—but the middle portion, which is 180 feet wide—that is the deep and dangerous end of that river—that portion of the bridge is not being replaced and that is a very dangerous situation.

The engineers and the foremen have expressed grave concern at the type of repairs, the patchwork that is going on, and I am also concerned. The people are very concerned and they are complaining. If that patchwork continue, that bridge could collapse at any time. I am emphasizing this because we are dealing with finance, and money has to be spent on the repairs of roads and bridges hence my reason for making this Bill.

So I hope that the relevant authority, and in this case the Minister of Works and Transport, would look into this matter with the utmost urgency. We do not want any patchwork to be carried out on that bridge. It is a very dangerous river, it is very deep and the bridge could collapse at any time.

Madam Speaker, if I may continue with revenue collections.

Madam Speaker: The hon. Member has my approval to do so.

Mr. Jurai: As I mentioned earlier, the external debt of Trinidad and Tobago stands at approximately TT \$6,407 million as at February, 1992, the external debt obligation for 1992 being about \$2,746 million, which has to be repaid in foreign currency. This is a grave problem that exists. I am hoping that the Minister of Finance would give us some details of his discussions that were held in Washington recently.

This document, which I am quoting from the *Central Bank Monthly Statistical Digest*, also gives the value of our net foreign reserves and the ghastly sum of minus \$650.4 million for February, 1992. It is a very frightening situation when

compared to \$411.4 million for January 1992. What is the Minister of Finance doing about this? Is he going to devalue the dollar further? I hope not, because he has promised in answer to a question which I had asked in this House earlier that he would not devalue the TT dollar. I hope he holds to that reply.

I refer to the motor vehicle tax and the Provisional Collection of Taxes Order, section 6(1)(e). The Minister of Finance has changed the figure of \$4 per cc for vehicles with engines exceeding 2499 cc, but not exceeding 3499 cc, from \$4 per cc to 25 per cent of the market price.

Now the point I am making here, so that market price includes number plates, gasoline, rust-proofing, air-condition, tape deck, power locks and power windows. Power locks and power windows are very important these days; these are essential features in a car now considering the crime rate with people hijacking you at traffic lights and so on.

What I am saying is, that to my mind, this is a situation of double taxation, because you are paying for gasoline, which is already taxed, and here, now, the motor vehicle tax is on the market value of a vehicle. I am sure that double taxation is not allowed, so how can we charge taxes twice on the same item? Hence, I would urge the Minister concerned to look into this matter and perhaps revert to the cc figure that he had initially suggested.

Madam Speaker, I am urging the Government to look very seriously into the unemployment situation, and I am sure with the proposals that I have made here this afternoon, including this morning's proposals, this would go a long way in alleviating some of the unemployment in this country. Thank you very much.

Dr. Carl Singh (*Tabaquite*): Madam Speaker, this bill seeks to incorporate into the laws of Trinidad and Tobago, the fiscal measures announced in the budget speech of 1992 by the Minister of Finance, and which were implemented by the Provisional Collection of Taxes Order, 1992. This Order was confirmed by resolution of the House of Representatives, in February, 1992.

Four months of the year has gone. We have had the Appropriation Bill presented to this House, voted on and passed. The Order was allowed for a period of four months, but today we are called upon again to further enact this into the laws of the country. I am sure next spring we shall be talking again about the Variation of Appropriation Bill, 1992. So we have spent the first quarter talking about finances, what has gone before, what is at present and what will come.

Finance Bill
[DR. SINGH]

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Recently this side of the House raised the question about putting together a select committee to monitor the implementation of budgetary measures so as to avoid some of these unnecessary debates for the passage of these bills, and the use of our office as a stamping pad.

On March 20 of this year, the Minister of Health made a statement in this House in which he agreed that there is considerable deterioration of the medical services rendered to our citizens. I read from this document and it is not that these problems have not been studied and suggestions made for dealing with them. They have been subjected to at least four investigations spanning a period of about 34 years. So these conditions were existing before—since 1957—the Julien Commission, the National Advisory Council, and no heed was really paid to the recommendations made by these commissions.

Boards were recommended over this period—that is, during the time of the old PNM—into the new PNM. The boards have not yet been put together to run these institutions. What is the use: One is going to give someone the managerial position to manage an institution, but the authority is vested in somebody else's realm. Do not give me a job to do and not give me the tools. There is complete recognition of the malaise in the service, but for 34 years this has been coming down the line and it continues to be the status quo.

2.35 p.m.

The hon. Minister spoke about improving the setting of certain hospitals and other peripheral medical facilities, in which another planning division was involved—I think it was NIPDEC—to do some investigation and calculation as to the necessary funds that would be required to bring these units up to standard. From the calculation given there, it appears that it will be in the realm of \$135 million. This figure will be reduced to about \$75 or \$79 million, probably. This brings me to the point of the San Fernando General Hospital.

I myself have worked as a physician in that hospital from 1960 for a number of years, and this idea of improving the facilities has always been on the slate. Again, we are having this on the slate, where they are going to make improvements so that the bed capacity will be increased by 200.

The San Fernando General Hospital was built, some time in 1952 or 1954, to accommodate about 400-plus patients. That unit was built to accommodate a population of about 40,000 or 50,000 persons. Today, the population in that area has, more or less, quadrupled, at least. What is happening at the hospital is that it

is bursting at the seams with between 800 and 900 beds in a unit which was built to accommodate about 400 to 500 patients. I think it is the only one of the institutions in this part where you go to the maternity ward and see two patients in labour pains lying on one bed. There are physiological activities which embarrass people. Think of the embarrassment patients go through. Two patients lying on one bed in a maternity ward, in this day and age—with a caring Government in office—so proclaimed.

In 1981, just before the general election, the infrastructure for the extension was laid west of the existing San Fernando Hospital. At the end of the election, the signboard was removed and there are steel rods, in concrete, jutting out from the ground.

Mr. Sudama: Was that under the PNM regime?

Dr. Singh: Old PNM into the new PNM. Again, the same thing happened in 1986 at the election time, and, believe it or not, nothing has been done to that infrastructure which was laid there. What I am told is that about \$1 million was spent on this infrastructure, plans were drawn, and, finally, when the soil testing results came to hand, it was realized that it was unsuitable for the structure to be put there. So that it is not done in a proper way. One cannot first build a house and then find out if the soil can take it; I think one ought to go from below up. That is the situation that obtains.

The San Fernando General Hospital is rather congested for parking—employees, patients—and it is in a rather difficult position for access to and from. What is really needed is a new hospital in San Fernando and not 10 bricks and two sheets of galvanized iron to accommodate 200 patients more to make it 600. It is definitely inadequate.

My suggestion is that the existing hospital be converted, principally, for the management of maternity and pediatric cases, and a new hospital constructed on state lands, in the vicinity of the technical school, which will allow access from east, west, north and south. We have the "super express" going to Point Fortin, passing just in the vicinity there. That piece of land lends itself to this type of structure. In extending the present hospital to accommodate 200 additional beds, we are wasting time and taxpayers' money. We in this House, must seek the interest of our citizenry, if we do not, you tell me who will.

The Minister in a press release stated that there is an upsurge in scabies in the country. I have practised medicine for about 30 years in this country, and, quite

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truly, I have never seen so many cases of scabies. What does it need to prevent that? Simple basic hygiene—soap and water.

Mr. Sudama: You cannot buy soap and you cannot get water.

Dr. Singh: Where will we get these two commodities, particularly water? In fact, a couple of days ago, we had a few showers of rain, and I was very thankful. I thought that by Divine intervention the water problems would be solved for a short time, at least. When you consider that the taxpayers are paying money for water; they are paying money to have water every day of the week, and they are generous to the extent that they are willing to accept a water supply once per week. I mean, where else would you get such generous persons? They are paying money to have a water supply daily, they are willing to accept water one day per week and pay the whole amount of taxation for water.

Indeed, some of the old age pensioners came to me with a note stating that their properties would be sold if they do not pay their water rates. How will these people manage? We have raised this question before in the budget debate where persons who have worked and who were able to survive the rigours of the cane fields, particularly, and to survive to reach the age of 65, should be in receipt of the old age pension. If by some magic, these people's income exceeds \$5,000 for the year, bingo, no old age pension. By virtue of merely surviving to the age of 65, under the rigours of labour, shedding sweat, blood and tears, this should be made payable to those who need it.

During the reign of the last regime, the income tax exemption was allowed to the tune of about \$12,000—if your income was \$12,000 you were not required to pay taxes on that. Why then not extend and raise the ceiling to \$12,000 and pay the persons who should be receiving old age pension their pension?

2.45 p.m.

One man came to me last week. He had an injury on the sugar-cane estate. He is getting a small pension plus NIS and his income for the year just exceeds \$5,000. He is debarred from getting his extra old age pension. This man is in dire need. He needs it not for his grandchildren or his children's children, but he needs it for his personal use. Drugs are very expensive. The corner drugstore plays a very, very important part in supplying the required drugs because many times you go to the health office and there is none there. This is the situation. These are needy people.

As we come to the exemption of VAT, I cannot but belabour the point that all items that are used for medical purposes should be tax free, period. No further qualification. It must be VAT free. If you go to a sporting event and a guy is running down a cricket ball and he pulls a muscle, who is the man to come first? His physiotherapist with the spray. That is medicine that relieves his pain and he goes back on the field again to play. Things like liniment. I am not advertising for a company. Thrombofob gel is an important skin application that is of medicinal value. Bonidon gel is not taken orally or otherwise, it is applied on the skin. Things like plasters, strapping, dressings and pampers. It has been said, "once a man, twice a child"; incontinence occurs in both extremes of life and pampers are required items in the medical paraphernalia. Things like crutches, wheelchairs, ankle supports, braces, callipers, are all elements and items that should be VAT free, for they are not bought to make style, but to ease suffering.

I speak briefly on cholera. We have had quite a scare during the carnival season that we may have cholera in the country, as we were having visitors from countries surrounding us where the condition is present. Make no bones about it, this is going to be a threat to us for the foreseeable future. We cannot get away from it. We have fought it successfully during the carnival season. That was good, but it is an ongoing process. We must continue, but the most important thing is the water element, again, for sanitation. The most important ingredient. They are telling you in clips on radio and television and in the press to boil your water before you use it; do not use water from the drains. In fact, what choices have you been left with? None. You have to take water where you get it.

A motor mechanic came to check my car for me and believe it or not, he told me "I had one sweetdrink bottle of water in my fridge and I had to use that this morning to brush my teeth." This is the situation. You are telling the population to boil the water. Fine. You have not got the water. What are they going to boil? Nobody is using wood to cook any more. They use gas or electricity. The price of electricity has gone up. The price of gas has gone up. Where are we directing our economy?

The Finance Minister said everything is hunky-dory. We are going according to course. I do not know what course. Is he talking about the downward course? My colleagues have alluded to the negative balance in our foreign holdings; but the Minister is telling us that we are going on the right course. There is contraction of the economy, period. If you go to the Southland every rig that closes takes away about 40 to 50 jobs, and by no stretch of the imagination could

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you consider the LID Programme to boost employment. That is nothing. As I remarked in the Variation of Appropriation Bill earlier, Madam Speaker, that can be better considered a dole, and it should be given to the people honourably. They should not have to fight and jump over people's backs and shoulders to get a “five days” and a “ten days”. It is reducing people to below the human level.

I turn to taxation on the Betting Levy Board. This is a sore point. The Betting Levy Board is a collection agency for the Government, if you want to put it so, with certain statutory powers. The cartel that is operating the betting pools in the country controls what they want to pay. Now the problem is, you are telling the pool owner you are going to pay me \$200,000 as a levy. A levy is not a taxation on profit. It is mandatory taxation. You are telling these people at the end of your three months, you will come and pay us X dollars.

Why not grant the same privileges to the other liquor vendors or shopkeepers? It is a licence fee. They pay before they sell. Whether they sell and make a profit that is their business. You collect from them first. But you are giving the pool operators three months' grace. Pay at the end of that three months. Why the special privilege to this select few? This is a simple question. Why? You have raised the taxation on liquor licence in San Fernando and dropped the one in Port of Spain. Well I guess this was probably in considering, well if Port of Spain has city status and San Fernando has city status, the two must pay the same amount. That is the only way I can see it. And as my colleague mentioned earlier, no way a businessman in San Fernando can do business like one in Port of Spain. So why the disparity?

With respect to the peripheral health service, our country is a signatory to the declaration in 1978 at Alma Ata where we propose, by the year 2,000, to provide health for all. The main plank of that measure is to use the peripheral medical services. That is, basically, the health offices, the smaller hospitals. San Fernando; the tertiary hospital, Mt. Hope, will be better kept for education, research and things of that nature. What is happening at the health centres? There is a chronic cry—the lack of staff; nurses, doctors, pharmacists, other staff. Definitely short-staffed. The equipment necessary for doing basic tests, urinalysis—simple ones, that you dip a stick and you can get certain information. Helter-skelter, these are supplied. An ambulance service is a *sine qua non* of a good peripheral health service. This does not exist, period. If you call the hospital

and ask them to send an ambulance to collect a patient for the hospital, they are going to tell you straight, we are only to take patients out of the hospital, not to bring them in. I guess that is to keep the inflow low. This is the situation.

2.55 p.m.

At the beginning of this century, infection was one of the major factors in health which we had to fight. We have done well. We have antibiotics taking care. We have anti-microbial agents for bacterial and fungal infections and so forth. We are fighting that. But today, many of the chronic illnesses that we face in our society are basically related to lifestyle—drug, substance abuse and the other spin-offs from that. You are taking drugs IV; You are getting the HIV virus; you are using contaminated syringes. What are we doing about that? I read in the press recently where a magistrate suggested that we should legalize drugs, and it was—

Madam Speaker: I would urge the hon. Member to observe the rule of relevance. We are debating a finance bill and I really do not see the relevance of a magistrate's views on the legalizing of drugs. I should really like to understand the relevance of it before I allow it. Would the Member continue with the matter at hand.

Dr. Singh: Madam Speaker, the relevance is this: Having said you should legalize it, lower down in the same column it says—

Madam Speaker: That is a statement by someone outside this House, outside the orbit of this bill that we are considering, and, I cannot see how that is relevant and I so rule. Will the hon. Member continue with the relevant aspects of this debate, please.

Dr. Singh: I accept your ruling, Madam Speaker. Well, how are we going to fight this drug problem? We are going to set up rehabilitation centres with the moneys collected. You see, we cannot fight the drug problem by merely saying, legalize the drug. That is not it. It is, in economic principles, supply and demand. If drugs are going to come into the country, we have to decrease the demand. How are we going to decrease demand? We have to educate our people. This is an avenue where we can fight this. Set up better educational facilities—starting at the primary and advanced school levels and the high school level; the electronic media; posters and television—on the dangers of this, to decrease the demand. Because if you can bring a kilo of cocaine and sell it for \$10, nobody is going to buy a million dollar boat to bring it across the channel. It would not pay.

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So this may have been one aspect of thinking about it, by reducing the cost so we would decrease the incentive to bring this, and at the same time—

Dr. Rowley: Would the Member give way to a question? Is the Member identifying the cost of cocaine as the real problem or the effect that cocaine use has on any user, whether it is legally or illegally used?

Dr. Singh: Both ways. Because if you do not have the money, you are going to steal to get it. This has been the problem. The effect on the body is one, but then, because of the craving, you are going to do anything to get the funds to buy it.

Dr. Rowley: Could the Member explain how the cost of the product is going to influence that sort of problem?

Dr. Singh: If you can get, for example, a stick of marijuana for a penny—

Dr. Rowley: It has no effect on you?

Dr. Singh: Well, no, if you can get it for a penny, you are not going to push it on me, because it is not worth the while.

Now the health office I was taking about. There are certain simple basic procedures as a preventative measure, and this is the plank upon which the "health for all by 2000" was envisaged. We are going to screen, say, for smoking—lung cancer, it is associated. I am not saying it is a cause and effect directly, but it is associated. Diabetes mellitus: for every diabetic you diagnose in your office, there are two or three walking around undiagnosed, and a simple, basic urine test can give an indication where further investigation would be necessary to pinpoint it and institute treatment. Breast malignancy in the female: It is about 30 per cent—it is quite a common malignancy—cervical cancer which can be screened in the health office by a mere pap smear and then further investigation. Prostatic neoplasm can also be screened easily. The cardio-vascular diseases, resulting in hypertension, stroke, heart failure, myocardial infarction, these can all be screened.

As I said initially, quite a bit of our chronic illness to which we are subjected, can be screened easily, at less cost. I sent a patient—if I may diverge for a moment—to the hospital, who was a known diabetic. This gentleman was walking in his yard and a three-inch nail stuck him in his foot. It came out. He went into his house, not realizing he was stuck with a nail. But the wife saw the blood on the floor. He spent six weeks in the hospital for treatment. This is what

the Minister was saying here, cost accounting is essential. We are moving towards national insurance. How are you going to evaluate a patient who has a complication from diabetes with a puncture, and six weeks in hospital? What is the cost, and who is going to pay? The taxpayers. You are moving towards national insurance. How are we going to address this? So what I am trying to say, if I have not said it already, Madam Speaker, is that these are basic, simple problems that can be screened at minimal cost at the periphery. This is what I am saying.

I come now briefly to talk about the environment. Our environment is being polluted every day by toxic material being drained into the rivers and streams surrounding the country. Take for example, the effluent from the Ste. Madeline Sugar factory, the Brechin Castle. It is a seasonal problem that the people have learnt to tolerate. Dry ash is another problem. These are creating hazards. What are we going to do about it. Probably a solution to the cane fire is rather than burning the canes, you top the canes and use it for fodder to supply your dairy and your beef production strategy. This is where it can go. Instead of burning the canes, creating the nuisance of the fire ash, use the tops with molasses for making fodder for your beef and milk cows.

Another problem that exists in our setting is the pollution with lead. What are we doing about it? Lead pollution from paint, from petrol—the leaded gas. The Member for La Brea laboured tremendously during the budget debate about the use of the compressed natural gas. He told us how safe and clean the compressed liquid gas is.

3.05 p.m.

Madam Speaker: The hon. Member is not using his time very wisely and his speaking time will be running out very soon and he would not have concentrated on the topic under discussion. I am looking at the purpose of this bill and I am sure there is another forum and other avenues for ventilating those issues that he is raising. I imagine they are very valid issues but we are at the moment considering a completely different matter and I am sure he can make a very positive and meaningful contribution to the matters at hand.

Dr. Singh: What I was getting to—I am sure that the Minister of Education has had kids in the classroom who are slow learners. It may well be that the high density of the motor car traffic and the pollution of the atmosphere has affected their learning ability. Living cells are exposed to this type of thing. What I was

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trying to say is that before the Member's statement settled, his colleague in the Senate stated, well this is just a short time as we are going to have electrical engines.

This is the situation. What are we doing to correct the situation for the little ones? It also affects adults. You may have paralysis, cramps or whatnot and these are some of the issues that I thought worth raising in this honourable House. I do think that cognizance should be taken in the right quarters so that we may get some results. Again, next year God willing we shall be talking about the issue. I thank you.

The Minister of Trade, Industry and Commerce (Sen. The Hon. Brian Kuei Tung): Madam Speaker, I am quite pleased to join my colleagues in this debate on the Finance Bill, 1992 but not on LIDP or other matters. I should like to indicate to you that I shall attempt to confine my contribution to the question of trade reform, the need for it and the content of a trade reform programme with particular reference to the removal of the items on the negative list, and the need for the imposition of a regime of import surcharges as contained in the Finance Bill, 1992.

I may need to present some kind of historical background so that we may understand how we arrived at this particular junction in our economic history.

In the 1950s and 1960s because industrialization was something that was new to us an industrialization policy was conceived and developed which was based on the idea of import substitution, a policy that was already implemented in certain Latin American countries and was being implemented in others.

Import substitution is as its name suggests, a policy in which businessmen were encouraged to enter into manufacturing on a number of promises; fiscal incentives were provided, raw materials and plant were allowed in duty-free, tax-free status was allowed for a number of years for new businesses and manufacturers were allowed a somewhat monopolistic position by being given a domestic market as a competitive advantage in developing their manufacturing facility. What this attempted to do was to close our borders to the import of foreign goods. The concept involved a strategy of utilizing what was perceived at that time as cheap labour and combining it with both foreign and local investments to produce a wide range of goods which, at that time, had been obtained from foreign markets.

I do not wish my words to suggest that there was anything wrong with the policy but I am trying to put it in a historical context in the sense that there was very little industrialization at the time and it was necessary for a policy to be developed that would allow industrialization to come into Trinidad and Tobago in an easy way. It was intended at that time to try to shift the focus of the economy away from its dependence on oil and petroleum and instead attempt to balance it in a way with dependence on a few sectors, by attracting people into areas other than oil. I might also add that at that time it was intended to move our dependence away from certain products; that is not to say we would not encourage those products but certainly move away from agricultural products such as sugar, coffee and copra, to name a few.

In the mid 1970s and 1980s when we were able to acquire substantial windfall arising from the increase in the price of oil on the international market the main focus of our industrialization policy at that time was to develop our oil and energy-based industries to their fullest; that included gas and petrochemicals. But what I am developing is that obviously because of the attraction of windfall profits in the oil and energy-based industries, all of the resources naturally flowed to that particular sector. That is not to say that manufacturing in the non-oil sector was ignored but, because generally in an open-market system resources tend to flow and be attracted clearly to areas where there are maximum returns. In some measure our manufacturers continued to flounder somewhat but were allowed protection by means of a negative list so that at the end of the day manufacturers had no inducement to become efficient. They produced whatever goods they chose, they had no need to pay attention to things like quality and delivery and they certainly had no need to address the question of price because they had a ready-made market that was provided to them under the umbrella of protectionist policies.

Mr. Sudama: Could the Member state whether having given these concessions the Government of the day had an obligation to see that goods of proper quality were produced and available to the public at prices which were in fact fair? Did the Government show such responsibility in the matter.

Hon. B. Kuei Tung: Madam Speaker, the hon. Member for Oropouche, I am sure knows that our previous administration set up the Bureau of Standards whose thrust was the question of quality assurance, but in terms of the age of the manufacturing sector in our industrialization thrust, surely they had to pay mind

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to the fact that these were infant and vulnerable manufacturers who needed some protection and needed some nudging into the direction of quality products.

3.15 p.m.

The exploitation of our oil, energy and petrochemical industries went to a large measure hand in hand with the development of our manufacturing sector, but with the collapse of oil prices in 1986, the need to explore additional industrialization policy options became imperative, particularly as prices today continue to remain at relatively constant low levels.

Therefore, I want to suggest that in the 1990s our industrialization policy will be based on export-led growth, and its focus on industrialization is to foster the development of the non-oil manufacturing sector by means of what is commonly referred to as a trade liberalization programme or trade reform programme. A trade reform programme which will witness a continuing and substantial shift away from the protectionist regime that I have taken the pains to outline and which was begun in the 1950s and 1960s and in my view has now outlived its usefulness.

The protectionist regime to my mind, was the price which the buying public of Trinidad and Tobago had to pay in order to develop manufacturing. It is a price—

Mr. Humphrey: Would the hon. Minister indicate to this House, if the policy has outlived its usefulness, Japan's retention of protectionism, for example, in rice production where their cost of production far exceeds the price of rice which could be imported. The Japanese can be compared with us in terms of its success.

Hon. B. Kuei Tung: I should be happy to sit and explain many things about Japan, the United States and Canada, but, until we reach there and we are not going that far, it would be difficult for me to be suggesting that we adopt policies—

Mr. Sudama: Is the Minister proposing to visit Japan in the near future?

Hon. B. Kuei Tung: As I say, the problem we have and face today is that we attempted to pursue policies which developed countries have already gone through and assumed that we were on the same level as these countries. I want to suggest that in terms of the whole globalization and the main stream of economic activity we are but a small fish trying to make our way through. We are caught up in the mainstream of globalization which has hit the whole world.

In response to some of the questions, there are really a number of options available to us. One for the sake of argument is that we can step aside and pretend that the mainstream of economic activity does not exist, or that we can emulate policies which are no longer applicable or have no relevance to Trinidad and Tobago. We do so at our own peril because we would doom ourselves to become a backward country.

We can choose another option. We can attempt to turn back and say that we are no longer part of the mainstream of global economic activity and that we intend instead to forge our own future. That is in the context of ignoring everything else which goes on around us. If we do so, I suspect that our economy would be crushed and damaged irreparably.

Another option is that, accepting we are caught up in the mainstream of global economic activity, we can pick our way gingerly through that mainstream and adopt policies which are not necessarily applicable to Japan, the United States and other countries, but instead applicable to us with our given economic circumstances now. So that there is no strong ideological content in those policies, instead they are policies which are pragmatic and applicable currently.

To put it in a little form of context, maybe I need to inform this honourable House about some of the economic changes which are taking place, particularly because there are some who are prepared to question trade liberalization as something that is being forced upon us, without understanding that it is a shift in economic direction which is taking place globally.

For the sake of argument, we have seen a rush to form a number of free trade associations throughout the world. I could mention the European Economic Community, but instead I would choose to indicate to Members that there are in our own western hemisphere, a number of economic changes which we cannot ignore at this time.

The North American Free Trade Agreement has been signed by the United States, Canada and Mexico and what that seeks to do is to destroy any trade barriers which exist among three of the most powerful countries in the western hemisphere, where they are going to allow the free movement of goods within those countries.

There is as well a Central American Common Market and there is our own Caricom market. Furthermore, to the south there is the Andean Pact and this

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comprises of countries like Venezuela, Colombia, Peru and Bolivia. This too, is another free trade pact.

Finally, there is in the southernmost coast of South America, one known as MERCOSUR. This is a free trade agreement pact comprising of countries like Brazil, Argentina, Paraguay and Uruguay. One country which has chosen to leave MERCOSUR is Chile, which has already entered into a free trade agreement with Mexico and is seeking to propose a similar agreement with the United States. The point I am making is that we cannot ignore the whole thrust of the economic direction in which the world moves. We do so, I maintain, at our own peril.

Earlier on I spoke about carving out a development strategy that is pertinent to our own circumstances. I want to develop the point that this strategy would include objectives which would allow us to disengage ultimately from the World Bank and other international lending agencies. Disengagement in itself is of little consequence, unless we begin to think of changing our trade and economic policies. If we should manage to disengage without a change in our economic thinking, I believe we would have served no useful purpose by that act of disengagement.

3.25 p.m.

Even if we achieve this, we would still need to develop a short-term programme, and I want to suggest a number of different strategies. For the sake of argument, I want to talk about the possibility of reducing public expenditure, of streamlining the management of the public sector investment programme, of introducing tax reform, of restructuring and divesting state-owned enterprises and, finally, of liberalizing and improving trade incentives for business expansion and business promotion.

On the question of expansion, I believe that this honourable House is aware that we are on record as saying that we intend to pursue public sector reform to its fullest. I would like to inform this honourable House that my ministry has completed a study on public sector reform with respect to my own ministry, as well as the agencies and organizations which report to the Ministry of Trade, Industry and Tourism.

I plan to go to Cabinet shortly to get its approval to support the rationalization of all of these agencies, because we have long recognized that there is a great deal of overlapping and duplication of functions among agencies such as the Industrial Development Corporation, the Management Development Centre, the Export

Development Corporation. I may add that the Industrial Development Corporation is an organization that came into existence in 1958 and was intended to facilitate the import substitution and manufacturing thrusts which I outlined earlier. There is no doubt that there are many functions being charged to these agencies which are not being fulfilled effectively, and instead, there is some concern at the amount of duplication and overlapping that takes place among these companies.

Mr. Jurai: Some time ago there was a one-stop shop proposal made for solving these problems. Can you tell us more about this?

Hon. B. Kuei Tung: I understand that the one-stop shop is still very much in existence, but that, too, has been the subject of much review. I think there have been many studies done with respect to the constraints on business promotion.

The opportunity is given to me to talk about the number of agencies, many of which report to my ministry, and I should like, for the benefit of this House to name a few, although it is not an exhaustive list. I did talk about the Industrial Development Corporation which was formed in 1958, as well as the Tourism Development Authority, which was formed in 1988—a 30-year span in which the same corporations are selling the same things. They are all in the business of promoting Trinidad and Tobago. Just to name a few—the Export Development Corporation, the Trinidad and Tobago Bureau of Standards, the Management Development Centre, the Small Business Development Company Limited, Point Lisas Port Development Corporation, the Export Credit Insurance Company Limited, the Trinidad and Tobago Free Zones Company Limited, the Development Finance Corporation, the Agricultural Development Bank. They are all charged with the same basic bottom line—promoting Trinidad and Tobago. There is a crying need for the rationalization of these agencies to ensure their positive effectiveness in today's economy. I suggest that today's economy cannot sustain this level of bureaucracy.

I would like to make a point here. The intent was that these companies and organizations would have ultimately become more private sector friendly, but, I suggest that they are more public sector prone. *[Interruption]* I have not suggested any such thing. I would suggest public sector reform.

So, the question of the removal of the negative list is going to be a major plank in our trade reform programme. The negative list, you will recall, was set up as a device to offer protection to both infant and vulnerable manufactures. It was

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also set up to protect substitute products, which were grown and available locally. For the sake of argument, apples and grapes are on the negative list. We do not grow or manufacture apples and grapes, although I understand that some grapes are available in Tobago. The negative list was expanded not only to include products that were manufactured locally; it was also intended for products which ultimately had a substitute, which we wanted to develop. I believe that things like apples and grapes were intended to be on the negative list to support our local fruit industry like mangoes and citrus.

I suggest to this honourable House that it has played a major role in the development of our economy. That is why I am careful to say that the policy, while it had some negative effects, certainly worked in terms of getting Trinidad and Tobago to the forefront of industrialization among Caribbean countries. I dare say that I suspect we are also at the forefront even among some of the bigger Latin American countries as far as our manufacturing processes are concerned.

Our manufacturing sector can boast today of products which meet international standards, which can meet international competition head-on, and which can match products from developed countries head-on price-wise, delivery-wise and quality-wise. So that, in spite of a policy that had some negative effects, it has met its objectives. It has, for the sake of argument, provided and/or protected jobs as well as allowed and facilitated the effective management of our foreign reserves. However, as I said, we believe that in the context of the trade liberalization that is taking place globally, it has now outlived its usefulness and needs to be rethought. In doing so, and having shielded inefficient manufacturers for far too long; and having provided manufacturers—some unscrupulously so—to make profits in spite of their inefficiencies, the time has now come when we need to move to the next step, and that step as I said earlier is export-led growth where the economy can move towards a competitive position in the international market place.

3.35 p.m.

In terms of the domestic market, I suggest that because the policy was so inward looking, because the policy allowed profits to be made in spite of inefficiencies, it meant that the economies of scale were always eluding us. That was so because our domestic market is too small a market that would allow us to mass produce products and gain the competitive edge necessary in today's global economy. Unless we take a decision to nudge our manufacturers to look outwards, they would continue to face inwards and think that the Government is there to

provide profits for them in spite of their inefficiencies. The cost of that is that the buying public is required to pay far more for goods produced locally than they would have had to pay if imported goods were allowed.

So that in order to nudge the manufacturers into an export position, it is necessary for us to dismantle and remove the negative list and prepare ourselves for export-led growth. But before we do that, it is important that some transitional strategies are put in place to offer them some sort of a buffer so that they are not, as it were, abandoned and left to the wolves. One of the strategies is the imposition of an import surcharge regime which we now have and which brings us today to the debate on the Finance Bill, 1992.

This bill seeks to give manufacturers a little opportunity to compete price-wise, where they can, to allow them to retool and retrain, where necessary, to allow them an opportunity to face competition from imported goods, something that they have not had to do for almost 40 years, knowing that there are a number of cheap goods available locally and that the imposition of an import surcharge will at least attempt to make the goods more expensive than are available locally. I say that, because there are a number of other strategies which need to be put in place concomitant with the imposition of import surcharges. That is why I was careful to indicate that it is important that my ministry be rationalized and that the agencies be rationalized.

Mr. Sudama: Would the Member give way to a question? Could he indicate to this House what exact specific period his transition is intended to cover?

Hon. B. Kuei Tung: Madam Speaker, to suggest that there is a period of protection, again, is to suggest that our liberalization is really not taken seriously. Our trade reform programme is one that is not confined within boundaries or time. It is a trade reform programme that will be under continuous review month after month. In any case, the import surcharges are not cast in concrete, and they will be there for as long as we deem it necessary to ensure that proper safeguard mechanisms are in place to protect manufacturers.

We are not so irresponsible as to dictate time when policies that have not been known and tried and are now new to us need to be put in place.

Mr. Sudama: Could I ask another question? Sorry to disturb the Minister, but this is very important. He said that he has absolute discretion over the period

during which he will impose import surcharges. Is that discretion exercised independently of World Bank and IMF directions?

Hon. B. Kuei Tung: I am sure that the hon. Member, is aware of the World Bank programme. I want to suggest that this programme is very much in harmony with the whole change, as I mentioned earlier, in economic activity that is taking place. We see no difficulty in having some of these policies adopted because our strategy, as I said, is to pick our way gingerly and carefully through the mainstream of economic activity which would allow us to implement practical and pragmatic policies. So that any policy that is of advantage and relevance to us today will be readily adopted and will be implemented.

Mr. Humphrey: Would the hon. Minister give way? Madam Speaker, I appreciate the contribution of the hon. Minister, because he is getting down to basics and I think it is important that we discuss these things. But the focus of export-led growth presupposes that we are going to mobilize our economic resources to satisfy the needs of other people on the planet. If you are talking about export-led growth, you are talking about growth of the economy, but by using export to enable that growth. That is what you are doing.

I want to know whether the Government are considering the needs of the people of Trinidad and Tobago in terms of mobilizing economic resources, instead of focussing attention on the needs of other people, because that is what you mean by export, unless of course, you are talking about a neo-colonial dependence, returning to exporting things and importing our needs. I want an explanation of that, please.

Hon. B. Kuei Tung: Madam Speaker, the hon. Member for St. Augustine knows very well that business in terms of export-led growth is really seeking bigger markets than the domestic market. So that we are not ignoring the needs of locals. What we are saying is that the capacity of the domestic market is so limited that we will not achieve any efficiencies in our manufacturing sector unless we get bigger markets, and our production can be increased substantially.

A market that is as small as ours can no longer allow efficiencies to be derived in the manufacturing process. As I was saying, it is unfair, in my view, to ask the buying public to continue to subsidize inefficient manufacturing and there is no doubt that unless manufacturers are given some nudging and some

safeguards they are not going to take the dismantling of the negative list seriously. Therefore, the imposition of this import surcharge is only intended to give some measure of protection.

I suggest, that the regime of import surcharges today has been the subject of a very careful study of a working trade technical committee which comprises and includes members of the public service such as the Central Statistical Office, the Central Bank, the Industrial Development Corporation, as well as the Ministries of Finance, Planning and Agriculture, Land and Marine Resources.

We believe that the regime that is before us today as part of this Finance Bill is appropriate to our present policies, and I join my colleagues in presenting and supporting this Bill. A Bill in the context of our own plans for a trade reform programme is going to be a key element of that programme Madam Speaker, I thank you very much.

Mr. Chandresh Sharma (Fyzabad): Madam Speaker, firstly, allow me to congratulate the last speaker. Like him, I want to go into some history. It is many years ago when the shops in the countryside were run by Trinidadians of Chinese descent and their selling point the was, "Chinaman sell cheap, cheap, sell plenty plenty". The moral of the story is that everybody was able to get goods, Chinaman made money and goods were sold. Today everything expensive expensive, nobody can buy, nobody making money and country losing money.

Earlier today we paid tribute to the late Dr. Griffith. It was my very singular honour to view his body yesterday at Belgrove's Funeral Home. Even in death there are lessons to be learnt, and as you correctly said, Dr. Griffith contributed to the uplifting of this community of Trinidad and Tobago. In paying that tribute, perhaps we can learn a lesson or two from the late Dr. Griffith: Whatever is happening in this House must uplift the national community.

Today, as we begin the first day of the rest of our lives we must rededicate ourselves to the upliftment of all the people of Trinidad and Tobago. It is most appropriate that in the discussion and debate on this Finance Bill, we look at the humane aspect, the caring aspect. Let us look, at the explanatory note page (i), of the Finance Bill. It is says, "Part VI would increase the fees payable for registering births and deaths."

I draw to the attention of this House the fact that over the last month, I have met five families whose homes were lost by fire. With that they lost all their personal possessions, including birth certificates, passports, *et cetera*. They have

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to pay the full fees to recover them. Of course, one would recognize, having lost everything, there is very little money. Perhaps some consideration should be given in this direction.

On page (iii) of the explanatory note, again mention is made of the removal of customs tariff on precious stones and precious metal. This section covers items within the reach of a selected few in this country. The only stones available to the people now are kidney stones and the stones that are pelted at their houses when burglars come at night. This Finance Bill seems to be missing the most important aspect of the humane touch.

Today we are seeing in Trinidad and Tobago, based on this bill and the previous bills presented, the betrayal of the people of Trinidad and Tobago by this Government, the Government's inconsistent policy. On one hand the Government is trying to increase economic activity to generate employment. This Finance Bill does not seem to do any bit of that. The high taxes do not bode well for any kind of economic expansion, rather, they will stifle the economy, much more than it is at this time.

Even in this depressed economy with high unemployment the cost of living will rise by the introduction of such surcharges arising out of this bill, thereby creating hardships on the larger population of Trinidad and Tobago. It means there will be more unemployment, the poor will get poorer and the needy cases will keep increasing.

The problem is not with the economy, but with the people who are managing it. Our responsibility is to make sure that we contribute in meaningful ways so that employment would be created, so that fewer people would go hungry every day. Whilst there is need to liberalize the motor vehicle industry, the taxes applied would make the purchase of vehicles much more difficult for people and by this happening even the Government will not benefit because there will be less taxes to be collected because fewer vehicles will be sold.

In the context of the international trade, policies pursued under the General Agreement on Tariffs and Trade and more particularly through the current multi-trade negotiations which are aimed at reducing tariffs on international commerce here in Trinidad and Tobago are missing.

The previous speaker referred to the economic agreement between the United States, Canada and Mexico. The January issue of the highly respected *MacLean's Financial Magazine* indicates that that arrangement is failing, and in some

quarters it is argued it was responsible for the previous Prime Minister, Joe Clark being removed from his office. So one has to be extremely careful in presenting to this House examples that are intended to motivate us when in reality they are not doing that. Of course, that is having a very negative impact as well in Canada.

We have to learn from the lessons of others. We have to learn from their successes and also from their failures. At this point Trinidad and Tobago is aiming at the manufacturing sector becoming more competitive in order to take advantage of the competition in the outside world. The trade agreements that are available at this time are not creating that kind of atmosphere. The flood of imports would not help in any way the economic structure of the Caricom area.

It is our responsibility to encourage local people as much as possible to go into business, to lend them not only financial assistance, but to lend them also the moral support that is much required.

With your permission, I wish to make reference to an article that appeared in the *Sunday Mirror*, dated Sunday April 5, 1992. The headline of the story is "Black Man's Cry." If one were to look through this Bill one would see under the importation of cheese, page 22, no tax. Madam Speaker, the story here is that this is a young man whom I had the privilege of meeting in the United States some years ago. It was only two or three years ago one Government Minister, whom I do not remember, made the remark that Afro-Trinidadians are not very much involved in business.

Perhaps Charles James, the person I am speaking about here, heard that statement and he decided to get into business. He set up a plant for TT \$30 million for the production of cheese, ghee, butter and other products of that kind; evaporated milk, *et cetera*. Through this, he was creating jobs for close to 200 people and he was going to address almost 10 per cent of the national food bill, which is \$70 million. Well, the headline says exactly what happened: "Black Man's Cry". He has not been able to fulfil his dream because of the pressure that has been put on him by Government agencies.

In paying tribute to Dr. Griffith, who was able to move his flock from 10,000 to 100,000 over x number of years, this is one man, perhaps, who could have moved his employees from 200 to 2,000, given the same kind of encouragement, that was expected. So here you have the Government on one hand, hosting symposia on employment—with no good intentions, I suspect—but on the other hand cutting down the black man. What is the real story behind this? How many more of our brothers and sisters have been affected?

Mr. Breaux: Madam Speaker, will the Member give way to a question, please? Would he please indicate the agencies which have been giving pressure to this gentlemen, as he alleges, and the nature of the pressure, so that maybe the Government could address it?

Mr. Sharma: Certainly. Madam Speaker, I should like to save my speaking time. I would make this copy available to the Member. Everything is here.

Whilst the recent symposium on employment alluded to the elusive investment climate, we have yet to see any kind of meaningful decisions arising from same. The Government are still to identify, coming out of the symposium, exactly what is going to happen. What is going to happen in terms of the Foreign Investment Act, the Free Zone Act and the foreign exchange situation?

Madam Speaker, the Finance Bill must motivate people, must produce results. Of course, we on this side cannot stand by and allow those on the other side to destroy the labours and the accomplishments of our past generations. That is exactly what seems to be happening at this point: moneys are voted, for areas that are expected to benefit the national community and for some strange reason, much of it never gets there. Our responsibility here today is to make sure, in our contributions, that the public purse is spent for the public in the most meaningful way.

On page 23 of the Finance Bill, we are seeing a 35 per cent surcharge on chocolate and other sweets. I am wondering, since we have such a very young population in this country, are we depriving the children of this nation an opportunity to have some kinds of sweets?

Earlier today, we saw in the public gallery a number of school children and looking outside, those children came here in three maxi-taxis from the Curepe Presbyterian School. It means that this Government failed to provide a bus for these children. Perhaps some attention should have been focused on that.

Talking about the children of the nation, there seems to be the practice of child abuse in the absence of pavements for these children to walk to and from school, and the absence of school buses. In view of the fact that sending a child to elementary or secondary school today is a very expensive exercise with the cost of a uniform, the long book list and all the other related costs, we need to get the future leaders of our country, the children of this nation on the right track. We need to provide for them their basic needs. We are not here talking about any luxury items. This Finance Bill must reflect that.

Madam Speaker, in view of the very high unemployment, the call has to be sent out to the financial services sector—the banks, insurance companies and the other financial houses to make available to the people of Trinidad and Tobago—loans that they can afford, loans that will allow them to get into business and, as such, contribute to nation building.

For some strange reason, the young people in my constituency find it extremely difficult to qualify for loans from the banks, even from the Government agency known as the Small Business Development Company. The rates would indicate that they are prepared to lend money to those people who do not have collateral and wish to get into some kind of business of their own. These young men and women, the future leaders of our country, have to travel from deep south, Fyzabad, and the southern areas, into San Fernando, time after time, and sometimes Port of Spain, only to discover that they cannot qualify.

This sort of loan must be made available and must not be made available only on paper. We must seek living examples of it. Perhaps we should recognize people who have received their loans, if anybody has, so that other can be motivated to go forward and apply. In this way, we can reduce the stress level which is extremely high in Trinidad. A qualified source tells me that more than 38 out of every hundred hospital admissions in 1992 suffer from stress-related diseases. Here we are talking about stress both of the body and of the mind. If this continues, we would need to come back to approve more money for the hospitals and the other related services.

With the low prices on oil, the only other things we can attempt to export to create some revenue, are agricultural products. All over the world, moreso North America, there seems to be a very high demand for our fruits. It is felt that the fruits available in Trinidad and Tobago are of a very high quality. The cruise lines that operate out of North America have a need for our fruits.

If one remembers, the Member for Diego Martin West, in his capacity as Minister of Agriculture, indicated that there will be no access roads to be built in 1992. So wherever these fruits are, they cannot be brought to the market. It seems as if no real effort is being made to develop agriculture.

Our cacao beans are used all over the world to flavour chocolates. Again, very few incentives are offered to the plantation owners of the cacao estates. In another few days we are going to be celebrating Mother's Day, and lots of chocolates will be sold all over the world. If we had a better system, or if you put into place a better system, come next year Mother's Day, Valentine's Day, and all

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the other days, there will be lots of cacao all over the world which will bring us much needed foreign exchange.

4.05 p.m.

Madam Speaker, since we are on the Finance Bill, we are here talking about moneys to be used to get the needs of the people to them. In this regard, we should be looking for global co-operation with other countries. In some countries there exist foreign investment and advisory boards. These boards' sole purpose is to identify business projects, to invite businessmen to come to the countries that are looking for them to make an investment. At this particular point, there is nothing of this kind operating from Trinidad and Tobago. While we are here, debate after debate, Finance Bill and others, looking for investors, we do not seem to have the machinery in place.

The hon. Minister of Industry, Trade and Tourism has indicated that some of these organizations which came into being—he spoke about the IDC which came into existence in 1958 and the EDC which came in 1988, 30 years later. One may have to go.

Madam Speaker, there is the IDC update of March 1992, and, with your permission, I quote:

"Mr. Jack Balkeesoon, Deputy General Manager of the Industrial Development Corporation extended a very special welcome to all present at the launching of the 'Buy T and T' campaign which was held at the Trinidad Hilton on Tuesday.

Mr. Balkeesoon informed the audience that this event was one of the most important in the Work Programme of the Industrial Development Corporation for 1991/1992."

If the hon. Minister is indicating that the IDC may have to go because it has outlived its purpose, how is it that the IDC is making plans for 1991/1992? Does this plan have the approval of the Minister or the Government?

The article went on:

"In closing Mr. Balkeesoon intimated that he felt certain that the IDC is not the only government agency that is on the side of industry, ready and waiting to offer support. Other institutions like the Bureau of Standards, the Food and Drug Division, Caribbean Industrial Research Institute, Export Development Corporation, Management Development Centre, the

Agricultural Bank, Small Business Development Company, Development Finance Company, as well as the Ministry of Trade, Industry and Tourism, are always willing to assist."

Madam Speaker, the presentations of the hon. Minister of Industry, Trade and Tourism, and this particular article, seem to be miles apart. Perhaps, it comes back to chalk and cheese. On the one hand, we are told of a particular development at this time. On the other hand, based on this newsletter we are told of a different thing. There seems to be a conflict.

Sen. Kuei Tung: Madam Speaker, if the hon. Member would give way, I should like to clarify a point. My reference to these institutions having outlived their usefulness was in reference to the negative list, not to the IDC. I did not say that the IDC had to go. I said that an attempt is being made to rationalize a number of agencies. I wish the hon. Member to take note.

Mr. Sharma: Madam Speaker, I heard what he said previously and I heard what he said just now. I am also indicating that what is stated in the newsletter does not seem to be what was said then. But I will be guided by his latest interjection.

I have had the good fortune of attending school in the United States, and very often I am motivated by my friends from Haiti who attended school there. These are students who would come on the boats only with their clothing. There is no room on the small boats for anything else. There is only drinking water and a knife. The purpose of that knife, is in the event any of their passengers die, to cut the body, skin it in a particular way, so that when it is thrown into the water, it would sink so the sharks would not come, because if the sharks come they would affect the passengers. The point here is that these people go to a strange land and make a life for themselves because of what the US Government makes available.

Here in Trinidad and Tobago we have a great number of young people but this Government are not presenting anything that could do the same. We have a responsibility because in a few years, some of us will be on the receiving end, and others will have to wait a bit longer. If in 1992, with fewer than 70,000 pensioners, we are unable to deliver to them bus passes, medical treatment, a number of things—65 per cent of our population is under the age of 35—and some years from today we shall be pensioners, it means that the Finance Bill must start preparing to take care of all people at all given times.

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Madam Speaker, it is only human that in our presentations we would want to move away from the real issues sometimes, but the fact of life is that the people of Trinidad and Tobago at this point are very, very frustrated. There are too many homes without basic things by which to live. We see this all the time, whether you are on this side of the House; or on the other side.

Hon. Member: Whether you are outside.

Mr. Sharma: The Government have come into office having indicated to the electorate that, they have solutions to provide these basic things. They said put them into office and they would deliver. It is four months and there has been no delivery. We, on this side, have indicated our willingness to contribute to solving the problems of the country but for whatever reason, the offer was not taken up. I am certain that the hon. Member for San Fernando East, being a good Christian, has the people's interest at heart.

Mr. Palackdharrysingh: Not since he won.

Mr. Sharma: It must be exhibited in meaningful and visible ways.

Mr. Palackdharrysingh: He used to be but not since he became Prime Minister. He does not know about sharing.

Mr. Sharma: We must indicate to the population that they have elected 36 representatives to solve the problems of the country, and not because we sit on two sides of the House the problems will be solved only by one side. It is impossible. At this particular point, we are not solving the problems. This House is not a place for good speech and nice talk with who can choose or pronounce words correctly.

4.15 p.m.

Here, we are talking about feeding the nation's poor. We do have a responsibility. I cannot continue seeing people day after day in my own constituency and telling them that the Government have the answers, but they are not delivering at this point. I cannot answer to them the high cost of everything. I could not say to a young lady who visited my office last week Wednesday, whose house was burnt down in Dow Village in South Oropouche and who lost her three children's passports and ID card, that I do not know why she has to pay to get them back. I do not know why the Government cannot assist her in finding temporary shelter.

Madam Speaker, the purpose of my contribution in this small way is to motivate, wake up the minds of my colleagues on the other side and to tell them, as a young parent myself, having come from a family of Hindu priests, I see poverty every day. When I hear the stories of these people I become very much concerned. But concern is not enough. We all do become concerned because, very often, we hear similar stories. It is more than that. How many times people tell us their taps do not have water; their children could not go to school because there was no money to buy food, or the bus did not show up. Whatever. And we say to them, have faith. The fact that the death of Dr. Griffith was mentioned in this House means that there must be something from his death that we can learn, that can motivate us to want to perform.

At one time in the United States there was a saying that "when the tough gets going, the tough gets self-employed." The situation in Trinidad is similar. The only help that some of these people need is financial. Whilst moneys are spent to train them through a number of programmes, no moneys are made available for them to get into any kind of business by being given small loans, *etc.* I was hoping that the Finance Bill would have indicated the direction to make sure that several unemployed people would be able to obtain loans; that many facilities that are absent from institutions like the health services and public utilities, would have been made available so that some degree of comfort can be returned.

Another area which the Finance Bill should have paid great attention to is the area of tourism. All of us are aware that Trinidad and Tobago is known in almost every country and, as a result, people will be interested in visiting here at some time. What is required is the promotion of Trinidad and Tobago as a place where people can come and have fun and share with us. The United States earnings from tourism generate \$350 billion per year. What I wish to stress is that, perhaps, we can learn from their tourism approach. The Minister of Industry, Trade and Tourism indicated that from other countries there is something that we can learn from them that we can bring to this country, so that we can have people visiting here and sharing and at the same time earning foreign exchange.

Some days ago an advertisement appeared in the *Trinidad Express*. I do not have a copy with me. It indicated that there were vacancies for pipe-fitters and welders in the United States and application forms for employment of that kind were available at a south-based oil company. The point is, if the Government are serious about assisting those unemployed people rather than this kind of arrangement, through private enterprise, the Government could go into some

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government to government arrangements because I am certain that it is not only pipe-fitters and welders that are required, but also from time to time other categories of employees will be required as well. It will give us an opportunity to take care of some of our unemployed and at the same time expose them to modern technology that might be available in the USA and elsewhere. Perhaps, at some point these same people can go into businesses of their own and assist in the employment of others.

Arising out of the Finance Bill we see the Member for St. Ann's East, the hon. Minister of Finance indicating to this House that the Government have an obligation to pay in excess of \$600 million for the year 1992. A large part of this was inherited from the previous administration. So I suspect they are saying that it is not their fault that they have to pay this bill. My thinking here is that come 1996, if they are borrowing this money to pay this bill, then we on this side will inherit a similar bill and a much bigger one.

Mr. Mohammed: Well said.

Mr. Sharma: So it would only be fair for us to know how this money is being paid and what are the arrangements, so within the next year or two, we on our own, can start negotiations for this money. Madam Speaker, *[Interruption]*

4.25 p.m.

Mr. Sharma: In conclusion, Madam Speaker, very often I have to pay tribute to our ancestors because I feel that is the strength of this country—those of us whose forebears came from Mother Africa, Mother India, China and elsewhere. I know that in the United States, for example, African bush medicine is highly used, because it delivers the desired results. I know the Member for Diego Martin Central earlier indicated to me at a previous sitting that the prescription made the difference.

Madam Speaker, in another few weeks we shall be paying tribute to two very important events, one official and one not so official. I refer to Indian Arrival Day and Emancipation Day. What better tribute can we pay to our forebears than by bringing some kind of solution to the many problems with which we are faced, to do it jointly, to make sure that when we assemble in this House, the nation's needs are on the table for us to arrive at meaningful solutions; that when a child in Barrackpore, Longdenville, Laventille or Belmont, cries for food, it is not the responsibility of one person to make sure that child is fed, but of all of us. We must make sure that the people's needs in the hospitals in Point Fortin, Port of

Spain or San Fernando, are met because we have sat here together and arrived at meaningful solutions.

I hope that this Finance Bill in some way will assist those people who have placed us in this House they have faith in us, collectively, and expect that we will deliver to them their needs. I thank you.

4.28 p.m: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Mr. John Humphrey (*St. Augustine*): Madam Speaker, I was not planning to participate in this debate but I felt it incumbent to rise because of the contribution made by the hon. Minister of Trade, Industry and Tourism. What I discern is that the ideological pattern emerging from the Government's approach to economic management is not what my reading of the People's National Movement's manifesto indicated to me, nor my understanding of the mandate that was given by the electorate.

What the hon. Member has indicated in justifying the dismantling of the negative list regime—and he premised this by giving us the background which I thought was valuable, because he concluded in fact that the strategy of the early People's National Movement has been tremendously successful and that today Trinidad and Tobago is quite a modern developing nation due mainly to those strategies. But it seems that we are now going off course.

I cannot understand how this new PNM Government, in power for only 4 1/2 months, could deviate so dramatically from the course that its predecessor governments were on. It is quite clear that the PNM is implementing, without question or hindrance, the structural adjustment programme imposed on us by the World Bank, and I was really surprised to see justification for this—on the basis that the strategy has been accepted wholesale by the Government. In other words, they are taking credit for it. They are not saying it is being imposed by the World Bank. It is what is right. It was described in the context of a mainstream of development that is occurring in the world.

My understanding of world economics presents to me three distinct areas of the world and in fact, that has been shared by historians for a very long time. The world is divided into three areas: the First, the Second and the Third World. I am advised by the hon. Minister of Finance there is no longer a Second World—it is only a First World and a Third World. We have seen very dramatic developments occurring in our world in modern times to the extent that there are

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certain intellectuals in the western world who are arguing that history has come to an end. The human species has found its panacea, that we do not have to look any further, that the developed world has so succeeded in managing resources that the whole world must adopt its pattern, its strategies, its processes, and I am frightened by this, that the PNM regime is committing Trinidad and Tobago for the next five years to joining this so-called mainstream.

I am sorry that the Member is not here because the ideal society that is being presented to us is the most successful, liberal, capitalist society in the world, the United States of America. But the United States of America in order to support its level of development has had to impoverish most of the world and in fact, now threatens the mere survival of the human species through pollution. The United States in order to sustain its standard of living which it seems is what is described as the mainstream, has dehumanized its people to a terrible degree. Not only is the ecology of the world threatened by the strategy but, you have a society capable of producing in tremendous abundance.

In fact, it was Karl Marx who observed that when societies reached the level of production where they are producing more than the needs of their people, money would become redundant. That is a very perceptive observation, but the United States has reached that level of economic mobilization and output of production but money is more dominant than ever and you do not have an approach to mobilizing resources in response to human needs, and that society is like a bomb with a fuse ignited, as we have witnessed very recently with the trial in Los Angeles of a group of police officers who brutalized a particular individual. It seems that he was driving his car a little fast and an amateur video enthusiast captured it and the whole world has been scandalized by that video-tape of the absolute brutality unleashed by trained officers of the law on an individual who had no way of defending himself. The trial is a trial of his peers because a jury of so-called peers, which is a fundamental system in the jurisprudence, ruled that there was no wrongdoing on the part of the police officers.

This panacea that is the model that the whole world must now adopt—and we hear the President of the United States talking in that sort of way. We saw a spontaneous eruption of discontent, violence and destruction, reminiscent of July 27, 1990. The hon. Prime Minister wants to know how we relate the two.

The World Bank's structural adjustment programme is clearly a liberal capitalist programme. That is what it is. We have accepted that with the failure of

the socialism of Eastern Europe and the former Soviet Union, all that is left is what the United States has developed with Western Europe and to some extent has succeeded with, and that is the mainstream that the PNM regime is threatening to take us into, totally contrary to the manifesto. In fact, I am very worried because the NAR regime was doing that. I described the leader of the NAR as a virtual colonial governor carrying out the will of the colonial managers no longer in London, but now in Washington. I was very worried that the NAR regime was accepting, lock, stock and barrel, all the structural adjustment proposals of the World Bank for a mere \$40 million loan presumably because the leader felt just as has been expressed by the hon. Senator, that that is the right way for the world to go.

If the United States society is the example for the rest of mankind, I say God help Homo sapiens because we are not going to survive. The United States is on the verge of revolution just as the Soviet Union and the rest of Eastern Europe and they have to modify their approach otherwise they are going to destroy the planet on which we live.

5.15 p.m.

The late Prime Minister, Dr. Eric Williams, set in motion—what I had always endorsed—an approach to mobilizing domestic economic resources that was neither socialist in the classical sense nor capitalist. In fact, you could not describe it in terms of world ideologies. It was described very ably time and time again, as a pragmatic approach to managing resources, but clearly, a structure of economy was established that enabled the state to play a very vital role in economic affairs.

I am very worried about things which I am beginning to hear because coming out from the symposium on unemployment, for example, I get the impression that the Government now sees its role as purely facilitating private initiative.

Mr. Manning: I am grateful to the hon. Member for giving way. I think he ought to be a little more judicious in his utterances and to be sure in his contributions that he is not unfair or unjust to anybody or any party. Our position is quite clearly stated in our manifesto, and in fact, it is a position that we have articulated over time and one which we will articulate on Wednesday next, when our economic policies are clearly articulated to the national community.

The PNM's position is that the role of the Government is that of facilitator and investor. There is a shift in policy which is four years old and places a higher

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priority on the role of facilitator, recognizing the fact that if jobs are to be created, they cannot all be created by the state but that an environment must be provided in which there is an active and vibrant private sector. We need the state as an investor to ensure balanced development and to maximize our developmental opportunities in circumstances where the state is in the best position to do the investment in certain sectors of the economy.

Mr. Humphrey: This is not the only Prime Minister that I have been able to get off his seat in this House. I have been able to get Prime Ministers to stand up and intervene in this way on more than one occasion.

What the hon. Senator who I thought was a spokesman for the Government said this afternoon in this House is very different. In fact, I got the impression from what he said that the direction the Government is taking is clearly a liberal capitalist direction and we are going on to the mainstream of new liberalism. I am afraid that the rest of us got that same impression. I think it is important that we put the Government back on course. I am delighted that in fact the Prime Minister is sensitive because the electorate would not be happy when they find that this economic strategy is producing surplus in only one commodity, apart from the surplus we have in the petroleum industry and by-products of the energy based sector.

The commodity we would be producing in tremendous surplus is unemployed citizens. We already have that in tremendous surplus, but we are going to add to that. Local businesses were able to survive because of the degree of protectionism they enjoyed—which is absolutely essential, not only for a country which is trying to develop like ours, but also for those which are highly developed. Protectionism is the order of the day even in the United States which seems to be the example that is being imposed on little Trinidad and Tobago, and certainly on Japan.

I am worried because I thought at the election in 1991 the electorate rejected the colonial governor representing Washington and put a governor to represent the people, a Prime Minister who would be responsive to the needs of the people of this country, but I am afraid that what I am witnessing is a reversion. The World Bank, the IMF they are calling the shots. We really do not need a government in this country. We do not need this Parliament if you have such a situation.

I understand that the hon. Prime Minister is soon to have a meeting with the President of the United States. I want to suggest to the hon. Prime Minister that

he sit with the President of the United States and plead the case of Trinidad and Tobago to allow this country to apply exactly the same strategy for pulling the economy out of recession, as he is applying in the United States.

Now, there are going to be problems and the balance of payments is the biggest problem, but if the Prime Minister can persuade the President of the United States to use his influence on the IMF and the World Bank, to enable us to use the same prescription that is being used by the United States in seeking to pull the economy out of recession, then perhaps, we would be getting somewhere. It would mean that we have to find the means of protecting our foreign accounts so that our vulnerability in terms of foreign exchange is not transferred to the life of the domestic economy.

I was surprised to hear the Minister of Finance say that rescheduling is not on the agenda. I understood that the whole strategy of the budget presented earlier this year was to adopt temporary measures and put the finances of the country in a state of balance, to enable us to go to the IMF and the World Banks to seek a better deal for Trinidad and Tobago.. Because as I pointed out then, many things which were promised in the PNM manifesto were not delivered then. So, we were told, hold a little strain, this is temporary, we are going to give greater tax relief later on, we are going to encourage more business activity through tax incentives and so on which this budget never did. The strategy as I understood it, expressed by the hon. Minister is absolutely no different from what was being imposed on Trinidad and Tobago by the former regime. Let us see how that strategy is described in the PNM manifesto.

At page 4 of the manifesto in its introduction:

"What is the state of Trinidad and Tobago today after five years of NAR governance?"

Our economy is in a state of entrenched stagnation ... We are now shackled with a national debt which could seriously handicap our development...

The social fabric is collapsing as the middle class crumbles, an underclass emerges, unemployment rises and as tens of thousands face sheer poverty and daily starvation...

There is an alarming escalation in the rate of crime and an increasingly demoralized Police Service...

There is alarming infrastructural decline through lack of both improvement and routine maintenance..."

5.25 p.m.

We can go on and on. I fear that the problems expressed in this introduction, which all of us recognize as true, came out of the strategy which the remnants of the NAR were applying, because that was not the strategy of the original NAR. The strategy of the original NAR was to expand economic activity, and the only way you can do that is to spend money, not withdraw money and, in fact, in the NAR of 1986 that was promised.

"More sensitive monetary policy measures"

Those were the words. I have quoted them so often that I can remember them. It was to be market-driven, but we had the problem, as we have always had the problem, of a shortage of foreign exchange. Today, I think that problem is more critical than it has ever been, because there does not seem to be any hope that the oil price will improve.

Mr. Manning: What is the price of oil?

Mr. Humphrey: Has it improved?

Mr. Manning: Of course.

Mr. Humphrey: To what extent has it improved?

Mr. Manning: One dollar.

Mr. Humphrey: You know what they say about dollar, dollar, dollar.

The same mistake is being made. I am very happy every time I hear my Prime Minister refer to the late, departed Prime Minister, Dr. Williams, because Dr. Williams had a vision, there is no question about that. It is a great pity that more people who were close to him did not share that vision. That vision was, to come out of the colonial dependence mode. Now he is being criticized for making our people dependent on the state, but I see nothing wrong in our people being dependent on their state. What is wrong with that?

I always supported *Perspectives for a New Society* coming out of the Chaguaramas Declaration, but I had questions about certain fundamental things. I had problems with the concept of a people's sector that was being put into a capitalist mode, that is what I had problems with, but the state could in fact play a meaningful role in economic mobilization without imposing the notion of private

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enterprise on our people. In fact, my arguments were very basic. My arguments went back to the origins of our African population because, say what you like, the past is important. It helps us to understand where we are today and helps us direct our course for the future.

I argued that our African-derived citizens came out of hundreds of thousands of years of social experience where there evolved a very high level of social order—a level of social order that recognized the interdependence between individuals. They were brought into the Western world where the system is based on imposing on the individual the requirement that he, with his own resources and on his own initiative, provide for himself—private enterprise. I argued that you cannot impose that on people who have been conditioned, and whose genetic structure even relates to that interdependent arrangement.

Let us take an example—a house. In the case of the African where the tribe provided the house for the individual, the resources of the tribe were mobilized to provide that house. Each member of the tribe had a productive task, and each other member depended on the productive task of every member and there was that interdependent link which, to me, is the essence of society. We come to the Western world, and in the United States what has happened is that they are trying to force the African minority to accept what can really be described—and not in racial terms, because it did in fact develop with the white people of the temperate climates of the world—as the private enterprise approach to organizing resources.

What is happening is that the African-American is rebelling continually against it and will continue to rebel against it until the system recognizes that what the African had in his experience is very valid indeed. They might not have developed very advanced technology, but he certainly developed the essence of survival for all the members of the society. That is what was developed, and Trinidad and Tobago, instead of recognizing the validity of that experience—and I believe that Dr. Williams did recognize it and that is why he modified the system, and that is why spokesmen of the early PNM could speak of a pragmatic approach.

I remember an assessment being done of the Cuban experience of the level of state ownership in the economy. Cuba had stated that it was going to be a communist society—and it is still stating that—and Dr. Williams very quietly in his own way had localized more of the Trinidad and Tobago economy—taken it

away from foreigners, invested it in our own people and we had more state enterprises at the time that comparison was made—than Cuba. To me, he was going the right way. The political lesson to be learned from that is contained in this very document. We see:

"Founding Principles"

See what I say, once a PNM, always a PNM? These positive aspects, my colleague definitely supports them.

"The preservation of the national independence of the people of Trinidad and Tobago"

The raising of the level of economic productivity of the people by planned and rational development of the country's resources both human and physical.

The country's resources to be mobilized in the interest of the people of Trinidad and Tobago; not in the interest of the United States, because this export-driven approach to economic growth is based on the needs of other people, not based on our needs. It is focused on trying to earn foreign exchange for the purpose of buying from them the things that they are producing in surplus.

We want food for our people. If you left our people to eat our own indigenous fruit by keeping grapes and apples off the vending shelves, our people would be very happy, because when apples and grapes were prohibited, I began to see all over the place, fruits that I had not seen for a very long time—caimit, pommerac and pommecythere. These fruits are superior to imported apples and here we are now saying, "Let us bring apples and grapes; let us bring peaches and pears". I say, "Okay, if you want to bring those things, let us send mangoes and pommeracs and open meaningful trade. Let us pay for the apples and grapes with what we are producing."

5.35 p.m.

Madam Speaker, be honest with me. Have you seen anywhere in Trinidad a planned plantation of Julie mangoes. You see Julie mangoes all over the country because a person will plant one in his backyard, but have you seen organized plantations of mangoes, pommecytheres, pommeracs or avocado pears? Not at all, and this to me is what is wrong. The orientation of economic mobilization is outward. It had to be that way under colonialism because our masters forced it on us. With independence we were supposed to achieve greater self-sufficiency, and I

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want to suggest to the hon. Prime Minister—I know he is well-intended; he is a fundamentally decent human being, I have no doubt about that—that he go back to the founding principles of the People's National Movement and relive the experiences.

Do you recall, Madam Speaker, when all the insurance companies and banks were owned by foreigners? Do you recall when the gas stations throughout this country were Texaco or Esso or Shell or BP? Today, they are all NP. Today, we have indigenous banks owned by the people of Trinidad and Tobago. In fact, the policies adopted by the late Prime Minister forced the insurance companies and the banks to localize. That is what has enabled this country to develop. I am afraid that because we are in a difficult balance of payments position and we are vulnerable, we are reversing that. I want to ask the hon. Prime Minister not to let that happen.

Our people are ready to be mobilized in our own interests. There is no question about that. Our people are committed to Trinidad and Tobago. Those who are abroad want to come back, but they cannot because there are no opportunities. Those who cannot get opportunities at home are forced to consider leaving. It is tragic, because we are a rich country. We can, in fact, direct our energies at developing our country in the interests of our own people. We can achieve self-sufficiency in the basics of food, clothing and shelter. Have we done so? No, but we can. We all know that we can do that.

I am older than my friend the Member for San Fernando East. And very much wiser. I recall the Second World War. I was quite young, but I recall it because my father in his wisdom took us all to boarding school in England while the war was still on. During the Second World War, Trinidad and Tobago was a very strategically important depot for the United Kingdom because we were an oil producer.

People forget that we are one of the oldest oil producers in the world. Because of that, ships used to come for bunkers and to get the fuel to take it to the other ships and to take other supplies out of this country, sugar, cacao, citrus, coffee, *et cetera*. The Germans established a U-boat fleet in the Caribbean to stop the shipping and sank many ships. In fact, it became so critical for the survival of the people of Trinidad and Tobago that we realized that if we did not grow our own food but depended on food brought by the ships we would have perished.

There was a crash programme, if you like. In little or no time, our people were producing adequate foods. From every flower pot they took out the pretty flowers

and they put tomatoes. This was the approach, an emergency approach. In a matter of a few months we did not need the ships to come with food for us because we were growing our own food. If we were doing it in times like that, surely we can do it now when you are one of the major fertilizer producers in the whole world; when we have young people that we have sent abroad, who have learned all the skills of development, all of them. I do not think there are any skills that you cannot find represented in some of our young people who have been abroad to university.

We are really a very blessed little nation. But I am afraid the blessing is going to disappear if we do not see that the wealth of Trinidad and Tobago is here with us. It is not there. It is not outside. In fact, I see very little outside that should attract us. Certainly, some opportunities to earn a little money and bring it back. Because that is what our people do. They go abroad, get a job opportunity to earn some money and come back with it. Of course, US \$1 is translated into TT \$4.25.

I want to plead with the hon. Prime Minister, to sit down and seriously reconsider the strategy. Something is going wrong. In fact, I am sure that if the electorate thought that there would be no fundamental difference between the approach of the NAR regime under the former Prime Minister to the approach of the PNM regime under our incumbent Prime Minister the result of the election would have been different.

Again, I just want to remind the hon. Prime Minister: Do not feel badly about telling the President of the United States that we are faced with a crisis in our balance of payments. Do not feel badly about that. In fact, plead with him to get us out of that crisis because if we do not get out of that crisis and we start to suffer serious social upheaval, as we will if we do not satisfy our people, then the drug trade that has its focus on Trinidad and Tobago today, will escalate to a point where we will never be able to control it.

Let the President of the United States know that if he wants Trinidad and Tobago to help in the war against illicit drugs, then we have to get a bit of help to solve our problems. There is nothing wrong with negotiating or rescheduling to give this country five years. I see nothing wrong with the Prime Minister asking for debt forgiveness. That, in fact, is on the agenda for the whole developing world. It is not a diminishing of our national pride to seek debt forgiveness. In fact, I would not mind if the Prime Minister went to the President of the United States and said, "Listen, we have an idea, we want to service our debt, but we are in critical need of foreign investment." So make a deal: For every US dollar that

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we pay towards servicing our debt to the United States, a US dollar is invested in Trinidad and Tobago by the United States. He might agree to that.

Madam Speaker, I want to remind the hon. Prime Minister that when he goes to the United States he should meet all three presidential candidates, and meet the other two before he meets the President, because he might then get a better hearing from the President.

I am very worried. I know the board of directors of the World Bank and the director of the IMF will applaud the seemingly new direction. I dare say they will perhaps want to assist the Government in moving more in that direction. But it is the wrong direction for Trinidad and Tobago. I think that we need to enter the mainstream of world economic affairs on our terms. I think we have much more to contribute to this world than the world has to contribute to us. Because we have solved social problems in this country that do not seem to be solvable by means of economic development.

We have developed attitudes among our people that are exemplary. I do not see, for example, all the talk by politicians of race for one reason or another, ever precipitating racial violence in this country. I do not see it happening here. In fact, the most encouraging sign to me that this country has evolved to a very high level of civilization is the number and strength of the religions in this society and the tremendous tolerance that exists among all the exponents of all the religions. I think it is important that we build our country on that basis and not on the basis of what we see happening elsewhere.

There is another dimension to this thing, which I think bears consideration. When you are talking about serving the needs of other people through mobilizing your own resources, the people in this world who are in need are not the people in the First World; it is really the people in the underdeveloped Third World. It seems to me that Trinidad is well placed, that we could adopt a strategy of catering more to the needs of underdeveloped people than to the desires and fancies of the developed world. Perhaps we should adopt a genuine third world approach to industrialization and borrow from the example set by India, by applying appropriate technology.

Mr. Manning: We have not got India's market.

Mr. Humphrey: It is not market. The Indians did not develop their agriculture on the basis of market; they developed their agriculture on the basis of

meeting their own needs. That is how it was done, not on the basis of capitalism, but on the basis of what is called a "green revolution". It was not money driven,

Madam Speaker, it was hunger driven. *[Interruption]* I am afraid we do not see eye to eye.

The market economy responds not to the needs of human beings, but to those who can afford to consume, that is what it responds to. There is a fundamental difference. The difference is, really, a human approach to managing resources and a money approach to managing resources. That is the difference.

Now, I do not want to talk about my ideas on money reform because every time I open my mouth they say, "Well, there goes Humphrey, again". I have one consolation; I accept that I am made but I will never concede that I am stupid. I will reserve those ideas for our party forum where I will continue to seek to persuade my colleagues to put people first and to manage money as a resource in response to the needs of people and not manage people in response to the needs and demands of money.

Mr. Manning: Thank you for the confession, but I understand that you have been certified sane. Does it mean to say that you have made a mistake with the other part of the argument, also?

Mr. Humphrey: The hon. Prime Minister is quite right when he observes that the only politician who has been certified sane is the Member for St. Augustine. I feel certain that if some of my friends in the politics of the day were put through what I was put through they could not be in their seats in this Parliament. Certainly they would not have gotten away.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, I know that we have a motion on the adjournment at six o'clock, and therefore I have 10 minutes in which to make just a few observations.

With respect to the contribution of the Member for St. Augustine, Madam Speaker, I do not have a real problem with much of what was said by him, since, coming out of what I consider to be rather a traumatic experience in the recent past, I can understand the Member's concern with respect to the economic direction that Trinidad and Tobago will pursue, and to that extent the direction in which the PNM as a Government will take Trinidad and Tobago.

The Member expresses certain fears; he expresses certain concerns, and they are quite in order. However, when he seeks to justify those concerns on the basis

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of what he calls deviation from the PNM manifesto, this is where I think I would just want to put the Member at ease by drawing to his attention the fact that there is no real need for him to feel that trauma again, and to feel that he is going through a bad dream, again.

Madam Speaker, the Member used the PNM manifesto and he quite usefully quoted from page 4, which is the introduction to the manifesto. Insofar as he was expressing fears which he indicated arose out of a fundamental deviation of PNM strategy, I wish to draw his attention not to page 4, but to page 7—because the fears arose out of what he indicated might be or appears to him to be a fundamental deviation in strategy—

Under the heading “Economic affairs”, and specifically under “Economic Policy”, and more specifically under “Basic Strategy” we see:

“The major economic imperative for Trinidad and Tobago is the development and implementation of a plan of action to stimulate economic growth, leading to a transformed, more resilient and less oil dependent economy capable of generating sustainable and productive jobs for our people. Towards this end, the PNM sees the State in the exercise of its role as a facilitator, relying on four main pillars in its strategic approach:

- A commitment to a competitive market-oriented domestic economy, with the Caribbean being an integral part of this economy.
- Targeting enterprises which are export oriented and/or whose inputs are sourced locally.
- A strong people orientation involving, inter alia, investment in our people.
- A stable investment climate.”

Mr. Humphrey: Give way to a question, please. Where, Madam Speaker, can we find an export driven growth strategy? I do not read that here.

Dr. Rowley: Madam Speaker, if the Member wants to engage in semantics—

Mr. Humphrey: It is not semantics.

Dr. Rowley: Madam Speaker, one has to interpret this as the broad outline strategy and I read for you about targeting enterprise—

Madam Speaker: Order! Order, please, the Member may continue.

Mr. Robinson: I was seeking your leave to depart, Madam Speaker, but you were speaking, therefore I resumed my seat. May I then depart at this stage?

Madam Speaker: Yes, the Member has my permission to leave at this point.

Mr. Robinson: Thank you very much.

Dr. Rowley: Madam Speaker, I hope that the Member's departure has nothing to do with my presentation, but Madam Speaker, to come back to the Member for St. Augustine. Specifically in the manifesto it talks about export-oriented enterprises and focusing on that. Where is the difference between that?

Mr. Humphrey: Export driven growth. Totally different things.

Dr. Rowley: Madam Speaker, export driven enterprises, that is not for contraction, it is to grow. You do not focus on export, driving your industry to contract. So he is just splitting hairs.

Madam Speaker, if you had listened, and I am sure you did listen to the Minister of Industry when he spoke, having outlined what he said is the action that he will take, he was accused of making reference to competitiveness in the local market.

But it is here. We have to be competitive. Of course, I know it sounds very much like something that were parroted by our predecessors. What this brings to mind, is the fact that notwithstanding that we have had substantial disagreements, and we still do, with their policy if we hear it from time to time, there are some areas where there are very limited options available to us, and the one thing I want to do is to pull the Member for St. Augustine into the time in which we live.

The Member for St. Augustine took objection to the Minister of Trade speaking about mainstream directions in world trade. What the Minister of Trade was seeking to do was to tell this House about the reality in which we live.

I am quite pleased, to hear the Member for St. Augustine pay such glowing tribute to the vision of Dr. Williams. I hope those who go on the radio and TV and seek to tell our children otherwise; and those who get up in this Parliament on his very side, next to him in that seat, I hope they listened to him when he was

speaking. He was speaking about the vision and the contribution of Dr. Williams in 1956 and onwards. *[Interruption]* Madam Speaker, permit me to ignore the comment of the Member for Caroni Central. I see he is now from Caroni Central on his way to wherever.

Madam Speaker, 1956 is not 1966 is not 1976 and is not 1986 and it will not be 1996. To come to this House and seek to give the impression that the PNM is seeking to fashion some direction for Trinidad and Tobago which is alien to the manifesto and alien to a direction we took is to misrepresent totally the reality. And the reality is this: When this manifesto was written it was written fully cognizant of the *status quo* at the time in this country. It was not written for 1956. It was written recognizing that we are not going to the IMF, we are not going to the World Bank; we are there. I was out there on the streets opposing that direction before we got there. But once we got there, well, no chicken has ever been known to unlay an egg.

Mr. Palackdharrysingh: So you are a chicken? You will find yourself in a pot.

Hon. K. Rowley: It was against this background that this manifesto was written. We knew what we had to face. We did not do like some of them, like a former Minister in the Ministry of Finance, the Member for Oropouche who got into Government and said, "I did not know." That is no way out. This Minister of Finance supported this—you want to get up, get up.

Mr. Sudama: I have to explain a few things to him later on.

Hon. K. Rowley: I am giving you time now to explain it.

Mr. Sudama: We will finish soon.

Hon. K. Rowley: Too late. You do not think after five o'clock?

I want to come back to the point that the Member for St. Augustine made because I do not want to give the impression that I am belittling his concern at all. I am seeking to put him at ease, but he must know that if we have our hands in the lion's mouth, we cannot beat the lion with a stick at the same time.

This Government met a situation which we were all cognizant of. We went to the World Bank, we signed contracts, we took the money and we spent it. We are a responsible country; we are a responsible Government, and policies fashioned from here on will have to take that into account. To the extent that we can vary it,

we will vary it in the interest of the section I read to you just now. The Minister of Trade argued what we will have to do there in that x section of trade. The Member for St. Augustine outlined a philosophy—*[Interruption]*—Madam Speaker, the Member for Oropouche had his say and I did not interrupt him.

Mr. Sudama: He keeps interrupting me. I am not talking to you.

Hon. K. Rowley: So you are trying to pay back. At least my interruptions were making sense.

To the extent that the Minister of Trade made reference to the need to be competitive, in which context, Madam Speaker? He made the point that we came from virtually zero manufacturing and under the nurturing of previous PNM administrations we went to a situation where today we have a significant section of our economy in manufacturing, supplying the local economy. But side by side with that, we have 100,000 people unemployed. So he is making the point. He did not say so in as many words, but I assume that it could have been gleaned by those who are reasonable and thinking, that the point he was making was that if we are going to go any further with respect to addressing those on the outside of the system, while not destroying what we do for the local market, any growth will have to seek another market. The minute you agree that you have to seek a market outside Trinidad and Tobago for your increased production, you are in the competitive environment and therefore you have to compete. It is as simple as that.

Madam Speaker, if this economy is producing x number cans of peas, and we eat as much as we can and we decided that we wanted to produce more peas, the local market can only accept so much.

As long as you admit that the local market cannot absorb your full potential for growth in whatever area, whether it is peas or potatoes, you are admitting that if you are going to grow, you will have to export. And it is in that context that the Minister of Trade spoke of the need to be competitive and to the extent that we are competitive, so as for exports there are no disadvantages. If you have, improved efficiency for export, benefits will rub off for supply of the local market. It is not to give the impression that you are shutting down the mobilization of your local resources in some kind of ideology which says shut that down and now focus all that you do to supply other people's needs, because nothing is further from the truth.

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The truth is not that there is any export market waiting on you to supply. The market out there, you have to go down there with a hammer and a chisel and carve your way in, inch by inch against all the protectionism that he himself spoke about. That is the environment. The thing about it is that, the Member for St. Augustine, more than any other would know and he would agree that much of what Dr. Williams had to deal with in his lifetime does not prevail today. Let me give you one example, Madam Speaker.

6.05 p.m.

The General Agreement on Tariffs and Trade is at a situation now where the United States bloc and the European bloc have locked horns. To the extent that some solution will be found and there is an agreement on that tariff and trade condition, one of the things that are in there at this time which was not there before is agricultural products. There is an attempt to bring it in. Dr. Williams did not have to face that.

Whenever Members get up and talk about how we should respond to our problems, whether it be debt, whether it be food supply, and all of that, I would ask them, very quietly, to take a look at the map of the world whenever they feel like having flights of fancy. Trinidad and Tobago is an extremely small part of the world. As the Minister of Industry, Trade and Tourism said, unless we are going to come to a conclusion that we will go off in a different direction while the rest of the world goes off somewhere else, there are certain constraints with respect to the actual action.

In fact, it was a colleague of the Member for St. Augustine, Mr. Winston Dookeran, who was the economic spokesperson, who spoke very eloquently at the side of the Member for St. Augustine when they were ULF representatives. He is on record in *Hansard* as saying, that when you go to the IMF you are going, without any question, to surrender a substantial portion of your sovereignty. I think he might have been in the House here when his colleague said that. So when we were taken to the IMF, that was not changed. One cannot be fish and fowl at the same time. This country has taken certain decisions and we have to take that into account as we fashion our economic policy as we go down the road.

So to indicate that it has anything to do with following any ideology or trying to be like America—Madam Speaker, I have no problem with the United States. I am not anti-American; I am not pro-American in anything. America just happens to be our closest neighbour in the scheme of world trade—very close as compared

to Korea—and also is our single most important trade partner. If we want to disregard that and come up with other strategies we are free to do so, and we can debate them in here. I went to school in Jamaica for a while, and there is an old Jamaican lingo which says: "No matter how yo frighten, do not bother run till yo foot touch the ground, otherwise you are going nowhere".

The Member, in his presentation, expressed the concern that the Government might be going in a certain way and he prefaced that by saying what the Government said they would not do, and that the Government said you must spend money. I want to advise the Member for St. Augustine that I can provide him with the proof. There is no greater proof that the Government have subscribed to that philosophy by honouring of their pledge to pay public servants moneys which the previous government were not paying. The argument is the same argument as that of the Member for St. Augustine, that if you pay money you honour your obligation, that money gets into the economy and they will spend. That cannot be deemed to be a contractionary approach.

Hon. Member: That is only in Jamaica [*Interruption*]

Hon. K. Rowley: I did not get any, so I do not know. The fact of the matter is, as of March the Minister of Finance has kept that promise by paying out the money. That is in support of the argument he has put forward.

Mr. Humphrey: Madam Speaker, the PNM, in their manifesto, promised to encourage economic expansion through tax reform—a reduction of corporation tax, a reduction of personal income tax. It is quite true that the Government honoured their obligation to the public servants—we applaud that—but in doing so they took it all back in increased taxes, so it really did not help the economy expand. All they did was balance the monetary situation of the Government.

Hon. K. Rowley: Madam Speaker, to the extent that the Member made that intervention, I would want to let him know—you see, we can argue this back and forth for a month and get nowhere once he takes that kind of position. The Minister of Finance, very clearly, in this House outlined those temporary measures in the context of reality. The same Minister of Finance, and other spokespersons for the Government, recently identified \$1 billion in construction and gave a time-frame within which that will come. So therefore, the Government are striving to uphold the philosophy of seeking to expand the economy, expand the cake so that more slices can be available. So that the Member for St.

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Augustine need not fear that there is any deviation to follow anybody's ideology, to become like anybody—especially a Government from this party that never took on any "ism", to be communism, socialism, or what not. We always took on what is best for Trinidad and Tobago, given the circumstances. *[Interruption]* You can “mamaguy” anybody you want.

Talking about ideology, I am worried. When the Member for St. Augustine advocates an ideology—he did not say it today—but others have advocated an ideology or a position which says, "Okay, you found yourself owing much money, to try and pay back that money will cost you some pain, the thing to do is not to pay your debts and therefore proceed with life more smoothly until whenever." We have never taken that position—not in Opposition, not in Government.

Mr. Palackdharrysingh: Nobody here took that position.

Hon. K. Rowley: I said others have said so. That is one position advanced. In fact, countries in this hemisphere—one country, in particular, had actually taken that position of not paying its debts but, after a while, discovered that in the context of today's world that could not work. It was advocated by our friends in Cuba, who gave us advice, free, that we should not pay our debts. We have never accepted that as the way to go.

The Member for St. Augustine advocated a different position today, one in which he is saying that we should not give great store to trying to deal with the external environment but that we should do what we can do and what is best for us here, ignoring those realities of our external obligations.

Mr. Humphrey: I never said that.

Hon. K. Rowley: Okay, let me rephrase that. He was saying that we should follow a philosophy which I interpreted at the time to be a parallel to what the Albanians tried in the 1960s and 1970s, that is, to try to exist, totally oblivious of the rest of the world, seek to be self-sufficient—

Mr. Humphrey: Madam Speaker, on a point of order. I am enjoying the contribution of my friend, but that is not correct. I never suggested any such thing. It is a matter of the emphasis. Emphasize mobilization on the basis of your own human needs and not on the basis of external markets.

Hon. K. Rowley: Madam Speaker, all I can say is that I do not know. I know the metric scale; I know quite a few scales, but I do not know of any scale that one

can use to actually measure the degree of emphasis that is being placed on matters of this nature.

Hon. Member: The common-sense scale.

Hon. K. Rowley: Madam Speaker, we hear about debt forgiveness. Debt forgiveness, as far as I am concerned, is a “thing”—we could try it. But given the posture of those whom we owe, can we really plan our future on the basis of realizing debt forgiveness? That, to me, would be more irresponsible, because given the facts of the environment which has got considerably more hostile than when Dr. Williams ran this country, the international environment today is the most hostile it has been in my life-time, and threatens to get more so is that the environment in which you expect to get forgiveness?

6.15 p.m.

Madam Speaker, the Minister of Finance said—I am not sure if it is in this House or somewhere else—that one of our creditors made it very clear to us from early, as we appeared on the horizon—people who normally are very sedate, very quiet and do not normally take such hard positions early, very early said to us: Do not even bother to raise rescheduling; those bonds belong to certain people in our country; we want our money now. That is the environment. One would have seen every morning the behaviour of the Japanese market. What effects would that have on the Japanese banking system and what would be the behaviour of the bankers when they meet people like Trinidad and Tobago who owe them money—debt forgiveness?

Madam Speaker, I am saying all of this to let us not lose sight of the fact that in 1992, much as we crave your indulgence to speak about our successes under Dr. Williams, let us understand that we are now in a completely different environment and the ball game is different. There is, basically a ganging up of the developed world with the motive—which they might not admit—of ensuring that all that is good in this world flows towards the developed world; and the developing world—people like ourselves—have very little ammunition to significantly change the course of that Juggernaut.

In fact, the alternatives, given the fact that there is virtual consensus in the developed world as to where this world is going to go, trying to stop that steamroller with your hand, is virtually to guarantee that you are going to be crushed. And that is why the Minister of Trade said, what we are doing here in Trinidad and Tobago is seeking to see where we can manoeuvre in this flood and

as the boulders pass to see where we can find a position that we can continue, as far as the circumstances permit, to pursue the course of independence of action, of seeking to paddle our own canoe in this torrent of international adversity.

Mr. Palackdharrysingh: Words boy! That is the man who should act as Prime Minister.

Hon. K. Rowley: I want no appointment. I want to make it quite clear that the Member for Caroni Central is not speaking on my behalf.

Madam Speaker, my friend, neighbour and colleague the Member for St. Augustine spoke about the action that was taken in 1939 when the world faced the Second World War. When the world was at war you even saw a coalition government in Britain, the home of adversarial politics. The Member pointed out that in Trinidad and Tobago there was emergency action to ensure that we did not starve in this country; and he is advocating a similar action.

I want to agree with him on one score and that is, that just as in 1939 the world was facing an emergency which forced certain actions on colonies like Trinidad and Tobago, today in 1992, and as we enter the 21st century, given the international developments with respect to the patterns of trade and the behaviour of the developed countries, we are facing no less of an emergency. Because if we do not chart our course correctly, we might not be killed with bombs and guns, we are going to suffer from economic strangulation. Side by side with the desire to expand an economy to create jobs, as we say in the manifesto, we seek a bigger piece of the international market, because that is where we can get jobs created if we are able to supply any niche in that market.

The Member for St. Augustine talked about advising the Prime Minister. Our Prime Minister is all ears. He listens. He advised the Prime Minister, quite correctly, that when he meets the President of the United States he must tell him of our circumstances. I expect that our Prime Minister will do no less. The Member said when the Prime Minister meets with the President of the United States he must tell him that we should like a bigger share of the trade that goes into Mr. Bush's country, so as to deal with our circumstances. I am sure that our Prime Minister will make that kind of approach. However, what kind of reaction do we expect?

Hon. Member: We cannot anticipate that.

Hon. K. Rowley: I can anticipate. That is why I am still alive. I do not cross the road and close my eyes. Madam Speaker, we have to anticipate a response

which says, well, we are hoping that the CBI will be taken into account. That is what the US has offered us to deal with that particular problem. How much of the US market will we get? They say we are giving you an opening; we are giving you facilities; we are giving you preferences through the CBI. But, Madam Speaker, there begins the lesson. If it is that we are to take advantage of those openings, narrow as they are, it brings us back to the Minister of Trade. The President of the United States will not go in the marketplace and tell the customers or consumers to buy Trinidad and Tobago products. It will fall to us here in Trinidad and Tobago to produce those products, go out there and battle our way against the rest of the world which is also seeking the same thing, and seek to put our products in that market under terms and conditions which—

Mr. Humphrey: Madam Speaker, the hon. Member is on the question of our Prime Minister interfacing with the President of the United States. You will recall that I proposed to our Prime Minister that when he meets with the President of the United States, that he seek to persuade him to influence the IMF and the World Bank to allow Trinidad and Tobago to adopt similar solutions to the recession as are being adopted in the United States—to be specific, a lowering of interest rates; a pumping of money into the domestic economy with an encouragement of consuming domestically produced goods and services, which is what is happening; and we are not permitted to do that by the World Bank Structural Adjustment Loan.

Hon. K. Rowley: Madam Speaker, I am very grateful to the Member for interjecting that, because when I started I prefaced my contribution by saying there was a lot of what the Member said which I did not have a fundamental disagreement with. However, I was speaking a moment ago specifically with respect to the trading situation. I rose largely in defence of the Minister of Trade's position which seemed to have caused some disquiet to the Member for St. Augustine, so that is why I am focusing on the trading aspect. To the extent that other things are possible, Madam Speaker, there is no mutual exclusivity. We are fighting on all fronts and that is precisely what is required. There is no single front on which this war is going to be won.

So I should like Members on the other side to be very judicious in their statements when they speak about the PNM committing this country to any course of action of which they are mortally afraid and the rest of the country is also mortified, because committing *[Interruption]* Madam Speaker, the Member for

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Naparima has not demonstrated in this House any acumen in the English language which permits me to think that he understands what I am saying with respect to the use of the verb “committing”.

We are not committing this country to anything. We are dealing with a commitment which this country has already made. It was the Member for Couva North who gave us a long discourse here about the continuity of the state. The Prime Minister stays in office until another is sworn in; Opposition Leader stays in office until a new one is sworn in. We are at this time—this House—living in different times.

6.25 p.m.

Mr. Maharaj: Madam Speaker, is he saying then that the Government are continuing the policy of the previous administration?

Hon. K. Rowley: I am not saying that at all. I am saying that to the extent that we meet certain situations, we treat them as reality. We do not close our eyes and say they do not exist. In fact, we go further. Madam Speaker, you would have observed that the present Government spend no time bleating about what we inherited. We did not inherit anything. In fact, I speak for myself. I did not inherit anything. I had my inheritance already. When Joe Rowley died, he left me two acres of land in Tobago. I inherited that. That is mine.

What we are doing is managing the business of Trinidad and Tobago as appropriate at this time. One of the things we are managing is a phenomenal foreign debt in a very hostile environment. Another thing we are managing is a local manufacturing sector which we have nurtured, supported and which the circumstances now call upon us to seek—and if I use the words of the Minister of Trade—to nudge in the direction of dealing with the present economic and trade realities in which Trinidad and Tobago finds itself today. Not, will find itself as a result of any action of the present Government, it is as a result of where we find ourselves today. It matters not whether it is my fault, your fault. The fact of the matter is, we have found ourselves in this position in this world and the Government are hired to manage that situation, and that, we will do.

The Minister of Finance has been extremely open in his presentation. He said what our resource base was; he said what the climate was out there and he indicated how we are going to seek to address it. To the extent that success visits us, we all here would benefit. To the extent that circumstances change or it

requires review on the adjustment, I am sure the Minister of Finance will come to this House and tell us exactly where we are going and how well we are doing.

I wish to close by telling Members on the other side that I know the frustrations they have been through in the last five years. I have known what they call "betrayal". Madam Speaker, I want to tell Members on the other side that the Government of Trinidad and Tobago today are not committed to the preservation of any individual's fortune in politics or otherwise. We are committed to the survival of Trinidad and Tobago in a very hostile, international environment. That is our commitment.

To the extent that we are called upon to make sacrifices, to the extent that we recognize that every action we take is an action that will eventually impact upon our people, we seek to ameliorate where we can, to alleviate where we can, to eliminate where we can, always cognizant of the fact that we put people first.

Mr. Sudama: You know how much of them starving—

Hon. K. Rowley: Madam Speaker, I do not take the Member for Oropouche very seriously at all, at no time, for the simple reason that he has demonstrated over and over his ability to get up and use words, without any conviction whatsoever. I normally walk around with a clipping from April of 1987, when he, as Minister of Finance and Member of the Cabinet, albeit for one day—

Mr. Sudama: Is the Minister denying that there are thousands of people in Trinidad and Tobago who cannot get a meal for the day? He is saying that they put people first? First, where? On the breadline?

Hon. K. Rowley: Madam Speaker, I will have to consider from today whether I will give way to the Member for Oropouche if he persists in interrupting me to interject questions which are totally frivolous and vexatious. I thought he was getting up to tell us that he was in the Cabinet for more than one day. He did not answer that. He gets up to ask me if I am saying that there are not people in this country who cannot put a meal on the table. What have I said here this evening to give anybody, especially someone who should know better, the impression that I am not cognizant of the fact that there are people in this country who cannot make ends meet when the day comes? I am cognizant of that.

Mr. Maharaj: What are you doing about it?

Hon. K. Rowley: Fending off the Member for Oropouche, who might put many more in a similar position if he gets back into the Cabinet for more than one

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day. There is a difference between the Cabinet and the Ministry of Finance. He was Minister in the Ministry of Finance when he spoke to the *Trinidad Guardian* in April 1987, and gave a discourse—

Mr. Sudama: Who was the Minister?

Hon. K. Rowley: Well if you did not know what you were doing, you should not talk to the press like that. He is on record as saying the situation is difficult and he was referring to the debt situation. "It is difficult, but manageable." Those were his words, quoted in the *Trinidad Guardian* of April, 1987.

Mr. Sudama: Is the Minister aware who left that difficult situation for the NAR to manage—which government? The sum of \$2, 316 billion was your foreign debt at the end of 1986, when you had billions flowing in the 1970s and 1980s in this country, and you are talking about foreign debt?

Hon. K. Rowley: Madam Speaker, at the time when the Member for Oropouche spoke to the *Trinidad Guardian*, I took it to mean that he had considered all of those things, as Minister of Finance, before making a statement, telling the reporter that the public debt was difficult, but manageable. All I can ask him today in response to the kinds of questions he is asking and the kind of position he is taking *[Interruption]* Well I must say, Madam Speaker, I find myself in this Parliament to be doing some very serious and strange things. I do not think I will make a habit of congratulating the Member for Tobago East, but had he not fired the Member for Oropouche, we might have been in a more serious situation today. Because it seems that the Member for Oropouche has no fixed position on anything.

Mr. Sudama: Look where the Member for Tobago East is today.

Hon. K. Rowley: You did not assist him in staying away from there.

Madam Speaker, we are entertaining, at this time, in Trinidad and Tobago, trade reform. The jargon is, liberalization. It is something that we must take very seriously because there are very serious implications. I am sure that as we go down the road, other Members of the Government and the Opposition—because the Member for St. Augustine, I am sure, will be in a position to articulate in this House and other places, what that means. There are serious implications but we cannot run away and hide. We have to face the reality. As the Minister of Trade said, there was a time when we were inviting screwdriver industries in; another time we were talking about industrialization via natural gas, in building the Pt. Lisas-type industry.

Today, the circumstances are different; the requirements are different, all except one. The one thing that remains the same is that it falls to the Government of the day to seek the best position for the people of Trinidad and Tobago, given the circumstances in which we have to operate. I have no doubt whatsoever, that the Minister of Trade, the Minister of Finance and the Government as a whole, whatever we come up with at the end of the day, you only have to judge by the utterances of the Member for Oropouche and you will gather that it would be far superior to anything that the Member for Oropouche, or his friends, will come up with, given the fact that we are facing the situation head-on, square-on and facing reality.

6.35 p.m.

Madam Speaker, to the extent that we ask the House to support the measures, we do so cognizant of the fact that there are some implications, some of them unpleasant. But where we differ tremendously with the previous Government is that as we take these steps we do not take the position that the people will eventually be taken into account. In these actions we will put safety nets in, to the extent that our resources make them available. To the extent that we can do things to make changes less traumatic, this Government will do so. We would not wait until election year to spend \$100 million more on LIDP seeking to buy an election. We will recognize the difficulty as we go along the way and we will keep the Opposition informed.

ADJOURNMENT

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move the adjournment of the House to Monday May 4, 1992 at 1.30 p.m.

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Mr. Shamshuddin Mohammed (Caroni East): Madam Speaker, I thank you very much for your kind indulgence. I wish to indicate to hon. Members that in accordance with the provisions of the Standing Orders with particular reference to Standing Order 11(2) and (3), I have the following matter to raise on the adjournment: The refusal of the National Fisheries Company to purchase from trawler owners/shrimpers thousands of pounds of shrimp, which refusal could impact seriously on the nation's food supply and unemployment situation amongst other economic factors.

A serious crisis of national significance has been imposed on the shrimping industry of Trinidad and Tobago. Just a few days ago on April 23, 1992, the

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National Fisheries Company without the slightest notice or consultation, informed all trawler owners that they were unable to accept their catches. This unilateral decision by the company has thrown the entire shrimping industry and all its employees in total crisis. On the very day that the decision was taken eight vessels entered port with a total of some 80,000 pounds of shrimp which is still languishing on the docks. In addition, there are some 13 vessels outside and they are due to come in within a day or two. The anticipated catch in respect of those 13 vessels would amount to 110,000 pounds of shrimps.

I was pleased to hear the hon. Minister, the Member for Diego Martin West speaking in glowing terms about putting people first. I have no reason to doubt what he has said, but this is a situation where the people who are involved in this industry qualify eminently to be put first. The shrimps that are involved, in fact, could amount—in terms of foreign exchange to this country—to some US \$1 million. Who are the people involved? In direct employment you have 84 captains and crew, 12 mechanics, 20 painters, 31 handymen, 6 electricians, 8 welders, 6 net makers, 4 cable splicers, 52 National Fisheries workers, 10 transport workers, 12 ice suppliers, 4 freezer technicians, 6 electronic technicians, 30 vendors, 21 watchmen, 5 drivers—a subtotal of 311.

Indirect employment—private processing plants, 4; employing on average 100 persons each—90 per cent of whom are women. The total of employed persons in this industry and in respect of the people whom I am speaking, is about 711.

Serious adverse effects will occur on spin-off industries, like hardware stores, suppliers of fishing equipment, retailers of processed food and the hotel industry. On the national scale there are some 3,500 fishing vessels registered and engaged in fishing in the territorial waters. If one considers the fishermen, the fish vendors, boat and engine repair men and their families, one can truly envisage that well over 15,000 of our citizens depend in some way or the other on the fishing sector of our economy.

Some twenty-five trawlers are involved in trawling. You have 21 of these vessels operating normally around the clock while four are undergoing mechanical repairs. The estimated annual shrimp catch value—\$15,260,000; the estimated fish catch value—\$3,500,000; the estimated value of fuel consumed annually—\$3,488,400; the estimated value of lube oil consumed annually—\$2,565,000; and the number of persons directly involved in employment in respect of these 25 vessels, amounts to 311.

Traditionally, fishermen have been experiencing very many difficulties in operating in this country and one has to take into account what really are the role and the plans the Minister would have with regard to the National Fisheries Company. It has been difficult for these shrimpers within recent times to operate and to do so knowing exactly where they are going and what is the future of their industry.

The National Fisheries Company has been the target of attack year after year. This company has been attacked for its inefficiency and corruption. Within recent times there have been reports that the police have seized books but we have never heard of anybody being charged—I do not know if the hon. Minister would have that information—and there has been much going on in the affairs of the National Fisheries Company.

The trawler owners constitute a very important part of the shrimping industry; they and have had close relationships with the National Fisheries Company, and know a great deal of the operations of the company, but to this date these people, who have a duly constituted association, have not been consulted with regard to the operations of the company.

6.45 p.m.

It is estimated that the ice-plant which the company owns could be a profitable entity and could bring in approximately \$150,000.00 monthly. With regard to spares and other facilities there, it could be profitable. The one area which has been causing problems is the area of processing. These people who have been operating the vessels feel that they have not been treated with the courtesy that they deserve; they have not been consulted on many matters relating to the National Fisheries Company. They will tell you that they become the subject of gunshots in the Gulf, notwithstanding agreements which we have with our neighbouring state. They have been experiencing these difficulties even within recent times and they are very much concerned and ask the question, where are we going? What is the future of this industry?

Dr. Rowley: Could the Member indicate on what specific area of concern the trawler owners/operators were not consulted?

Mr. Mohammed: I have indicated that already. In the first place, they were not consulted on the decision to stop the purchasing of the shrimp from these trawler owners. No notice was given to them. It was a unilateral decision. These thousands of pounds of shrimp, what are the people going to do with it? That is

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one area in which they were not consulted. A board of management was formed within recent times; these owners/operators were not consulted, they do not have a member on that board. They are the people who are dealing there, day to day and there is no point of view or voice on the board.

I am trying to put this in context because I do not want it to be confrontational or adversarial. We are talking about putting people first and this is a glaring example of a situation that has arisen as a consequence of grave emergency. Some direction has to be given or something has to be said about what is going to take place with this vast quantity of shrimps. This is the peak season for the shrimp industry.

There is a type of shrimp called hoppers. We eat them but perhaps we do not know the distinction in their names and flavour. This is the peak season and the hoppers have a lifespan of only one year. They are coming in abundance now. This is the time to catch them and make use of them because soon they will not be there. They are migratory shrimp. They come for a time and they go. What happens when these shrimp are not purchased, or what would happen in this sort of situation?

There is a time that the shrimp could remain in the vessels which bring them in. Some are equipped with only icing facilities and others with only freezing facilities. With the icing facility they could only last from seven to ten days, while the other freezing facility boat can remain on the sea for several days longer. When they come into port they have just a few days. One of the requirements for the hoppers which they are catching now, is that you have to peel them before you do anything. It is not a case that you could leave them in perpetuity freezing or in ice. You have to peel them. This is a fundamental point in this whole crisis which now exists with the people who bring the shrimp to us. What happens?

My information is that over the last three years, if anything at all, there has been an increase in shrimp production in Trinidad and Tobago, especially having regard to these hopper shrimps. How do we consider this industry having regard to what I have said about the number of people who are employed and depend on this industry for their livelihood?

The vessels which are involved have approximately 190,000 pounds of shrimp. Some vessels are here and others are out at sea. Within a few days 190,000 pounds of shrimp will be on the docks. What are we going to do if the the National Fisheries Company say we are not going to purchase? That is the question which has to be resolved. If in fact, these trawler owners and shrimpers

were given adequate notice and they were told several weeks ago, that their shrimp would not be purchased, they would have been able to make alternative arrangements, or adjust their *modus operandi* and know whether they would go out for that number of days and what their catch would be. This is a very serious matter that we have on our hands.

Everybody knows that we have processing industries down in Cedros, but they are incapable of dealing with this vast quantity of shrimp. They will be able to deal with some, but in the first instance they may not have the capital to purchase from the trawler owners. Secondly, they would not have the freezing capacity to deal with it. Thirdly, the question is whether they would have the market to deal with that quantity. That compounds the situation. It makes this problem an aggravated one and that is why I am raising these matters. We could have come under another area, but it is something which could not be postponed. There are people out there who are waiting.

We know that statements have been made in this House in the past that the National Fisheries Company is fraught with corruption and what not. On this occasion—while we may analyze that, at another time—I have to urge the hon. Minister in this House today, that he has to do something in order to allay the concerns of these people as to what their future is going to be. Do you know what is happening?

I think this House and nation must have some form of explanation why these people who constitute the trawler owners are being treated in a negative manner. Down in that area, there are foreigners who are virtually being given VIP treatment. I understand a virtual commune exists there, where you have people from outside who are getting a lot of our facilities. Do you know what I understand? I understand that they even import their own rice; they do not purchase rice locally. Do you know what is the reason given for importing their own rice, as far as I understand it? They say that the chopsticks cannot hold the local rice well.

The locals are very disenchanted down at that NFC compound because of the presence of these people who are carrying on a commune. I should like the hon. Minister to cause an investigation to be initiated with regard to the operations down there. It is very important. Local people are being denied employment. There are rules which govern the operation of port and the operation of people who are employed on the port. All those rules, I understand, are being violated. This is definitely a serious matter. They also get fuel at a subsidized rate. What

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happens? Their business is here. They go out, catch the fish and use here as a transshipment port. I wonder if the hon. Minister is aware of this. We have a serious situation existing down there.

The latest information which I got this afternoon—because this is a very serious crisis—is that two of the boat owners were able to go to one of our banks with regard to the shrimp which they have on their hands and it is my information that the bank has agreed to help those two. What is the extent of the help? They will have those shrimps processed at NFC and the bank will pay NFC directly with the proviso however, that the catch of shrimp which will amount to approximately 20,000 pounds will be sold directly by the bank. When I probed further into the matter, the interest of the bank was related to the fact that the two boat owners had loans with the bank. They had that interest with regard to these two boat owners.

It is a crisis position. I do not know what policy statement will emanate from the Minister, whether it would come today or some time in the future with regard to the National Fisheries Company. This is a football. Year after year it has been the same thing, but my information is that there is a market in the United States of America for all the shrimps that can be produced here. This can earn valuable foreign exchange.

6.55 p.m.

My information as well is that within recent times a new board was appointed. Let the hon. Minister be aware that the whole of the National Fisheries Company and the operations of that institution, and the operations of the foreign agencies that are here, deserve his highest and immediate attention and that he should appoint an appropriate committee to go into it.

Another report I have had is that a member of the board—I cannot vouch for the veracity of the statement, but, I must draw it to the attention of the honourable House, and in particular to the hon. Minister—I was told, just about two or three hours ago, that a certain member of the board has certain interests in processing, and the ultimate intention is to close down the National Fisheries Company, so that some device and mechanism can emanate whereby they can take control of this shrimping and processing instrument. I am telling it as it is to this honourable House and I should like the hon. Minister to take note of that and to check it.

I am told that there might be a debt of \$70 million existing with regard to the National Fisheries Company and, just as other debts have been written off, I am further instructed that if that debt could be taken off the back of the National Fisheries Company, and the company put into the right hands, it could be a paying

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entity because several of the operations of that company have proved to be profitable. There is one area that causes the problem and, if the right people are put there, as far as I am told, there is a possibility it could become a viable entity.

I am drawing this to the attention of the House. It is definitely a very urgent matter and I would ask and urge the hon. Minister to call in the people involved and see what solution can be found with regard to this problem. The Minister has had a couple of days' notice on this matter and I should like to know if anything has been done within the interim to alleviate this problem and to help those people with their large catches of shrimp on the docks or those that are due to come in very shortly.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, thank you very much for the opportunity to respond to the Member for Caroni East, who very animatedly raised a case with which I am very familiar. Because I was in his position at one stage—I was in the opposition before I became a Minister—and I have heard this evening the identical argument that was presented to me by advocates in much of what he said.

What the Member sought to deal with this evening is a marketing problem with respect to shrimp, and the National Fisheries Company is a company operating out in the market-place and trading in shrimp is one of its activities. Yes, there is a problem with the marketing of shrimp. The Member for Caroni East made reference to the problem and his information. I must say, I am a little disappointed, given the nature of the relationship I have with the Member for Caroni East, that this could have been brought to his attention and he would have preferred not to ask for any information from the authoritative source, namely the Ministry responsible, but to come to the House and, as he himself said, make statements, the veracity of which he cannot begin to vouch for. So, if the Member for Caroni East wants to come to the House and make statements which he cannot support, then I am disappointed.

Mr. Mohammed: I have a document duly prepared by the people concerned and if he wishes I can show it to him. My intention never was to mislead the House or the Minister.

Hon. K. Rowley: The facts are that during the months of January and February, the Government of Trinidad and Tobago took precautionary measures

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to ensure that this country would be cholera free and there were certain repercussions which followed from that.

There are 10 regular vessels which discharge their raw material at National Fisheries Company. However, there are several trawler owners who are not accustomed to discharging their raw material at National Fisheries. Arising from the cholera alert which prevailed at the time, several buyers both in Cedros and Orange Valley decided not to purchase shrimp from the trawler owners and, as a result, they brought all their raw material to National Fisheries Company. That is the marketing scenario. This created a heavy financial burden on the cash flow of National Fisheries, they having to pay all and sundry trawler owners for their raw material.

The situation is this. They heard about the tremendous market for shrimp in Trinidad and Tobago. We also operate where there is freedom to market whatever you produce. However, the peculiarity is this, if the National Fisheries Company buys all that shrimp at a time when it cannot be sold because of what prevails in the market-place—NFC is being asked to become the market—the normal situation is that much of that shrimp would have found its way into the market without the National Fisheries Company. My information is that about 50,000 pounds of shrimp of a peculiar kind came in. The Member has spoken about hoppers. Yes, they are hoppers—little shrimp that jump high in the sea. They are not the most attractive shrimp to buy. They are small, difficult to handle and also difficult to market.

Yes, the company is state-owned, but by the same token it is operating in the market place. It is being asked to buy all these shrimp and I am now being told—I was not told this before—that approximately another 70,000 pounds may be coming in because hoppers are on the run and a lot of them are being caught. But they happen to be catching them at a time when there is a cholera alert in this country and the demand for shrimp has dropped considerably.

The company decided that it was in a position where it already owed substantial sums of money to the regular shrimp trawlers—those 10 trawlers who, as a matter of course always supply shrimp. The company is taking shrimp from them and its financial situation is such that even those payments are causing great difficulty. What is the National Fisheries Company to do? If you have been following the developments for the last year, you would have noticed, no doubt, that the National Fisheries Company at one time was virtually shut down; it was offered for sale, consideration was being given to selling it to a local business;

then there was an agreement between the Government of Trinidad and Tobago and the Government of Venezuela and, the fact of the matter is that the National Fisheries Company at this time is the subject of a number of standing Cabinet decisions which we are currently reviewing.

7.05 p.m.

The Member for Caroni East implored the Minister to take immediate steps to conduct an investigation into the whole operations of the National Fisheries Company. I wish to advise the Member for Caroni East, Madam Speaker, that I have already done so. I have in my possession—

Mr. Mohammed: Who is doing the investigation? Tell us.

Hon. K. Rowley: I will tell you that. I have in my possession a draft report of the committee appointed to investigate the current status and the future role of the National Fisheries Company, because we were not unmindful of the situation and many of the implications raised by the Member for Caroni East.

So as early as February 10, acting on my instructions, the Permanent Secretary got together the following persons:

- Mr. Mervin La Croix—Director of Fisheries, Chairman;
- Mr. Carlisle Jordan—Co-ordinator of the Caribbean Fisheries Trading and Development Institute;
- Mr. Molly Kitt—of NPIC, which was the National Petroleum Investment Company which was involved in assessing National Fisheries when the previous Cabinet sought to make it a subsidiary of NP;
- Mr. Leroy Baird, Senior Analyst, Ministry of Industry, Trade and Tourism; and
- Mr. Vaughan Thomasos, Acting Director Agricultural Planning Division in the Ministry.

That team of persons, as early as February 10, was instructed to go into National Fisheries and conduct an in-depth investigation as to the status of the company. I have that report here, and I can give you the assurance that the findings of this report are on their way to the Cabinet, which will take the relevant decisions with respect to the future of this company.

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Mr. Mohammed: Madam Speaker, I really appreciate my friend and the tone he is taking in his response. He has eschewed the adversarial aspect of it. I compliment him on that. But in terms of the report that he has just spoken about, I should like to know whether, included in the terms of reference was any question of the presence of the foreign people, the Taiwanese, at the NFC compound. That is number one; and number two, whether any representative on that committee came from the people who are involved directly in the outsea fishing. The third question is, whether the hon. Minister could tell us something with regard to the existing export activity of the National Fisheries Company, because he based his reply on the local consumption of shrimp.

Hon. K. Rowley: Madam Speaker, I am grateful to the Member, but I mean, if he wait a bit, I would explain most of what he has raised, except those parts which I think I cannot answer at this stage.

I am telling the House, that he raised the fundamental point about the need for an in-depth investigation into all aspects of the operation of National Fisheries and the company's status and its future. I understood him to call for that. I am saying, that I have already done that, and I have in my possession a draft report covering all those details, and the contents of that will be taken to the Cabinet for a decision on that company. In the interim, a marketing problem has arisen.

Permit me, Madam Speaker, to deal with the specifics of the marketing problem. What the analysis has shown, in the context of the request of the company in its trading practice at this time to take certain trading decisions, the background to the situation, Madam Speaker, is this: That the Company has a liability of \$87 million. Most of it is owed to five local banks and one consortium of local banks. That is broken down, in terms of litigation, \$1.95 million; the company owes state enterprises and statutory bodies, \$2.24 million; it owes government departments \$13.99 million; it owes employees which it has severed \$609,000; it owes sundry creditors in its current practice \$1.79 million, and the company is now half a million dollars over its overdraft limit for its current operation. Those are the circumstances with which the company is faced, and as the Member says, over \$100,000 of unexpected shrimp supply.

Mr. Mohammed: See it is not cholera then, it is money.

Hon. K. Rowley: Madam Speaker, I was at pains to point out how the unusually large volume, which normally would not have come to the company

ended up there. I am giving you, Madam Speaker, the background of the company's financial situation. In the face of that, the company was in a position, as I said earlier on, where it could not even pay outstanding moneys to the regulars who supplied shrimp, who are also demanding, quite vocally, payment for that shrimp.

So the company took a position that it was not financially able to purchase this deluge of shrimp. However, the company did not, as the Member sought to imply, arrogantly turn its back on the fishing industry. Because I also have the information with respect to the peeling of some shrimp, an arrangement in the involvement of a local bank, namely the Co-operative Bank, an indigenous bank, and the problem there, as I understand it, was a question of the bank seeking to deal with the marketing problem.

The company can do one of two things: Buy the shrimp and pay for it, accept it and not be in a position to pay and some of the owners, as far as my information is, have made certain suggestions to the company as to how they should deal with this influx of shrimp, given the present situation and to that end, I am advised that the company did agree to the arrangement whereby the bank would provide the support and the company would co-operate, so in a co-operative effort between the bank, the company and the trawler owners, some part of the problem is being solved.

I am also advised, that the chairman of the board arranged a meeting with the interested parties, to the meeting scheduled for Wednesday 29, with the trawler owners to discuss this whole problem, to seek to work out some kind of arrangement where the shrimp can be handled, given the financial constraints that the company is in.

I do not have at this time any information as to the outcome of that, but all I can say is to the extent that there is some mutual consent and co-operation between the suppliers of this large volume of very small shrimp and the company's need to conduct its business as reasonably as possible, I have no doubt that some sort of arrangement can be arrived at within the context of normal trading practice.

If, what we are being asked instead is that the Government assume the responsibility to purchase an oversupply of small shrimp, the Minister of Finance may want to intervene at this stage. Madam Speaker, you do know the financial constraints. At this point, I am not aware that the Government are in a position to make subventions to National Fisheries so as to purchase these small shrimp. I am

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sure that to the extent that we are being told that there is a tremendous market for the shrimp out there, we anticipate that with the co-operation between the company and the shrimp suppliers, they can attack that market.

With respect to export, these small hoppers are not particularly attractive and, also, they require peeling. The National Fisheries Company has an automatic peeler which, at this time requires a significant injection of funds to repair it. When that machine is used, there is about a 30 or 40 per cent loss of the input. As a result of that, in seeking to co-operate with the trawler owners, the company has agreed to take steps to use its labour with the support of whatever is coming in and the co-operation of the trawler owners to have the shrimp peeled by hand, which in fact, as far as I know, is some sort of an employment creation activity.

So we are facing, at this particular time a difficult situation with respect to the market of a large volume of small shrimp and the company that is facing that is a state company that is virtually insolvent at the moment, and is half a million dollars above its overdraft limit. It is in this context that I am expecting that some kind of arrangement can be made between the trawlers and the company so that the company can use its capital stock and owners can probably find some way of deferring whatever payments might be due to them. But, in the context of marketing there is only so much that can be done because so far as they supply their product, they have to pay their staff and buy their fuel, so they can only go so far.

I am afraid, that I cannot give the Member an assurance that the Government will purchase those shrimps. The Government are not in the business of buying and selling shrimp directly. The Government's involvement is that there is a state company out there trading in shrimp and there are difficult market conditions and I expect that the Member for Caroni East will take it at face value that no disrespect is meant. One of the first organizations I met when I took up this portfolio was the Trawler Owners' Association. I met them in my ministry.

Much of what was raised by the Member was done so at the time even before this crisis of small shrimp supply had come up, but as you know, in this business of agriculture, if we are to dissect it, every Friday a similar case can be made for every aspect of the agricultural sector, be it the copra sector, as the Member for Naparima will know, be it the pig section, the poultry section, whatever; it is a situation where there are certain inherent difficulties and to the extent that it can be resolved, it requires certain injections, it requires certain resources which we

may not have, but we are quite aware of them and we are doing the best we can without seeking to give the impression that we do not care about any sector.

I took into account much of what was said to me when I met the trawler operators, and having taken into account at the time when we appointed the board, that consultation would have influenced our decision. But there are differences of opinion with respect to the appointments of boards. You hear it all the time—who should be on boards to represent what.

Mr. Mohammed: I complained that you left out the people who were in the business.

Hon. K. Rowley: I did not leave them out.

Mr. Mohammed: They are not on the board.

Hon. K. Rowley: Madam Speaker, the fact that I do not agree to put “X” or “Y” on the board does not mean that I have left anybody out. I said, they were consulted and they were given the opportunity to put forward their entire point of view and that was taken into account on the appointment of the board. The same argument can be made: If we are to put on boards every person or organization who seeks to demand that he or she has an interest, the board would have to be as big as the football field.

I can go further and say, that with respect to the appointment of the board, one of the considerations with respect to that specific request and this specific company is conflict of interest. There could be conflict of interest if I follow the situation of putting on the board persons who are that directly involved in the operations of the said company. But it does not mean that I have not taken into account their concerns.

This has nothing to do with the configuration of the board. It has to do with the short-term marketing arrangement at a time when we have a low demand in the local market, and I dare say, that we were very concerned about our foreign market for shrimp, because as you would have observed recently, we have suffered accidentally, I would say, a ban on our tuna exports. We are facing almost a similar situation now with respect to the sale of shrimp in the metropolitan market because we have to justify to the foreign market that we are not catching turtles beyond a certain level with respect to our trawlers.

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The Ministry is at a certain point actively pursuing what is required to be done so that we can comply with the requirements of the North American market so that we can escape a similar situation as happened with tuna. Only last week, I think it was, a note went to the Cabinet, seeking Cabinet's support for certain actions which are required to put the shrimping industry in a position to escape a deadline of May 31, which is set, and also to comply with certain specific requests of the North American market so as to permit our shrimpers to be able to access those markets as they catch shrimp of a certain quality.

Madam Speaker, I think as much as I understand the situation, let me finish by saying that it is a marketing problem which the board is seeking to resolve and which it will try to resolve within its resources. We were seeking to ensure that the shrimping industry, especially on the export side, maintain its position in whatever markets we now have abroad. Thank you, Madam Speaker.

Mr. Mohammed: Just before we close, I appreciate what the hon. Minister has said, but my concern, Madam Speaker, is that the Minister has put what he proposes to do in a nebulous way. I wish to be satisfied in my mind so that I could communicate that to the interested people who approach us on this side and who have concerns on this matter. We are talking about a catch of over 150,000 pounds.

Madam Speaker: I think the Minister postulated the position very clearly. He was however not able to give a firm commitment and I do not think any amount of begging and seeking at this point will assist.

Mr. Mohammed: Madam Speaker, we are not begging.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.20 p.m.