

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

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

SESSION 1992

VOLUME 39

HOUSE OF REPRESENTATIVES

Monday, May 4, 1992

The House met at 1.35 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: I have granted leave of absence from today's sitting to the hon. Member for Tobago East (Mr. A.N.R. Robinson).

ORAL ANSWERS TO QUESTIONS

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 National Security 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 what, 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?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, you would recall that on the last day we had there was the deferral of questions Nos. 28 and 29. I seek leave to have them deferred to Friday May 8, 1992.

Questions, by leave, deferred

**Couva Hospital
(Health Care Facilities)**

31. Mr. Ramesh Lawrence Maharaj (Couva South) asked the Minister of Health:

Would the Minister of Health indicate:

- (a) Whether he intends to enlarge the health facilities and health care that are now provided at the Couva District Hospital?
- (b) If the answer is in the affirmative, would he indicate the nature of such facilities and health care he intends to extend?
- (c) If the answer is in the negative, would he give reasons for not so doing?

The Minister of Public Utilities (Hon. Morris Marshall): Madam Speaker, it has not been determined at this time whether there will be expansion of the health care facilities at the existing Couva District Hospital.

Consideration is being given to the establishment of a new Couva District Hospital with a capacity of 120 beds. A pre-investment feasibility and design study is currently being undertaken to determine inter alia:

- (i) the location of the new hospital;
- (ii) the nature and extent of the services to be provided.

However, it is expected that the services to be provided will include general medicine, and an accident and emergency department, as well. Supporting services will include diagnostic, radiology, clinical laboratory and physiotherapy.

The contract for the feasibility and design study was awarded by the Central Tenders Board and signed on February 21, 1992 by the Permanent Secretary,

Ministry of Health and the Consultants Joint Venture Company of Edge Group PA/Herrera Consultancy Practice. The studies have commenced and are due for completion in January 1993. The completed study is a necessary prerequisite for initiating the search for the loan required to fund the construction of the proposed new hospital.

The following question stood on the Order Paper in the name of Mr. Mohammed Haniff (Princes Town):

**Youlande Pompey Park
(Lighting Facilities)**

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

- (a) What amount of funds have been expended on the Lighting Project at the Youlande Pompey Park in Princes Town to date?
- (b) When is the project likely to be completed, and what plans are in place to commence its use?
- (c) Which agency will be responsible for its operation?

The Minister of Sport and Youth Affairs (Hon. Jean Pierre): Madam Speaker, I ask that question No. 32 be deferred until Friday, May 8, 1992, please.

Question, by leave, deferred.

**DEFINITE URGENT MATTER
(LEAVE)**

Dr. Carl Singh (Tabaquite): Madam Speaker, I seek your leave under Standing Order No. 12, on the adjournment of the House, to raise a definite matter of urgent public importance, namely, the situation that has arisen at St. Ann's Hospital.

The matter is definite because it affects the country's health services and in this specific case, St. Ann's Hospital.

It is urgent in that the lives of seven persons have been lost. There are over 300 persons affected by the slip-up at this institution. We are indeed lucky that this has not happened before. In the other institutions of the country, conditions continue to deteriorate notwithstanding the fact that this has been brought up from time to time. In the budget debate, I had mentioned it right through. The press is replete with reports on the deteriorating condition of the health services.

St. Ann's Hospital—Deaths
[DR. SINGH]

Monday, May 4, 1992

The matter is of public importance as it involves a public institution.

Question put and agreed to.

Madam Speaker: In the circumstance, leave having been granted, the matter will now stand over until 6.00 p.m. today.

ORDER OF BUSINESS

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg leave to continue with the debate on the second reading of the Finance Bill which was in progress when the House adjourned on Friday last.

Leave granted.

FINANCE BILL

[SECOND DAY]

Order read for resuming adjourned debate on question [May 1, 1992]:

That the bill be now read a second time.

Question again proposed.

Miss Hulsie Bhaggan (Chaguanas): Madam Speaker, I rise to speak on this particular bill because, as I mentioned in my maiden speech, it is my opinion that the present Government intend to introduce in this country a system of capitalism with slavery, as opposed to a system of capitalism with social justice. I have been listening to the contributions of Ministers of the other side and I have been reading the various public pronouncements. After listening to the contribution of the Minister of Trade, Industry and Tourism, and the Member for Diego Martin West, it is quite clear to me that the 1992 Budget would have actually laid the basis for such a model.

Indeed, when I examine the bill before us, it is quite clear that its provisions are, in effect, the measures which will allow this particular model to be implemented.

1.45 p.m.

We had the Minister of Industry, Trade and Tourism standing before this honourable House and suggesting to us that we ought to develop what is called an "export-led strategy". He also spoke about defending and promoting an open market economy. When we examine those two issues, based on what was said

before when the Minister of Finance talked about the imperatives of adjustment, it is quite clear that we are moving along the path of a neo-liberal model.

Under that model, we have to introduce to our country several measures where more emphasis is placed on the economic side as opposed to the social. The hon. Minister told that we have to bring our industry to the forefront—I believe those were his words, and that we ought to be able to compete with the international market; that we have to face competition; we have to ensure that we have competitive prices; we have to ensure that there is quality and that we deliver our goods. In effect he defended trade liberalization.

The Minister told this House that this was a deliberate strategy of his Government, and it is in consideration of the fact that there is a globalization of the economy. But on the other hand, the Member for Diego Martin West did not say that this is in response to that particular trend. He told us that “our hands are in the lion's mouth”. What he is trying to say to us is that we have to follow through with the commitment made to the World Bank under the former regime. So on the one hand the Minister of Industry, Trade and Tourism is telling us that trade liberalization is a deliberate strategy of his Government in response to the globalization of the world economy; and on the other hand the Member for Diego Martin West is saying look, we have no choice; this particular measure, this strategy, was being introduced because in effect it is a dictate of the World Bank.

I do not understand what is the reality, but I suspect that the Member for Diego Martin West is really telling us the truth. Because, quite clearly, we have follow-through programmes from a previous regime and, as such, trade liberalization is an integral part of the strategy and of the dictates of the World Bank. It was also said in this debate on Friday that we have to seek to manoeuvre in this flood. The Member for Diego Martin West also mentioned that we have got to “paddle our own canoe” in this flood of adversity.

Under trade liberalization if we dismantle that negative list totally—and this is the intention; in fact they have stated that is their intention—it means that imports are going to flood into this country, and so if the Minister is speaking about floods, he is probably speaking about the flood of imports into this country and I can assure you, Madam Speaker, that when the imports start to flood, we will not be able to sit in a canoe and paddle because the flood will take away with it the small industries we have which need to be protected to a large extent.

Finance Bill
[MISS BHAGGAN]

Monday, May 4, 1992

The Member also spoke about charting our own course. I could not understand where on the one hand you are talking about the World Bank, our hands being in the lion's mouth—and then on the other hand you are speaking about charting your own course. You cannot do that if you are committed to the World Bank.

Mr. Sudama: In the lion's mouth it is being charted.

Miss Bhaggan: You cannot chart your own course. In effect what you are doing is taking orders from an international institution to which you are committed. So in effect you become what is called an “order taker”. In effect you do not only become an order taker, but I want to suggest to this good House that later on you become an undertaker, because you have got to take the dead industries away.

Madam Speaker, we are fully aware that we are putting in place a structural adjustment programme. It is a continuation of the same programme we have had from the previous government. In effect we are introducing a model which calls for dismantling of a system we have in place which the Minister of Industry, Trade and Tourism spoke about. In fact under this programme you are going to have trade liberalization, de-regulation, privatization. You are going to have several measures where we have to cut social expenditures which include subsidies, the amount of money you spend on old age pension, on public assistance and so on. You are also going to introduce a consumption tax and in our country we have already introduced VAT, which is also part of that very system. So, in that whole scenario there is also another step you have got to take. That is the step of devaluation.

Now I remember quite clearly the Minister of Finance standing in this House and saying, there is not going to be any devaluation. But he qualified his statement. He said, “at this time”. Recently it was announced in this House that the fiscal year will begin from September. We, of course, are impressed. We welcome that move. But I wonder why it is that we are, in effect, bringing a second budget in this year? Is this not essentially a second budget? At the beginning of this year we told the Government that, before the year ends, they are going to bring a second budget. So we feel this is a way to introduce that second budget, under the guise of having a revision of the fiscal year.

I am not saying that we should not revise the fiscal year, but I am saying that, I feel that the move was precipitated by the fact that they have got to bring another budget before the year ends. And secondly, since they have introduced

most of the measures that have been dictated by the World Bank, it is quite clear that devaluation is in the making. When they announce that measure I suspect, that the Minister of Finance will stand up and say, "I did not say there would not be devaluation. What I said was, there will not be devaluation at this time," meaning in the past.

The Government ought to come to this House and tell us quite clearly what they plan to do. You cannot have a Minister standing in this honourable House and saying it is a conscious developmental strategy to introduce trade liberalization, because we recognize globalization of the economy, when in truth and in fact it is clearly a dictate of the World Bank.

We issue a challenge to the Government. They have just come into power after winning the elections. PNM Governments had an unborken spell of 30 years; then they were there as a Government in exile; and now they are back in power. I should have expected that in their first year, their first budget, in their first few months that they would have brought to this House the policy direction of their Government. I do not expect to go to the PNM manifesto to read that, because I believe one's official policies should be brought to this House so that we on this side could scrutinize them and determine whether they are in the best interest of all concerned. So the challenge, therefore, is for them to lay those policies before this House so that we could scrutinize them.

Secondly, when we introduce programmes that are being dictated to us, it means that we are not fully taking into account our reality. I say "fully" because I know they would have put some thought into it in terms of seeing where we are and where we ought to go. But if we do not really consciously seek consensus as to where we go, what we would become, is a bunch of mimic men, and I say, literally mimic men because I really cannot see any of my women colleagues on the other side having any real kind of influence on the policies. So we have to ensure that we avoid becoming mimic men of the international institutions and secondly of the United States of America, because clearly, the neo-liberal model is one which is dictated by the United States of America.

There is also the whole question of when you actually surrender to the World Bank and IMF, they are not seeking the interest of the country. In fact I want to read a little extract from a publication here from the World Confederation of Labour and it is entitled "The Debt Trap". In this publication at page 31, we read:

"For twenty years the overall programmes elaborated at the United Nations to allow a real economic development with social goals have always come up

Finance Bill
[MISS BHAGGAN]

Monday, May 4, 1992

against and have failed as a result of the policies pursued by the economic and political powers (the multinationals among others), backed by many governments that are party to it or forced to be so. Even worse is the fact that specialized UN agencies impose therapies that run counter to the populations' needs and seriously jeopardize democracy. This goes in particular for the International Monetary Fund and the World Bank."

On page 32 of the same publication, Madam Speaker, it says that:

"The price increases and the unemployment resulting from (these measures) cause great social agitation which the governments usually suppress by means of police violence and by limiting the civil, political and trade union rights. The process that is started by the IMF remedy easily results in coups and in the creation of strong states."

When we look at this statement, two examples come to my mind. With respect to coups, well, we have had our own. In Venezuela we have also had an attempted coup; in Guyana, we have had what is called, a very strong police state. Both of these countries have engaged in these programmes.

1.55 p.m.

This, therefore, makes a stronger case for the fact that we have got to chart our own destiny and get ourselves out of those traps which have been set for us. As I said, this bill before us is an instrument to implement measures which are designed to introduce that new liberal model. In that model, the market reigns supreme. As I mentioned in my budget contribution, the market becomes the capricious altar upon which our people are sacrificed. This is the move that the Government are undertaking to bring to this country.

In effect, the market becomes a dictator. It discards social justice and solidarity. The market economy, in effect, is taking all the concepts of the vision of a society and translating everything into the concept of wild competition and reducing it to cold logic. How can we logically stand up here and state that we are going to determine what happens to this country by what happens in the international market? We are not, for one moment suggesting that we should forget what is happening in the world outside. In fact, I become quite amused sometimes when Members on the other side speak to us on this side as if we were totally oblivious to what is happening in the international market. We are quite clear as to what is happening there.

We know what is happening globally. In fact, the Members on this side have deep relations with persons in other countries. I, myself, for the past four years, have engaged in deep dialogue and debate with respect to what happens in the Caribbean, Latin America and different parts of the world. I am fully cognizant of what happens throughout the world. In fact, the Member for Couva North has just returned from another country. So we have relations abroad; we study; we look at television; we read; we debate within our party; we establish policies.

So when they come to this House and speak with a mysterious tone about globalization, as if nobody heard that before, I want to state to this House that change is constant. This world has been changing from the days of yore, from the very beginning. The very human body changes. Change is constant. So whether it is globalization of the economy, the creation of continental states, the creation of economic blocs, the creation of one super power, we are aware of all the changes taking place. But we cannot allow ourselves to get into this flood that the Member for Diego Martin West spoke about. He was speaking about paddling in a canoe against this flood of adversity. We do not need a canoe anymore. The days for canoes are gone. The time has come for speedboats with high powered engines and so on. Canoes are out of it. In fact, you cannot even paddle a canoe in a flood. I have never seen somebody paddling a canoe in a flood and surviving.

The neo-liberal model, in effect, is saying to the world, as the Member for St. Augustine said, well, this is the ultimate in human history, and as such it is the end of history. That is really what this model is saying. They are saying there is no other part. The fact that communism has collapsed and the Berlin wall has come down, they are all now feeding into this concept that this model is the best. But when you look at what is happening in the country which is the one that is espousing this model, and you see the decadence that is taking place there, the misplaced priorities, you ask yourself: Is this the role model we ought to be following?

In this market economy, the Member for Diego Martin West, again went on to say that we are a facilitator. So on the one hand we talk about trade liberalization and on the other hand we say the state is a facilitator. At one time, our state was omnipotent. That is to say, we owned the industries, managed and controlled them. Nothing is wrong with nationalization. But the very Government that are sitting here today are the successors of the governments who misplaced their priorities with respect to nationalization. It is that same policy—which is a good one—where they put, for instance, square pegs in round holes. We had a top-heavy management; we wasted money; jobs for the boys.

Finance Bill
[MISS BHAGGAN]

Monday, May 4, 1992

Nothing was wrong with that policy. But now we are moving from state nationalization, full nationalization, to a point where we are going to the other extreme, of liberalization. We are moving from an omnipotent state to an impotent state. When I say, impotent state, I was merely using the word figuratively.

But I want to say that when we talk about facilitating development, that is exactly what the proponents of neo-liberalism speak about. They speak about not intervening in what happens, allowing market forces to decide what happens, so the state is merely a facilitator. What it really is, is an excuse for the state to just sit back and look to see what private enterprise does. We fully reject the idea that the state move from a point where they intervene in the society, to one where it becomes a facilitator.

The next point I want to make is this whole question of taking our industries and putting them to the forefront of the market. In the first place, what the Government are telling us is that the worker from Trinidad and Tobago must now go and compete with the worker in Japan, Germany, the United States and Western Europe and so on. That is, in effect, what they are saying. The local worker has to compete with these workers all over the world. I want to ask this question: Do we have the skilled workers for that? Are our people prepared to actually compete internationally?

I have not seen the results of any human resource development programme, which would have moved our workers from the state of being unskilled and dependent, to a state of being skilled and independent. I have not seen that happening. How, therefore, can we actually move to compete with those societies and economies in the developed world? We are not a developed society. We had the resources to become so, but we all know that is now history. So we cannot, therefore, force our whole industrial development into one where we compete at a disadvantage. In fact, it reminds me very much of putting a donkey in a horse race. I am not casting aspersions on anybody in industry. What I am saying is, we have got to be very careful in the way in which we allow our people to compete on the world market.

There is a local saying that cockroach has no place in fowl party. What I am saying is, a small man somewhere producing an item, struggling to make ends meet—do you want to put him on the international market? Have we really studied the impact of such a policy and what is going to happen to unemployment? Is this going to be a measure to relieve unemployment? I think

not. I want to suggest to the Government that they tread very carefully when it comes to opening up our system and promoting what is called an open market economy.

The next point I should like to make is that if you want to stimulate your industries, you have got to ask yourself, what industries there are. I suspect we are looking more at the non-oil sector. Where are we going to get our raw materials from? Are we not going to import them? What about the cost of utilities? Could they afford to put us on a competitive edge. What about the cost of labour? What about our transportation and communication system? Do we have in place the technology, the infrastructure and the various competitive advantages which will allow us to compete, grow and expand? We cannot do that. We have not, as a country, sat down and rationally and objectively charted a course for this country. What we did, when lots of money, was to just splurge it. Another time, we went straight to the World Bank and they dictated to us what we ought to have. We have never sat down as a country and formulated, by consensus, what should happen to this country. I want to suggest to this House that the Government side alone developing policies, with the "ayes have it", is an archaic system.

2.05 p.m.

So we have to ensure that we have a system of national consensus. It is very much related to what we are speaking about. The whole question of national unity and a national front government. All of that is in keeping with that. Now they might ask of what relevance is this to this bill. The bill is merely a measure of what we ought to do as a country to ensure that we save ourselves from the crisis we are in today; and this is why I support the Member for St. Augustine when he expressed deep reservations about the model that this country is now advocating. I fully support his views that they ought to focus on the domestic needs.

As a matter of fact we were one of the countries involved in the Caribbean Regional Economic Conference which was held right here in Trinidad and Tobago some time from February 27, to March 1, 1992. We agreed to what is called the Port of Spain Consensus and in that document there are about four strategies outlined for economic revival and growth. This is really to take us towards the year 2,000 and beyond because after all, we are, and I insist on the last lap towards the year 2,000. In fact, recently I made a public statement and I still maintain that: We are moving towards the year 2,000 and beyond but today we are in the year 2,000. We are not still in 1992. Because everything is projected into the future and so the four strategies, if I may quote, are:

Finance Bill
[MISS BHAGGAN]

Monday, May 4, 1992

- (1) Assignment of the highest priority to human resource development.
- (2) Preservation of enhancement of a democratic tradition and processes especially through the consultative involvement of all the social partners in policy formulation and implementation.
- (3) Outward looking development strategies alongside measures to enhance the autonomous sources of growth and,
- (4) Enlargement and deepening of regional co-operative arrangements with strong outreach to the wider Caribbean, to Latin America, to the hemisphere as a whole, building on gains already made in collective endeavours with other regions.

In effect while the Member for St. Augustine suggested that we focus on domestic needs we ought to also extend it at this point to regional needs. Because if we were to go today and look at our market places in terms of where the products are being sold, I would suggest to this House that maybe 80 per cent of the things which we consume in Trinidad and Tobago and the Caribbean come from outside the region. Why therefore can we not fall in line with what we have agreed to and put in place the policies which will ensure that the Port of Spain Consensus becomes a reality.

In terms of the outward looking development strategies there are two elements. One had to do with production and trade and the other with capital accumulation and enhancement. Under "production and trade" there are seven points of which this Government ought to take note since they were part of that process of consultation.

The first thing they said was a number of support measures will be needed to ensure higher productivity and international competitiveness. First, a cost effective physical infrastructure. Every day Members on this side are complaining about the roads, the drainage, and the utilities. We do not have infrastructure with which to support production in this country.

Secondly, support measures: In agriculture, industry and tourism are appropriate measures for resource conservation, and environmental protection should be outlined.

Thirdly, careful selection of products and markets in accordance with the market potential and the capability of the region to produce competitively.

Fourthly, encouragement of capital accumulation, technological improvement and human resource development,

Fifthly, supportive appropriate trade and transport policies,

Sixthly freedom of movement within the region of labour, capital, goods and services; and finally, provision of support services to facilitate the development of small and medium-sized businesses.

This is a Caribbean conference. We are part of Caricom. I do not see anywhere in any of these documents—In fact, I have studied extensively some of the documents but have not seen where they have called for full-scale adaptation of the World Bank measures. In all the Caricom documents they have always talked about development of indigenous industries, about focusing within the region so we could consolidate this region, so we could have economies of scale and eventually we can prepare ourselves to be in the international market.

But how could we just suddenly jump almost from a state of underdevelopment almost to a stage where we are going to compete with Japan, the United States of America, Germany and all those places which are of the developed world. And under what excuse? Globalization of the world. We are not saying that there is not globalization, but you have to take into account your reality, and this is what was said at the last economics conference of which this Government was a partner.

I am very concerned that the Government are not moving in the best interests of this country and they are not actually moving in concert with the region. If we want to actually pursue true regional integration and development we have to ensure that whatever decisions we take at these meetings are implemented in the various countries. Several measures have been actually proposed but leaders have been so slow in implementing them. I believe much has to do with the fact that when our Prime Ministers attend these conferences, it becomes quite a big “gallery”; and there is a big competition as to who should be the Caribbean man; there is a big competition as to who is the brightest, who is the most eloquent and who should be the leader. So it is a question of personality, not a question of regional togetherness to devise certain strategies and plans where we can ensure that the programmes are put in place to benefit our countries.

We have nothing against the model of capitalism, but you cannot reintroduce slavery with a new label. What in effect we are seeing is new conditions to bring

back colonial rule by people in the metropolitan countries once more dictating to us. But this time it can be out of our control and so the population at large when they feel that they are out of control—the days of Butler *etc.*, seem to have gone; now the countries are fully armed, they are militarized; they have all the resources to actually quell that kind of situation.

In fact we do not want to go back to the days of Butler and the riots calling for social justice and whatever else we were fighting the colonial masters for. In fact, now there are scud missiles. Whenever anything happens within a country people come out in the waters and wait for you at the invitation of those people within the country. We have got to move now to a different stage of consciousness and development and we want to recommend to the Government that they pursue what is called the social market economy. I am not saying that you take full-scale that model and implement it here, but what we are recommending is that they look at that model and see what we can take from it in terms of our own reality and model to suit us as a people and nation.

For instance, we can no longer sit back and say, “I am elected to rule and so I am going to rule and whatever I say goes, or the ayes have it”. This “ayes” business, Madam Speaker, we have got to look back at it again because the time has now come when the nation must come together because once people are divided along narrow political lines this nation will never go forward.

I want to suggest to this House that we accept the model of this social market economy, and I have here a book entitled *Social Market Economy; An Economic System for Developing Countries* and in it they explained all the elements, and they coincide with the thinking of this side. If I may just read, because I believe we need to put things in perspective. I quote from page 2 of this book:

"It is true that Social Market Economy adopts certain aspects of the liberal school, such as individual freedom or competition, but it distinctly differs from it when defining the role of the State. It is no longer the "night-watchman State", like in the *laissez-faire* concept, which has to refrain from interfering in the private sphere, but it is an active designer, its most important task being to provide the necessary general framework, e.g. the legal order, the order regulating competition, the monetary or financial orders. And it is essential to underline another fundamental difference to liberalism as such. In the Social Market Economy social goals are being pursued with the same intensity as those of economic efficiency, realizing that the market alone is not in a position to bring about such distribution of production results as will meet

the criteria of social justice. Therefore, in Social Market Economy the market results have to be adjusted according to the respective social norms.”

2.15 p.m.

I remember the Member for Diego Martin West saying that they have to take certain stringent measures because they have to increase the cake so that everybody would get a slice. That is a situation where the horse is starving while the grass is growing, because while you are waiting for the cake to be increased, thousands of people are on the streets looking for jobs and food. So how could we, therefore, speak about first enlarging the cake and then deciding to share it? Those are classical models which are being introduced here. They are outdated. They are no longer relevant.

The challenge is to create a balance between economic and social considerations. That is what we are saying. We are not against competition. We are not against the fact that we ought to have quality products. We ought to have competitive prices. What we are saying is that the social consideration must also be placed on the national agenda. That is the point which we are making.

I want to suggest to the Government that their return to this Parliament, as the Government of Trinidad and Tobago is really poetic justice. The PNM Government were reincarnated from political death to political rebirth. They are now in the form of a new PNM, they said, but in coming to that form, they have to bear the weight of the past on their souls. It is karma. I want to suggest to this Government that they choose this five years as a chance to redeem themselves, or I suspect that they will be removed from the cycle of birth and death and will be condemned to perpetual political oblivion. The time has come for the Government to redeem themselves.

One of the former Prime Ministers, George Chambers, once said that he was going to put the wrong things right. I want to suggest to the PNM that they have to put many wrong things right and they will take five years for that. They are telling us for instance, that the NAR Government did x, y, and z. That is fine, but it is a case of the pot calling the kettle black. The PNM left us in the frying pan and the NAR put us in the fire. So, I do not see who is better than whom.

The time has come for the PNM to ensure that they put in place a policy, a plan and a programme which will move the country forward into the 21st century. If they do not pursue this path, I want to suggest to the Government in the words of William Shakespeare, in *Macbeth* which basically says:

Finance Bill
[MISS BHAGGAN]

Monday, May 4, 1992

"Life's but a walking shadow, a poor player
That struts and frets his hour upon the stage.
And then is heard no more; it is a tale
Told by an idiot, full of sound and fury,
Signifying nothing."

If the Government do not decide to do something about planning the direction of this country, they will end up like what Macbeth has said. They will be full of sound and fury, but in the end they will signify nothing.

Madam Speaker, I thank you.

The Minister of Local Government and the Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, as I listened to my colleague, across the floor, I wondered if by chance she had read a little book which my colleague, Mr. Marshall and I did about two years ago. It is titled *In Defence of The People's Interest*.

In this document, we stated exactly that we are aware of the concerns expressed by the hon. Member. We know, but as we said, the PNM is caring but not carefree. I want to read just a few sections. We said—looking at the structural adjustment loan—

"The free trade argument is not a valid one for Trinidad and Tobago but this does not mean that a certain level of external competition or that international competition in certain areas of our economy is not important because that is part of the critical issue."

Everybody in Trinidad and Tobago can tell us about that light bulb, it blows before you come down the ladder. You go to put it up and before you move the ladder and put it back outside, it blows.

The question is, how long are we going to protect industries? What are the rights of consumers? The Member is correct. It is a balancing act. We have to move head on to identify the rights of the consumer. *[Interruption]* His idea of the rights of the consumer is to be deprived, to go without. I cannot take that. *[Interruption]* That is exactly what we are saying. If we cannot produce it, or if we cannot produce it of a certain quality, then the consumer ought to have the right to buy it outside. That is the point. It is a balancing act.

We have to move industries towards efficiency because economic inefficiency interferes with economic growth and that is the point, but at the same time we have to be conscious of the fact that there are certain industries which would in fact need a level of protection. One can do it via the licensing or the negative list system, or by a tariff. The fact is that the negative list system breathes all types of things. Then you create a new market for licences.

There are two sectors of the economy, the agricultural sector which is not part of the trade liberalization and the garment industry in which the duty under the programme is 120 per cent overall. But trade liberalization is a fact, as we said in this article, it is not so much that we were against what had to be done.

We in the PNM pride ourselves on the concept of economic independence, and from 1956 to 1986, never did we have at any time to go the IMF. We joined the IMF since January 1, 1963. We provided funding for the IMF. We made loans. We allowed the IADB to place bonds in Trinidad and Tobago. We were proud people when Dr. Williams, I think it was in 1968...

Mr. Sudama: Would the Minister give way to a question? Does he deny that the Member for San Fernando East was advocating that the Government should have gone to the IMF early in 1987?

Hon. K. Valley: I said that, not the Member for San Fernando East.

Mr. Sudama: And therefore, you would have gone early 1987 on the basis of what was left by you at the end of 1986?

Hon. K. Valley: It is no wonder he had to leave the Government because he does not understand the issues.

2.25 p.m.

In early 1987, we had come out of a period when oil prices dipped to under \$9.00 per barrel in July of 1986. The IMF has a special facility called the Compensatory Financing Facility. The whole purpose of it is to allow for a country that has suffered a major reversal, in its major export. In our case, oil, which is our major export, we suffered a major reversal. The IMF looks back to a period of 12 months to determine the level of funding that one can get, so that, obviously, if we had gone for CFF financing in early 1987, we would have captured that period. When the NAR came into government in 1986, we advised them to apply for CFF funding, given the period. There were no conditionalities, but that government dilly-dallied—they were fighting internal fights for one year

Finance Bill
[HON. K. VALLEY]

Monday, May 4, 1992

and six months—until August of 1988. I do not want to go back, that is not my purpose here.

In 1988 the then government went to the IMF and entered into certain agreements with them and the World Bank and we as a responsible Government cannot just take our hands off. Certain things must be done, we agree. We agree, for example, that we must do something with WASA. We have to move our industries to compete in the international environment, but while we do that we have to know that there are certain sectors of the economy that we have to protect. That does not mean simply a negative list; it means tariff, it means protection, for example, anti-dumping legislation, unfair trade practices legislation, revenue protection agencies. These are things that our caring Government will implement side by side.

It seems to me that for too long manufacturers in Trinidad and Tobago have tended to use, what I call, big country economics. This means that they look at Trinidad and Tobago as their base market. So that you find, for example, that ISPAT, the steel plant, would price certain products higher to the downstream manufacturers in Trinidad and Tobago, while someone externally can get it at a lower price. That comes from the concept used in big countries like the USA and Japan that you have a home country base and you can use marginal costing to price externally. We do not have that luxury. Given our small internal market, we have got to look at that external market as our base and any benefit in terms of marginal pricing and so on must be for our home country. We have got to make that critical leap in perspective.

Secondly, we have got to start seeing our country, Trinidad and Tobago, not as the most southerly of the West Indian islands, we have got to start seeing it as the gateway to Latin America or rather, the gateway to the Americas. I think that if we can do that we would see all the opportunities that would flow from that. It is no gainsaying that we said all of that in our manifesto. The Member for Chaguanas mentioned the Caribbean symposium, for want of a better word, and four strategic approaches—human resource development, regional co-operation, outward looking philosophy. We said that in our manifesto, but it is not the first time that people copy what we say. On page 7 of our manifesto, we said clearly:

"We believe that this vision can be achieved only through an economic philosophy that embraces:

- A strong people orientation

Finance Bill
HON. K. VALLEY]

Monday, May 4, 1992

- A commitment to a mixed and participative economy that welcomes foreign investment
- A competitive market-oriented domestic economy
- The implementation of specific fiscal policy measures in the context of an attainable economic recovery plan; and
- A greater emphasis on the role of the State as a facilitator of economic development."

And when we went to the state enterprises section of the manifesto we made it quite clear that the state will maintain participation in the commercial sector of the economy; that the state would be an investor as well as a facilitator of economic activity. That accent obviously is on the facilitative—

Mr. Sudama: I hope you will bring that to this House.

Hon. K. Valley: We will. The Prime Minister will be outlining, for yet another time, that economic programme on Wednesday evening and you are invited.

Mr. Humphrey: I just want to ask the hon. Member for Diego Martin Central if the contribution of the Minister of Industry, Trade and Enterprise, said that the Government's economic policy will be export-driven growth—he made it quite clear—joining the mainstream of economic development, and he painted a picture which, having read the PNM manifesto, I find quite contrary to my understanding of the PNM manifesto. Is he now saying that that gentleman is in error when he said what he said?

Hon. K. Valley: No.

Mr. Humphrey: No. He is not? You cannot have it both ways.

Hon. K. Valley: Let us look at what we said in the manifesto:

"(a) Basic Strategy...

- 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."

Finance Bill
HON. K. VALLEY]

Monday, May 4, 1992

And, of course, we spoke about the strong people orientation. We went on to talk about the whole outward-looking philosophy of our Government because we know that one of the main constraints we have in Trinidad and Tobago is that foreign exchange constraint, and we are going to push firms into that export market. It is a fact that the manufacturing sector must be export-driven. The point is that the Trinidad and Tobago market is simply too small. Even the Caribbean market is too small, especially given what is happening today. It is simply too small.

Let me then do what I came here to do this afternoon, and that is to put the bill before us in perspective. What is the purpose of the bill? The purpose of the bill simply is to give permanent force to the budget proposals. The budget was read. There was the Provisional Collection of Taxes Order. The Provisional Collection of Taxes Act states that that remains in force for a period of four months and within that four months we have got to present the Finance Bill which will give permanence to that proposal. This is what we are doing here today. Of course, there were in the Finance Bill, as is normal, other taxation measures that we included, that is, items relating to value added tax and the trade reform package and so on. What is the current state of those budget provisions? I should like to touch quickly on a few of them.

2.35 p.m.

The first one is my favourite: The tax free bonds. Because, if we want to be man in our own house, then we must so conduct our affairs that we can have that right. The Government are not only talking about the need to save; we have provided a measure, the tax free bond with different maturities to allow the population to save. The tax free bond starts with the denomination of some \$50 and it goes up to \$50,000. There are maturities of five years, seven years or 10 years. They went on sale on May 1.

But more than that, right now we are working on a system to allow individuals—starting first with the public service, simply because it is easier to do, to allow them to purchase those bonds on an as-you-earn basis; in other words, the concept being save as you earn. As a person makes the contribution towards the bond on a monthly basis, that person's tax will be adjusted. In other words, the tax credit would be given on a monthly basis so that the Government would be assisting that person in purchasing those bonds.

Simply, there is a need for us in Trinidad and Tobago to increase the level of our dividends not only our savings, our productivity also. But we have to realize that. I heard my friend the last day, the Member for Oropouche, making the point that it was merely \$40 million we were talking about under the structural adjustment loan.

The fact is that unless we comply with those conditionalities, there is a bar to other funding, not only from the World Bank but also from the IADB. More than that, we are in a situation because of what transpired over the last five years, when only now, in 1992, there is a possibility that we could re-enter the international market for loans. We do not have sufficient savings in Trinidad and Tobago to carry out the investment programme that is required. In a situation like that we have to depend on foreign savings. But it is exactly at this time, given the conditions that we met, that it is more difficult to attract, on a voluntary basis, those savings. So that we are left to rely on the international institutions.

Our task, therefore, is to try to disengage as quickly as possible. To do that, we must improve the level of savings in Trinidad and Tobago. As a matter of fact, I have said in different places that we have to look for that common ground between the employer and the employee because we have to know that we have to increase the size of the national cake—Member for Chaguanas—we have to do that. Because if we continue to squabble concerning a dwindling national cake, how we divide that dwindling national cake, then all of us would be gobbled up. It is in that context that my colleague made the point, let us find that common ground with a view to enlarging the national pie and also to reducing the foreign exchange constraints. We must work together to do those things, and then we can resume that fight. But let us do that. We have to come together.

So that the tax free bond is on sale. We are moving in the first instance to allow public servants to purchase those bonds on a monthly basis and we expect that to be in place by the end of June.

Secondly, accessing pension funds. Remember that one of the proposals in the budget is that we would allow first-time home buyers to access their pension plans for the purpose of meeting the downpayment on their first home. Madam Speaker, you remember our budget was in January. Somebody sent me this from Toronto. The last time I spoke I mentioned that in the US they were doing a similar thing, well, would you believe they are doing it also in Canada. So obviously they are borrowing ideas.

Finance Bill
[HON. K. VALLEY]

Monday, May 4, 1992

I want to thank Acumen, a firm of actuaries, especially Mr. Kelman of that firm and also the firm of Bacon, Woodrow and De Souza, who have assisted me in developing this concept, and looking at the constraints and so on. We are still discussing but we are very close to finalizing it. We would expect that we can come to the Parliament very soon with respect to implementing this measure.

I should just like, for the benefit of the House to inform Members of the proposal and where we are. Basically, under the concept, a contributor to the pension plan would be allowed to withdraw the actual reserves relating to his benefit from the pension scheme, up to a certain maximum. The person should be a member of the plan for a minimum period of five years. Withdrawals would only be available to members whose outstanding term to retirement was greater than five years. The property must be a first-time home and it must be the principal occupancy of the member. The National Insurance Scheme already laid down guidelines which provide the definition of a first time home purchase and we expect to use that definition.

Secondly, the committee thought the withdrawal amount should be tied to some relevant parameter; for example, 10 per cent of the maximum National Housing Authority loan, which is currently \$250,000, or of the amount which is exempt for stamp duty purposes, which is \$300,000. In other words, we are looking at a maximum that one can withdraw from the pension plan of \$30,000. Remember, the purpose is with a view to downpayment for the purchase of a first home.

Further, the withdrawal limit will be 25 per cent of the value of the pension. Under the current pension plan, at retirement, one is eligible for a gratuity equal to 25 per cent of the accumulated pension. We are saying that that is what we should target. In other words, one ought not to be able to take out of the plan an amount which, if left in the plan would have exceeded that 25 per cent. In other words, what he is doing is taking out part of what would otherwise be his gratuity at retirement. So, that that proposal is well on its way. We expect very soon to be able to introduce legislation with respect to that.

Then there was, of course—and this has already been instituted—the increase in the amount that one can obtain by way of mortgage from 75 per cent to 80 per cent. Also, everyone knows that the public servant is now happier. We have stopped the accumulation and they are now getting their correct salary.

I heard from across the floor that it is of no effect, because their take-home pay is reduced. I do not know which public servants they are talking to. I work

among public servants and all of them are smiling; they are happier. They know as a fact that they are getting more.

Unemployment relief is another budget measure that is going quite well and I am sure my colleague will want to talk more about that. We have stopped the accumulation. It was around \$2.5 billion when we came in; it is still \$2.5 billion. It is not accumulating any longer. Then there was the removal of value added tax on books and selected over-the-counter drugs which has already been implemented by this caring Government. There was the increase in the amount one can contribute and in the tax credit for the credit union and Unit Trust. Repair and maintenance, that is there, and we can all look forward to that deduction later on. As I said before, the whole purpose of that deduction is to assist in stimulating the construction sector.

There is also the removal—and one can see it—the removal of motor vehicles from the negative list and other items. But, as I said, that is to be accompanied by a whole legislative package.

Perhaps this is an opportune time to inform the House that, in fact, only on Thursday Cabinet appointed a committee to identify and sequence the measures which are required to allow for the protection necessary for our manufacturing sector, given that we are moving towards trade liberalization; that is, that dumping legislation, unfair trade practices, the revenue protection agency and so on and so forth.

The point is quite simple, again, as I said: Caring, not carefree. Yes, we care for the manufacturer, but we have to think about our consumers also. The point was made that our manufacturers cannot compete outside. If we continue in that vein, they will never be able to. Our task is to provide the environment so that they can be taken to that position where, in fact, they can compete with Germany. Our goal is to be able, really, to compete with Japan. That is what we want to do.

There has also been the removal of restrictions on the use of foreign currency accounts held in local banks by net exporters. You know, that went into effect on April 7. Non-residents can now, also, have local foreign currency accounts in our banking sector. So that we are well on our way, to implementing the provisions of the 1992 Budget. But you would recall that—if I can just get my budget speech—page 9—where the purpose of the budget is stated, first of all stabilizing the economy; and, secondly, setting the tone for growth. Because, quite simply, what one wants to do is to move from stabilization to growth—that is the objective of this Government. Page 9, the "Policy Framework for 1992":

Finance Bill
[HON. K. VALLEY]

Monday, May 4, 1992

"This administration recognizes the imperative of establishing a firm foundation from which to launch a new era of sustainable economic growth and to permit the population to realize its legitimate aspirations for improvement in its general welfare. Accordingly a primary objective of this budget is to consolidate the country's financial position, that is, to deepen the process of bringing our expenditure as a nation, in line with our income and our capacity to borrow externally on a viable basis. To stabilize the economy in 1992, to set the tone for growth."

We see in the 1992 Budget that the emphasis is on savings and also on preparing the financial infrastructure. As a matter of fact, the Cabinet has also taken a decision to appoint a committee to look at the fiscal and financial matters necessary to provide for the infrastructure for the take-off of economic growth, and that is all part of our quest for economic independence.

I have spoken already about the need for savings and higher productivity, the search for common ground. I just want to deal very quickly with some of the other concerns mentioned on the last day. First of all, the Member for Oropouche was making the point that the economy is at a stand-still and one wonders whether that was not really a concept that there was an absence of growth or an absence of decline; in other words, that the economy was getting set for a change in direction. I say that, because I think sufficient emphasis has not been paid to what was done; that is with respect to the public servants' reinstatement of their correct salary.

There has been this argument that we gained nothing, because we took from here to give there. What they fail to appreciate is the fact that it is quite different. For example, the public servants, only 25 per cent of the population, they were carrying that burden since 1987. Carrying a burden for 100 per cent of the population. What has been done is that we have now spread that burden evenly, so that everybody is now carrying the burden, not simply the public servants.

Quite simply, it is like trying to lift a vehicle. If one person attempts to lift a Mac truck, that is extremely difficult. But if one were to ask 20 persons to do so, then it would become so much easier; and simply by spreading it more evenly there is that opportunity for growth. Because, you see, economic growth is the function not only of that burden, but also how that burden is spread. So that we can, as a fact, expect growth. He made the point, also, that LID Programme cannot be a long-term solution to the unemployment problem, and we would be the first to agree with that. We do not expect the LID Programme to be anything other than

a short-term programme, community oriented to improve the quality of life in the community.

It becomes extremely important that we do these things especially in the environment of trade liberalization, because we understand that one of the short-term costs in trade liberalization obviously as the industry moves, as they are restructuring, is some unemployment, and so the Government have to come in and ensure that there are programmes in place to allow for that switch from industry "A" that is inward looking to industry "B" that is now outward looking. We have got to pick up that period.

In our manifesto we have spoken about the need for retooling and retraining in the non-oil manufacturing sector. We said, quite early, the PNM will experience growth in the non-oil export sector by providing facilities, fiscal and other incentives to encourage retooling and retraining in the non-oil manufacturing sector. We said, quite early, the PNM will experience growth in the non-oil export sector by providing facilities, fiscal and other incentives to encourage retooling and retraining of employees to cope with the shift towards export competitiveness.

So that we have looked at the problem and we have designed solutions; we have designed strategies to deal with that problem. So that LIDP, or however you call it, would still play an important role. But more than that, there would be incentives to allow for that retraining, retooling for companies, retraining for employees.

The Member for Oropouche made the point, also, that since the budget they had advanced the need to encourage tax exemption on interest earnings. Again, that is in our manifesto. The committee we have just appointed will be looking at that as part of their work. Because if we want to encourage savings, obviously we know we have to provide incentives. That is one of the things that we will definitely be looking at. Trade liberalization to be applied *carte blanche*—what about agriculture? And as a fact, it is not going to be applied to agriculture; it is it is not going to be applied across the board. It would be with exemption, because you would use tariffs to protect industry such as the garment industry.

Mr. S. Panday: Would the hon. Minister give way to a question? How does GATT affect agriculture?

Hon. K. Valley: Madam Speaker, my answer is that I do not know. I would ask him to direct that question to the Minister of Trade and Industry who I am sure knows the answer.

The issue of government bonds. The Member for Oropouche wanted to know how do the rates offered on the tax-free bonds compare with those offered by other financial institutions. Very early in finance one learns that the higher the risk the higher the returns. The Government are the best risk in the home country. You only have to look at what happened in the past when some persons wanted to get 17 per cent returns and 18 per cent and so on and what eventually happened.

When one considers that the interest income on the bonds are tax free, one sees the effective rate of interest is quite good. For example, the five-year bonds, the effective rate is about 9 per cent; the seven-year bonds, the effective rate is about 10.5; and the 10-year bonds effective rate is somewhere around 30 per cent. Now, if one were to compare that with the current short-term rates—and that is not an error—currently short-term rates are quite high, but long-term rates, our rates compare quite favourably with those. In any case, I do not know where one can find, other than a government, security with a maturity of 10 years with which one can compare in Trinidad.

He questioned also the deduction for repair and maintenance and he was concerned about rental accommodation. He asked whether in a situation where an employee was using a property owned by an employer, that employee would be able to claim a deduction for expenses to that house. The simple answer to that is yes, because one has to ask, what is the source of those funds? Is it part of a salary that he is using to fix his employer's property? If it is that, obviously it is going to be taxed as salary; then it is going to be outgoing by way of repairs and what have you. So if one simply takes it to its logical conclusion, one would see that obviously one would qualify for the deduction.

I think my colleague, the Minister of Agriculture, Land and Marine Resources Dr. Rowley, dealt adequately with the concerns of the Member for St. Augustine, so that, Madam Speaker, simply to conclude—

Mr. Humphrey: Would the Minister give way to a question? Because I am not satisfied that he dealt adequately with a few points. The particular emphasis of my thrust was that when the Prime Minister visits the United States and speaks to the President of the United States to seek to persuade him to use his influence on the IMF, the World Bank and the IADB, to allow our country to adopt the same strategies that his country is adopting—because structurally we have the same

problems, except that we are backward and they are forward—he did not address that. He totally ignored that and I wish this Minister or the Prime Minister would address it. I even specified the rate of interest, pulling the US economy out of recession.

If you give way further, I would be very happy to try to get clarity on this. The United States has adopted an ever lowering rate of interest to stimulate the domestic economy, encouraging people to buy more of what is domestically produced. What are we doing? Exactly the opposite. They are pumping money into the economy encouraging consumers to spend more; we are pulling money out of the economy and putting higher rates of interest. All it does is accelerate the recession, take us deeper into the recession.

Hon. K. Valley: Madam Speaker, there seems to be a misunderstanding concerning the Government's economic policy. The fact is that the world is prepared to hold the US dollar. I remember in 1982 a Japanese banker showed me an analysis that indicated that in 10 or 11 years the Japanese yen would be 100 yen to the US dollar. That was in 1982. At that time the yen was roughly 250,260 to the US dollar. But the point he was making was that simply because of US economic policies, because of their reliance on the external world, the dollar would depreciate. Madam Speaker, we have seen that over the years.

About two mornings ago, I was listening to CNN, and it is 132 yen to the dollar. I mean it was heading that way. That influenced very much some of the yen swaps that we did while I was at the Ministry of Finance and so on. The last Government made quite a lot of money, they unravelled the thing, but that is a different story.

The point is very simple: As they bring down the interest rate and so on, what happens? First of all, you will find that investors, the world market, as it were, looking for a home, they are not going to invest in the US market, they are going to invest somewhere else because interest rates are not attractive to them given the fact that capital is moving. You see the effect on the dollar. But this year it was election year in the US. But let me not get into the US.

3.05 p.m.

The point is, quite simply, that a country ought to follow the economic policy that is deemed appropriate at the time. They are doing their thing; they believe that is what is appropriate for them. We have to do what we consider appropriate. I thought the Member was speaking about his concept of debt forgiveness. I

Finance Bill
[HON. K. VALLEY]

Monday, May 4, 1992

simply again want to refer him to our manifesto. In the PNM manifesto on page 53, we said that the PNM proposes to manage our external debt, using a number of methods. Then, we said, and I quote:

"The PNM proposes to employ other innovative methods to deal with the debt burden."

The world over, developing countries are talking about debt forgiveness. It is not an easy thing, but, obviously, it is one of the strategies which a country that is indebted would want to pursue. *[Interruption]* That is it! Well, tell your colleague that is not an easy thing. In our own case, our task is to improve our credit rating. Our strategy is geared to improving our credit rating so that we can enter the external market once more. And that is what we are about. That is why we talk about refinancing our external debt obligations for 1992. We are not talking about restructuring, which is quite a different thing. So that, have no fear when the Prime Minister meets with the President of the United States; he would be looking after the interests of Trinidad and Tobago.

Madam Speaker, I thank you very much.

Miss Pamela Nicholson (*Tobago West*): Madam Speaker, the Minister of Finance told the House on Friday that several amendments on VAT are placed in the Finance Bill, to stop loopholes, and he pushed this point as if this was some big error or some big thing. What I want to tell the Minister of Finance is that in any country where there is VAT, the Act or the legal document that is put down, the legal system, lends itself to modification over the years, since the people, particularly the business people, do everything in their power to exploit and beat the system. When one beats the system, you re-adjust. It was based on a statement he made about what is done in England as against Trinidad and Tobago. That is what I am referring to.

Mr. Mottley: Madam Speaker, entirely no offence was meant by that. In fact, we are still amending income tax ordinances and so forth. It was in no way a slur on the last government or the draftees that loopholes appear. Loopholes appear and, as they appear, one tries to block them.

Miss Nicholson: Madam Speaker, I am pleased to hear him say that. In his discourse that came across to me, so I thought that I had to clarify the issue for his benefit.

I also heard the Minister of Finance say that VAT is not on track and that they are correcting these areas in order to bring it on track. I know why he is doing that, for what advantage, and I was amused.

When that bill came to this House certain people in this House—they were in the Opposition at that time—and the current Prime Minister argued that it was regressive, that it will depress the people, they argued all manner of evil and said that if the day came when the People's National Movement returned to power they would get rid of anything called "VAT". Today, they are closing the loopholes.

Mr. B. Panday: Point, Member!

Mr. Manning: Madam Speaker, on a point of order. This Government, while we were in Opposition, made no statement to the effect that we would get rid of value added tax. In fact, we made it clear that we agreed with a system of value added tax, not from the ideological perspective from which the previous government had advanced it, but from the perspective of its being a most efficient system of tax collection. What we also said was that since it was regressive in nature, special arrangements will have to be made—

Miss Nicholson: Madam Speaker, is he making a speech?

Madam Speaker: The Member for San Fernando East is on his legs, will the Member for Tobago West—

Miss Nicholson: Is he making a speech?

Mr. Manning:—to cushion the impact of value added tax—

Miss Nicholson: On a point of order, Madam Speaker. Is the Prime Minister making a speech?

Mr. Manning: —on those who were least able to bear it. Indeed, in the budget for 1992, we began that process.

Miss Nicholson: Madam Speaker, I will be patient. I am seeing a number of new things.

The Member for San Fernando East articulated that point in this House, and that was pushed in this House. I tried to get the *Hansard* but it only came when I rose here so I am not able to really finish him. I am sure that while sitting in this House, the Opposition, at the time, the People's National Movement, argued that they would never support VAT, they would repeal it if they got into power—

Mr. Valley: No!

Miss Nicholson: You were not here, behave yourself. Today, the holes are being stopped.

Mr. Manning: On a point of order again, Madam Speaker. For the second time, I want to make it absolutely clear that what the hon. Member for Tobago West is saying is entirely incorrect. The PNM adopted no such position. Indeed—and I will refer in due course to the original documents by which the PNM's policies were formulated—we recognize VAT as a system of efficient tax collection. We did not go for VAT in the ideological context in which they did it. We said that it was regressive and therefore certain adjustments would have to be made to the system put in place. As I said earlier today, we have begun that process in the budget for 1992. I wish the hon. Member for Tobago West would desist from that course of attack.

Miss Nicholson: Madam Speaker, I hold my point. There is also a position paper that the present Prime Minister—

Madam Speaker: In fairness to both of you, I think, since you are pressing your point and the hon. Member for San Fernando East is also pressing his, the only way to resolve that is if we can have a copy of the *Hansard* and the paper you are referring to. Until those documents are at hand, I would ask the hon. Member to desist from making the statement further.

Miss Nicholson: Madam Speaker, there is a position paper—

Madam Speaker: I said until the position paper and the *Hansard* are available, I think maybe the Member might be wise to desist from that course at the present time.

Miss Nicholson: Madam Speaker, I will do as you say.

Madam Speaker: I am not curbing you, I am just asking that those two documents—

Miss Nicholson: This is how I feel.

Madam Speaker: Not at all! Since both of you are taking such stances on the matter, it is only fair to both of you that those documents be produced so that this honourable House could see, indeed, what is correct.

3.15 p.m.

Miss Nicholson: Madam Speaker, I was of the view that while I am on my legs I can make my arguments and when I am finished the Prime Minister, who is the representative for San Fernando East, could rise and make his case. There is a position paper that the Member for San Fernando East spoke about in his convention in 1988, articulating that point and he has a copy; so do I. I referred to it—the position paper that was used by the Prime Minister when he was simply the Member for San Fernando East at the conference of the PNM in 1988. However, Madam Speaker, it is too early for this, for I would not be able to represent the people of Tobago West here, it seems.

Instead, as I argued, we see that the document is meaningful. I remember the representative opposite arguing that it is regressive and I just saw it in this—this is the *Hansard* here; and this “regressiveness” was argued against the background of the income tax also, in that, here was the income tax and you are coming with the VAT and you are using this “regressive” document—

Mr. Valley: Madam Speaker, would the Member quote the section?

Madam Speaker: You cannot tell the Member how to present her argument. Will the Member continue please.

Miss Nicholson: Madam Speaker, I sat here quietly and listened. Today what do we see? This “regressive” legislation is enhanced by the PNM and we also see an increase in taxation in this country when the last government was reducing income tax.. So who is regressive? Is it the caring Government, headed by the caring Prime Minister and the caring everybody? Who is being stressful to the population? Who is depressing the population?

People who are not benefiting from the 2 per cent increase and the COLA, people outside the public service, are taking home far less money in this country today because of the higher incidence of income tax; and even people in the public service, thousands today, are crying. I sat here and listened quietly when some people said that public servants are smiling. They are crying. Many spoke to me in Tobago. I have a sister among them who is taking home less money than she did under the National Alliance for Reconstruction. They will be calling on you and on one Mr. Rennie, who said that your budget was beautiful and good and you were taking beautiful care of the public servants. They are going home either with less take home pay, or their salaries have been marginalized.

We have a further position—retired public servants. Several have called on me already, and all are arguing that their pensions have been less from last month,

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

April, than they were getting before. Who is regressive? Who is backward? Who is suppressing the people? The caring People's National Movement.

In the budget speech, the Minister of Finance stated that VAT also will be removed from school books, and therefore, prices of the books will be reduced. I invite the Minister to see to it that that happens, because many of the merchants—

Mr. Manning: What about regression?

Miss Nicholson: Mr. Prime Minister behave yourself, you are the Prime Minister of the country. You want to be an elder statesman when I take over? Is the Minister of Finance aware that merchants are now having a higher profit margin operating on the premise that, since the population became accustomed to VAT, the prices of books with VAT can remain. Therefore, we want you, as the caring Government to make sure that the position that you have taken with respect to the budget is really dealt with and that the people, indeed, can benefit. That is your position. It does not say that I agree with the position that you took, but this is what you said in your manifesto and what you say in your manifesto must be implemented.

I looked at this document, the budget speech, which as the Member for Diego Martin Central said, this Finance Bill is to give permanent force to the budget proposals. The budget document at page 18 states:

"With respect to the motor vehicle industry in general, Madam Speaker, the Government is fully satisfied that significant benefits will be gained from the increased use of Compressed Natural Gas as a motor fuel:

in maximizing the use of our abundant natural gas resources ;

in the promotion of a healthier environment;

in saving valuable foreign exchange

and not the least in significant savings in fuel costs to the motoring public.

With the cooperation of the National Petroleum Marketing Company Limited and National Gas Company Limited, compressed natural gas refuelling equipment was installed at two additional gas station outlets in 1991 at an investment cost of \$1.6 million.

The Ministry of Energy has now advised the National Petroleum Company Limited that it should accelerate the installation of new outlets and there are plans to install a further 10 outlets in the near future."

And then on page 19:

"It is proposed that the rate of excise duty on petroleum products be increased by 65 per cent. This will result in an increase in the selling price of premium gasoline from \$1.50 to \$1.96, regular gasoline from \$1.44 to \$1.88 and diesel fuel from 90 cents to 98 cents per litre. The Petroleum Dealers' mark-up will be increased from 9 cents to 12 cents per litre..."

However in a matter of a few weeks it was doubled. So you had a position that was taken by the Minister of Finance that one could not imagine would have taken place in Trinidad and Tobago. A deceptive action.

The first point I should like to make is that there was wholesale deceptiveness, in this approach.

3.25 p.m.

The next point I want to make is that you have a situation where the company which is handling the installation of the kits—I think it is Ross and Sons—it seems as if there was a conditionality arranged between the Government and this company. Because the population is being told, "You must buy the kit at my institution if I am to install it." That is an atrocious approach, because if I can get my kit at a far cheaper rate than they are selling it, I must get my kit. If that is the only company dealing with this, they must install my kit. Today the population is faced with that scenario. But, you see, the representative for Naparima just took away the point, in that the present Prime Minister has been driving those kinds of cars for quite some time and the people on the streets are wondering if there is some closeness, or if that is a conditionality also, between the present Prime Minister and these people.

Mr. Manning: Madam Speaker, my car was the second vehicle to be converted to compressed natural gas as a part of the pilot project the Ministry of Energy initiated in 1985 when I was Minister of Energy. Just for the information of the hon. Member and for other Members of this honourable House, the cost of that conversion was borne by the owner of the car.

Miss Nicholson: Madam Speaker, you see, it is the perception of the population on the road and I think that he might have to make a statement

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

clearing the air. If that is the only company, that is a monopolistic situation, of course. But if you can get your kit outside the company and if that is the only company that is doing the job, they will have to do it.

After I raised a very important issue, which I will raise at another time in greater detail in respect of compressed gas and Tobago, in two weeks I was communicated with by another company—I do not know if it is compressed gas, but it is just like the gas you use, probably it is the same thing—and I told that company—

Mr. Manning: Be sure, before you speak—

Miss Nicholson: Be quiet, man. You are the Prime Minister. We want to see standard and status and integrity. Are the blows hitting too low under your belt, or what?

A company wrote to me about it and said that they would like to use my car as an example. As a politician and a representative of the people, I told that company, "No thanks. The point that I raised in the House was on behalf of the people of Tobago and not on behalf of Pamela Nicholson; therefore, I do not want what you are offering." I will not call the company's name. I am just showing you the high level at which the Tobago politician functions.

We have a situation in this country where one is wondering what is happening in the Government. You are hearing a number of different statements being made every day by the same people, belonging to the same Cabinet. For example, one day you will hear: "Saith tells IMF, World Bank, IDB, no devaluation." Monday, April 27, 1992. I will quote what he said. I think we need all these details. It was written by Ria Taitt, Staff Writer, of the *Daily Express*:

"He noted, however that there was 'a myth' that the IMF always advised a devaluation and 'you run and do that'.

Saith spoke with reporters after yesterday's monthly general council meeting of the ruling People's National Movement."

He said that they would not be doing that. Then he comes down:

"Saith said government was not on a mission to raise funds."

This is another statement. He went on a trip with the Minister of Finance. This is the same newspaper. No devaluation. He also went on to say that they were not on a mission to raise funds.

Finance Bill

Monday, May 4, 1992

"He also reiterated that government did not plan to seek debt rescheduling."

Monday, May 4, 1992:

"IMF to help TT refinance \$100 million in debt. "

This one is the Minister of Finance, the Member for St. Ann's East, speaking to the *Guardian*:

"The International Monetary Fund is supporting Trinidad and Tobago in its attempts to refinance US \$100 million out of the \$600 million debt repayments due this year. The IMF, the World Bank and the Inter-American Development Bank were very impressed by the government and that it is a careful working government, not prone to wild ideas or radical shifts; that we can be trusted to work responsibly. I am seeking to refinance approximately \$100 million in Japanese bonds, that when they come due, I will go to the Euro bond market with which to retire those Japanese bonds as they come due this year. The other \$500 million in debt services, I would have to find from domestic resources."

And so forth.

The last paragraph, this is my business that I want to talk about:

"We are not borrowing from the IMF. That point must be emphasized. We are borrowing from the Euro bond private market, but the IMF can do a lot to assist us, as well as others. In other words, this is the first time Trinidad and Tobago would be going back into the international private capital market."

The first point I want to make is, whether you are doing business with the IMF or not, "we are not borrowing from the IMF", but you are borrowing from whom? You are going to the international private capital market to do the same thing. All is borrowing. The International Monetary Fund, what are they doing for you? I should like the Minister to give us the facts. Charges on Account to Public Debt, increased by \$158 million. I am going back to another thing which you spoke about in another debate. I am linking them. You said that we were being deceptive. We were not being deceptive, because what the NAR Government said is that we are not going back to the IMF because the IMF's business is really to deal with balance of payments problems. That is what they deal with. We know that. But you were giving the impression that they are dealing with more than balance of payments.

Why do they want to help you? Tell me! There must be some reason. If you want to borrow money in the Eurobond market, you do not have to get help from

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

the IMF. If they are going to help you, there is a reason and you must tell the Parliament and the people of Trinidad and Tobago, the reason. Because what was said here is just that they are going to help you to function on the Eurobond private market. We do not know why. We do not know why they are going to help you. This is the point that I want to make.

3.35 p.m.

So you have one day a man come in flying and saying that you all are not going to devalue. I am going to talk all the story and I want you to tell us here this evening if you, as Minister—Madam Speaker, I want to know if the St. Ann's East representative can tell us if the People's National Movement will be devaluing our dollar at all. Will there be any devaluation? Because Sen. Saith, who went on tour with you, said, no, you would not be doing that. He is the Minister of Planning. You are the Minister of Finance. We should like to know very clearly, what is the true position. We also want you to give the reasons why the IMF is going to help you. We do not know that either, so we should like to know from you. I cannot understand why you all are seeking that kind of help and talking about going on the Eurobond market. I remember when the NAR Government was doing that piece of job in the same Euro area the NAR Government was almost derailed by a statement made by the person who is today the Prime Minister of Trinidad and Tobago when he spoke about devaluation, that there was going to be a devaluation and so on. It is the same situation, and therefore, we want to know. We want to get the facts. That is all we want to know.

Mr. Manning: Madam Speaker, I should like the hon. Member for Tobago West to explain to this honourable House and to the Parliament how the Leader of the Opposition could devalue the currency.

Miss Nicholson: Madam Speaker, it is just like when the trade unions mashed up the economy; they could derail his economy and his Government. That is the point I am making. Just what is happening with the trade unions. And that is very clear. You would not have anybody coming into the country to invest; you would have everybody having a problem just as everybody has a problem today with the telephone situation; just as how we had a problem with T&TEC; just as when we had a problem with oil when the Oilfields Workers' Trade Union was on the march, and that kind of thing. If they continue like that. If tomorrow NUGE should come on the march and another union and so on they could derail your Government and its functioning. When politicians make wild

statements in the country and people see other hinging points, that could prevent Government from functioning. It could also be the people to whom you are going for assistance. That is the simple point I am making that when you make bogus statements while you are in the Opposition—just as you were derailed yourself by stating that you were going to float the dollar.

I want to make the point that that initiative they are talking about started with the NAR Government. We thank the consultants, Morgan, Grenfell and Company for the work they did. It is not anything new that the People's National Movement is doing. It is nothing new. They come here telling a heap of stories which are very, very far from the truth.

Mr. Bereaux: Madam Speaker, on a point of information. I should like to inform the Member for Tobago West that the consultants, Morgan, Grenfell and Company have been working for the Government of Trinidad and Tobago long before it was so derailed by the NAR Government many, years before.

Miss Nicholson: I thought he was making a point. The point that I am making is the the same argument that is being pushed by the Minister of Finance in the newspapers. I am saying that the work began already and the hinge must be placed. That is all that I am saying you are making a non-point Member for La Brea. You have a problem.

When I hear that the International Monetary Fund will be helping, it is against that background that I see the link and I want to know why they are helping? What is the conditionality? I am asking that the Minister of Finance tell the Parliament why they are helping, what is the problem and so on. We want to know. It is not enough just to come and say we will be getting assistance from them. We want to hear the nature of the assistance that one is getting from the International Monetary Fund. That is all I am asking; in fact I am demanding that the Government inform the people of this country and the Parliament of the conditionalities imposed by the IMF before they can help.

It is a simple point. I am not making any big point. I am just simply saying this was something already in train—the one going back to the private Eurobond situation. If today we are hearing that the International Monetary Fund has to help you, I am merely saying that we should like to know the nature of that assistance. Are there conditionalities? Are there problems? It is not sufficient to read what is in the newspapers. The national Parliament is far more important, the people of Trinidad and Tobago are far more important and I am saying that the people of Trinidad and Tobago would like to hear. You are the Minister of Finance. I

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

should like to hear from you. I would also like to hear about the devaluation situation because Sen. Saith is not the Minister of Finance. I should like to know how we are going. Are you on train?

You said that the VAT is not on train. Just as how you told us that, you can tell us whether you are on train with other matters. These are the points that I am making but some people can be alienated from them because the argument is too high for them.

On January 28, 1992, the Minister of Trade, Industry and Tourism was addressing the Greater Tunapuna Chamber of Industry and Commerce and told them that the Government would not attack the dismantling of the negative list this year because they have a whole year to cool out. It was sometime last week I saw in the newspapers, and based on his discourse in the House here on Friday, one got the impression that he was arguing that by the end of the year he would be finished with the negative list. He said that here on Friday and that was also in the newspapers. One day one hears one thing and the next day one hears another thing so one does not know against what background he is functioning. Then we would hear something else from the Minister of Finance. What we want is consistency coming out from the Government. You cannot have one Minister saying one thing and another Minister saying another thing on the same issue. You must have a consistent collective position coming from the Government. It is against that kind of background that I really took up these papers. I wanted some more but I did not have the time to bring them with me.

3.45 p.m.

I am saying that we the people are watching and listening. I am a politician so you might say I am a little biased, but the others who would have voted for you very fervently—some might have voted for us and others for the UNC—are looking on, because you are representing the people of Trinidad and Tobago. When you represent the people, we should like to see a consistent position coming out from the Government because at present, all of us know that the wicket is very sticky. If you have to handle a sticky wicket, you cannot have different Ministers saying different things on the same issue.

Today Sen. Saith the Minister of Planning and Development can say there will be no devaluation and tomorrow the Minister of Finance can wake up and say that the Government of Trinidad and Tobago have decided to devalue the dollar. The important person here is the Minister of Finance. We want to hear him.
[Interruption] It is a strong point, that is why I am not leaving. That is not

your business. Cool it! Pam can defend herself. You know that when some people get a lot of leather balls they always worry about if they have to be shifting. That is a very important point which I wanted to raise on this situation.

Now there is stamp duty. The Minister stated that we would have a drop from 10 per cent—if I can remember correctly—to 5 per cent and we also had another position where he said—I cannot find the other area. But the point I want to raise is on the drop from 10 to 5 per cent, the stamp duty, and also no purchase tax on manufactured goods. That is the area I am very concerned about and I want to know why the drop. Is it that these people in the manufacturing industry would create employment?

I am not of that view, because when I analyze the position very deeply, I see that it is a particular section of the community that is functioning very closely with the People's National Movement that must have been pushing this. Because in this situation, if you are dealing with manufacturing, you should do something which is to the advantage of the textile industry, if it is anything. If you are developing a country and you care about development, whatever action you take should be advantageous to the textile industry in your country. You should be pushing and monitoring that, because if cloth is being manufactured—I do not know how they do their business—that is something which can be exported, just as Minister Valley and the Minister of Finance argued that we have to push the emphasis in that direction, because you would be creating employment and bringing in foreign exchange.

Are we going to get that in this area? I should like to know, because the persons who are pushing this—I do not want to call their names because sometimes I call myself a problem lady; I was born on the wrong day—are deep within the People's National Movement. They were at the Unemployment Symposium and on the television. Those people are notorious for under-invoicing in this country and for tempting and corrupting the Customs of Trinidad and Tobago. Serious statement! We want a situation where whatever you do, it must improve employment in this country.

I am arguing that this is not going to do that. If there is any area that should get this, it should be the textile industry. If there are weaknesses in the textile industry, you should address them and monitor the situation because you could create employment there. You could do many things, and export the goods which they produce. I am saying that you—my word will be too strong—are being influenced by these people and you must move away from that. You are dealing

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

with the country called Trinidad and Tobago and no small group in any small community, should be allowed to influence you to take these decisions, because those decisions would not be advantageous to us.

I am saying that this must be excised totally from the bill. The rate should not be dropped; it should be increased, if anything, and those people encouraged to come and develop textile in this country. Let us have the textile industry develop. Any developing country and countries that see exporting as critical to foreign exchange and anybody who wants to create employment, must look at it from that perspective.

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

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

Question put and agreed to.

Miss Nicholson: Thank you, Madam Speaker. I consider those areas very important and relevant. Those who do not want to hear now will hear one day.

I just want to relate to another area. This morning, as I got into this island—it is a twin-island state—I came on the first flight this morning and if I did not I could not have been sitting here. I think I must raise a fundamental point because everything which has happened [Interruption] That has a bearing on fuel, if you want to know on what it has a bearing. Fuel in the country has a bearing on planes.

Over the last three months the situation has been atrocious at the airports. You cannot get these people, when you call them, and when you call them, they say you have to write them. When I leave here, people question why I leave at 4 p.m. Many times I never reach at home until after 10.00 p.m. A flight that should leave at 5.00 p.m. leaves at 9.45 p.m. most nights.

I mean, the Member for St. Ann's East lives in Tobago. I did not want to expose his business. Sometimes he is in Tobago everyday. The Member for St. Ann's East, who is the Minister of Finance, will appreciate where I am coming from. We know that we are giving them fuel. There is a situation in this country that you would want to know whether Tobago is a part of Trinidad and Tobago. Sometimes you see school children visiting Tobago and those little children are there late in the night.

A situation which seems to be occurring is that if something happens to a plane—and it has to go to Tobago—let us say in New York or Miami or somewhere else, that plane is not sent to Tobago again. That plane is sent to those areas and the people in Tobago are ignored.

3.55 p.m.

On Sunday, two planes went to Tobago. One went at 6.30 a.m., the other, the Tri-Star after 1.00 p.m. Those were the only flights that went to Tobago. This is what is happening night after night, week after week. People are wondering whether we are a part of Trinidad and Tobago. When they have to do their business—people who have to run groceries or whatever, all buy their goods in Trinidad and, therefore, there must be a good local system. I should like to know, based on the fuel situation, what is happening with the system to deal with Trinidad and Tobago. We got an olive branch and I should like the olive branch to answer. I want to know if this is stinging nettle also.

There is no care. People would not understand. We got there this morning and we were standing waiting at a door. There were also tourists. You see there is also a link with tourism. It is atrocious. There was anything like 30 tourists on that plane this morning and when we got to the door it was locked. Someone ran from one side and told us come this way; as we were going that way another said come the other way, then another one came and opened the door, and you have those people there. This is what is happening. If the people could only get the Tri-Star they would take only that and come into Tobago.

If that airline situation is properly addressed, it can do very much for the foreign exchange scenario and help relieve unemployment in Tobago. We cannot have a situation where you have tourists waiting. Many nights I am there sitting and waiting and they have to bring snacks at about 8.30 p.m. or 9.00 p.m. You would not believe that people are there from early in the morning and most times that would be the first time many of them would be having something to eat. This is a very, very serious question.

I want to know what is happening with BWIA. Are they getting fuel? Are BWIA important to tourism? The Minister spoke very strongly about tourism in his diversification position here and if that is to be addressed, the whole situation must be dealt with.

We also had another situation where, I think, the Minister of Industry, Trade and Tourism spoke about the use of the second tranche of the World Bank

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

funding and, in this House and in the newspapers, I have read and heard statements being made about one not being able to use the funds. I want to know why. I know I left a situation with US \$65.1 million there in the ministry in which I functioned, for action. I left a solid platform in that ministry on which they can draw down. You have the situation with energy, and they could have drawn. When they are not acting it is to the disadvantage of Trinidad and Tobago.

What is happening in the oil industry? Thousands of people are unemployed. Contractors cannot get their pay down there—Trintopec and Company. The representative for San Fernando East can tell us because he lives very near there and he knows about oil because that is his business. Why? We are talking about unemployment—unemployment symposium and that it was great. I do not know, I believe I would have to ask the question because I notice that my other friends are very slow in doing that. How much money was spent on the food down there, and who prepared it? We had that symposium but what are we having?

We are having a situation where we already have a very high unemployment level and the Government are now creating more unemployment because in the oil industry more than 2,000 workers have been sent home. Throughout the country there is this silence. The Member for Oropouche made a solid point. There is no action in Trinidad and Tobago: many ministries, many other state enterprises—no action, just silence. And when you have silence, it means that people do not know what they have to do, and people are worried.

Mr. Mohammed: The hon. Member for Tobago West has made a statement which leaves me in a state of doubt as to the context in which she was making it, that is to say she left office with a sum of \$65.1 million remaining there. What I certainly would wish her to elucidate is what she was talking about. Where did she leave the money and for what purposes was the \$65.1 million intended?

Miss Nicholson: I was not dealing with that area, which is settlements. I was really relating the funding to this document and I read from the Minister of Industry certain statements, I also read from the Minister of Planning, certain statements. The Minister for Planning argued in another place that the money from the IADB and the World Bank would have been the funds that they would have used on their development projects this year. Another statement is now made that they cannot use those funds, so there is a contradiction. It is against that background that I mentioned the figure. I could not see how the US \$65.1 million could not be used, because some of the projects have started and I am sure others are on the way and I do not see how they cannot draw down, why there cannot be

more action, why we cannot feel more action. You go to the National Housing Authority—no action. All the projects that I started there—silent. People are talking about construction and employment and they are there silent—Mahabir Lands, Almond Drive.

There is an indoor sports hall under construction up at Maloney. The foundation is already down. There is another big project at La Horqueta to take the young people off the streets. All of them deal with construction. And the Government said they would push so many things into construction but they are just lying there silent. There are a number of hard courts just to be completed at Laventille and elsewhere. If they are talking about construction to give the economy a kick, the action to take is there; jobs are there and the US \$65.1 is there. We have that money for a number of development projects; there are a number of millions there at the Trinidad and Tobago Mortgage Finance that people can go to get to build homes, although I am hearing all kinds of foreign stories from other people which I do not want to get into this evening. When the housing debate starts, I will start in this House in a very serious form. What I am saying is that there is US \$65.1 there that they can draw down on and use to give other areas the kick that they are talking about in construction. The US \$65.1 million. We started that.

4.05 p.m.

As I said, I will inform the Member for Barataria/San Juan at another time when that issue is raised in the House; soon she will hear a discourse taking place in another place that the whole country will be reading and you will be reading too, Madam Speaker.

So the point that I am really making is that I am very concerned about the stillness. I am very concerned: Why nothing in tourism? You should be diversifying. The St. Lucian economy is showing—we started the work, continue it. Tobago is there, it is a part of the twin-island state, the most beautiful place in the whole world today. Everybody in Trinidad is trying to get a piece of land in Tobago.

If we are to address tourism properly, you will find that foreign exchange, those dollars you want for employment, people will get that, because what comes there will go into the Treasury of Trinidad and Tobago. One is not hearing any movements at all.

Finance Bill
[MISS NICHOLSON]

Monday, May 4, 1992

Madam Speaker, I shall just go over the points in my conclusion: I should like to hear something about the stamp duty case that I have made out; I should like to hear something also from the Minister of Finance on the whole VAT scenario; and I should want to know when the caring Government will ease the temperature on the public servants, especially those who have retired; I would also like to hear when we will have a consistent view coming from the present Government on the economy of Trinidad and Tobago, how they are handling it and what they are doing to get this place in action. Because we have told them already that having a symposium is a waste of time. The Senator who is guiding is a person who never finishes anything. No project in Trinidad and Tobago that he has been involved with has he ever finished.

He did one in the National Housing Authority for me, never completed it. He got the funds from the IDB and all he presented was an interim report. We are still waiting—outside now—for him to produce the final report. NCB: At the same time he was doing something they had to tell him to bail out; BWIA, bail out. He never completes anything. So I am not excited. If there is one individual who is not excited—and even what he is talking about implementing, he was on committees, he was there already; it is just ideas and everything he just saw there, and he comes to say, "We are going to do so and so", and he is on television day after day, night after night. And UWI had to say something at one stage; McAl had to say something at one stage. All of that happened in the five-year period that we were there. So I am not excited. The woman seems to be excited. I am not, because I know they will get blows.

Madam Speaker, when I say "get blows", I know that he will start off very excitedly and then he will spoil what he has on paper and nothing will happen of any sense. He never finishes anything. The agencies that you heard me call there, you can go to them and ask them if they had him there with a project and if he finished it or if they had to run him.

I should like to know how they are going to handle the situation. I am very concerned. The areas that I have raised, I want to know when they are going to devalue, because I know they have to devalue. I am not fooling myself about that either. But they must be consistent. They must devalue. Do not fool the people. They have to come and devalue. I do not know if September is the time that we are going to face that, but they must devalue. We want to know that. We want to know why the IMF is assisting you to go to the Eurobond people and the

commercial banks in that area. Are there conditionalities? Why are they? Because you are not in anything with them; why are they in that?

Madam Speaker, this is my conclusion and I am looking forward to hearing something of substance coming from the Government and something progressive, because we are all here for the development of Trinidad and Tobago and all of us would like to see our country go forward, regardless of who is responsible at the particular time. Thank you very much.

The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, I rise to support this bill for many reasons, but most importantly because I have total confidence in the Minister of Finance, who has been quietly doing his work with no fanfare, no gallery, no flim-flam, as was the practice not too long ago.

I have listened to the contributions of the other side and I have to wonder exactly what is the intent of some of those Members. Because when I hear the Member for Chaguanas quarrelling about the IMF and the World Bank when it was the government of the Member for Couva North who took this country to the IMF, I really have to wonder. When I hear the Member for Tobago West trying to make a point about the regressivity of value added tax, I really have to wonder. Are the Members of the other side living in this world?

I have taken notes during this debate and it is clear to me that several Members of the other side are not utilizing the expertise of some of their Members. I shall refer, in particular, to the Member for Oropouche who, unfortunately, is not gracing us with his presence, who had a number of queries about the \$12,000 relief that we have offered for home repairs in this year's budget. He made all sorts of implications about people who occupied rent-free premises and was wondering if this was some sort of special incentive we were giving to Government Ministers and so on. But when you consider that in order to receive the tax credit for the expenditure of \$12,000, you first have to incur the expenditure and the tax credit is less than the expenditure, you will have to ask yourself, why would someone willingly occupying premises rent free, incur expenditure to receive less as a tax credit? So that is why I ask the Members on the other side, when they are speaking about construction-related matters, please, speak to the Member for St. Augustine who I believe has some expertise.

Mr. Mohammed: Madam Speaker, would the hon. Minister give way to a question? Now that he is seeking to expound what is involved in the \$12,000 tax

Finance Bill

Monday, May 4, 1992

[MR. MOHAMMED]

exemption, could he state who are the people that will qualify for rent-free accommodation to come under this benefit?

Hon. C. Imbert: Madam Speaker, the rental of government properties falls under the property management unit in the office of the Prime Minister. I suggest the hon. Member direct his query there.

Mr. Mohammed: Madam Speaker, a further question. Am I to take from the answer of the hon. Minister that the only people who will benefit from this will be people occupying government quarters, that I have to communicate with property management people? Is it restricted to only those who rent from the government?

Hon. C. Imbert: Madam Speaker, as I said, the Government have introduced a \$12,000 tax concession for home repairs. One would assume that only owners of property would avail themselves of this tax concession because the expenditure is in excess of the relief. So I do not think I need to belabour this point.

The Member for Oropouche also queried the rationale behind this measure. There are approximately 100,000 property owners in this country. If, very conservatively, 10 per cent of them utilize half of the tax concession, you get an expenditure of \$60 million per annum on construction. There is no doubt in my mind, as the Minister responsible for Government construction, that this concession is long overdue. Not only will it stimulate the construction industry; it will also ensure that the country's stock of housing is properly maintained, which is a very important point. This is what I mean by the tendency of Members on the other side to overlook reality.

I also took note of the Member for Nariva querying the fact that there was an allocation of \$35 million for development work under the Ministry of National Security in this year's budget. He was surprised—I was not sure if he was complaining—that construction of police stations such as the San Juan Police Station are proceeding. I am glad he noticed, because there are people in this country who say that the Government are doing nothing. Thank you for noticing that we are actually constructing a police station at San Juan.

Mr. Mohammed: Madam Speaker, would the hon. Minister give way, please? I wish to be clear, because I happen to live in San Juan, too. Is the hon. Minister, the Member for Diego Martin West, saying that construction work has actually started in the San Juan area? If so, I should like to know where and when it started.

Hon. C. Imbert: Madam Speaker, construction of the San Juan Police Station is part of a large project which includes the renovation of police stations all over the country.

Mr. Mohammed: You are talking about futuristic business. I want to know if it has started.

Hon. C. Imbert: As the Member for Caroni East, who used to be in St. Joseph, is well aware, construction work on the San Juan Police Station has not yet started.

Mr Mohammed: That is what I want to know. Well, I know that.

Hon. C. Imbert: The Member for Nariva was confused when he saw that there was only a \$35 million allocation, yet the Government are proceeding apace with the maximum security prison and other National Security projects. Again, I should ask the Member for Nariva to consult with the Member for St. Augustine before making such comments, because the maximum security prison, the San Juan Police Station and other projects of this type are being executed under the design/finance/construct method where contractors raise the finance for construction and the payments are made by Government on a deferred basis, similar to a mortgage. Therefore, Government expenditure will not appear in our estimates for this year, it will appear at some point in the future. He could have found that out by asking the Member for St. Augustine. He is very experienced.

The Member for Nariva, also mentioned that the Labour Intensive Development Programme is causing real problems. I agree, LIDP is causing problems for the Members of that side because the productivity that we are achieving on these projects, even in areas not represented by the PNM, far exceeds the expectations of my ministry. Despite demonstrations and other attempts to disrupt the LID Programme, I am happy to report to this Parliament that the people of Trinidad and Tobago are working on LIDP projects regardless. This underscores the Government's approach to running this country.

Mr. Palackdharrysingh: Corrupt.

Hon. C. Imbert: Despite the "ole" talk and all the carrying on, the work will go on. Just this week, at Laventille, I was very pleased to hear that a regular gang of LIDP workers mixed and placed 90 barrows of concrete in one day. The Member for St. Augustine will be aware that this is way above the average on typical construction projects.

Finance Bill
[HON. C. IMBERT]

Monday, May 4, 1992

I took some notes also on the Member for Tabaquite. I was not sure if he was complaining about the San Fernando Hospital; if he was happy that the Government were proceeding, I was not clear. But all I should like to say is that, since taking office, the Government have expedited the award of the contract for the San Fernando General Hospital. It was awarded in April of this year, just four months after we took office and we expect work to start next month. That is how our Government operate.

When I listen to the contributions on the other side, I really have to wonder what is the point they are making. You are getting a hospital in San Fernando, but I am not sure if they are complaining. You are getting a police station in San Juan, I am not sure if they are complaining.

I read an article in one of our Sunday newspapers where a well-known columnist pointed out that there are people in this country who, no matter what the Government do, will complain. If we pave the streets with gold they will complain we are wasting the gold. But the commentator made a very valid point that given the resources available to the Government, we are doing as well or better than expected. Our Government are very quietly doing our work.

I now turn to the main focus of my contribution. As I pointed out to the Members on the other side who seem to have a problem. *[Interruption]* Will you please stop interrupting me?

It is incumbent on me to push the construction sector in this economy.

Mr. Mohammed: That is what we want to hear, man.

Hon. C. Imbert: I will get to that. I just wanted to point out how you sounded to me.

The construction sector has been severely depressed in this country for the last seven to eight years. Permit me to read into the record some of the relevant statistics pertaining to the construction sector. The output in construction in 1984 was estimated in excess of \$2 billion. This subsequently declined every year thereafter, declining to \$1.53 billion in 1986; \$1.39 billion, in 1987; to a low of \$1.2 billion in 1990, or approximately half the output in 1984. Employment in the sector followed a similar pattern.

Miss Nicholson: Just for some clarity, please. The Minister said, "construction". Is he talking about construction throughout the country or in the works and infrastructure section? I just want to be a little clear on that.

Hon. C. Imbert: Madam Speaker, for the benefit of the Member for Tobago West, I am referring to total output in construction in the country as measured by the Central Statistical Office.

Employment in the sector reached 81,000 in 1984, or 18 per cent of total employment. This declined in 1985 to 72,000; in 1986 to 61,000 and continuously declined thereafter to 1990, to 42,000. At that time it was 12 per cent of total employment. Construction has been recognized as the major employer the world over, and it is no different here in this country. I read these figures to you, Madam Speaker, because I wish to point out that during the period 1987 to 1990, the fact that construction was the major employer of people in this country and a major stimulator of economic activity, appeared to be lost on certain people. It is only after certain traumatic experiences, in 1990, that we saw a rise in the sector, in 1991 which by coincidence happened to be the year of the general election. Construction increased in 1991 by 6 per cent and employment in the sector increased from 42,000 to 52,000.

My analysis of the figures, has revealed that of these 10,000 new jobs created in construction, the vast majority related to short-term unemployment relief programmes which saw a peak in December of 1991. This is borne out in the official literature.

I read, Madam Speaker, from the *Labour Force Bulletin 4th quarter, 1992, Central Statistical Office:*

"An examination of the survey data by industry indicated that the construction sector was mainly responsible for the overall drop in the unemployment rate for Trinidad and Tobago. The total number of employed persons in this sector rose by 6,600, moving from 44,900 in the third quarter to 51,500 in the fourth quarter."

The *Central Bank Annual Economic Survey, 1991*, also indicates that construction was a major contributor to the small positive growth experienced in 1991. I wish to stress a statement made by the Central Bank in this report:

"Financial allocations to the Public Sector Investment Programme, PSIP, a major stimulus to construction activity, were 52 per cent higher than in 1990, with capital expenditure projects accounting for almost 56 per cent of the overall programme."

Finance Bill
[HON. C. IMBERT]

Monday, May 4, 1992

What I am describing here is an indication that in 1991 certain persons in authority in this country suddenly realized how important the construction sector was in stimulating the economy and poured millions of dollars into it.

However, as pointed out by the Minister of Finance in his budget speech, the expenditure on the LID Programme in 1991 was \$180 million, and the present Government have found ourselves unable to sustain that level of expenditure. There was also \$11 million spent on the Community Upgrade Programme of the then Prime Minister's Office, again, the Government find ourselves unable to continue with this level of expenditure. Where do we go from here, then, Madam Speaker, since we cannot sustain this boost in the construction sector merely in short-term unemployment relief?

The latest information from the Central Bank that I received this morning has indicated that the Government have been able to maintain the level of output in the construction sector achieved in December, 1991, in the first three months of this year. It also indicates a 2 per cent growth in construction in the first quarter of 1992, when compared with the similar quarter in 1991.

Madam Speaker: We will continue at 5.00 p.m.

4.35 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Hon. C. Imbert: Madam Speaker, I was making the point that the preliminary figures I have received from the Central Bank this morning indicate that for the first quarter of 1992, the Government have been able to sustain output in the construction sector. I shall now go on to outline the fundamental differences between the output in construction in the first quarter of 1992 and the last quarter of 1991.

In the last quarter of 1991, the fairly large increase in employment in the construction sector was fuelled in the main by the LID Programme, which saw an increase in employment as we got down towards December, 1991. As I have said in other fora, there was an employment level of 13,000 persons in the LID Programme in December, 1991; the LID Programme is now employing 3,500 persons.

How has the output in the construction sector been maintained? This brings me to my earlier point, that there are people in this country who say that the Government are not doing anything, that there is no confidence in this country.

We have been able to maintain the output in the construction sector precisely because businessmen in this country have confidence. The construction of several buildings in downtown Port of Spain was started in January of this year. As I go to work every morning, on my way through Boissierre Village, I see the extension of a shopping mall which was started in January of this year. It is this significant private sector activity in construction that is largely responsible, together with the Government's programmes such as the extension of the Churchill Roosevelt Highway and other government construction projects. It is the private sector involvement in construction that is largely responsible for the output in construction being maintained at the December 1991 level. I make this point to put paid to the lie that the businessmen in this country have no confidence in the present Government.

At the recent symposium on unemployment and employment generation, I had the privilege to announce the Government's schedule of construction for the next three to four years. With your permission, Madam Speaker, I shall now read into the record some of the projects that are already on stream as a result of the Government's actions and some of the projects that will be coming up during the next three to four years. I make special mention of the Piarco Airport development project which has an estimated start date of December 1992/January 1993, and an estimated expenditure of \$400 million; the Maximum Security Prison on which construction has already started—an estimated expenditure of \$200 million; San Fernando General Hospital—as I said earlier, the contract was awarded last month; it is estimated to start next month—an estimated cost of \$50 million; Arima Hospital, which we expect to start towards the end of July—an estimated cost of \$30 million; Tunapuna Administrative Complex, expected to start in August—\$20 million. We have a school building programme under the FINCOR arrangement. We shall be building eight schools in this programme at an estimated cost of \$26 million. In Tobago, we have a sewerage treatment laterals project, starting this year, as well—\$8 million.

Since I was appointed Minister of Works and Transport, I have been pushing my officers to conclude negotiations with the Inter-American Development Bank for a \$180 million rural access roads and bridges programme which we expect to start in December 1992/January 1993. I have been mandated to push construction in this manner simply because the Government recognize that in order to reduce the unemployment level in the long term, employment will have to be generated

Finance Bill
[HON. C. IMBERT]

Monday, May 4, 1992

in the manufacturing sector, the agricultural sector and the services sector such as tourism, but, of necessity, it will take some time before significant employment is generated in these sectors.

In the interim, it is the policy of the Government to drive the economy by stimulating the construction sector which is well known as being the quickest producer of employment in the world. The contractor who is now working on the maximum security prison has estimated that, on average approximately 1,000 persons will be employed, and it will peak at 2,000 persons. Similarly, the Piarco Airport development project, if one uses the contractor's figures and extrapolates, one could expect that it may peak at 3,000 to 4,000 jobs during construction, and certainly the Piarco Airport development project being a self-financing project will generate hundreds of permanent jobs on its completion. Our access roads programme not only will generate employment during the construction phase but, certainly, will also open up new areas for agricultural development thus generating more employment.

Mr. Humphrey: Madam Speaker, the Minister has indicated that the Government are sourcing a substantial loan from the IADB to finance access roads and bridges primarily. Would he explain why it is necessary to access funds from abroad to finance a programme in construction when all the resources for projects of that nature are available locally? Why is it necessary to put the country into deeper external debt to stimulate that aspect of economic activity?

Hon. C. Imbert: Madam Speaker, I am grateful for the hon. Member's question. This project has been on the drawing board for several years. When I entered the Ministry, I met the plans, and unlike other administrations, I analyzed the project very quickly, and decided to implement it immediately. The question of the source of funds is a matter for the Minister of Finance, and he has assured me that the concessionary rates on that loan more than justify this country's taking up the loan.

5.15 p.m.

As I was saying, the Government came into office and met several projects on the drawing board. We did not stop there. We took a short period, analyzed them thoroughly, and those projects which we thought to be worthwhile, we shall proceed with immediately. That is the policy of the Government. We do not stop projects just for the sake of stopping them, as has happened in the past. Projects have been laid for two and three years and after that their viability becomes

questionable. I make these points as I said, to put paid to the lie that Government are doing nothing. It seems whenever we announce to certain people that we are doing something they either say, that was their idea, or you should do more; or that has been on the drawing board for a long time. It seems to be an inability in the minds of certain people, as I said before, to accept reality. You see, our Government are very quietly doing our work. All of my colleague Ministers are working. As I said, no fanfare, no flim-flam.

Hon. Member: No action.

Hon. C. Imbert: As I said, when you do something, they say no action; and the proof of the pudding will be in the eating. I will report to this House in the next budget debate on the effects of the measures of my ministry on stimulating economic output and employment in the construction sector and I am sure that I will report very favourably. Thank you, Madam Speaker.

Mr. Sahid Hosein (Siparia): Madam Speaker, when that time of the year comes around, when the budget is to be presented, there is always a mood of anticipation, a mood of expectation among the citizens of the country at large. Depending on your point of view, or how cynical you are, you should expect that taxes would be levied, but in the main you would find that the majority of people in this country expect that some of their concerns, some of their problems, would be addressed in the provisions; and they would expect that the bodies that deal with these concerns, be they WASA, T&TEC, or local government bodies, would address them in the provisions of the budget and there would be people to take care of some of their concerns.

Because, the life of each and every citizen in this country is affected by the operation or non operation of the local government bodies. Madam Speaker, when the sanitation trucks come—whether it is on a daily basis, or weekly basis or whatever—to pick up your garbage from your household, that is a responsibility of the local government bodies. When the potholes become apparent in the street on which you live, it is the responsibility and duty of the local government bodies to have them repaired; and I find it, indeed, very, very strange since this is an area that impacts upon the lives of so many of our citizenry; and the Minister responsible for local government has written, he has spoken at length but said absolutely nothing about it. But I am not surprised.

Hon. Member: He does not know anything about it.

Madam Speaker: Hon. Member, we are debating here financial positions for giving teeth to the budget and I do not think it is really fair to the hon. Minister to say that it was not—whatever aspects of local government the hon. Member is interested in might be directed to the Minister of Local Government.

Mr. Hosein: With all due respect, Madam, you have actually made my case for me, in that I was going to make the point when fees and taxes are raised, as is being done by the provisions in the budget and under this bill, it is a further burden that has to be borne by the population. But it becomes doubly onerous when the minimum level of service one expects from the state agencies, local government bodies, WASA and what have you, is not being provided. The agency that is supposed to provide most of the basic services in this country is the local government bodies and as has been stated before in this House, they have become, at this point, virtual dispensers of dole through no fault of their own. One has to ask, whether it is deliberate policy, or it is that this caring Government—

Mr. Valley: I wonder whether the Member would indicate the specific provision of the Finance Bill he is talking about.

Mr. Hosein: Madam, I am dealing with the provisions in the budget relating to local government bodies.

Madam Speaker: I am sure the intention of the hon. Member is noble, but maybe, what he can do is direct what is in his mind to the specific taxes so that it can all relate to the Finance Bill and just not go *carte blanche* on Local Government. Maybe he has a point with respect to those specific taxes; direct the attention of the House to that aspect of it.

Mr. Hosein: Madam, if the hon. Minister would have allowed me, I would have gotten into those areas of concern.

Madam Speaker: Proceed, please.

Mr. Hosein: Madam Speaker, as I was saying, it seems to us on this side, based on the provisions and the allocation of the budget, that that caring Government and that caring Minister seem not to understand really what is taking place in this country; what are some of the concerns of the citizens of this country; what are some of the issues that the citizens of this country expect to be addressed by the provisions of the budget. And the situation has reached the stage where, at this time, to get any one of these basic services, citizens would tell you

they actually have to resort to seeing the Minister. Maybe, that is not accidental. That may be a deliberate policy.

You see, I made the point in my initial contribution in this House and I want to make it again. If the Minister is so inclined to accept it, I wish to give him some free advice, the same advice I gave him. In his party there are a number of local government people with a wealth of experience and knowledge, who fully understand local government and what are the constraints and what needs to be done with local government.

Mr. Valley: Madam Speaker, it is very late and I wonder whether the Member would restrict his comments to the Finance Bill. This is not a free for all. This is not a budget debate. There are provisions in the Provisional Collection of Taxes Order and those are the items, and all I am asking him to do is to stick to the Bill so that we could get through the business of the House. We can meet afterwards and I will listen to his advice until morning if he wishes.

Mr. Palackdharrysingh: I want to thank the Member for giving way. I am just seeking clarification from you Madam on the Bill here. I see in the opening statement under "Explanatory Note":

"The main objects of the Bill are to enact the fiscal measures announced by the Minister of Finance in the 1992 Budget speech and to introduce other amendments of a fiscal nature."

5.25 p.m.

Mr. Hosein: I would have taken that to mean that all the preceding documents are relevant to this debate.

Madam Speaker: But I think the hon. Member will appreciate that all the relevant documents were extensively debated in the last two or three sessions. I seem to have a little clue of what the Member for Siparia is intending to do. I do not like suggesting to him what to do, but if he could relate those specific areas to what is here, to show that, indeed, they are not complying or it is not in consonance with the fiscal measures, maybe we can get on with the business of the day.

Mr. Hosein: Madam Speaker, the point has been made over and over again that the PNM's policy emanates from this manifesto, and if I am allowed to develop my point, I would go to the manifesto.

Finance Bill
[MR. HOSEIN]

Monday, May 4, 1992

I was making the point that he should call together his people and seek a direction, so that we can have some sort of resolution to the problem that confronts the local government authorities. But in retrospect, I believe he will not take that step, because you see, his Government set up a committee—and this is a news release from the Information Division, Office of the Prime Minister, January, 1992:

"New Arrangements for Local Government Bodies/Municipal Corporations
Mr. Stevenson Sarjeant, former Mayor of Port of Spain, has been the board chairman of a Supervisory Committee which has been set up by the Ministry of Local Government to review the Municipal Corporations Act and suggest possible amendments."

So the Minister and his Government recognized that there were problems that needed dealing with.

"The Committee has been requested to submit its findings by the end of February since an appropriate structure must be in place for local government elections to be held.

Mr. Kenneth Valley, Minister of Local Government, revealed this to the media at a news conference held at the Eric Williams Finance Building on Wednesday, January, 15. The Minister stated that it is essential to provide an efficient structure for conducting government at the local level since the county council system is no longer in place and the new regional corporations were not fully operational. 'Our task is to take government to the people, Mr. Valley said.' "

He recognizes the problems, Madam Speaker. I want to quote another news release, dated March 15, 1992:

"Minister receives report.

The Supervisory Committee appointed to review the Municipal Corporations Act handed in its report to the Minister of Local Government, Mr. Valley, on Friday, February 28, at the City Hall. The Minister expressed pleasure at the speed with which the committee submitted its findings. He said that technical staff at the Ministry would review the document to prepare an early submission to Cabinet and eventually to Parliament.

The Committee, headed by Management Consultant, Mr. Stevenson Sarjeant, was set up in January, to examine the Act and suggest amendments.

Other members included the Mayor of Port-of-Spain, Mr. Augustus Williams, Mr. Mulchan Seuchan, Mrs Debra Alleyne, Mrs. Merle La Croix, Mr. Oscar Blenman, Miss Hazel Rogers—"

Madam Speaker: I do not understand what that has to do with the bill.

Mr. Hosein: The point I want to make, as I have already said, is that there are a number of problems in local government which this House must address, in that it involves the expenditure of public funds. The Minister recognized this by setting up a committee. When one looks at the names of the people on the committee—they are very prominent people, both local government representatives and administrators, with a lot of experience. If we are serious about working on behalf of the people of Trinidad and Tobago, then one area that needs to be addressed and needs to be reformed is the area of local government.

Having submitted its report, my information is that the Cabinet rejected the Sarjeant report. Today Mr. Sarjeant is writing a report more to the liking of the leadership of his party. And we talk about consultation.

Mr. Valley: Madam Speaker, really, the Member is debating something else. But let me just correct him and inform him that no Cabinet rejected the Sarjeant Report, for the Sarjeant report has not been submitted to the Cabinet as yet. If he wants information, all he has to do is to ask a question. But we are not debating that. As I said, I am willing to listen to him for the whole night. But, please, could we get on with the business of the House, which is the Finance Bill?

Mr. Hosein: Madam Speaker, I wish the Member would not interrupt me so I do not have to make the same case over and over. As I was saying, the report was rejected.

Madam Speaker: I think the hon. Member was informed that that is not so. So maybe he might stand corrected.

Mr. Hosein: Madam Speaker, my information from Members on that side, is that the report was not to the liking of the leadership of the party and it is to be re-written, and Mr. Sarjeant alone is undertaking this job.

I find it passing strange that the Government which sets so much store on consultation in order to resolve the problems of this country, in order to ensure that the budgetary allocations are efficiently spent, should have a team of so-called experts and reject their recommendations, which in itself was a form of consultation.

Finance Bill
[MR. HOSEIN]

Monday, May 4, 1992

But you see, I am not surprised because I overheard the Member for San Fernando East, upon being asked by some Member on this side, when are local government elections going to take place, saying, "That is not important." So it is not on the agenda.

Mr. Valley: Madam Speaker, honestly, I enjoy local government. But could we really get to the Finance Bill?

Madam Speaker: Will the hon. Member really try, and proceed with the business of the hour, please! I am sure there will be a lot of time when he will be able to give his views on and espouse his cause of local government, but we are on the Finance Bill. You see, there is absolutely no relevance at all, and I think Members must be guided by the rule and law of relevance. It is a lot of latitude that the Chair gives to Members because the Chair knows that many Members are new and they are going to get their teeth into things sooner or later. But surely, this is going too far.

Mr. Maharaj: Madam Speaker, the other side came with all sorts of things, so probably what happened is that the Members on this side are trying to emulate the other side.

Madam Speaker: Would the Member please continue with the bill. Could he show us what provisions he would like to attack on this bill? I have noticed that the Member for Chaguanas has given a very positive contribution here this afternoon. I called her in to compliment her. I think many Members, on both sides, can emulate the Member for Chaguanas. The Member must stick to the bill and let us hear what his views are on it. He will have a chance on local government at some other time.

Mr. Hosein: Madam Speaker, local government allocations form—

Madam Speaker: Will the hon. Member adhere to my ruling! We are not on local government. Will he proceed with his contribution on the bill.

Mr. Hosein: You must forgive me, Madam Speaker, if sometimes I get carried away and I—

Madam Speaker: I know it is very dear to your heart and I am sure that you are going to have a lot of time to talk on it. I think you have a very positive contribution on local government and I look forward to hearing it, but let us, at this time, continue with the Finance Bill.

Mr. Hosein: Thank you very much, Madam Speaker. You must forgive me. I do apologize for getting carried away. I felt that I could take the latitude that Members on the other side took.

5.35 p.m.

My understanding is that an instruction has gone out to the local government bodies that allocations that they now enjoy, which they have for the year, are to be spent on a one-twelfth basis, in that you spend it on a monthly basis. It seems to me that much thought was not put into that. What you do with your allocation to repair roads—that deplorable condition that so many people are concerned with—to repair the bridges, to deal with the recreation grounds and cemeteries and what have you is that you normally use the majority of this allocation during the dry season when the results of the expenditure are more enhanced.

And it seems to me that in giving this instruction, that practice has fallen by the wayside. In the past they would do these works in the dry season as I said and in the rainy season they just coast along doing routine maintenance. And I wish the Minister of Local Government would pay cognizance to that point and probably advise the bodies that they could spend their allocations in a more appropriate and beneficial manner.

While I am on the question of allocations it seems to me that we still have not done anything in terms of releasing money for the repairs of equipment so that roads and recreation grounds would be repaired.

I want to make the point at this time that you talk to people in local government—and I am talking about the administrative staff, senior personnel. People who are doing cutlassing and what not are very frustrated and despondent because the public—

Mr. Valley: What part of the Finance Bill is he on?

Mr. S. Hosein: Madam Speaker, we are dealing with provisions that impact upon the life of the small citizen of this country. If you do not care about small citizens that is a matter for you. That is the same gentleman I must say, the Member for San Fernando East who stood up in this House and said who vex loss. And that speaks volumes.

Mr. Manning: Could the hon. Member please show me a copy of the *Hansard* report that indicates when that statement was made?

Mr. Hosein: You forgot what you said?

Madam Speaker: I do not know that we can go on like this, this back talking to each other, all night. Maybe sometimes we need to forgo little comments made in the House. Please continue, Member for Siparia.

Mr. Hosein: Madam Speaker most of the people of the constituency of Siparia fall in what is considered the region of Debe/Penal hence my concern so much about what takes place in this region. The condition of the roads is intolerable. What people have started to say is that if the Government cannot provide funds in order to get these repairs effected, but would provide them with the materials they would do it themselves. People are prepared to go that route. They understand to a certain extent that these are harsh economic times and yet, they would not hear a squeak from the Minister of Finance as though everything is all right or, that he simply does not care.

Distribution of water: A matter which I raised, truck-borne water, as early as February. No water has been flowing through the transmission mains because adequate provisions were not made to WASA and the distribution of truck-borne water, is a no go. Right now there are 25 bridges needing repairs in the constituency of Siparia. Absolutely no provisions have been made for those bridges. Whether it is oversight or deliberate one cannot say. Sammy and Boodoo Trace will each take \$1/2 million to be repaired. There are two other bridges, the Katwaroo and Boodoo Traces which will each take a \$1 million, given the fact that you have a development allocation of \$1 million.

Madam Speaker: I have allowed the hon. Member much latitude. As I comb through this bill I see so many areas upon which he can make positive contributions but he is meandering into courses that are byways, that are really not relevant. There are so many areas upon which the Member can make a very positive and meaningful contribution and I wish he would study the bill and make his contribution thereon. *[Interruption]*

Mr. Hosein: This is one Member of Parliament who prepares his own contributions. Madam Speaker, if we cannot raise the issues, the provisions of the budget and this bill we are debating as they affect the lives of our citizens, then they have to be squashed as being irrelevant to this Parliament.

5.45 p.m.

Madam Speaker: What is enshrined in the provisions of this bill very much concerns the life and affairs of the citizens of this country. It is just that what the Member is raising at this point is not relevant to the matter at hand. But he can make all his positive contributions on these matters in this bill here.

This is not a debate where one can just speak on whatever one wants. We have a specific bill under consideration. A certain amount of latitude is allowed by the Chair, but there comes a point when the Chair must try to direct the debate to the issue at hand. And that is what the Chair is trying to do at this point. Proceed please.

Mr. Hosein: Madam Speaker, in the Explanatory Note to this bill I see.

"These notes form no part of the Bill but are intended only to indicate its general purport."

For the life of me, if there is a provision in the bill with matters relating to WASA, I think it is incumbent upon me to deal with the matters of WASA as they affect my constituency and the country at large. This is all I am merely trying to do. The Finance Bill of 1992, seeks to incorporate into the laws of Trinidad and Tobago, the fiscal measures announced in the budget of 1992...

As I have said on several occasions, in the constituency of Siparia, WASA has collapsed. To emphasize that point there is an article in the *TNT Mirror* dated Friday May 1, 1992, and the headline reads: "WASA Comes to Lalbeharry Trace". It reads in part:

"WASA comes to Lalbeharry Trace.

The Press statement from Sandra Clarke, public relations officer of the National Commission for Self-Help, boasted that residents of Lalbeharry Traces One and Two at Debe 'will be celebrating in fine style tomorrow'.

What for? Oh, you'll never believe it...

The Water and Sewerage Authority was opening its mains and water will flow through "the taps for the first time since the village was established more than 20 years ago".

A village that is no more than a quarter mile from the main road, in this day and age. Embarrassment upon embarrassment, when WASA went to turn on the tap,

Finance Bill
[MR. HOSEIN]

Monday, May 4, 1992

despite knowing this ceremony was to take place two weeks before, there was no water in the tap.

We are supposed to come here or stay in the constituency and not say a word. Accept it. What makes it worse is that a great portion of the revenue on which this Finance Bill is based is derived from around that part of the country. The people in that area live in the middle of an oilfield, and for years they have stood there and seen the wealth of the country, the oil, being pumped from beneath their feet—they have absolutely nothing to show for it—a village surrounded by oil.

Six years ago, the road was closed by the local government authority. I requested the Minister to come because they say we come to oppose; that we do not have anything positive to say. I wrote a letter telling the Minister responsible, seeing that you have the LID Programme and the local government body does not have the allocation, would you kindly consider doing something under the LID Programme? I have had no response whatsoever and it seems to me that we come here and raise legitimate issues but the people in the part of the country of which I speak are not citizens of this country at all. Maybe they are animals but certainly not citizens of Trinidad and Tobago. I have asked several Ministers, based on the allocations of their Ministries to come and visit us so that they would see first-hand and be able to appreciate what the people in this part of the country, who pay taxes, have to undergo; and we could have funds allocated.

Come and see first-hand. We do not want you to think that we are exaggerating. It seems to me that we must come in this House and beg. That is the role of the Opposition. We must come and beg those on that side, in authority, to do the citizens of this country a little favour. Fix a road here; send a little water there; fix a little bridge there. They are not citizens of this country. The time has come when we have no intention of begging. We are not in this House to beg.

Mr. Valley: Madam Speaker, on a point of order. I wondered whether I could beg the Member to come back to the Finance Bill. I am merely concerned about finishing the debate this evening, or if he has nothing to say on the Bill, he can take his seat.

Madam Speaker: Is it that the hon. Member cannot make a positive contribution on the bill before us? He is making some very valid points with respect to local government and general issues. I think hon. Members must understand there comes a time when one must be specific.

This is a bill which needs some technical know-how. As I said, I should like to again draw the attention of hon. Members to the nature of the contribution made by the Member for Chaguanas. That is the quality and kind of contribution that is needed on a bill of this type.

I am sure there will be many other bills in this House, when the Minister will have the opportunity to raise the issues being raised now, but for the moment that is not the kind of contribution that is required on a bill of this type.

Mr. Hosein: Thank you, Madam Speaker. I will be guided by you.

The final point I want to make and which I hope gets across to those on that side, is that I, like the Member for Laventille West, won my seat by a very handsome margin. It is nothing to boast about. When citizens of the constituency of Siparia come to me, I do not ask them whom they voted for and I do not look at them and treat them racially.

Madam Speaker: We are not on a political campaign, Member. We are trying to deal with some technical points in this Finance Bill. Maybe, that kind of argument you can leave for when you have your meetings outside.

We are on a very serious matter with respect to this bill. I would again ask the Member to confine himself to the issue at hand.

Mr. Valley: Next.

Mr. Hosein: If you are running the House you must say so.

Madam Speaker: The Member for Siparia must note that it is the Chair who is running this House.

Mr. Hosein: I was not addressing you, Madam Speaker. I was addressing the Member for Diego Martin.

Since my presentation has not found favour with the Chair and the matters which I have raised on behalf of the citizens of this country have been deemed not relevant, I will take my seat.

5.55 p.m.

ST. ANN'S HOSPITAL—DEATHS

Madam Speaker: Hon. Members, I see that it is now 5.55 p.m. and I have given leave to the Member for Tabaquite to raise a matter of urgent public importance. I will allow the Member to do so now.

Dr. Carl Singh (*Tabaquite*): Madam Speaker, I really never thought that we in this House would have to raise a matter of this gravity in the country. I thought that the Minister of Health would have made a statement in this House. I do believe that there was a considerable degree of negligence where seven persons have died in a public institution in our country. There were 326 persons incapacitated. The gravity of the situation is felt even more when one considers that these persons died from conditions alien to what they were hospitalized for. They were psychiatrically disturbed patients. They were admitted to the institution, St. Ann's Medical Hospital, for treatment. Where they succumbed to an acute episode of gastroenteritis.

One wants to find out. Indeed, as I was coming to Port of Spain, a constituent telephoned me to find out if they were cases of cholera. This is the concern. We have whipped up this kind of anxiety in the country over the last three or four months, especially just prior to the Carnival season. We were lucky that not a case of cholera was discovered. Lo and behold, these people, in an institution for a different reason, have died as a result of acute gastroenteritis.

The weekly Press headlines read:

"Six Die in St. Ann's, 326 felled by food poisoning"

"Food Poisoning kills Six at St. Ann's"

The conditions of the health institutions of the country have been deteriorating over the last, shall I say 36 years? From the old PNM with the hiatus 1986—1991, and it continues to reach the catastrophic stage where seven persons have died.

I have worked in the Ministry of Health for more than 25 years and this is the first time such a report has occurred where so many lives have been lost. They were at the institution for treatment not from which they died. It is a shocking incident. In 1978, we area signatory to "Health for all by the year 2000", but with the present degradation and the catastrophic fall in the health service we are rendering, it may well be death for all by the year 2000.

Food poisoning is acute gastroenteritis. This precludes things like typhoid, cholera and the dysenteries. They are not considered in that category. Acute gastroenteritis can occur from chemical poisoning, for example, food that has been kept in containers that are contaminated, and after it is consumed, you can get acute gastroenteritis. This type of condition tends to occur within less than

1/2 hour from ingestion. This then tends to put this away. This is not the basic course of the present outbreak at St. Ann's Hospital.

We come to the second one which is the infective type of a diarrhoeal condition, particularly where food or drinks have been contaminated. The bacteria or the organism continue to multiply and grow. After ingestion, within 48 hours, it starts its diarrhoeal activity. You see, the problem with these particular circumstances is that these patients at St. Ann's are treated with different types of drugs, for example, the chlorpromazine group of drugs, which prevents vomiting and these people did not respond by their signs as the average person would. So, if they are taking things like chlorpromazine, they do not vomit, they do not respond like other persons. I am glad to see that the death rate did not cross the 300 line, because these persons just would have gone to their room or wherever and died and you would have said that they were sleeping and that is that. This tragic situation we have reached.

We have been talking about this health situation for donkey's years, if I may use the expression, but nothing seems to be going right. A couple days ago I saw from the bill where we are extending the San Fernando Hospital. We do not need an extension in San Fernando. We need a new hospital. That is what is necessary. We are crowding everything by extending 20 bricks and 4 galvanized sheets and saying here is an extension for 200 persons. That hospital was built for 400 persons. It is bursting at the seams with over 1000 persons today and you are extending it for 200 more persons. What are you doing? Spinning top in mud. We can build a prison for \$200 million to put people in jail rather than providing facilities for putting people to get better. This may well be an infective type where the conditions of the hospital have deteriorated, the basic equipment is lacking—refrigeration.

A toxin type of infection is another one that you may get—contamination of food at a temperature where toxin is produced and after ingestion, within 12 hours you are presented with this type of gastroenteritis. This points mainly to an infective type of gastroenteritis.

6.05 p.m.

So the writing was on the wall, written, yes, but nothing has been done to improve the situation. Earlier this year, when we spoke on the Variation of Appropriation Bill, \$72 million, approximately, was transferred from the health allocation to something else. This was not important.

Madam Speaker: I do not want to hinder the Member, but I think I would just try to remind him of the words “definite, urgent and public importance”. I think the hon. Member understood the reason why I allowed this matter to be raised in the House, because it complied with those conditions. So maybe he could just have some regard to those words, “definite, urgent and public importance”.

Dr. Singh: It is really definite, everybody agrees, it is urgent and it is in the public interest.

So the preventative measures were not put in place, and they are not taking steps to do so. What was the source of infection? Was it contamination borne in the food before it reached the institution? Was it a contamination that took place in the hospital? What is the state of the refrigeration set-up at the hospital: is it functioning? Is there an adequate water supply for basic sanitation? Are the food handlers at the institution certified as free from infectious and/or contagious diseases? This is an annual requirement. If you are selling doubles down the road, you have to get a certificate, an X-ray and your stool culture and then you are certified to sell doubles. Did these things take place at the institution, or is it ad hoc? You come and work and that is that?

Madam Speaker, I would suggest, very strongly, that immediate investigation be instituted by the ministry to pinpoint the cause, because we are not sure that cholera may not have been around, too, because the people are moving in and out of St. Ann's. So these are some of the pressing questions that come to mind concerning the death of our citizens who have been hospitalized for one condition and died from something else.

The Minister of Public Utilities (Hon. Morris Marshall): Madam Speaker, I understand that the P.A. system on the Front Benches on both sides is not working so I would request that I use one at the back.

Firstly, let me indicate to you, Madam Speaker, and indeed, to Members of this honourable House that I welcome the opportunity to respond to some of the issues raised by my colleague, the Member for Tabaquite, the shadow Minister of Health. I wish also to take the opportunity to inform you, Madam Speaker, that it was my decision as acting Minister to raise this matter in this House. That is definite. We view it very seriously, and the day would not have passed before this matter would have been raised in this House so that Parliament would have been provided with as many details as possible, indeed the country. A statement would have been made. I came prepared for that.

I want to indicate as well, that when I found out this morning that I was appointed Acting Minister of Health, I journeyed immediately to the hospital at St. Ann's, accompanied by the elected representative of that constituency, the Member for St. Ann's West/Port of Spain North. We met immediately with key officials at the institution at nine o'clock this morning. The Hospital Administrator, Assistant Hospital Administrator, the Medical Chief of staff, the Nursing Supervisor, Specialist Medical Officer. We met this morning so I could be brought up to date on what is happening.

I also summoned immediately the Permanent Secretary of that ministry along with key officials of the ministry and we met about two hours afterwards, at about quarter to twelve, at the Ministry of Public Utilities so that I could get some further details from them. Because—I concur with the Member for Tabaquite that the matter is in fact definite, that it is urgent and very serious. So I want to put that on the table.

What I propose to do at this time, is to provide you with a brief history, since this matter started and to give you, as well, the present situation and measures in place at this time. The information I have is that on Friday, May 1, 1992, at approximately 10.00 a.m., the infection control unit of the St. Ann's Hospital reported that there was an outbreak of diarrhoeal illness at the hospital.

In response to the situation, I am told that all departments of the hospital were put on full alert and relevant senior officers of the ministry informed. Investigations, surveillance and control measures were initiated by the Trinidad public health laboratory team. Additional medical and nursing personnel were called in and adequate quantities of medical and other supplies were made available.

At 12.00 noon today, Monday, May 4, 1992, the situation is as follows: Of the 326 cases reported, 192 have recovered, 127 patients continue to be treated and are improving. Seven deaths have occurred since the outbreak, the last shortly after midday on Sunday, May 3.

The following measures are in place at this time:

- (1) The institution continues to be on full alert;
- (2) Adequate medical coverage is in place at this time for all persons concerned;

St. Ann's Hospital—Deaths
[HON. M. MARSHALL]

Monday, May 4, 1992

- (3) Adequate supplies of medicines and other materials are, available at this time.
- (4) There is continuing surveillance by the infection control unit of the St. Ann's Hospital and the public health laboratory.

I wish also to inform you that tests have ruled out cholera as the cause of the outbreak. I want to repeat that—tests done to date, have ruled out cholera as the cause of the outbreak. Results to date suggest that this was an occurrence of food poisoning caused by bacteria of the salmonella group, as I understand it.

The occurrence is indeed very regrettable. I wish to take this opportunity to extend to the relatives of those persons who have died, and indeed all persons who are affected one way or the other, our deepest sympathy. The ministry is in the process of contacting all the relatives of those persons who have died.

An incident of this sort does not occur without reason, the Ministry recognizes this, and the need for improving the overall delivery of health care—the hon. Member for Tabaquite raised a few points in this area. I want to inform you, Madam Speaker, that the Government are fully aware of the problems in respect of our health institutions and over the past few months serious efforts have been made by the Government and indeed by the Minister—who unfortunately is out of the country—to address these particular matters.

Insofar as it relates to the St. Ann's Hospital, certain plans are already in place and efforts were put in place over the past few months to deal with some of the concerns at that particular institution.

I want to emphasize that the ministry views the matter with seriousness and concern. However, at this time, all the necessary reports from the tests and investigations are not yet available. Reports of post-mortem, blood and stool cultures and other relevant clinical tests are being put together.

The Ministry and this Acting Minister will provide this Parliament and indeed the country with a comprehensive report as soon as the data are obtained. It is my hope that we shall have all the information available by the end of this week and it will be presented to this Parliament and to this country.

We are extremely saddened by what has happened. After this session, I intend, myself, accompanied again by the parliamentary representative, to visit the institution once more and to be seized of the current situation and we will

keep the media informed on a daily basis as information comes to hand. We are not seeking to hide anything. Whatever problems have arisen, out of what has happened over the last few days will be addressed, and, again, I want to express the Government's sympathy and indeed my personal sympathy to all those persons who are affected. Thank you, Madam Speaker.

Mr. Palackdharrysingh: Would the Minister oblige before he finally takes his seat? I merely want to know whether the Government intend to launch a full-scale investigation into the matter and also with a view to compensating those who suffered loss.

Mr. Marshall: Madam Speaker, as I said before, I have requested a full-scale, comprehensive report from top officials of the Ministry. When I have that report, if I think that there is need for further investigation, that will take place.

FINANCE BILL

Mr. Raymond Palackdharrysingh (*Caroni Central*): Madam Speaker, I want to set my parameters right before I speak, because I do not intend to get into any altercation with the Chair. The only thing that I hope is that the laxity afforded some other Members of this House who have been irrelevant in so many areas might be afforded me.

I want to go back to the first few lines of this bill which state that the main objectives of this bill are to enact the fiscal measures announced by the Minister of Finance in the 1992 Budget Speech and to introduce other amendments of a fiscal nature.

What is the meaning of “fiscal”? “Fiscal” has to do with taxation. That the budget is still relevant to this debate, I take it that the documents that were given for study are relevant to the debate as well. I take it that pronouncements made by Members of the Government on matters pertaining to taxation are relevant in the debate and I take it that the macro-economic framework under which the Government have formulated their budget becomes subject to scrutiny and is relevant to the debate. So, Madam Speaker, having circumscribed my view on the matter, I hope it meets with your approval, because I consider some of the matters in the Finance Bill are amendments of a fiscal nature and do not really contain the most substantive part of the bill.

I wish to refer to the budget speech and look at a few matters raised by the Minister of Finance when he spoke. I look at page 12 of the budget speech in

*Finance Bill**Monday, May 4, 1992*

[MR. PALACKDHARRYSINGH]

which he indicated that there were three broad objectives in the medium term and those were:

- "(1) sustainable growth in the economy;
- (2) a significant and durable reduction of unemployment; and
- (3) the restoration of an adequate level of foreign exchange reserves.

The strategy for achieving these objectives would principally entail a substantial increase in investment and in exports. While investment would be encouraged in a broad range of sectors—agriculture, oil and gas, tourism and other services, construction, manufacturing—we shall give special emphasis to those sectors which have the leverage to generate substantial foreign exchange (oil and gas) or a considerable number of new jobs (agriculture and food processing). As far as exports are concerned, we must push beyond Caricom to the admittedly difficult markets of North America, Latin America and Europe."

I consider this part of the provision quite significant. But I also want to just refresh my mind on one or two other matters raised, so that somewhere down the line, I may not be ruled irrelevant.

I quote now from page 25 of the budget speech:

"Madam Speaker, as the entire national community knows, the party now with a popular mandate to form the Government has always expressed concern about the regressive impact of the value-added tax (VAT) in light of its application to certain items which we consider to be basic necessities. We have been examining the many aspects of this issue in the short time available for the preparation of the 1992 budget. As a result of this review, we propose the removal of VAT on books (except periodicals, journals and newspapers) and selected over-the-counter drugs. This action will result in a loss of revenue of \$18 million. Unfortunately, we could not take similar action for certain basic food items owing to the difficult fiscal situation."

Madam Speaker, I will come back to the budget at some later stage. One has to be always vigilant with the statements made by the Government. While there must be some admission that they have found a situation in which their hands were in the lion's mouth, one must not be misled into believing that the Government have any creative or innovative approach to meeting the needs of the people of Trinidad and Tobago.

The PNM during the session of the Parliament of 1986 to 1991, complained often, those Members who were here, of the state of the economy and also of the state of the human being in this country. They were complaining because they felt that the NAR Government was adopting an accounting approach to economics. They felt that at the end of the day what the NAR was about was merely to say, yes, revenue equals expenditure, in spite of a contracted national economy.

On their own admission they advised to go to the International Monetary Fund much earlier but the NAR did not seem interested in doing that because they felt they had the solution to the problem and that there was no need to go to the IMF. With the spirit and will of the people, they felt they would have been able to put the economy on growth on a sustained basis.

I just want to remind you that there was something that happened very significantly in 1987. The then Prime Minister had a National Clean-up Day and the entire population of this country responded. They were willing to lend a hand to do whatever work needed to be done. In that scenerio, the whole country was cleaned up and beautified. What I am trying to say is that in any economic scenario, unless there is the mobilization as well as the unity of a people, no plan could succeed and the nation would not go forward.

Then came 1988 in which the ruling party was smashed, and because the political directorate was smashed, the confidence of the people was lost. Therefore, all the economic plans and programmes could not be instituted. I make this point because those on the other side, with the exception of one or two, know exactly what I am speaking about for most have had some of the actual experiences of frustration. The point, is that we are going to present this budget, we hope it is going to work, but in the end it is not a manifesto or a constitution that is going to prevail, it is going to be the will of the people.

In a country study done by the IMF, with a view to assessing what was needed in Trinidad and Tobago, in 1988, some of the comments made were to the extent that they recognized that the new Government had taken office and that the recovery of the economy will be the prime concern, with the private sector playing a much more important part. The IMF recognized then, in 1988, according to that study, that Trinidad and Tobago had a good resource base, both physical and human, and provided the international economy remained stable, there was no reason why it should not resume growth.

You know that for about five or seven years there was no growth in the economy, that the GDP of this country was falling in spite of the claims and

*Finance Bill**Monday, May 4, 1992*

[MR. PALACKDHARRYSINGH]

counter-claims made by others that the real standard of living of people was dropping, that prices were increasing, that more and more people were being retrenched, that more and more people were living under the poverty line and that unemployment was escalating. Therefore, in a situation where the country was in a state of despair and despondency, nervousness and anxiety, the government could not function and had to go to the IMF. Everything that has been relayed in terms of a macro-economic framework by the NAR, now by the PNM, fits totally within the framework recommended by the International Monetary Fund.

That same survey—and I want you to listen, because you would see exactly what has been happening to some of the measures introduced in this budget. You are going to see that the IMF told the government of 1988 and the present Government seem to be carrying on, that:

- Government must reduce recurrent expenditure;
- that it must reverse the deteriorating trends in public finance by generating a surplus in its current account;
- that it must eliminate the domestic financing gap and place the public sector on a course that they should not go back to the Central Bank;
- that the Government must rationalize expenditure of transfers and subsidies, and must effect economies in its wage bill.

Those things happened and right now, you are seeing, if you look at WASA, there is a question mark on this issue about how to rationalize expenditures, that the burden of fiscal adjustment has fallen on Government's capital expenditure, no attraction of foreign investment, no new projects have started, no new necessary training and technical assistance.

Again, there was an attempt relayed by the NAR Government to bring about capital investment in this country. As I said, because of the unstable political conditions then, many people who had some savings preferred to have migrated and take the savings with them, and many of the other projects that were envisaged by that government did not come to fruition, things like the EPZs and whatnot, because they could not attract foreign capital.

Also, as we see today, we are, once more, depending upon the petroleum sector. And that is so because it would seem that the Prime Minister, particularly, and his Government have a fixation with petroleum as the most significant

economic activity to really turn the economy around. To that extent, we cannot say that there was any significant diversification in the country because nothing else seemed to have happened after 30 years of PNM, 5 years of NAR, and today the PNM again; and it is the same thing.

6.35 p.m.

We are caught in a situation where we are now finding ourselves, once more, returning to the doorsteps of the International Monetary Fund. We are also in a situation, as explained by the Minister in his budget speech of 1992, where the debt service ratio is quite high, some 30 per cent.

Mr. Valley: Madam Speaker, I wonder whether the hon. Member could just refer us to where in the Finance Bill, which we are now debating, there is reference to the debt service ratio and all of these sorts of things.

Mr. Palackdharrysingh: Madam Speaker, for the edification of the hon. Minister, I had said that. The first part of the document that is here—

Madam Speaker: Just for the benefit of Members, I am going to read again the "Powers of the Chair to enforce Order" from Erskine May's *Parliamentary Procedure*, 21st Edition. It is very, very useful:

"(1) If any Member wanders from the question under discussion, . . ."

And this is one of the powers I think under the Standing Orders but, as I said, we have been giving much latitude.

". . .the Speaker will interrupt him and remind him that he must speak to the question . If a Member persists in irrelevance or tedious repetition either of his own arguments, or of the arguments used by other Members in the debate, Standing Order No. (so and so) empowers the Speaker . . .to . . ."

We do not want to go into that kind of situation in this House. I just plead with Members to try, as much as possible, to direct their attention to the question at hand. We are creatures of the Standing Orders, and we are bound by the orders and rules of these Standing Orders, with a certain amount of latitude given by the Chair. I ask all Members of this House to understand that. Please let us try to restrict ourselves to the question as May tells us to do.

Mr. Palackdharrysingh: Madam Speaker, I recognize that what you have said is the ideal, but, in a debate, I also believe that the Opposition has the right of rebuttal. When the Minister of Industry, Trade and Tourism came and spoke

Finance Bill

Monday, May 4, 1992

[MR. PALACKDHARRYSINGH]

about liberalization, and that formed part of his contribution in terms of an ideological position, I think that that sort of right, while I am not seeing this in the bill—

Mr. Valley: The removal of the negative list is in the bill. That is what we are speaking about.

Mr. Palackdharrysingh: All I am saying is, what the Government have indicated as being some of our plans is really a plan sent down lock, stock and barrel by the International Monetary Fund, and that is why we must understand it. When you are dealing with economics, budgets, and all of this—and the hon. Member for Diego Martin Central also knows that a budget is an estimate of expenditure and the collection of revenues through fiscal measures, also enhanced by monetary matters. In that scenario, one has the laxity to look at the budget in a macro economic framework, and discuss it.

Mr. Valley: We are not debating the budget. That was debated in January.

Mr. Palackdharrysingh: Perhaps, I do not understand or he does not understand. What I am saying is, we are discussing the fiscal measures and the fiscal measures are in the budget speech. Except you want me to go through each of these matters in a tedious way and deal with the pros and cons of the specifics. If this is the case, I should try to satisfy the Government and now try to look at some of the measures.

Mr. Valley: That is what we want you to do, look at some of the measures.

Mr. Palackdharrysingh: I hope that the same yardstick that is used for me will be used for others. The time will come when all of us must be equipped with May's *Parliamentary Procedures* and must be free to keep up and see these things.

I just want to get back a little to the contribution made of the Minister of Industry, Trade and Tourism. He said that there was need to join the mega blocs, and he showed the necessity for doing so—changes were taking place in the world community of trade. This position is not new to us. As a matter of fact, we advocated the sort of posture from the point of view of vision during our election campaign, stating that the market in Trinidad and Tobago was too small, that the Caricom area with 5.6 billion people was too small and that the globalization of the economic activities in terms of mega blocs was necessary since we had a significant portion of our trade with the United States. I simply want to ask the

Government today, whether the dismantling of the negative list would bring about the sort of change that we hope for.

6.45 p.m.

If you look at the bill, you will see very clearly some of the issues raised specifically. But on a general note it was said that the Government is committed to dismantling the negative list; that the Government would, in fact, set up a committee to phase it out as early as possible. The Government has not said, though, exactly what is going to happen with the dismantling of the negative list in terms of imports.

As was pointed out, if we have to compete, we must do so in a situation where we are able to produce competitively. But we have recognized that over the last years the economy of this country was inflated, prices were high and the wage bill and wage structure were also high. Now, if you are going to open up the economy to international trade, and, hopefully, set a new trend in the nation, we are simply saying that, come what may, we want economic growth in the country. But do you know what that would mean? Today, because of the economies of scale and the modern technology of people in Japan, the Far East, the United States and, maybe, even because of the wage structure in some of the Latin American countries, it would mean that the dismantling of the negative list would lead to the flooding of our markets with very cheap goods.

Yes, they say they are going to put surcharge as a protectionist measure to protect local industries. But I am wondering how long that is going to take. If you dismantle the negative list, are you going to realize the sort of revenues to be generated from imports? I am looking at the *Annual Statistical Digest* for 1990. It is stated here that we import from the United States 39.1 per cent of our goods and services. That is a significant amount. We are now importing from Japan, the Far East and so on, and in that scenario, have the Government costed what we are going to import and what revenues would accrue in its fiscal measures so as to make sure that we are able to meet our recurrent expenditure and, of course, have money for developmental work?

It was nice to hear the Member for Diego Martin East talk about how much has been happening with the growth of the economy since the PNM came into power. The last quarter in 1991, the first quarter in 1992—sustained growth; and how much has been happening; how many schools, roads and bridges are going to be built; and though not in the Finance Bill, I thought it was important because he was saying that we are going to meet the needs of the people in a way that they

*Finance Bill**Monday, May 4, 1992*

[MR. PALACKDHARRYSINGH]

expected. But really he did not say where the money was going to come from in terms of fiscal measures. All that he said was that he was going to ask the Minister of Finance for the money and that the Minister of Finance would be the one who would tell him.

That is the kind of response you have from them. He spoke about LIDP—I do not want to get into the goodness or the wrongness of LIDP and the type of things that go on; they know. It is a very brutal and violent project. But, if the Finance Bill has to take the turn from now on where people in their arguments, have to justify the receipt of revenues from the fiscal measures as confining their concerns to the bill then I am afraid, Madam Speaker, you are asking the House to send most of its Members back to school to take a course in economics in order to come and talk on a Finance Bill here.

If you are going to talk about a Finance Bill that has, as one of its main concerns, the dismantling of the negative list, that bill has implications for us in the CARICOM region. If what you are going to do here in terms of the Finance Bill in which you are going to liberalize your trade, so that goods and services are going to come in without the sort of previous tariff or customs duties you had on them, it would seem that the path taken by the Government at this moment in this Finance Bill would have serious implications for CARICOM as a regional organization and for its survival.

Madam Speaker, you have to link what is happening in the domestic economy to your trading partners; and of course CARICOM is one of our trading partners. As a matter of fact, we have reached the point in CARICOM where it is a common market, which means that there is a certain measure of financial and monetary co-ordination that ought to take place. We have introduced the CET, Common External Tariff, but every now and again we see that we need to ask for some exemption for some goods that we are importing. What it is saying is that once we start the process of full-scale liberalization of our trade in this country, other organizations like CARICOM are going to take second place. It is a recognition that the kind of trust we want in CARICOM is not coming. That is very clear. Let the hon. Member for Diego Martin Central respond to that.

When the Caribbean islands were coming together, their first approach was more or less on a free trade basis. They would trade with one another and get rid of the customs duties and whatnot. It was not working and they went into what was called an arrangement in terms of a customs union, where they were thinking

about rationalizing some of the customs. Now, they even went further. So it was the process of deepening Caricom.

6.55 p.m.

But when you take a position, single-handedly in each country—because each country is still sovereign and there has been no surrendering whatsoever of any of that sovereignty—with respect to monetary and fiscal measures *etc.*, then you are beginning to understand that Caricom is going to fail. Because each particular unit, especially through trade liberalization, the dismantling of the negative list, and whatnot, is working on its own, that organization is on the verge of collapse.

All we are saying is that we care about Caricom, but you cannot have the type of organizations to knit some of the social, fiscal and monetary policies together. If you want to stay away from becoming a Haiti; from becoming a Guyana, because you see what has been happening, that will propel you. The Government have said it very clearly in this debate; that they cannot wait, because they are like little sardines in a world of sharks and they do not want to be gobbled up. Therefore it is the thrust to liberalization of the economy.

The dismantling of the negative list—and basically, this is what the Finance Bill is about, telling you what goods and services taxes are going to be removed from. That is all that is really there, little issues here and there. But the wider concern is, what is the future of Trinidad and Tobago with respect to economic survival? What is the future of Caricom? That is the big question mark.

So you see, at this juncture it is becoming very obvious to us. What has been happening, as I said, is that directives from the World Bank tell you what to do. For example, it is clear under the IMF prescriptions, that Trinidad and Tobago has been told that there ought to be some sort of payment by citizens for things like education and health. That is why you have things like CESS and whatnot. Up to today, the Government, in spite of removing VAT on books, they are not answering the questions of the students at the university in terms of the cost of education.

Mr. Valley: We acted on the Mount Hope medical students' problem.

Mr. Palackdharrysingh: Have you not read the report of the University Grants Committee and the Students' Association? Have you studied it? Do you want me to pull it out and read it for you?

Mr. Valley: Yes.

Mr. Palackdharrysingh: Madam Speaker, I am obliging. This is the University of the West Indies Report on the Committee on Tuition Fees, June 8, 1991. It says in terms of economic cost—

Mr. Valley: What year?

Mr. Palackdharrysingh: I just said, 1991.

Mr. Valley: Madam Speaker, I would make the simple point that the Government made an adjustment with respect to the Mount Hope fees. I thought he was talking about a report in 1992.

Mr. Palackdharrysingh: Madam Speaker, I am talking about the University of the West Indies, tertiary education. I do not know if the Minister misunderstood. He is just talking about one section of the university.

Mr. Valley: You are talking about the present Government. This Government was not in power in 1991.

Mr. Palackdharrysingh: But you made a budget in 1992, did you not? Did you address the concerns of the students raised by them in 1991?

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. S. Mohammed*]

Question put and agreed to.

Mr. Palackdharrysingh: Madam Speaker, I am very happy that my time has been extended, so now I am going to give him the details of the report.

Madam Speaker: The hon. Member may wish to give him the report, but I think the Chair has the right to direct that this is not relevant. Will the Member continue with the substance of the debate, please?

Mr. Palackdharrysingh: Madam Speaker, you are always there to rescue him.

Dr. Griffith: With great respect, Madam Speaker, could you call on the Member for Caroni Central to withdraw that statement. It is a serious aspersion on the integrity of the Speaker.

Mr. Palackdharrysingh: I most humbly withdraw that statement.

Madam Speaker: This Chair is not sensitive to comments of that type. Proceed, please.

Mr. Palackdharrysingh: Madam Speaker, I was raising the point—I am not going through the report—but I merely want to state the facts. The students of the University of the West Indies are very unhappy with the CESS, and nothing has been done. No fiscal measures have been seriously contemplated by the Government in the 1992 Budget to alleviate their plight—

Madam Speaker: The hon. Member was pursuing very admirably a little while ago, matters relating to Caricom, the Caribbean and the IMF affecting the region. I do not know why he is now meandering into irrelevance again. Continue in the same vein.

Mr. Palackdharrysingh: Madam Speaker, I was merely acceding to a request and since they did not want the report, I just wanted to lay the issue before him.

Madam Speaker: I merely want to assist and direct the hon. Member and I do so now. Proceed, please.

Mr. Palackdharrysingh: Madam Speaker, I was indicating that when we look at some of the economic figures that we have here, we see a situation in which the trading patterns of the world are changing. Even our trading patterns, as a country, are changing. I was making the point that Caricom was not as effective as it needs to be, simply because there was no harmonization of certain fiscal and monetary policies. But of late, not only that. You see, in our fiscal measures we raise revenue for some of our recurrent expenditure, and in some of those recurrent expenditures, of course, when you think about foreign missions, you are also thinking about situations in which you are going to place your foreign missions in such a way that your country benefits by getting revenues from the outside world.

7.05 p.m.

I think it is important to note that there has been a call by a very distinguished diplomat from our country, who has suggested that in order to capitalize on the trading patterns today, we need to look at our foreign missions once again. This gentleman is Mr. Carrington, who, I think, has a lot of experience as a diplomat and he has served in Brussels in some of the ACP organizations. And what he is saying is that the time has come for us to set up missions in Miami and Japan for

*Finance Bill**Monday, May 4, 1992*

[MR. PALACKDHARRYSINGH]

the simple reason that we are doing a significant amount of trade with these places and we do not have that sort of representation in these outposts that is necessary. It is necessary therefore that we look at that and I cannot understand why the Government would wait for public statements to be made like this rather than look at the reports every year, and evaluate them and make the necessary adjustments because too many of our diplomats seem to be in places like London and Washington, and we are not really receiving commensurate results from their posting in these areas.

On the other hand, while we are debating the Finance Bill here we cannot ignore the other Caricom countries with which we have established a bond for the simple reason that many of these countries, as little countries in the global picture, are sending their own diplomats abroad; therefore the overhead cost is so much. And there is the need for foreign representation to be made on a collective basis to be more effective. I hope that the Government would look at this and re-evaluate the returns they are getting from their postings of diplomats, be it in Washington, London, Canada wherever, and try now to do what is necessary in terms of the trading patterns. That is how I believe we are going to deepen our trading patterns with those countries with whom we have some measure of trade and perhaps better terms of trade than with some of our traditional partners.

Madam Speaker, that point has been made by Mr. Carrington and if you read the newspapers and just to quote the *Sunday Express* of March 29, 1992 the call was made for West Indian missions in Miami and Japan and now you have: "Too many embassies Carrington tells Caricom". So this is well worth looking at and it might very well be that the returns we are getting from the output of our own ambassadors, through no fault of theirs, might be very minimal and therefore it might be necessary for the Government to take a comprehensive view of the foreign ministry with respect to economic trade and policy and see where the terms of trade and the amount of trade are significant, so that we can put our presence there. Whatever we do at home we need the money and the Government seem not to have the will to do anything of the sort.

I am not too happy with what has been happening in the dismantling of the economy because I am already hearing too many people in small businesses crying out. Only yesterday, a small garment manufacturer called me and said, "Look, I am going to have many problems with respect to a type of shoes, and clothes because the competition from abroad is too fierce". The aim of the budget, while no one could deny the fact that we must at some stage, at least,

have to be in a situation where we can pay for whatever we want, there must not be a situation where there is only growth and no development and welfare. Unless the Government could state very clearly and identify and put mechanisms in place to help those small businesses, the rapid dismantling of the negative list would bring many a small businessman to ruin.

Of course, we will have growth. The Government will come back and say there is growth here, that, they play their part, like the Member for Diego Martin East talking about growth and whatnot. But what they do not consider is the human face in the country and I cannot hear a word on the alleviation of poverty of the masses of in this country.

I cannot with a clear conscience, merely talk about economic growth, because the distribution of whatever is to come to the people in Caroni Central, Laventille, or Point Fortin, wherever you have it, you cannot have it, the reason being, I am afraid that in the dismantling of the negative list, when the economies of scale come into being—because the big manufacturers are more effective in terms of production—they are going to wipe out the small man; and it is the big ones who are going to make the profits. So what you are going to have in a situation like this is a small clique becoming richer and richer, there is going to be a dwindling middle-class, and mass poverty at the lower level. No Member on that side could feel satisfied as he goes through his own constituency or as he drives through the streets, and sees many children who should be in school trying to sell some little commodity to motorists. That has to be a serious concern of the budget.

Madam Speaker, classical economics in terms of the liberal mode espoused by the Government, if it brings growth it is not likely to bring development; and in the midst of plenty you are going to have more suffering. The Government therefore, must state what is happening. Already we know the LID Programme—four or five thousand people as stated by the Minister—but we have approximately 100,000 people unemployed and at the same time, make no mistake, they have no policy on that. It is ad hoc so as to suit their own political fancy that even when I stand up for my constitutional rights I am brutalized by the PNM. Madam Speaker, that has to be an important concern but they know me—that will not intimidate me. I will go on and fight if I have to fight, even if I die, but I want them to know that this budget is going to be a terrible monster unless the human face is put on it.

Finance Bill
[MR. PALACKDHARRYSINGH]

Monday, May 4, 1992

7.15 p.m.

They must not only tell us about the banks that are making profits or the big businesses making millions of dollars. They must also tell us what is coming into the coffers to help those who are poor, dispossessed and disadvantaged. That is of critical importance to us.

There are so many issues which I want to speak about, but I do not want to make life hard for either you or myself...

Mr. Casimire: Would the Member give way for clarification? I am a Member of the PNM and I have never brutalized the Member for Caroni Central. So, if he is saying that he is being brutalized by the PNM, I would like him to state the exception.

Mr. Palackdharrysingh: Madam Speaker, I am so glad when I sometimes cause the dead to rise. What I simply meant was the heavy hand of the state. If he is offended, it was not intended. I would withdraw the remark, for his sake.

I was making the point on these matters. Today, it is clear to me that so many things have happened. That the original posture of the People's National Movement, under the late Dr. Eric Williams, was one of nationalism, building up state industries and trying to give the people of this country a sense of being in control. For some reason, it did not work. Many of the state enterprises ran into huge deficits and they could not continue. Today, perhaps, we are coming into full-scale.

I caution that the state of our country is not the best today. It has the potential for all sorts of upheavals, if not handled properly. People in this country would like to know—they are reasonable—that whatever resources are there would be so distributed so as to subserve the common good, and that they should not be exploited. What revenues are collected must be distributed throughout the country so that everybody would benefit.

In this context, with all the goodwill in the world, there is one main ingredient lacking. I am sorry that we have to come in here as 36 Members, and then we have to face each other as though we are in a war to make a point to get something for our constituencies. I am afraid that too many people prize that Westminster system as the be all and end all for their own—

Madam Speaker: I am sure that you would have a lot of time to speak about that in another forum. Will you confine yourself to the bill.

Mr. Palackdharrysingh: Yes, Madam Speaker, it is important. I am winding up, if you will just give me the chance. I have seen other systems, like in Jersey, that little country. You are not familiar with it. People have their politics outside, but once they come into the House, they are all part of the government and they carry forward. It is so near to the Westminster system, but so different.

Mr. Valley: Separation of powers.

Mr. Palackdharrysingh: Here, that is the kind of argument you hear, separation of powers, manifesto, this, that and the other. We have destroyed the potential goodwill to change this nation, but it will take men like us, on this side, to continue to fight and maybe, if we do not succeed, the time will come when future generations will see how foolish so many things in this Westminster system have been for us, and change the face. In the end we are going to have a good united community but the ultra conservatives on that side will have to find a place in the background.

Thank you very much, Madam Speaker.

Mr. Mohammed Haniff (*Princes Town*): Madam Speaker, let me at the outset point out that my concept, my understanding of this bill is really what hits the citizens of this country hardest as it relates to the budget which was presented by the Minister of Finance.

I have noticed in recent years that the presentation of budgets is so designed as to give an impression, which is unlike what happens in this bill. It is so different. Because most of the citizens of this country do not have the real opportunity to listen to the presentation and the debates as is taking place at this moment in this honourable House. What is the machinery at work at this time that would enable the citizens of this country to make themselves aware of the debates taking place. Of course, they can avail themselves, if they so wish by employing other means of getting information which is very tedious. We, as Members, may also take that responsibility, but I am referring to this day and age in this country when the citizens need to know, as far as I am concerned. I am hoping that consideration will be given to the television and radio stations and the press. Information is important.

We come to this House to debate a bill concerning what happened when the budget was presented and we are trying to implement it in detail. What are the details? They are very burdensome to our citizens. I did not support that budget. I am looking at the details as they relate to the citizens of Trinidad and Tobago,

Finance Bill
[MR. HANIFF]

Monday, May 4, 1992

and in particular the citizens of Princes Town, whom I have the honour to represent.

Hon. Member: For a short time.

Mr. Haniff: Yes, indeed. For a short time of five years, when I shall again demonstrate what a short time means. Perhaps it has become normal. Recently, we saw the arrogance of power in government. When they came in here in 1986, a certain amount of arrogance was shown to the citizens of this country. If the same attitude that is shown at present, continues, the same will happen again. I am going to be interrupted as regularly as they wish.

In looking at this bill before me, what do I see? Part V deals with increasing the fees payable in respect of the registration of clubs pursuant to the Registration of Clubs Act. I stress “increase”. Once you are going to increase the taxes on people, I am going to be no part of that in this day and age when the citizens of this country are suffering. I hope by now they will get the message in terms of how I will vote. It is my duty, responsibility and right to demonstrate to the country and to those opposite me who say they have the authority to govern. I remind them that I also have the authority to tell them about the sufferings of this nation.

One hon. Minister asked whether we are living here. I, on the other hand, with all due respect to him ask a similar question. Is he living here? Is he aware of what is happening? My impression is that he is not because we are talking in this day and age of further increases. I go on.

Part VI refers to increasing the fees payable for registering births and deaths. Are they going to raise the funds so that they will get them and we will be able to utilize them as proposed in this bill?

7.25 p.m.

I point out again that my contribution has to do with increasing charges on the citizens of this country. I say, with due respect, too high a percentage of citizens in this country cannot survive in the present situation, and I am talking about prior to the budget and prior to this bill. Since they have the authority to govern, if they think they are going to come here and ask us to support increases to the citizens of this country, and I refer to those who cannot afford fees for births and deaths, and get it, they are mistaken. How about if they cannot afford to pay the fees for registering a death, what happens?

I have been in consultation with some people. To start with, the process of paying those fees is cumbersome, time consuming and, as a result, leaves families mourning for days. This is because there are a number of different things to be done before you can get the opportunity to pay these fees. If people cannot afford to pay these fees, what next? It has started happening and it will happen more and more. The births and deaths will not be registered. They will leave the dead in the mortuary or wherever they are at the time and the state will become responsible for disposing of the dead. If people do not register the births because they cannot afford, what would happen? Then the citizens would not be counted.

What I have demonstrated only in Parts V and VI is that this bill seeks to increase charges on unsuspecting citizens of this country and they will hear nothing about this except those who will read the very small articles written, if at all, in the press and nothing in the *Guardian*, the television and the radio. I am saying that something is wrong with that aspect of what happens in this House. I am hoping that I will get accustomed over the months and years to what happens, why it happens and whether what is happening is right.

Mr. Mottley: Is the Member for Princes Town objecting to raising the little pittance that will be paid to the Registrars of Births and Deaths?

Mr. Haniff: I will choose whether and when I will answer that. Is it a pittance you called it? It is the very pittance that they are surviving on. Public assistance, in terms of pittance, what can one do with \$100 a week in this country, especially if you have some dependant relative? One hundred dollars per week will give you \$5,200 per year. It crosses the limit that allows you public assistance. Madam Speaker, \$100 per week is real pittance in this country and there are people who cannot afford it. We must find a way, and it has already been recommended that that sum should be increased. Perhaps, when those steps are taken we can speak in terms of increasing the registration fees.

I have listened to a number of things said in this honourable House today. I do not wish to continue seeing bills like this before me. This bill, coming from the background of my constituency of poverty and suffering, is telling me that the Government are going to put additional hardship on the citizens of this country. What I would prefer to see is an increase in employment opportunities. When we talk about increase, as I see it here, I would prefer to read, increase in employment opportunities, and things of that nature.

Finance Bill
[MR. HANIFF]

Monday, May 4, 1992

Tax free bonds, which is in here was mentioned by one of the speakers. I hope he can remember. I am under the humble impression that tax free bonds cater for a certain category in terms of earnings. No daily-paid person, who cannot supplement his income by other means, can afford anything in terms of tax free bonds. How about those who are not employed or underemployed? Extremely difficult. If you have daily-paid people who do not work, is it my fault? I want to tell you that if I have the responsibility, I would get them to work. Those who have the responsibility will not and cannot get them to function. Something is responsible for that. *[Interruption]* Let the same person who is raising that question answer it. Let me tell him that I have come from county Victoria and I have boasted—because he does not know. I hope he will eventually get to know what happens in the daily-paid service and in Victoria in particular. In terms of production in the local government body where I came from, I have been boasting for years about the productivity of those people. I hope he will see the usefulness of carrying out his responsibility as Minister of Local Government because he has raised the issue of lack of productivity.

People in this country will produce if they are encouraged to produce—if that hammer of insecurity is removed. What is happening is that people do not know whether their jobs are secure; they do not know whether they will work tomorrow; they do not know if they work whether they will get paid tomorrow. So we need to find a means of giving confidence to our people. Who has that responsibility? Those gentlemen and ladies over there who have named themselves Cabinet members, who have made themselves Ministers of this, that and the other—

Madam Speaker: I do not think it is really fair to say that any Member appointed himself Cabinet member. You were proceeding very well.

Mr. Haniff: Madam Speaker, you will agree that the reason for going off there is that hon. gentleman from Diego Martin Central interrupted me.

Mr. Casimire: I should like the Member for Princes Town to indicate whether he is serious when he said that no daily-paid worker would benefit from the tax free bonds. I can produce evidence to this House where daily-paid workers are the holders of tax free bonds.

7.35 p.m.

Mr. Haniff: Madam Speaker, that is why I raised it, with the hope that they would respond and demonstrate to this nation how daily-paid workers can take

care of their families with the pittance that they receive in terms of salaries and still go on to participate in the system of tax free bonds. But of course, they all need to supplement their incomes to survive. Some of them cannot send their children to school. I hope that the Minister will take the responsibility of demonstrating to this nation and this honourable House, that workers—not only daily paid, you know, monthly paid people too—in that lower range suffer similarly.

Unemployment relief is going well; someone said that. I hope that person knows that he said that. Is unemployment relief going well? Find out from the hon. Parliamentary Secretary in the Ministry of Works when he visited Princes Town, what he experienced in terms of that said relief.

Madam Speaker: Do not be moved by your colleague's urgings at irrelevance. Just proceed.

Mr. Haniff: Madam Speaker, my understanding is that if a responsible Minister can get up in this Parliament while debating this Finance Bill and say that the relief programme is going well, then my understanding is that I have the responsibility to tell him the contrary, if that is so, and I have evidence to prove it. So they will not lure me into any irresponsibility, I can tell you that.

So what happened when the hon. Member went to Princes Town at my invitation, not disregarding the fact that it took me about three or four weeks to get that appointment? I said in this honourable House in my first contribution, that we who were in local government, have managed to establish a sort of working relationship that crosses party lines. I have been having difficulty in terms of these relief programmes in Princes Town, but I have been constantly bringing it to the attention of these two gentlemen whose office I mentioned in my first speech.

I spoke with them up to today, and what is supposed to be happening and what the Government are saying is happening, is not happening in Princes Town. What will happen as a result is that the people who are searching for some relief and do not get it will start to react, because they have to survive as well. They reacted in a certain way on that occasion and I am not happy with that. I am not happy to see Ministers or Parliamentary Secretaries abused. None of us are happy with that. However, in certain circumstances it is difficult and/or impossible to prevent it.

Finance Bill
[MR. HANIFF]

Monday, May 4, 1992

What would happen, when that relief is not given to them, is that they would react on the other law-abiding citizens of the country. We are seeing and hearing that every single day. I am referring to the break-ins and the robberies and so on.

To this day I am patiently awaiting the implementation of that relief to the citizens of Princes Town and other parts of this country. I am talking about the criteria here and the philosophy and their plan of carrying it out. Because they were working on certain things. Those who had service to date continue to be told that they have no right in terms of their seniority. What are they to do? They have grown accustomed to that.

When we speak about unemployment relief going well, it is far from well: 3,500, I understand, per fortnight? How long would it take us to employ those who are unemployed even for 10 days which, you will agree, will remove their plight perhaps for less than 10 days when they receive that relief? If one is not careful, it may increase their problems in terms of people knowing that they have gotten paid and then now to pay their debts and that kind of thing.

With respect to the removal of VAT on books *et cetera*, the same Minister made mention of it and it is important. But I made the point earlier and I am going to re-emphasize it. Too high a percentage of people cannot benefit from this. The price of books minus the VAT at present remains the same in very many cases or it has increased. Perhaps there is legislation to control that, but in reality it is not happening. The second thing is, if this employment relief does not reach those parents, as little as it is, then they cannot benefit from the relief pointed out here in the removal of VAT.

By confession, the hon. Minister of Finance agrees that the collection of those moneys under the system is difficult and they are not happy with it, and therefore, they are trying to put in place the necessary measures to collect those funds. The system of VAT spreads equally across the board.

People in this country are suffering. They cannot buy biscuits; they have to pay VAT on it. I do not mind when I hear people laugh, because many people—and I am talking about Ministers and Parliamentarians—do not take the time to understand what is happening. But in this country, we are suffering and God forbid, there could be the kind of action we do not want. I have listened to the Member for St. Augustine plead with those across the floor, and as I said in my first statement in this House, I did not really come here for the bacchanal that I understand used to happen in Parliament and to continue that on a day-to-day and

week-to-week basis. It is my hope that the system will change and we will together understand what is happening with a view to bringing relief to our people and improvement to the quality of life in this country. I am hoping that that will happen.

I must emphasize that the local government system operated in such a way that with whatever little was being released, we had drawn up, out of understanding, a method of disbursing those funds equally in areas of those members of the county councils unlike what happens here. To what extent does any Member in the Opposition have a say in what is expended in their respective constituencies? I have no doubt that the system caters for that. I am asking whether that system is the correct system that we need, or whether, in fact, when an election is over and 36 people come here, there is some degree of understanding and pooling of ideas to run the nation and bring about relief and improvement.

Madam Speaker, time is running out and I promised that I would be short. But I could bet anyone I could take this bill in my humble way and talk for the rest of the week, because every item here, or a very high percentage of them affects the quality of life of our citizens, either positively or otherwise. The majority, however, affects them otherwise.

This bill seeks to increase taxation. Part VII would revise and increase taxes on motor vehicles. I will speed up Madam Speaker. Home owners and rent free occupiers—I have a number of questions to ask on that. I am stating that not one single Minister speaking here on this bill has fully clarified this issue. I am warning that this arrangement will allow for corruption in that system because people are going to find ways and means of beating it.

Madam Speaker, I was looking at this document marked *Review of Fiscal Measures in the 1991 Budget*. Permit me to quote from page 1, "Fiscal Objectives":

"In keeping with Government's economic policy of enhancing and promoting the welfare of the people of Trinidad and Tobago, the fiscal measures introduced in 1991, were intended to bring relief to sections of the society most in need. These measures required adjustments to both revenue and expenditure. The tax reform programme which envisaged further reductions in personal income tax and corporation tax in 1991, had to be postponed because of the revenue estimates and expenditure demands. This programme is expected to recommence with the improvement of the fiscal position."

Finance Bill
[MR. HANIFF]

Monday, May 4, 1992

I underline two sections of what I have read. The part where it had to be postponed; we are dealing with measures here. To what extent do we have some assurance that this will not be repeated? Because it had to be postponed and they are saying it had to be postponed until the improvement of the fiscal position.

In the circumstances, I ask, what productive systems have been put in place to improve what is happening today, compared to what has happened as reported in this document? I have heard certain statements made, but I am of the view that the machinery and the projects that they have spoken about, are not producing so as to create wealth. So we borrow and we spend on those developments and the money will circulate, to the extent it is available. But in terms of producing goods that we have been talking about, in terms of export, I have yet to hear enough discussion on what we are producing to export—I am not going to dwell on it too long—and to compete with the producing countries that have been in that business for many years.

To quote from page 2 of the said document, please, under "Taxes on Income and Profits":

"There was a net increase of \$250 million, or 20 per cent. Mainly responsible for this performance were taxes on individuals which yielded a surplus of \$234.3 million, or 35 per cent."

I underline:

"This was due to the low level of refunds made during the year."

"Low level of refunds" tells me, that the system of taxation which was introduced caused the Government to have to refund less than in previous years. We have grown accustomed to that system where we used to wait for that refund. I am not too sure how many of those across there, because of their financial position had to wait on it, but a very high percentage of citizens in this country used to. The system was changed and those refunds did not come, which means that the level of taxation was nearly as high. In certain cases you had less to claim for the taxation in certain cases. You had no refunds to get, so you had less disposable income.

Madam Speaker, I want to point out that we have the responsibility to govern and we beat our chests with that responsibility. But we have the responsibility to govern responsibly. I should have liked to deal—

Mr. Valley: Who is we?

Mr. Haniff: We, the Members of this Parliament and in particular those who are asking "Who is we?" He does not know that he has the responsibility together with his colleagues and us.

Mr. Valley: I know we have it, but I did not know you have it too.

Mr. Haniff: Of course, if you do not know, I want to tell you, that we collectively have the responsibility. That is my understanding of the system. If he is not in agreement with that, then he can keep—I was going to say "arrogate", I would not want to use that word.

Mr. Valley: Madam Speaker—

Madam Speaker: I think Members must learn to be less thin-skinned in this House. Proceed, please.

Mr. Haniff: I am going to remember that, Madam Speaker, because I find some people are rising quite regularly. Is that not a demonstration?

Madam Speaker: The hon. Member is also getting very hot and bothered over trivialities.

Mr. Haniff: I should have liked, Madam Speaker, to respond to the hon. Minister of Works and Transport, the Member who spoke concerning similar issues, among them, LIDP.

Let me tell this House that I had a delegation of citizens from Realize, Mandingo and other areas, with a proposal that we would do it in the legal way. We offered them the suggestion that we would pay no licences for our vehicles but we would use those licence fees to repair our roads if they would allow it. Because when we pay licences for our vehicles we are not getting our roads repaired. Or, based on the discussion I had earlier with the Parliamentary Secretary in that Ministry, we are prepared to do our part. We are prepared to put labour—we have no jobs to earn money to put into the very self-help projects. If we get jobs, we would put some in the self-help projects, but we cannot do that because we have no jobs. But we are prepared to put labour, we are prepared to drive the trucks.

I would prefer to hear about an increase in operations at the quarries, increase in the repair of the vehicles and equipment. I should like to hear discussion in that context, because I had promised—

Mr. Narine: Wrong forum.

Mr. Haniff: Tell me which forum I should say it in.

I had promised, Madam Speaker, to co-operate with these two gentlemen with a view to bringing about new ideas and new initiatives so that our roads would be in an improved condition, and you will remember what I said about that concerning using our labour.

SITTING OF THE HOUSE

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I do not have anything to tell the Member. I simply want to move the procedural motion. I beg to move that the House continue sitting until the end of this debate.

Question put and agreed to.

FINANCE BILL

Mr. Haniff: Madam Speaker, since, like everyone else, we are understanding the urgency of the moment, some Members on the other side who have spoken today will get away from me until another time.

Madam Speaker, I want to tell you, as I have indicated in my few words, I cannot support the measures mentioned in this document because they have to do with increased taxation which will bring about further difficulties to the majority of citizens of this country. I thank you.

Mr. Subhas Panday (Naparima): Madam Speaker, I will be short. I will precis what I have to say because some of my friends on the other side seem to have an itch and want to be relieved.

Madam Speaker, the most important statement which has been made in this debate has been a statement of the hon. Minister of Industry, Trade and Tourism, in which he indicated that the negative list would be disbanded. One must really look at the effects such an action will have on our economy in terms of immediate unemployment.

We heard from the other side that the negative list will be disbanded by year-end. But if one looks at the *Sunday Guardian*, May 3, one sees at page 15, he says that within two months from now we are going to remove the entire negative list, except for a few distinct areas like agriculture and national security. In other words, the list will remain for things like guns, weapons which are not allowed into the country and items subject to international agreements. I think that he was

probably speaking about the LOME conventions and international agreements concerning cacao and coffee.

Madam Speaker, he went on to give a history of and a rationale for the institution of the negative list in the first place. He said it was to initiate industrialization, and—hear the other one—to create employment; further, to create a situation for import substitution and to save foreign exchange.

Therefore, Madam Speaker, what had happened is that the Government of the day had intended that these industries would be developed for import substitution and to satisfy the local market. Consequently, having been given a signal like that from the Government—not only the signal but also the infrastructure which was given to the industries—one could see that the industries developed in a particular way to satisfy the local market. That is clear when one looks at the factory shells, for example, in Claxton Bay, one sees that along the Churchill-Roosevelt Highway they were of a particular size, and as a result these industries were unable to use the economies of scale in their production. When the Government remove the negative list, they are asking these same people to change suddenly, within a matter of two months, and go into that market and compete.

As the hon. Member for Caroni Central indicated, that we had a particular wage structure and our economy developed in a particular way because it is an oil-based economy; it developed differently from the other Caricom economies and these industries developed, as we say, to produce for the local market and they were protected. Wages are high, cost of capital is high. When we dismantle the negative list, what we will see is 99 per cent of the small manufacturing industries going under. The Minister of Industry, Trade and Tourism failed to indicate how many people will be going out of employment, and that is a very serious situation.

The hon. Member for Diego Martin Central indicated that we will use LIDP as a short-term measure to bridge the change. What I am humbly submitting is that because of the infrastructure so set up, we shall not be able to use economies of scale, and that is why they will go under.

Therefore, it is very necessary that our industries be protected for a certain period so that they may come out of that system. The Government themselves must set the tone, give them all the help possible so that they may be able to expand and use the economies of scale to survive. We are being lured by external forces to reduce, to do away with the negative list; and why are we being lured to do that? Why did we not get this a few years ago? Why is it that in 1984, 1985

Finance Bill
[MR. S. PANDAY]

Monday, May 4, 1992

we did not tell the manufacturers we intend to liberalize, so get your house in order? Why come yesterday, and say within two months everybody on the road?

The Government will be failing in their duty if they abolish that negative list without taking immediate steps to protect our manufacturers. What we would be doing is developing a situation here that will help foreign manufacturers. As we all know, in the United States they start with agricultural endeavours and they integrate, for example, corn—corn flakes. Industrialize. At some stage in that process, the same people produce the corn flakes and somewhere in that process the industry is subsidized. When we remove the negative list and we ask our industry to compete with them, we would not be able so to do. We would be putting many people out of jobs.

What the hon. Minister also said is that our manufacturers have been lethargic. He painted a picture of them as vagabonds and rogues, as being incompetent and inefficient; he spoke of low quality of goods and high prices and of making profits at the expense of the consumer. I do not have time, but I would certainly like to ask the hon. Minister to look at the Review of the Economy, 1991, and under the rubric of the "Domestic Economy", "Gross Domestic Product", and he will see the role and function the manufacturing Sector has been playing.

He accuses them of making exorbitant profits while producing low quality goods. I consider the arrogance of that Minister very unbecoming. I do not know if it is because nobody voted for him and he is not responsible to the population that he behaves in such a manner. And some of those who were voted into power behave like that too. Because I asked him, what about CTC? What about AML? What about the Prime Minister's Export Award? What you have been doing, then, is fooling them and giving them awards and then coming in the Parliament and casting aspersions on them. Those people must know that they voted for that wicked PNM and they have to pay the price.

Madam Speaker: Maybe the hon. Member can refrain from using such violent language in the House.

Mr. S. Panday: I will avoid it, but I still believe that they fit the description.

They must know that they are suffering, and they feel the pain because they voted for the PNM, because we shall reach the situation when unemployment will be so high, and it will come so quickly that we could expect things to happen which we would not want. In the simplest way, we may have goods of a high

quality and low prices, but many people will be unemployed and unable to buy them. That is the situation in which we shall find ourselves when we dismantle the negative list with such shameless haste—sorry, with such acute haste.

Madam Speaker: There is a book on Parliamentary language. I think the hon. Member might like to acquaint himself with that piece of literature.

Mr. Mottley: Madam Speaker, if I might just interject for one moment. I think it is the third time that the hon. Member is making allegations of withdrawal of the negative list with acute haste and so on. I let it pass several times. But that is just not so. I have here the loan agreement. It is dated January 25, 1990. It is stated here in very clear language about the removal of the negative list and I will quote here:

"Adoption of a plan of action, including a timetable for implementation satisfactory to the Bank, to eliminate not later than December 31st, 1991 the items..."

Mr. S. Panday: Madam Speaker, I bow to that explanation by the Member for St. Ann's East. But these are the problems which we encounter when we take our former bosses and put them in high positions. The Member for Diego Martin Central is extremely quiet. It seems to me that the Minister of Industry, Trade and Tourism is on a different frequency from the hon. Minister of Finance and Member for St. Ann's East, because he went on record as saying that the negative list will be disbanded in two months. I do not know if in the same Cabinet—

8.05 p.m.

Madam Speaker: I think it was in some newspaper report, the hon. Member would recall, not the Minister of Industry, Trade and Tourism. Some newspaper report had mentioned it. Sometimes, I am very wary of these newspaper reports.

Mr. S. Panday: Apparently, they are speaking about the same thing, but it is sad that he is not here to deny it.

Hon. Member: Until such time.

Mr. S. Panday: The hon. Senator also indicated that there is a method to protect certain manufacturers, putting certain tariffs on certain goods. It seems to me that the PNM is confused. The reason for dismantling the negative list is that that they will get high quality goods at a lower price; and yet the Minister is saying that to protect the local industry in certain cases, we will put a tariff. Will

Finance Bill
[MR. S. PANDAY]

Monday, May 4, 1992

that not increase the price of the goods? I wonder if that Minister knows what he is saying. We must encourage our manufacturing sector to go forward, especially the light manufacturing sector, because we know that they are labour intensive and they need to be helped. One would ask if the moneys derived from the tariff would be advanced to these companies to permit them to use newer technology so that they may become more competitive. We have heard nothing. It seems to me that when he said that they are going to put tariffs to protect certain local businesses, that was really a ploy, and the aim of those tariffs was merely to raise taxation.

Our industries are in a peculiar position. They still need to be protected. They say that we would be marching out of time if we reduce or dismantle the negative list. I ask them to take a cue from the statement of St. Lucia and Antigua, which said that in order to protect their own industries they will not implement the CET. Our manufacturing industries perform a very important role in terms of employment and the number of persons who will go out of jobs will be so high that we shall be in serious problems if we do not protect our industries.

When the hon. Member for Diego Martin was speaking, I asked him also: what effect that would have upon agriculture? The hon. Minister of Industry, Trade and Tourism said that national security and agriculture will be out of it, but under the General Agreement on Tariffs and Trade (GATT), they are doing the same thing in agriculture. America and Australia are on one side and they are saying to cut out subsidies from your agricultural products. Government must cut out subsidies. So eventually we who came from slavery and indentureship and have developed a particular pattern of development, will not be able to produce food at a reasonable price to feed the poor. And they would continue to flood food into our country at lower prices and drive our farmers out of the market. So unemployment will not only come in the manufacturing sector but also in the agricultural sector. We must view the dismantling of the negative list against the background of the GATT negotiations.

The hon. Minister of Agriculture, Lands and Marine Resources, the Member for Diego Martin West, said that Europe and Britain are locked horn to horn in the GATT agreement. What they are locked horn to horn for? The EEC cannot produce as efficiently as the American producer and they give subsidies to their own farmers. Our prices, according to the LOMÉ Convention, are hinged upon those prices that the EEC farmers get. There is a war between Europe and America on the issue of subsidy. We, in our small way as a cane farmers' organization,

went to the conference, and we sided with the EEC because our prices on the international market, according to the LOMÉ Convention, will be hinged, I think, two per cent below the price paid to the European farmers. When they came here they spoke about the global trend. We must march through with the global trend but we must not take the negative list in isolation; we must also take all the global agreements into consideration when we are viewing this exercise.

8.15 p.m.

So I would humbly ask the Government to review its position on the dismantling of the negative list. Maybe, what we should do—I think this adversarial position they have taken would do the country no good—is to identify, take company or industry by industry, and see if we can help them along and then dismantle the negative list according to our analysis of their position. I am certain that the Member for Laventille East will be experiencing very traumatic times in the near future if we dismantle this immediately.

Madam Speaker, as I said, I want to be brief. The other issue which I wanted to speak about which was touched upon by the hon. Member for Tobago West is the issue of CNG. I would not bore this honourable House with further quotations from the budget speech, but the Government, as I said, do not know where they are going. In the budget, as they say, we want to encourage people to use CNG and, they say in the final analysis, it will reduce the cost to the motorist. But before the breath left the nostrils of the hon. Minister of Finance, lo and behold, we heard the price of CNG was doubled. They knew full well that they were going CNG because the Member for San Fernando East said his car was the second in Trinidad that got CNG and that was in 1985.

The programme went down under and what we are saying is, that the moment they came back into power they jumped on CNG. When we attacked them in the budget debate and told them that we know they have friends in this area and that—I would not use the word “corruption” Madam Speaker, I would not use that at all—but we feared that something untoward was taking place, because they jumped suddenly to CNG. To ask a man to buy a new car at an exorbitant price and then ask him to pay \$8,000 or \$9,000 to convert to CNG—one thought something was amiss.

Why did you not tell the company to bring in new cars that were already converted? I would not say that indecent haste makes us suspicious, but it would make the ordinary man on the road suspicious. We do not know if they are trying to extricate themselves by suddenly doubling the price of CNG. In those

Finance Bill
[MR. S. PANDAY]

Monday, May 4, 1992

circumstances, the Government are sending mixed signals to the society, because announcing that they wanted people to use CNG and that costs would be low, it was an indication to the population that the price will be kept low. But lo and behold, suddenly, like a thief in the night, prices went up. But the excuse is—I am blocking the hole at once—that these are to establish gas stations.

In the budget speech, the Minister said that gas stations were going to be established and he knew the cost. Because their friends had a plant. They come now and say that the purpose for increasing it is to build gas stations. We ask the question: Are they willing to tell motorists that this is a short-term method, and after the gas stations have been built the prices will revert to what they were formerly? Or is it a “skull” they pulled on the people? The next question we ask here is: When people spend such large sums to put in CNG in their cars and the demand becomes inelastic, would you then hold them by their necks and pull the lasso and kill them? The people outside there are asking these questions. They cannot trust the Government, they want to know where they stand. And this is the "Caring Government". So that we ask these questions about the CNG and hope that by the time the hon. Minister is about to sum up, he will indicate what the position is.

Madam Speaker—the last point I will touch on is the question new foreign cars being permitted into the country. In the bill various taxes were imposed. I see, however, in the List of amendments to be moved which was just laid, I see something here on page ii:

"Insert after the item numbered Ex 8309.10 and corresponding entries in the second and third column the following items—Ex 8407.33 Used engines of a cylinder capacity exceeding 250 cc but not exceeding 1000 cc 20% "

It seems to me now that used engines will be permitted to come into the country. But in the budget speech the hon. Minister made a statement, at page 28, as follows:

"Motor vehicles will be removed from the Negative List (dismantling) with immediate effect. A measure of protection to domestic manufacturers will be provided while they make the necessary adjustments to their production process..."

Oh, no. Last two lines:

"some measure of control will continue to be exercised over the importation of used vehicles."

And that is the point I wanted to touch on:

I see here, in the List of Amendments, page ii, they speak about "used engines". I want to inform the hon. Minister that he said that when the negative list is disbanded we would get high quality goods at a low price. The motor car has been put off the negative list and I take this opportunity to indicate to them what happened to the price. So this idea that if we remove the negative list the price will go down is a fallacy.

Sentra 1.6 \$75,000, showroom price.

Sentra 1.5 \$65,000

Sentra 1.3 \$55,000

Mazda 626 \$91,000, showroom price

That happened, Madam Speaker, after the negative list was removed. That puts paid to the lie or the untruth, sorry, Madam Speaker, that when the negative list goes, prices will go down. Let us go down, Madam Speaker:

Toyota Corolla Sedan 1.3 \$66,000, showroom price

Toyota Corolla Sedan 1.6 \$72,977.50

Hatchback 1.6 \$79,638.10, showroom price.

Madam Speaker, Nissan March, which really only can limp along, \$42,000 showroom;

Mazda 323 \$52,000

Mazda 626 \$91,000

and the list goes on.

But for them who could afford it, for their friends who could afford it, a Royal Saloon, \$456,000; Super Saloon \$296,000; Cressida, \$185,000. So, Madam Speaker, what we see here is that in this country, if we permit the situation to remain the way it is, the poor man in this country will never be able to own a car. The Members of Parliament will never own a car, having regard to the loans that they give you of \$25,000—you will never be able to own a decent car.

Madam Speaker: I think the Member is embarking on irrelevance now. He was going well all along.

Mr. S. Panday: Madam Speaker, the question is, young graduates who are joining the Government Service now, with that same amount of loans and who are travelling officers, cannot raise the money to buy a car. The point I am making is that the Minister must find a way to permit used foreign cars to come into the country at reasonable prices, so that the poor man would be able to own a car.

8.25 p.m.

We must learn the lesson of Guyana. When the same situation developed and one person the named Eddie Grant, the singer, had to import vehicles, they were permitted to import foreign used cars to help out the situation. To say that safety reason are the considerations for not permitting foreign used cars to enter the country, is really trying to hoodwink us, because foreign used casing comes in for our tyres; our engines are foreign. They have papers—AM Marketing, UNICO. All over the country you have foreign parts. So for our old cars which are defective we could use foreign parts, but to import a used foreign car, we are not permitted.

I am certain that the Government can devise certain mechanisms to ensure when the car lands here, that it is up to the standard, otherwise, what one would see is that the poor man and even the middle income man, will never be able to own a car. So in those circumstances, I humbly ask the Government, to see a way to deal with the problem of importation of used cars.

Finally, they have been boasting about LIDP, but I want to inform the Member for Ortoire/Mayaro that PNM people in St. Mary's are complaining about discrimination against them. They are saying, that only known PNM canvassers are getting jobs. People who want jobs are getting jobs, but people who deserve jobs are not getting any, merely because they are not open PNM canvassers. It happened also in Naparima. There are people who have a lot of money; people who are working; people who are big cane farmers, but because they were known PNM, they are checkers, and they are getting two and three "ten-days" on a stretch. All they have to do is contact the PNM candidate in the area and everything is 'honky-dory.' The campaign manager of the Member for Naparima cannot read and write properly but they put her there to give out names. She cannot even spell the names of the people going out.

In closing, I want to say that if this negative list is dismantled in the way that the Government intends it, Caribbean Tyre Company will be the first example of many others to follow. Thank you, Madam Speaker.

Mr. Ramesh Maharaj (*Couva South*): Madam Speaker, I wish to assure this House that I would not be more than 15 minutes. I had planned to make a substantial contribution to this debate, but I think, having regard to what has transpired, that I would just make my position clear.

As you would have recognized, all the Members on this side decided to speak, with the exception of the political leader. It is because we have placed great emphasis on what we want to say in objecting to the measures. My contribution, really, will be limited to the general framework, the general policy, and I would also touch, specifically, on the measures relating to textile—fabrics.

We are very fortunate, I think, that the provisions of the Finance Bill have substantially been in force for a period, so that we could have ascertained whether there was the achievement which was projected in the budget speech of the Minister of Finance. In the budget speech, we are told that the fiscal measures which the Government intended, would have produced sustainable growth of the economy, a significant and durable reduction of unemployment and restoration of an adequate level of foreign exchange reserves.

There was also a lot of talk about stabilizing the economy and of the economy not being fragile, *etc.* We have had, therefore, the benefit of a few months, and it is very significant that the Minister, in his presentation—although I was not here when he spoke—could not have given this House any facts to show that even in the short space of time, any of these aims was achieved.

The reason why he could not have done that, I respectfully submit, is that the facts would show that there is no growth. The facts would also show that there is no reduction of unemployment. The facts would also show that there was no restoration of any adequate level of foreign exchange. I do not profess to be any expert in the field of finance, but I think I have a little idea of how it works. One sees the difficulty the Government have in going along with policies which were made, probably, for different kinds of societies and probably not really suitable for our condition.

Let us see whether it can really be said that the effect of these measures, either now or in the long term, would be for the public welfare. Very briefly, if it is said that removal of the negative list and taking steps to open up the economy—liberalizing it—would benefit the small man, whether he is a small businessman or a small employer, whether he is a small professional, whatever he is, let us see if it is said that he can import, because the whole purpose is to allow people to be able to import. And, if a small businessman wants to import, he cannot import

Finance Bill
[MR. MAHARAJ]

Monday, May 4, 1992

unless he gets foreign exchange approval. What is the system that operates now, and what is the system that will operate? Because there cannot be any guarantees.

According to the Central Bank's figures for February, 1992, the Central Bank foreign reserves, net, is minus \$721.5 million. So if it is that this would open up the economy for the small man to benefit, and to be able to import, where is he going to get the foreign exchange approval from? What would happen? Right now with the licensing system, they give the approval, but there are no funds. Which means that the rich man or the man who is able to have funds outside, can bring in the goods.

When all these things are achieved, how will the small businessman who wants to bring in some textiles and wants to compete; he wants to make shirts, skirts, dresses; he wants to be able to make a contribution to stop the suitcase trade, when he goes to the Central Bank, where is he going to get the foreign exchange if the Central Bank does not have? The licence would say, no funds.

So one sees that the measures, whatever measures they are talking about here, with the greatest respect, are to hoodwink the population to believe that it is for the public welfare.

Let us leave the foreign exchange and the foreign importing. It is said that these fiscal measures would open up the local economy, that there would be activity. How can there be activity when at the present position, the prime rate in the bank is 15 per cent; the lending rate is between 18 and 23 per cent? Is that not going to contract the economy? It has contracted the economy. So how is it that people in this society, on a local basis, who do not even want to import, but to start a business; to do something; how can they expand? So what you have is that you are going to contract the economy.

How do you get foreign exchange? One of the important ways in which you get foreign exchange is for investment to come from outside—foreign investment. Have we had any additional foreign investment since the year began? What amount? One of the ways, also, is for us to improve tourism. I support the Member for Tobago West. I want it to go down on record, I support her in what she said about tourism.

So one sees that we are really in a serious state of affairs. Therefore I think that the Government—and this is the point that the Member for Tobago West was making—owe an obligation to tell the country as it is. As I see it, these measures really are not in the interest of the public. What would happen is that the same

clique of people who control business, would transfer from one monopolist to another monopolist.

8.35 p.m.

Let me pass on, because I do not want to take much time. Let us take, for example, the textile industry. It is a fact that textiles were permitted to be brought into the country by a certain firm and certain duty concessions were given to that firm. Now over the years is that there was a lot of clamour. But that really and truly it was not a factory. They were not manufacturing anything. They were bringing in the finished goods and the small importer had to compete with these people who were getting certain tax concessions. If it is that the Government recognized this injustice and wanted to correct it, then obviously I would say, yes, let them correct it and say there is no need for anyone to get a licence; one can import.

Then again, we come to the poor man who wants to import the textile; he is faced with a situation where he does not have the foreign currency and the Government are not saying that they are going to permit the would-be importers to buy foreign exchange. Right now it is illegal. In some societies the government say yes, we recognize that you do not have it and therefore introduce legislation to permit that or close their eyes and ears to your buying it.

If I understood the Minister correctly, sometime on May 12, 1992, it is expected that the negative list will be dismantled and if it is not May, June or whatever; sometime. Now what would happen between now and then? Can the Minister tell us whether any machinery has been put in place to prevent any big importer of textiles from getting licences now, so that at the time when the negative list is dismantled he alone could flood the market.

We have done some research on that and if it is that at the present time a certain company—and I am saying this because it is public knowledge that of the two main textile firms in Trinidad and Tobago, one is owned by a top member of the other party. I do not want to call the name but it is known. There is the textile mill and there is Queensway, and what is going to happen if and when this Government dismantle the licence requisite with respect to textiles, is that only one importer had goods in this country and for a few months that importer alone would be able to distribute his goods—because it would be in demand—so that nobody else would be able to compete with him. Do you know how much money can be made by any particular person who is able to flood the textile market for about six months? Approximately \$10 million.

Finance Bill
[MR. MAHARAJ]

Monday, May 4, 1992

My point is that the Government cannot be serious with respect to these fiscal measures unless they tell the country what machinery they have put in place. If you abandon licences, you are going to radically change the system therefore, there ought to be some machinery in place so that the small importer would be able to feel that he would be protected. In effect, what these measures are going to do is probably transfer the monopolistic power, which at present is enjoyed by a particular company, to another company which may have interests in very influential circles. It is for these reasons, that we on this side of the House are not convinced that these measures can really produce growth, employment or restore foreign exchange.

One sees that if we really want to solve the unemployment problem, even with textiles—because there are two important things in a society, food and clothes. People need to buy clothes. If the system is free to the extent that the small importer can import fabric, it would mean that fabric would become very competitive; that is to say, there would be competition. What can happen is that the small importer can then, with all the seamstresses in our society, begin making shirts, pants, dresses, *etc.* The effect of that will produce the cottage industries, women would then be able to stay at home, keep the family together, still sew, still make an income for the home. What would also happen is that the suitcase trade in Trinidad and Tobago would stop. People would stop having to go out to get the goods and others from the Caribbean will come here to buy so that we would get foreign exchange.

With a proper attack on the problem, it would not only produce employment and foreign exchange, and keep the women in the home so that they could keep the family together but it could also in effect solve, to a great extent, the unemployment problem and keep people off the streets away from crime and criminal elements. But, you see, there is no serious need for these mechanisms to benefit the poor man.

I cannot really support measures which are just transferring the benefits of our society to another group of high people, the high economic group. That is why we say that the only solution to the problem in Trinidad and Tobago is for the economy to be in the control of the people. What we have now, is a promotion and a propagating of where the economy is going to be controlled by a select few.

I wish to thank this House very much.

Mr. Shamsuddin Mohammed (*Caroni East*): Madam Speaker, just like my colleague the Member for Couva South, I, in relative terms, will be brief in

my contribution. I think this debate has gone on up to this time because of the intervention in the debate of the Hon. Minister of Trade, Industry and Tourism. It is my respectful view that if we did not have that contribution from him we would have all been home a long time ago. The unfortunate thing about all of this is that he made fundamental statements involving this country and fundamental statements that departed from stated policies and pronouncements of the government which went back many, many years. And as a new member in the regime and in the Government I regret that he did not see it fit to remain in this House to hear the debate that is going on. He said what he had to say and went away.

We are faced with a situation where it is not a question of considering the Finance Bill *simpliciter*, as we say. Because of the contribution of the Minister of Trade, Industry and Tourism, we now have to ask ourselves questions; we now have to protect the interest of the public; we now have to bring certain issues to the floor of this House and indeed to the country as a whole.

8.45 p.m.

The hon. Member for Diego Martin West made his contribution but he is not here now. He referred to the PNM and the manifesto for the 1956 election, and inferred that all of those things were outdated and that what was being done now has to come in consonance with what is taking place in the global society. So that is a virtual abandonment of certain positions that were taken many years ago.

Mr. Imbert: For the information of the hon. Member, the Minister of Agriculture is out of the country on official Government business.

Mr. Mohammed: I thank my friend the Member for Diego Martin East for his intervention. I am now notified that the hon. Minister of Agriculture is out of the country. I wish to inform him and hon. Members opposite that today the House is owed an important statement from the hon. Minister of Agriculture because when he said that a meeting was being held on the 19th or 20th to deal with the shrimpers concerning their future with 160,000 pounds of shrimps, that is also related to this bill. So I hope the Minister of Finance would give a response on that particular issue when he is replying.

There is a situation where we are hearing fundamental pronouncements on the departure from stated policies, philosophies and ideologies. That is all right because it was admitted on that side that the country is now in the lion's mouth. That is what they have said. What is bothering me is that we have brought on this

*Finance Bill**Monday, May 4, 1992*

[MR. MOHAMMED]

situation. I do not even believe that there was a clear-cut pronouncement in the budget speech that we were going to do the things which were said by the hon. Minister of Trade, Industry and Tourism so soon afterwards. We have had no assurance from that side up to this time as to how we are going to handle this situation. What feasibility studies and consequences will flow from this new era that we are entering, as our speakers have said, by disbanding the negative list. Is this country in a position to face that type of situation?

Yesterday, the hon. Minister gave an interview to the press and I want to put in perspective, the gravity of his statement as it relates to the citizens of Trinidad and Tobago. I do not know what reaction my friend opposite has received with regard to this interview by the Minister of Trade, Industry and Tourism. I should like to know and I should like to hear the Minister of Finance say that he agrees with the statements made by the Minister at that interview as reported in the *Trinidad Guardian* of Sunday, May 3, 1992 and that that side collectively agree also. Let me just take two small extracts. This is page 15 *Sunday Guardian* of May 3, 1992.

"Well, at the end of the day my own belief is that jobs should not be created by Government. In other words, I agree with the arguments advanced that sustainable jobs are not really provided by Government. Government could only take short-term measures to assist in the creation of employment."

Historically one felt and I am not here to attribute blame, that public servants are not the right people to encourage business. So what has happened over the years is a host of companies, IDC, Management Development Centre, Export Development Corporation et cetera were created to replace the public service, so they could be seen as a private sector.

It is regrettable that over the years they really allowed the public service type tendency to creep into it so therefore, what I am doing is reviewing all of them. There is a strong possibility that we will have to dismantle a lot of them and create a more effective organization based along functional lines."

Is that the view of the other side?

Hon. Members: Yes.

Mr. Mohammed: Okay. Further reading of this article will clearly indicate that the Minister was saying that public servants are incompetent to run any business. Page 15, *Sunday Guardian*.

There is a situation where it is the intention of the Government as announced by the Minister here and as contained in this publication to dismantle a whole set of organizations within the framework of the Government. We have to know whether or not that is a good or bad thing. What steps are being taken to do that? It is the expression of a departure from the position held by the Government with respect to these organizations, whose virtues and values were promulgated so profusely in the past.

My friend, the Member for Laventille West is here with us at this time. This is what the Minister says to a further question asked of him.

"We have to address the cost of electricity and water. The cost of electricity and water is a main keep back, a main deterrent in attracting foreign investors."

On one hand, I read where the Minister of Public Utilities said he would try to keep the cost reasonable, but at the same time there is an application before the Public Utilities Commission for an increase in the rate, and the Minister is saying that one of the main drawbacks for foreign investors in this country is the high cost of water and electricity. So, how are we going to deal with this situation?

We have had no evidence presented to this House as to where we are going to get the foreign investors. Where are we going to get the capital if we remove the protectionist regime that exists at the present time with regard to our manufacturing industry? Will foreign investors come here with this high cost of water, electricity and labour? What evidence exists to show that they will be prepared to come here?

The fact of the matter is that if we have this trade liberalization programme and the disbanding of the negative list, what mechanisms do we have? We recognize what they have said about imposing a transition period but we have had no evidence presented to us as to how we are going to fill that vacuum. The Minister admitted that we have good quality products and good workmanship. Where is the evidence to show that we would be able to stem the tide and inflow of products and commodities from outside? How are they going to deal with or relate to the situation we have with regard to our manufacturers? How long is it going take? That is an important point when we speak of investors.

A long time ago we on this side told the public that the market in Trinidad and Tobago is relatively small. The market in Caricom is also a relatively small

market. The Minister made reference to and spoke about certain groups which are taking place in the world like the United States, Canada and Mexico forming a trade alliance. The Central American Market, the Andean Pact which includes Venezuela, Colombia, Peru and Bolivia. Brazil, Argentina, Paraguay, Uruguay are in another economic association. That is the kind of market we are talking about. Our position is that if you really want a substantial investor to come to Trinidad and Tobago, what is going to be the market arrangement? Is he going to come here with his plant, equipment and machinery to produce goods and commodities for a population of 1.2 million? Will the investor do it for a Caribbean population of 5.6 million, or, will he prefer having a market of over 200 million as between Canada, United States and Mexico?

8.55 p.m.

It is happening all over the world. You have these economic groupings taking place. Look at what Europe has done with effect from this year. The United Kingdom, the Mother of Parliaments and the Westminster system, has gone East; she has joined Europe where there is a market of over 300 million. Japan is now initiating steps to form an economic association in the Far East. Everybody is becoming conscious of the need. We do not know whether we can persuade investors to come here. We do not know where the capital is going to come from. Who is going to bring their investment here? How many investors have come to this country over the last five or six years? What steps have the Government initiated so far to encourage investors to come into this country? Or, is it a case where, according to the Minister, you have to do all of these things before you begin to get investors? What is going to happen to this population in the interim? This is a very fundamental point. If it is a departure from the past, if we are caught in the lion's mouth, at least this population should be informed.

The Minister comes and makes the speech and leaves, and that is how it might very well operate. He might well leave it to the people to speculate and ponder and wait on an occasional, spasmodic statement from somebody in authority as to what is happening. What is going to be the position of the fellow down the road with the little shop or the manufacturing establishment, when he sees these things coming in *ad nauseam*, and he has to compete with that? I have not yet said it, and let me make it perspicuously clear, whether it is good, bad or indifferent. It is the methodology of approach on the part of the Government that I am dealing with at this present time. It is something owed to the country.

Finance Bill
[MR. MOHAMMED]

Monday, May 4, 1992

We go on to look at another aspect of it. Assuming that this could make a dent in the existing situation in our economy, what we must look at is what we are doing to help this situation. It is my respectful submission to this honourable House that one of the most effective ways we can deal with the problems we are having with unemployment and foreign exchange is in the sphere of agriculture. Only a few days ago I raised a matter in this House. When I raised it, it was a question of eight vessels. We are here today and the numbers have increased to almost 13 vessels that are bringing their loads of shrimp to the port—the hoppers.

I can well understand the intervention of the Member for St. Ann's East, having regard to his history of hopping. I do not say that in a derogatory sense, because he won a medal on behalf of Trinidad and Tobago, for which he must be applauded. Having regard to the fact that he has such a close affinity with hoppers, I suppose he would understand very clearly the plight of the hoppers that come in a frozen situation down at National Fisheries, and take some steps to alleviate the hardship and the plight that the owners of the boats are suffering at the present time. The future is bleak for these people. Those boats went out and now are coming in. They want to know what is happening. Are they to go back out? The fuel and taxes you have spoken about in your Finance Bill, what are they to do? They have to get an assurance. I have asked my friend to make a statement because these people want to know what is happening.

So in the whole arena of agriculture, it is my respectful view that agriculture holds a very important position in helping this country to stabilize itself and to move forward. If the hon. Minister of Finance were here he would readily admit that there are hardly any fundamental provisions in our budget allocation; no clear guidelines, policies and so on, with regard to a programme for agriculture. While we admit that some provision is being made, according to the statement from the hon. Minister of Industry, Trade and Tourism, to deal with agriculture, we have had no explanation as to how this will be translated into action.

One would recall that, just a few years ago tomatoes were coming in from Miami. They were getting their tomatoes there at 10 cents a pound. Right now there is a glut on the market in tomatoes and many of our vegetables. One would like to know how this kind of issue would relate. Tomato paste and other things can come from outside. Many things do not come now, but we do not know to what extent the protection in agriculture will be given. We just have a bald statement with no details being given. What I am saying, and we will debate this

on another occasion, is that the whole area of agriculture constitutes a very potent way of dealing with the problems of this country.

We need to tap the resources of the sea. The portfolio of the Minister of Agriculture includes marine resources. What are we doing with our marine resources? We do not have a proper boat-building industry. It is spasmodic, left to the individual. We have no facilities for the fishermen along our beaches; we have insufficient cold storage facilities for them. They do not have water, toilet facilities or anything of the kind. They need education, training and help. That is an area in which we can create employment, with a proper boat-building industry and creating the facilities to give dignity to the fishermen of this country. In all spheres we can do it. All the fishermen and the farmers need to be encouraged so that they can make their contribution to help to pull this country out of the situation it is in.

I hope that my friends on the other side will give some cognizance. This is not confrontational; this is not to score political points on the Members on the other side. We do that outside. The idea is we must draw certain things to the attention of hon. Members.

9.05 p.m.

The Member for Diego Martin West—and this is to support what I said earlier on—said that the manifesto was not written for 1956, now we are already in IMF hands, in the lion's mouth. He dealt with the question of the General Agreement on Tariffs and Trade

The Member for Diego Martin Central said that if we cannot produce, the consumer must have the right to get the commodity elsewhere. He admitted that the Caribbean market is too small. He said that he knew that public servants are happy. I do not know how the Member for Diego Martin Central could make a statement like that. Maybe he knows a few of them that are happy, but I know many of them who are unhappy. I suppose he was making that argument in the context of some increases that were due to them or given to them.

People have been trying to get their moneys, people have been harassing the Member for Laventille West in his capacity as Minister of Public Utilities. I passed through the old police traffic headquarters a couple of days ago and I saw human beings like animals, one on top of the other, hurling abuses and insults, trying to get money. Public servants get more money, yes, theoretically, but I am instructed that they are not happy at all. I do not know what is going on, but for

Finance Bill

Monday, May 4, 1992

[MR. MOHAMMED]

the Member for Diego Martin Central to make a categorical statement about public servants being happy, he is probably speaking about those that he knows but he must go out there, too. Do not be complacent and say that they are happy. With all that is going on you are happy? Are Members on that side happy? They are scoring political points and saying that they are happy, when I see people climbing on top of one another to get some kind of COLA that they have. How could you be happy in that scenario? Do you think you could be serious there?

I was happy to hear him say that they are going to bring the anti-dumping legislation shortly. That is very good. We are happy about that. We need to have legislation on monopolies, unfair trade practices. Let us hope it will begin something in the process of bringing things up to order. We have archaic laws existing in our system. I hope that will be the start of things to come and as those fundamental points have been taken, let us move to educate the public and bring the concomitant legislation to make the thing work and operative. We should just put aside statements like public servants being happy. I reject that.

My very good friend the Member for Diego Martin East, and I do not think I could ever become annoyed with him, Madam Speaker, quite a different situation with respect to the Member for Diego Martin West. My friend the Member for Diego Martin Central, he is like central, he is in the middle. He made a statement and I want to tell the House that no police station has started at San Juan. That may have been a statement that was made some time ago. He said that LIDP was causing Members on this side some problems. That is true. I can tell you unequivocally that it is causing problems for us on this side and I am glad to hear that the LID Programme is not causing problems for people on that side. Maybe there are reasons for that, I do not know. I am glad to hear that.

The hon. Member has said that LIDP is improving productivity. If it is used in a comparative sense, I do not know. I am not in a position to ascertain that. But at least I would accept the comment from the Minister about productivity. He illustrated it by giving one instance: Regular gang of LIDP workers, 90 barrows of concrete. I do not know what they mean by 90 barrows, how many men were involved, what was the comparative thing in the past, what is the average amount they are supposed to do.

Mr. Imbert: If the Member would give way. Ninety barrows of concrete is roughly equivalent to two and a half truck loads of concrete; 14 men in one day.

Mr. Mohammed: I would not dispute the word of the hon. Minister. I am in no position to assess whether 90 is an adequate amount for 14 men in one day or whether it is 50 or 200. However, I will accept what he has said, that productivity has improved. That is important.

We are also glad to note the projects the hon. Minister has mentioned that are due for construction. I am happy that he has admitted and fully realizes, apart from the EPZs, which they are so elusive about, that construction provides one of the most effective ways of easing your unemployment situation. I am happy about that and I trust that will be taken in cognizance, and let us hope that when this programme starts and so on—the prison, they had some chaos there, same kind of thing to register and recruit people and all these things and so on. I hope the system and the principle of equity will prevail in the area of job selection because it happens to be on the periphery of my constituency.

Madam Speaker, I do not agree with my friend the Member for Diego Martin East when he said that they set about their business on that side with no fanfare, no flim-flam. A poor little dragon perched on the roof here has so much flim-flam in it and the Minister is telling me they do not engage in flim-flam. Madam Speaker, I do not agree with that.

Mr. Imbert: Madam Speaker, I must thank the hon. Member for giving way. When I made the remark in question, I was talking about the Minister of Finance who has been doing his work quietly without fanfare and flim-flam.

Mr. Mohammed: No, my friend, the Member for Diego Martin East used "flim-flam" twice, but in keeping with the principle of collective responsibility, I think that will be said collective responsibility, I think you will be said for everybody. So as far as you are concerned, there is flim-flam. I see the hon. Member for Diego Martin East as a star boy on TV almost every night, opening this, opening that here, there and everywhere. I congratulate you. Politicians have to engage in flim-flam and I suppose having regard to the experience of the Minister of Finance, he was in the Senate for some time; he is now getting accustomed to what elective politics is. So if you do not have the penchant for some flim-flam, you cannot work in the political arena.

I am glad that at this hour we can still have a smile in the Chamber. All these are replies I have to the contribution, but I think that is enough. I thank the hon. Members and I congratulate all my colleagues here for the contributions they have made, and all Members of this honourable House. This has been an important

*Finance Bill**Monday, May 4, 1992*

[MR. MOHAMMED]

debate, especially in regard to what I have said about the intervention of the Hon. Minister of Trade, Industry and Tourism; and there is much more that needs to be said. The Government have to do much more with regard to those fundamental statements and we have to take the public of this country into our confidence and if any of these programmes have to work, it must take that into account. The other area of our economy that we have to look at is particularly the area of agriculture, as a job-creating entity and also in respect of foreign exchange earnings. Thank you very much, Madam Speaker.

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, the hour is late and I will attempt to deal with what has been said without too much flim-flam.

There were several points raised by Members opposite. There was one substantial one which I will leave for later and perhaps deal with some of the other items. It was the Member for Oropouche who raised the question of the Central Bank's reports not being available to Members on the other side. I am not aware of this. The Central Bank regularly publishes data in the *Gazette*, as well as its monthly reports, which are sometimes late, but I think the figures certainly for March are now out and are available. So I just wanted to let hon. Members know that.

In addition, there were some questions raised about rescheduling and what our intentions were. I want to clearly state that the Government have no intention of rescheduling the debt. There is a distinction between refinancing and rescheduling. At the time of the budget we mentioned that there was \$612 million to be serviced in 1992, and that in order not to radically deflate the economy, which is one of the fears coming from hon. Members on the other side, we took the decision to raise \$100 million on the Euro-bond market, and therefore, we would not have to haemorrhage our own domestic resources to the full extent of \$612 million, but would refinance \$100 million of that by, so to speak, an in-and-out transaction. You borrow on the Eurobond market and you take the proceeds to deal with some of the debt, thereby not having to haemorrhage the full extent of the \$612 million to repay debts abroad which would have had even more severe consequences for levels of liquidity and unemployment in this economy. That is one of the steps outlined in the budget which we are taking at this time.

Now, it was the Member for Tobago West who raised questions about the IMF in this connection, when she asked what the IMF was doing in this regard. We are making the preparations to do that Eurobond issue on the international capital

market. Trinidad and Tobago has not been on the international private capital market for many years now and before you go to that market, preparations are necessary. It is in that context that there is consultation with multilateral financial institutions, because they are the recognized experts in the market, so to speak.

As you prepare to go to the private capital market, your financial conditions are scoped out by potential investors and a call will go from a particular bank to the IMF, especially to the IMF, and the gist of the query is, how sound is Trinidad and Tobago? How are they managing their resources? Are we likely to have our loans repaid, should they be granted? That is the help that we talked about. No conditionalities, but it does mean that the IMF has to know how our business in Trinidad and Tobago is being run and, therefore, they, on the strength of that and being confident that your affairs are being well managed, can vouch an opinion to a query that will most certainly come prior to the raising of that money.

In fact, the IMF can be of considerable help to Trinidad and Tobago in a very practical form, because should that money not be raised, the consequence is that we would have to meet those debts in full, with consequences for every single Trinidadian and Tobagonian, because it would mean far tighter liquidity, possibly more business closures and certainly more unemployment. So I thought that I would give that explanation to Members of the House.

Rescheduling, however, is an entirely different matter. That is when you obviously cannot meet your debts and you go out and you meet among your creditors and you beg for time to postpone your debts and so forth. We are not doing that. We are at pains, often, to make that statement.

It was also the Member for Tobago West who asked for further assurance on the exchange rate parity. I do not know if it was that she, due to illness, had not been in this House at a time when these assurances had been given. I will, therefore, merely refer her to *Hansard* on these matters.

The other questions raised were questions relating, again, to debt. It was the Member for St. Augustine who had a private agenda for the hon. Prime Minister, the Member for San Fernando East, in his upcoming discussions with the President of the United States. He was pressing an agenda of debt forgiveness. He felt that—and he correctly interpreted—the budget had sought to stabilize the economy in the short run: There had to be tough measures; there had to be increased taxes, all of which are incorporated here in this bill. But he was looking for some ease and a reflation of the economy and that he felt could be considerably eased by debt forgiveness.

Finance Bill

[HON. W. MOTTLEY]

Monday, May 4, 1992

There is no faulting his logic, but we must look at the reality of the situation. It was only last week, in Washington, as the head of a constituency of developing countries, that we pressed our case for debt forgiveness. We in Trinidad and Tobago chaired a constituency that included Brazil, Ecuador, Colombia and the Philippines. The joint view of the constituency was that there should be wider debt forgiveness.

We pressed the point that Poland and Egypt had been given massive debt forgiveness. But the United States made the point, quite openly, that the matter of debt forgiveness relating to those two countries was based entirely on political considerations: Poland, because of her lead in coming out of eastern bloc countries; and Egypt because of her crucial role in the Gulf War. They made it plain that there may have been a precedent in granting debt forgiveness for these countries, but that did not mean that it now became a rule. They clearly stated that they were not going to apply those similar terms elsewhere.

So we will continue to press our case and I am sure that the hon. Prime Minister heard the pleas of the Member for St. Augustine. However, Members have to realize, as I will make more obvious as we go along, that we live in a world in which we have to know the currents of political and economic drifts, so as to know what are our chances of success, or not, and certainly not bank and place expectations on the population or even cast them into our budget expectations that may not, in fact, be realistic because of prevailing more major circumstances, especially political circumstances.

Madam Speaker, there were questions raised about textile matters and why, in fact, we should not seek to protect the textile milling industry, the making of cloth, rather than seeking to go the other route of trying to encourage garment production. Perhaps I could follow the drift of the hon. Minister of Industry's intentions more clearly, having served in a former government as Minister of Industry. During that time, the case was very strongly argued for even more protection for the garment industry in a particular way. I, in fact, acquiesced to a certain amount of further protection for the local garment industry, because it was argued that there would be massive job creation if that was done. At the end of the day, when you added up the numbers, it did not happen.

Then, under another government, Minister Ken Gordon was pressed in the same direction and he acquiesced even further and there was virtually total blanket forbidding of imports of garments. That led to an even more massive

suitcase trade at Piarco and the possible corruption of all sorts of officials, and a trend which made the situation even worse.

Now, the current Minister is taking a new direction. It is a new direction in which we have high hopes of success. Always there are risks, but it is clear that the previous directions have not provided the results that had been expected, and therefore, it was time for a change in policy, rather than pressing even harder in directions that have proven previously to be bankrupt. What is being done now, he is saying, let us move in the route of wiping out all duty free concessions for the import of textiles and let us reduce the tariff, remove the stamp duty and reduce the tariff immediately to 10 per cent, and once our Caricom brothers give us permission, reduce it further to 5 per cent. That would have the effect, hopefully, of cleaning up some of the problems relating to import and we would turn all of Queen Street and High Street into massive fabric warehouses.

In that situation, we would avoid the inefficiencies or private warehouses under customs bond in individual factories where, for instance, if you brought in certain bolts of cloth and they proved not to be fashionable, you were stuck with it; you did not pay the duty, you could not sell it on the open market, there would be severe problems of re-exportation and so on.

In those circumstances, you could get fabric cheaply, widely available, you lower your individual factory inventory costs, you cut the fabric in the factories and you farm it out to individual households, or even using the industrial cottages put up by the last government, where you group a number of women with sewing machines close to their homes and you begin stitching. In fact, the idea is that we may, under those circumstances, be able to reverse the direction of the suitcase trade. It is a novel approach, one in which we have hope. There is some risk, but we feel that that may be the only answer, the solution to the garment trade in Trinidad and Tobago. It is worth the effort to try.

I go on now to perhaps the major and most serious contribution made by several Members on the other side. It is something that we have listened to with great care; it is a very serious matter that they have raised concerning the industrial policy of Trinidad and Tobago as raised by the hon. Minister of Industry, Trade and Tourism. Frankly, I thought the thought and care and concern that went into the deliberations from the other side on this matter were serious, far-reaching and deserved comment and answer from us.

Finance Bill

[HON. W. MOTTLEY]

Monday, May 4, 1992

I should put it in some perspective in that we have to understand, as with the Poland and Egypt story, that we are a little fry swimming in a large ocean. There is a radical shift in direction in world trading to the extent where structural reform, trade liberalization is the buzz-word and there is virtually no country in exception to that at this time. So that if we chose to swim in another direction, we would be swimming solo. Not that that is an argument in itself, but I just raise it for Members' notification. Even to the extent where now the countries of the former Soviet Union are signing up pacts such as we have entered into with the World Bank and so forth.

So that the countries that we might have normally allied with in fighting measures such as this 10 years ago—Mexico, Venezuela, Brazil, are now in the vanguard of the movement in the other direction. That is point number one. But the question is: Irrespective of where the herd is going, can it be of benefit to Trinidad and Tobago to go in that direction?

Just again for the edification of the House, there is a whole new theory of trading and trading relationships that is emerging that has come out of empirical study. I refer Members, to new works being done, one in particular by Michael Porter from the Harvard Business School entitled "The Competitive Advantage of Nations", a study done in which the world's major trading countries not only the United States, Britain, West Germany and Japan, but also smaller countries such as Singapore—were studied for their success and their successes in individual industries and some attempt to understand the processes that went behind their success culled out of that.

The major theme that is coming out is that countries, above anything else, as the Member for St. Augustine said, have to develop their industry, usually in history, starting on a home base. But ultimately, what increases a country's and the individual's standard of living is the dramatic increase in productivity in certain key industries in any group of nations. That is the key item that we must focus on: Increases in productivity in individual industries in competing nations. That increase in productivity, usually in the past has taken place on a wide home market base. But, inevitably, countries use export trading and international trading to widen that home base on which to carry the thrust of further increases in productivity and in increasing their competitive advantage.

So it is not as the Member for St. Augustine felt, that we are not focusing any more on our home base, but we are using the engine of export growth and competitiveness to hitch onto an international trading system that will allow our

industry here to reap benefits in increased productivity, which is the only basis for increasing, in the long run and with stability, the individual standard of living that we enjoy in Trinidad and Tobago. That is the key to it: Not that we abandon the home base, but it is no longer possible to stay here in Trinidad and Tobago and reap the benefits of higher productivity. We must remember we are still at a level where births are increasing by two per cent a year; we are not in a static situation.

In fact, because of the failure to have successive increases in productivity in our industry at large, we are suffering this continued devaluation of our standard of living. Our oil industry masked it for a while, but the situation within our manufacturing industry, sheltered from competition, with no incentive to go out there and compete is what we are now coming up against.

What it argues here very forcefully, Madam Speaker, is that:

"The expansion of exports, because of low wages and a weak currency, at the same time as the nation imports sophisticated goods that its firms cannot produce with sufficient productivity to compete with foreign rivals, may bring trade into balance or surplus, but lowers the nation's standard of living. Instead, the ability to export many goods produced with high productivity, which allows the nation to import many goods involving lower productivity is a more desirable target, because it translates into higher national productivity and ultimately a higher standard of living."

It goes on, in particular, to rail against national governments that do not strive to foster industrial policy and which seek policies such as subsidy, extensive collaboration and temporary protection that ultimately shelter the industry. Government's proper role is to push and challenge its industry to advance, not provide help if industry can avoid it.

9.35 p.m.

And it goes on to point out that the natural condition of a firm is to be comfortable and only in adversity will it get up and go. We in Trinidad and Tobago, are at that juncture. It is not without risk, and we, on this side, recognize the points that you honourable gentlemen have raised. It is fraught with risk. Because, in fact, several companies, sheltered from competition for so long, have become like penguins, their wings have atrophied, and they may not fly; they will indeed plummet.

Finance Bill
[HON. W. MOTTLEY]

Monday, May 4, 1992

With the whole drift of international trade, and with what is happening here in Trinidad and Tobago in terms of population pressures, links with international television portraying a better standard of living, we have now no choice—risks being whatever they are—but to face that international and global competition and have the Government start to create the atmosphere that will push industry out there to compete, at the same time recognizing that there have to be safety nets, and indeed this bill has safety nets. If you look at it you will see, for instance, that there will be a duty, that is, the CET and a stamp duty, usually 20 per cent, and on top of that, these import surcharges: 55 per cent for women's or girls' suits; 35 per cent for food preparations of malt extract, *etc.*; 25 per cent for exposed film; zero per cent for cane farming equipment, and so forth. These surcharges listed here on top of the tariff and on top of the stamp duty are the measure of the safety net. By agreement, this set of charges here have to drop out, I believe, before the end of 1994, so that all we will be left with after that period is just the common external tariff.

You may have read in the newspapers, cries from certain international agencies, and so forth, that even the CET is too high; that Venezuela and the people with whom we have to compete have already dropped their rates lower than that. So that the tide is moving swiftly, and we are left to get on the boat. We have no choice but to move forward, very swiftly, and we have to carry the whole population along with us. This debate—with the quality of the probing questions raised by hon. Members on the other side, carries the issues to the country at large, because what is at stake is our own economic survival. So that when we put it together with the general drift, that we have no allies in comfort any more, you will understand from where we come.

We face the world bravely and we have put in the safety measures. We are, in the course of our preparation for the next budget, preparing a medium-term plan for Trinidad and Tobago, so that the macro economic policies to support all of these new directions will also be put in place. The fiscal measures, and so forth, will carry us in a new direction.

Mr. Palackdharrysingh: Would the hon. Minister state whether or not in order for us to be competitive and go in the direction that he is talking about, there will be a sort of depressing of wages, and if that cannot work, then he will have to resort to devaluation?

Hon. W. Mottley: Madam Speaker, some countries have no choice because they are without resources, their human resources are ill-trained, and all that is left

for them is to compete on factor cost, and factor cost for them is labour, and therefore, they are competing with Haiti and Guyana, and so forth. We, in Trinidad and Tobago, are fortunate that we are not in that situation. It is one of the reasons why our Government have avoided a mere devaluation just to cheapen factor cost and compete in cheap labour goods, pitching up baseballs for the US market. We have to look in other directions. We have to look at energy and other advantages that we have and figure out, and much of this figuring out has to be done by businessmen. That is the particular role of the entrepreneurs in this country. The Government have a role to play, not a quiescent watchman role, which the Member for Chaguanas suggested we must avoid. She is quite correct, it cannot be just a quiescent watchman role. We have an important role to play in setting the framework within which this is to happen and to avoid the choices which sentences the population to competing with cheap labour, because wherever there is cheap labour you could be sure somebody has cheaper labour. That is no way for us to compete. I certainly would not want to be the Minister of Finance if that was the policy here.

Therefore the answer is, we have to look in new directions, and this is what we are doing. Much of the work that is made mention of, that is, the strategic business plan for Trinidad and Tobago which has now come in and is being considered by Cabinet, all of this will be made available for public comment as we set the course for the new directions. What we are seeing here right now in this bill is just some of the periphery, some of the support structures, but the main structure will become more obvious in the weeks ahead.

Madam Speaker, I will merely go on to say that we have circulated some amendments which we trust Members opposite will accept.

Madam Speaker, I beg to move.

Question put.

House divided: Ayes: 17, Noes: 9

AYES

Valley, Hon. K.

Sobion, Hon. K.

Mottley, Hon. W.

Ramrekersingh, Hon. A.

Finance Bill

[HON. W. MOTTLEY]

Monday, May 4, 1992

Marshall, Hon. M.

Baboolal, Hon. L.

Collis, Hon. K.

Imbert, Hon. C.

Lasse, Hon. V.

Pierre, Hon. J.

Griffith, R.

Casimire, A.

Narine, J.

Hart, E.

Allum, D.

Bereaux, H.

Rajaram, C.

NOES

Maharaj, R.

Palackdharrysingh, R.

Bhaggan, Miss. H.

Mohammed, S.

Singh, Dr. C.

Panday, S.

Jurai, K.

Sharma, C.

Haniff, M.

Question agreed to.

Bill accordingly read a second time.

9.45 p.m.

Bill committed to a committee of the whole House.

Finance Bill

Monday, May 4, 1992

House in committee.

Clauses 1 to 10 ordered to stand part of the bill.

Clause 11.

Question proposed, That clause 11 stand part of the bill.

Mr. Mottley: Madam Chairman, I beg to move that clause 11(a) be amended as follows:

- (a) Renumber existing subparagraphs (vi) to (xvii) as (vii) to (xviii) respectively.
- (b) Insert after subparagraph (v) the following subparagraph—
 "(vi) renumbering paragraph (n) as paragraph (o) in the exemptions to the entry "*Customs entries in respect of imported goods*" and inserting after paragraph (m) the following paragraph—
 "(n) fabric of all materials in the piece."."

Question, on amendment, put and agreed to.

Clause 11, as amended, ordered to stand part of the bill.

Clause 12.

Question proposed, That clause 12 stand part of the bill.

Mr. Mottley: Madam Chairman, I beg to move that subclause (1)(c)(ii) be amended as follows:

- (a) Substitute for the item numbered Ex 16.04, the following item and entries—
 "Ex 16.04 Canned salmon and other canned fish (excluding canned sardines, canned tuna, canned mackerel and canned herrings)".
- (b) In the item numbered 2106.006 substitute for the figures "25%" in the third column, the figure "0%".
- (c) In the item relating to Printers/Printing ink after the item numbered Ex 3214.909 insert the heading number
 "Ex 3215.10" in the first column.
- (d) Insert after the item numbered Ex 8309.10 and corresponding entries in the second and third columns the following items and entries—

Finance Bill

[HON. W. MOTTLEY]

Monday, May 4, 1992

"Ex 8407.33	Used engines of a cylinder capacity exceeding 250 cc but not exceeding 1000 cc	20%
Ex 8407.34	Used engines of a cylinder capacity exceeding 1000 cc	20%
Ex 8408.20	Used engines of a kind used for the propulsion of vehicles to which Chapter 87 of the Customs Tariff applies.	20%".

Question, on amendment, put and agreed to.

Mr. Mottley: Madam Chairman, I beg to move that subclause 1(c)(iii) be amended as follows:

- (a) In the items numbered Ex 3704.00 and Ex 3705.00, insert a comma after the word "delveloped" in the second column.
- (b) In the items numbered 52.08, 52.09, 52.10, 52.11, 55.13 and 55.14, delete the word "g/m" in the second column and substitute the word "g/m²."
- (c) Insert the prefix "Ex" in the first column before the item numbered 60.01.
- (d) In the item numbered 62.03, insert the word "not" before the word "knitted" in the second column.
- (e) In the item numbered 6210.00 insert the figure "5903.00", in the second column after the figure "5603.00".
- (f) In the item numbered Ex 85.35 insert the word "usage" in the second column after the word "voltage".
- (g) In the item numbered Ex 8544.101, insert after the word "up" in the second column, the words "to 3,000 volts".
- (h) In the item numbered Ex 8716.801, delete the prefix "Ex" in the first column.

*Question, on amendment, put and agreed to.**Clause 12, as amended, ordered to stand part of the bill.**Clause 13 to 16 ordered to stand part of the bill.*

Finance Bill

Monday, May 4, 1992

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

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

Motion made and question proposed, That the House do now adjourn to Friday, May 8, 1992 at 1.30 p.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 9.50 p.m.