HOUSE OF REPRESENTATIVES

Friday, May 8, 1992

The House met at 1. 45 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the hon. Member for San Fernando East (Hon. Patrick Manning).

PETITION

St. Ann's Spiritual Baptist Church (Inc'n) Bill

Mr. Hedwige Bereaux: Madam Speaker, I crave your indulgence to present a humble petition on behalf of the members of the St. Ann's Spiritual Baptist Church who are desirous of constituting the church into a corporate body by a private bill.

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

Petition read.

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

PAPERS LAID

1. Report of the Auditor General on the Accounts of Point Lisas Industrial Port Development Corporation Limited for the year ended December 31, 1991. [The Minister of Local Government and Minister in the Ministry of Finance (*Hon. K. Valley*)]

2. Report of the Auditor General on the Accounts of Point Lisas Terminals Limited for the year ended December 31, 1991. (Hon. K. Valley)

Papers 1 and 2 to be referred to the Public Accounts (Enterprises) Committee.

ORAL ANSWERS TO QUESTIONS

Crime Commission

28. Mr. Ramesh Lawrence Maharaj (*Couva South*) asked the Minister of National Security:

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 which, if any, of these plans were implemented?

The Minister of National Security (Hon. Russell Huggins): Madam Speaker, in response to (a) and (b) of the question, I am to advise that a National Crime Commission was established on February 10, 1989. The term of office of the said committee expired on February 9, 1992 and has not been extended by the present Government.

In response to (c) and (d) of the question, I wish to advise that the Government of Trinidad and Tobago recognize the seriousness of the crime situation in the country and have identified one of the major causes as being drug trafficking and related activities. With a view to effecting a structured co-ordinated approach to drug interdiction, the Government have agreed to the establishment of an administrative, investigative and operational co-ordinating agency within the Ministry of National Security to focus on drug interdiction.

Further, the efficiency of the police service is also vital to any assault on crime. To this end, action is under way to improve the levels of efficiency, managerial skills and morale of the Trinidad and Tobago Police Service which is the key body in the area of crime prevention and law enforcement.

Towards this end, the Government have appointed an executive committee for the implementation of a programme of reform in the Trinidad and Tobago Police Service, using as a basis the recommendations of the O'Dowd Report for the restructuring of the Police Service.

Mr. Maharaj: With the greatest respect to the Minister, the question had to do with crime generally and not confined to drugs. Could he tell us what plans are in force to deal with the other crimes in the country?

Hon. R. Huggins: Madam Speaker, on April 24, I made a statement in this House and I explained quite comprehensively the Government's approach to crime in general. I also indicated to this House that the agency within the Ministry of National Security would address the drug problem which I explained played a great part in the crime situation in this country.

Further, I explained at length the fact that the police service appears to be unable at this point in time to deal effectively with the crime situation and that the Government was playing a very active role in addressing this.

I believe that one has to address the problem of crime at its source and unless there is a very efficient police service, we would get nowhere.

I wish to make it clear therefore that we are looking very seriously into this. We have started to address the whole restructuring of the police service and we feel confident that when this is done the question of crime may not be raised in this House again.

Mr. Mohammed: Madam Speaker, one supplemental please.

From the answer given by the hon. Minister would he indicate therefore that the Crime Commission is at an end and will not be revived?

Hon. R. Huggins: I think this was the text of the first part of the answer.

Mr. S. Panday: Could the hon. Minister indicate the length of time it will take to restructure the police service with regard to dealing with the crime situation?

Hon. R. Huggins: It will take approximately two years to do so. I want to make it clear that the Government are not going to sit back and let the crime situation escalate while restructuring the police service. The question of dealing with crime will be an on-going process while at the same time we will be restructuring the police service. It is not that we are going to bring the entire police service to a halt and let the criminals take over the country. This is not the Government's intention at all and I thought that I explained this quite clearly in my statement on April 24.

1.55 p.m.

UN Drug Convention (Ratification of)

29. **Mr. Lawrence Maharaj** *(Couva South)* asked the Minister of Foreign Affairs:

Would the Minister of Foreign Affairs state:

(a) Whether the Government of Trinidad and Tobago intends to ratify the United Nations 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 intends to ratify the said convention?

The Minister of Foreign Affairs (Hon. Ralph Maraj): Madam Speaker, the United Nations Convention against illicit traffic in narcotic drugs and psychotropic substances was adopted by Special United Nations Conference at Vienna on December 19, 1988. The convention was opened for signature at the United Nations office at Vienna from December 1988 to February 1989, and thereafter at the headquarters of the United Nations at New York, until December 20, 1989.

Trinidad and Tobago signed this convention on December 7, 1989. Trinidad and Tobago was one of three Caricom member states which signed the convention, the other two being the Bahamas and Jamaica. All told, 89 states became signatories to the convention.

As at January 17, 1992, 54 states had ratified, acceded to or approved the convention. As at that date, only one Caricom state, the Bahamas, had ratified the convention. One other Caricom state, Grenada, has acceded to the convention.

When Trinidad and Tobago signed the convention it undertook an obligation to consider whether it should proceed with the process of ratification. The period between signature and ratification of a treaty provides the opportunity to permit the state to pass any legislation or implement other arrangements that might be required to comply with the obligations of the treaty. The need for the harmonization of domestic law with the provisions of the convention is premised on the principle of international law: that every treaty in force is binding upon the parties to it and must be performed by them, in good faith. Furthermore, a state

party to a treaty cannot invoke the provisions of its domestic law as justification for its failure to perform the treaty.

Accordingly, officials of the Ministries of Foreign Affairs and National Security have been meeting to consider whether any additional legislative and/or other requirements might be needed to enable Trinidad and Tobago to comply with the obligations of the Convention. The conclusions of these deliberations are now being prepared and will be submitted as soon as possible for the consideration of Cabinet.

By way of information, the preliminary view of officials is that Act No. 38 of 1991—An Act to provide for the control of narcotic drugs and psychotropic substances and to make provision for the confiscation of the proceeds of drug trafficking and other provisions in connection with drug trafficking and matters connected therewith, assented to on November 7, 1991—incorporates most of the provisions of the Convention into the law of Trinidad and Tobago. However, there is a very important provision of this United Nations convention against illicit traffic in narcotic drugs and psychotropic substances, that is not covered by Act No. 38 of 1991 or any other law of Trinidad and Tobago. This particular provision is Article V, paragraph 4 of the convention which provides for a confiscation order issued by a requesting state, in respect of the proceeds derived from drug offences, to be given effect in the state in whose territory the proceeds are located—that is the requested state. Trinidad and Tobago law provides for confiscation orders made by local courts but does not provide for the applicability in Trinidad and Tobago of confiscation orders made by foreign courts.

Mr. Maharaj: Could the hon. Minister indicate to us whether it is correct, that in respect of extradition from Trinidad and Tobago, the existing law is not also in conformity with the provisions of the convention?

Mr. R. Maraj: As the hon. Member knows, I am myself not a legal expert as he is. I will have to consult the Attorney General on that.

The following questions stood on the Order Paper.

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? *[Mr. M. Haniff]*

The Minister of Sport and Youth Affairs (Hon. Jean Pierre): Madam Speaker, I held discussions with the Member for Princes Town, and I ask that the response to question No. 32 be deferred for one week.

ECHO/Food Stamps Programme

33. Would the Minister of Consumer Affairs and Social Services state:

(a) The number of persons responsible for the ECHO and Food Stamps Programme by constituency and what are the criteria used for selecting these persons?

(b) What are the criteria used for selecting persons for the said benefits?

(c) The number of households receiving benefits by constituency?

(d) The nature and quantity of food hamper per household?

(e) The frequency of distribution of food hampers?

(f) What are the controls for the efficient distribution of food hampers and what steps are taken to ensure that food hampers reach the needy people? *[Mr. K. Jurai]*

The Minister of Consumer Affairs and Social Services (Dr. The Hon. Linda Baboolal): Madam Speaker, I have discussed with the Member for Nariva the possibility of deferring this answer for one week, and he has agreed. I now seek the leave of the House for a deferral.

Questions 32 and 33, by leave, deferred.

Voting Machines

34. Would the Minister of Finance state:

(a) When were the voting machines purchased and what was the total cost of same?

(b) How many voting machines were purchased?

(c) What is the total maintenance cost of these machines to date?

(d) Are these voting machines still being maintained?

(e) What does the Government intend to do with these voting machines?

(f) Whether the PNM Government has any plans for the re-introduction of voting machines in the electoral system?

Mr. Kenneth Valley: Madam Speaker, could I have that question deferred for later in the sitting? The Minister is not here as yet.

Madam Speaker: The answer to this question is deferred to later in the sitting.

Common Entrance Examination (Scrapping of)

35. Mr. Krish Jurai *(Nariva)* asked the Minister of Education:

Would the Minister of Education state:

(a) Whether the Government has any plans for scrapping the Common Entrance Examination?

(b) If the answer is in the affirmative, would the Minister state how soon we can expect to see the said examination discontinued?

(c) If the Common Entrance Examination is to be scrapped, could the Minister state what system will be introduced in its place?

The Minister of Education (Hon. Augustus Ramrekersingh): Madam Speaker, the Government are not unmindful of the criticisms over the past years of the Common Entrance Examination and the need for review. We are, however, firmly convinced that the issue of the Eleven-Plus Examination should not be dealt with in isolation, but within the comprehensive framework of curriculum reform.

It is with this in mind that the Common Entrance problem has been included as a major component of the area relating to curriculum reform, examination and certification on which the task force for the development of the long-term education plan has been mandated to focus particular attention. This task force, as I pointed during my presentation to this honourable House on April 10, 1992, on its establishment and terms of reference, is due to present a draft plan by October 15, 1992. The draft is expected to include a thorough review of the Common Entrance issue and relevant recommendations. The Government will be guided both by these recommendations and the comments of the national community during the various stages of discussion on the draft.

Mr. Jurai: Is the Minister aware that in the *Trinidad and Tobago Mirror* dated April 3, 1992, it was reported that there was a leak in the Common Entrance Examinations? What action is being taken with respect to same?

Mr. Ramrekersingh: While the question does not logically flow from the question tabled, I think, out of courtesy to the hon. Member and this House, I will give some information on the matter.

2.05 p.m.

The Common Entrance Examination this year was held on April 1. I saw the article to which the hon. Member referred—on Friday 3—and requested, within one week, from the Examinations Division of the Ministry, a report on the conduct of the 1992 Common Entrance Examination.

Happily, Madam Speaker, that report was delivered one day ahead of time. The report is in two parts. In the first part it describes all the stages and processes involved in setting the papers and conducting the examination. The second part of the report describes the events of 1992 as against the procedures.

At the end of it, we at the Ministry feel satisfied that the procedures were observed: that the required number of booklets that should have been present at the end of the examination was, in fact, there; the booklets were sealed before the examinations, and so on.

However, because neither the hon. Minister nor his officials at the Ministry of Eduction are trained in investigation, we decided to seek assistance from those who are trained in such activity. On April 15, I held discussions with members of the Fraud Squad and turned over a copy of the report to them.

We have not yet had a formal report. However, the Ministry of Education is reviewing the whole process of security and seeing where improvements can be made, and that task shall be enhanced by the formal report of the Fraud Squad.

Voting Machines

The following question stood on the Order Paper in the name of Mr. Krish Jurai (Nariva):

34. Would the Minister of Finance state:

(a) When were the voting machines purchased and what was the total cost of same?

(b) How many voting machines were purchased?

(c) What is the total maintenance cost of these machines to date?

(d) Are these voting machines still being maintained?

(e) What does the Government intend to do with these voting machines?

(f) Whether the PNM Government has any plans for the re-introduction of voting machines in the electoral system?

Madam Speaker: Is the hon. Minister in a position at this time to answer question No. 34?

The Minister of Finance (Hon. Wendell Mottley): No, Madam Speaker. With the permission of the House, I seek a deferment.

Question, by leave, deferred.

LIDP Projects

36. Mr. Sahid Hosein *(Siparia)* asked the Minister of Works and Transport:

Would the Minister, given the fact that he has stated to this honourable House that LIDP projects are allocated on the basis of regions and given the fact that these regions are made up of clusters of constituencies, inform this House of:

(a) The number of projects in the following constituencies:

(i) Siparia

(ii) La Brea

(iii) Oropouche

(iv) Fyzabad

(v) Point Fortin

(vi) Caroni Central

(vii) San Fernando East

(viii) Diego Martin West

(b) The cost of these projects per constituency?

The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, as stated in the reply to question No. 18 of the 1992 Session of this

House, the 1992 LID Programme is not structured on a constituency basis; the programme is administered by regions.

The number of projects per region has already been given in the reply to question No. 18.

The expenditure in the eight LIDP regions, up to mid April, 1992, was as follows:

Region	Expenditure
	$M
Diego Martin	2.4
Port of Spain and environs	3.1
St. Joseph and environs	1.7
Arima and environs	0.8
East-coast	1.5
Central Trinidad	1.5
San Fernando and environs	1.1
Point Fortin and environs	1.1

Mr. Hosein: Is the Minister satisfied with the progress of these projects in the constituencies as listed in question No. 36?

Hon. C. Imbert: Madam Speaker, as I have said, on two different occasions, the LID Programme is not structured on a constituency basis.

Hon. Member: San Fernando East alone has 17. That is why you put it on a regional basis.

Mr. S. Panday: Would the hon. Minister state what is the basis for determining the size of a region?

Hon. C. Imbert: Madam Speaker, as I stated earlier in this House in answer to a previous question, the criteria and parameters that determine the allocation of projects are: population density and other demographic patterns.

Mr. Haniff: The attitude of answering as regards this question bothers me. Is the hon. Minister prepared to provide information to this House as asked—on a constituency basis? We are recognizing that the Minister is not providing the

answers to the questions as put. Is he prepared, at any further date, to provide this information?

Madam Speaker: The hon. Minister indicated that it is not done on a constituency basis. I do not know what is the nature of the information which the hon. Member is seeking.

Mr. Haniff: Madam Speaker, I am kindly requesting information on the basis of constituencies and the number of projects. That is the question which was asked here. If the hon. Minister intends to answer this question, even at a further date, in that context, we would all get the information that we have been seeking.

Hon. C. Imbert: Madam Speaker, at the risk of repeating myself, the LID Programme is not structured on a constituency basis. It is therefore inappropriate to answer questions that refer to a constituency basis.

Mr. Sudama: Since the Minister indicated that the regions were determined according to demographic patterns, could he tell me the source of his demographic data?

Hon. C. Imbert: The Central Statistical Office.

Miss Bhaggan: Would the hon. Minister be willing to provide this House with a list of all projects, according to regions, their locations and their costing?

Hon. C. Imbert: Once questions are directed to the LID Programme on a regional basis, I would be happy to supply any information requested.

Madam Speaker: I think the hon. Member might be wise to, in fact, ask such a question of the Minister, and have it forwarded.

LID Programme
(Siparia Constituency)

37. Mr. Sahid Hosein *(Siparia)* asked the Minister of Works and Transport:

Would the Minister provide a list of names and addresses of persons who have worked on the LID Programme in the Siparia constituency up to April 14, 1992, on the following projects:

(a) Ramai Trace;

(b) Community Centre Road, Penal; and

(c) Lily Trace?

The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, the projects at Ramai Trace; Community Centre Road, Penal; and Lily Trace are all projects within Region 8 of the LID Programme.

With regard to the persons employed on these projects, it is considered inappropriate to call the names of private citizens in this honourable House, in this context.

Mr. Sudama: Could the Minister state whether there is an understanding that representatives of the various constituencies would have an input in the selection of people who are employed on these projects?

Hon. C. Imbert: Madam Speaker, the question, as I remember it, refers to a list of names and addresses of persons who have worked on the LID Programme. I consider that question to be totally different from this one, and I ask that the Member table it at another time.

Mr. Sudama: It is in this context that I am asking the question. Names are requested and the Minister refuses to provide them. I am asking whether there is an understanding that the representatives would have an input.

Madam Speaker: With respect to the refusal of the names, I do not know if the hon. Member would like the Minister to furnish him with a list of those names for his private perusal, rather than having those names called in the House.

Mr. Hosein: Very well, Madam Speaker.

Madam Speaker: I think this would be a much better way of handling it rather than calling the names of citizens. Is it possible? I do not know.

Mr. Hosein: Madam Speaker, I had requested in my submission of this question that the answer be a written one and not for oral answer. Despite that, I would ask a supplemental question.

Is the Minister aware that persons from outside the specific constituencies are working on those projects—which is contrary to a statement that was made by the Parliamentary Secretary of that ministry, and reported in the press? If it is in fact true that persons from outside one constituency are working in another where there are projects, is the Minister prepared to address this matter?

2.15 p.m.

Hon. C. Imbert: Madam Speaker, before I answer that, with the greatest respect—the question as to whether I can supply a list of names in another place—I shall have to seek counsel from the Attorney General.

Mr. Palackdharrysingh: You are getting smart.

Hon. C. Imbert: With respect to the supplemental question posed by the Member for Siparia, that again makes reference to constituencies and I am unable to provide information on a constituency basis.

Mr. Sudama: Could the Minister state what are the criteria used in the selection of names of persons to be employed on the LIDP projects?

Hon. C. Imbert: Madam Speaker, if my memory serves me correctly, that was the first question posed to me on the LID Programme in this honourable House and I answered it at that time.

Mr. Sudama: You ducked the question as usual.

Mr. S. Panday: Would the hon. Minister state how many constituencies are in region 6?

Mr. Imbert: Madam Speaker, at the risk of repeating myself for the second time, the LID Programme is not structured on a constituency basis.

Mr. S. Panday: How many constituencies are found in region 6? That is all.

Hon. C. Imbert: Madam Speaker, I use demographic patterns to determine the regions. A constituency is a political entity.

Mr. Sudama: It is also a geographical area.

Mr. Sharma: Is the Minister aware that his Parliamentary Secretary made a statement which was reported in the press to the effect that persons from one constituency should not work on LIDP projects in another constituency? He went on further to state that it would be most beneficial if persons were employed within a three-mile radius. Is the Member for Diego Martin East aware of this report of the statement that his Parliamentary Secretary allegedly made?

Hon. C. Imbert: No.

Mr. Sudama: Is the Minister on speaking terms with his Parliamentary Secretary? Is he in communication with his Parliamentary Secretary?

Madam Speaker: I do not think the Minister would be required to answer that question.

Mr. S. Mohammed: That "no" and "yes" business is not going to work here.

Mr. Sharma: Madam Speaker, in view of the fact that there are 36 of us here representing 36 constituencies in Trinidad and Tobago, what is the difficulty in the Minister identifying the projects, in view of the fact—

Madam Speaker: That is a new question. It does not flow. Put your question and I am sure that the Minister will answer it. We have to get on with the business of the day.

ORDER OF BUSINESS

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): I beg to have deferred item (m) on the Order Paper until later in the proceedings.

Madam Speaker: The motions are deferred to later in the afternoon. Please proceed.

Hon. K. Valley: Madam Speaker, I beg leave of the House to proceed with "Bills Second Reading" at this stage.

CUSTOMS (AMDT.) BILL, 1992

Order for second reading read.

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, I beg to move,

That a bill to amend the Customs Act, Chap. 78:01, be now read a second time.

Madam Speaker, at the invitation of the hon. George Chambers, Prime Minister of Trinidad and Tobago, Dr. Jaime Lusinchi, President of the Republic of Venezuela, paid a state visit to Trinidad and Tobago during the period 12—14 September, 1986. During that visit certain instruments were signed with a view to strengthening relations between our two countries. One of those instruments is a Declaration of Intent for the early conclusion of a Partial Scope Agreement which would facilitate an expansion of trade between both countries.

In May 1989, at the fifth session of the Trinidad and Tobago, Venezuela Public/Private Sector Mixed Commission on Economic Relations which took

place in Caracas, Venezuela, a Partial Scope Agreement between the two countries was negotiated and initialled.

The intent of the Agreement was to confer upon a limited set of products from both countries certain preferential tariff rates. At subsequent meetings of the mixed commission a list of products to be granted preferential customs duties was agreed between the countries.

The Partial Scope Agreement was signed in Port of Spain, Trinidad on August 4, 1989. Under the terms of the agreement, the signatory countries agreed to establish a permanent administrative commission made up of Government representatives of both countries and by representatives of the private sector, designated by the respective governments.

The function of the administrative commission is to monitor compliance with the provisions of the agreement and to propose to the signatory countries the inclusion of new products or the granting of greater preferences on negotiated products.

The commission has been established and in November 1989 met at Port of Spain and agreed to recommend the addition of further products to the list of products to be granted preferential tariffs. These recommendations were accepted and the additional products are included as part of this bill.

The Venezuelan Government has already taken all the necessary steps to pass legislation to enable the concessions granted under the agreement to be applied to Trinidad and Tobago products imported into Venezuela. It is therefore incumbent upon Trinidad and Tobago to do likewise by amending the Customs Act to grant the agreed concessions to Venezuelan products imported into Trinidad and Tobago.

Looking at the provisions of the bill, clause 2 amends the Customs Act by inserting a new section 6(A) which incorporates the tariff preference in the Partial Scope Agreement to a new Eighth Schedule. Under the terms of the agreement the remaining countries of the Latin American Integration Association and of the Caribbean Community and Common Market, may become signatories to the agreement if they so desire. For this reason the proposed section 6A(1) defines "signatory country" as the state which is a party to the Agreement and section 6(a)(v) provides that the tariff preference shall apply only to goods originating in and proceeding from a signatory country, provided that the goods are accompanied by a written declaration by the producer or exporter that the goods

meet the requirements of origin established under the agreement. That requirement talks of 50 per cent content.

2.25 p.m.

The proposed section 6A(4) empowers the President by order to amend the Eighth Schedule or provide for the expiration, lapsing or coming into effect of a tariff preference. This provision is to enable new products to be added, on the recommendation of the administrative commission, or for time limits to be imposed or import quotas to be established in accordance with the terms of the agreement without the necessity for further legislative amendment. The provision will enable these changes to be made by means of subsidiary legislation.

Proposed section 6A(6) empowers the President to make regulations for carrying into effect any of the provisions of the agreement. This will be particularly important for the promulgation of the rules of origin, for determining the eligibility of any product listed in the Eighth Schedule, to be treated as originating in a signatory country. I am told that these rules of origin have also been agreed and are to be published within the near future.

Clause 3 of the bill sets out the new Eighth Schedule to the Customs Act and lists the tariff heading numbers, using the same numbers and designations as those in the First Schedule to the Customs Act, together with the description of the goods and the rate of duty applicable to those goods when imported from a signatory country. In all cases, the duty is 25 per cent less than the duty applicable to the same items in the common external tariffs.

The items produced in Trinidad and Tobago which will now become eligible for a 25 per cent reduction in customs duty when exported to Venezuela, include, aerated beverages, steel billets, Angostura bitters, pepper sauce, parts for household electrical appliances, beer, soap, cosmetic items, ceramic roofing tiles, blenders, mixers and television sets.

The schedule contains an equal number of items which now become eligible for similar reduction in customs duty when imported into Trinidad and Tobago from Venezuela. These items include, vitamins, cough and cold preparations, leather footwear (excluding men's footwear), table and kitchen glassware, aluminum products in different forms, hammers and tools for masons, founders and painters, hydraulic and centrifugal pumps, compressors for refrigerators, parts for compressors, telephone apparatus, electrical capacitors, disposable syringes and toys, excluding soft toys. These are merely a few of the products.

As I have mentioned, the concessionary rates are already in force in Venezuela in relation to goods imported from Trinidad and Tobago. This bill is intended to comply with the obligations under the Partial Scope Agreement which was signed on behalf of Trinidad and Tobago in l989.

I am sure that hon. Members will lend their full support to these provisions. I beg to move.

Question proposed.

Mr. Krish P. Jurai *(Nariva)*: Madam Speaker, the agreement referred to was signed between the Government of Trinidad and Tobago and the Government of Venezuela. It seeks to grant preferential trade preferences between both countries, of duties of 25 per cent lower than those applied to other countries.

I need to give the background before I come to the meat of this bill, hence I seek your permission to refer to my notes, because I have to give a lot of detailed figures. I need to refer to the trade that has been taking place between Trinidad and Tobago and Venezuela *vis-a-vis* other countries of the world. If we look at the trade figures since l984—and these figures are taken from the overseas trade reports (CSO)—in l984, Trinidad and Tobago had a positive balance of trade. Exports in l984 exceeded imports by $607.8 million. In l985, exports exceeded imports by 250 per cent, which totalled $1,504.3 million. But in l986, exports plummeted to a low of $45.8 million. In l987, the figure was $874.1 million; in l988, $1,511.5 million; in l990, $3,480.1 million and in l991, it was $1,351.6 million.

During this period, the major components of inputs were machinery, transport equipment, which accounted for 23 per cent of imports; manufactured goods, l9 per cent; and food, 16 per cent of the total imports into the country. This trend has been consistent since l983, after the country's major imports of mineral fuels and lubricants dropped significantly.

In l982, a quarter of the total value of imports to Trinidad and Tobago was mineral fuels, lubricants and related materials which were the major components for that year. Similarly, for l981 our exports consisted of mineral fuels, and this was the largest contributor.

In l981, 90 per cent of the total value of exports was mineral fuel. This was due to the high price on the international market. But by l983, exports began to fall heavily, and by l984, it fell to zero. In l990, Trinidad and Tobago exported

$5,932.1 million in fuel, or 67 per cent of total exports. The second largest export was chemicals, which accounted for 14 per cent of the total exports.

2.35 p.m.

During this period, Trinidad and Tobago's major trading partner was the United States of America. Our imports from l990 totalled $2,150.4 million. Our exports to the United States of America was 55 per cent in the total figure for 1990. By comparison Venezuela, the second largest source of our imports in 1990 was 7.5 per cent which was the equivalent of $400.2 million and this was up from three per cent in 1989. Between 1981 and 1984, less than 0.5 per cent of imports came from Venezuela. From 1985 to 1989 imports rose between one and three per cent and between 1989/1990, imports from Venezuela increased from $154.5 million to $403.3 million. In 1990/1991, the figure doubled again to reach $988.2 million. Trinidad and Tobago's imports from Venezuela over the last three years of manufactured goods, crude materials, *etc*. grew by a staggering 539.5 per cent. Trinidad and Tobago's exports to Venezuela are growing somewhat but not in the same magnitude. For example, between 1989 and 1990 exports to Venezuela jumped by 185 per cent or $181.6 million or 20.5 per cent of total exports. This is compared to an average of 0.7 per cent and in 1984 we had an all time low of 0.06 per cent. In 1991, 2.8 per cent of Trinidad and Tobago's exports went to Venezuela.

Madam Speaker, the reason I am drawing this reference is that we have to compare the trade we are doing with Venezuela. We are actually going to give preference to Venezuela when they have not been trading with us in the same proportion as we would have expected. This bill now is proposing to give 25 per cent lower rates of tariff on selected commodities as compared to similar goods from other countries. We need to look very carefully in order to determine whether we should go in this direction of giving this 25 per cent trade preference to Venezuela.

Our immediate concern is the imbalance of trade that exists between Trinidad and Tobago and Venezuela. For example, between 1981 and 1991, Trinidad and Tobago had a continuous negative balance of trade with Venezuela; 1985 was the only exception where we had a plus. Between 1989 and 1991 the gap in trade widened considerably. For the years 1989 and 1990, the negative balance of visible trade plummeted from $56.4 million to $218.7 million. By 1991, the negative fall in trade was 246 per cent or $756.4 million. In absolute terms

therefore, between 1982 and 1991, balance of visible trade with Venezuela aggregated a minus figure of over $1 billion. This must therefore be viewed in the light of the overall surplus on the country's balance of visible trade. On the contrary, this country should be trying to improve its balance of trade with Venezuela. We need to look at the commodities at present imported from Venezuela, and these are largely manufactured goods or semi-finished goods.

On the other hand, Trinidad and Tobago's exports to Venezuela raw material and immediate outputs, subject to a 25 per cent reduction in tariff on entry into Venezuela. We need therefore, to look at the products. To my mind, it seems that Trinidad and Tobago and Venezuela are relatively low priced. This implies that in given terms our imports from Venezuela greatly exceed our exports to that country and given the nature of the goods imported, finished goods, and exporting small quantities of cheap raw materials it seems that the benefit is geared in favour of Venezuela. This is despite the stated agreed need for a more equitable balance of trade and we need to look at Article 24 of the agreement which states—

> "The Administrative Commission shall meet within (90) days from the date of the entry into force of this Agreement, it shall establish its own rules and meet thereafter as often as it deems necessary, with a view to promoting the equitable balance of trade flows between both countries."

Madam Speaker, it says here, if I may repeat:

> "to meet...with a view to promoting the equitable balance of trade flows between both countries."

And when we look at the items that Trinidad and Tobago wants to export, one wonders, what is really going on. From the list we can see that things like pepper sauce, seasoning, condiments with pepper base, aerated beverages, stout, Angostura Bitters and so on.

We need to look at this in terms of foreign exchange. Are we going to benefit? At the moment Trinidad and Tobago is in a very tight foreign exchange situation. I am sure my hon. friend, the Minister of Finance would agree with this.

It is highly questionable whether this country should enforce an agreement at this time, which would result in lower foreign exchange earnings, less revenue and would worsen rather than improve the balance in trade situation. We need to look at the foreign exchange reserves also.

2.45 p.m.

In 1991, the foreign exchange reserves of Trinidad and Tobago were TT $100.9 million, the lowest level since 1988 when it was minus $23.8 million. The revised figure for January 1992 shows minus TT $411.4 million and in February it was minus TT $650.4 million. We have to put this into proper perspective. This country has to service its external debt which at present is $6407.3 million for February 1992. These are revised figures and this has to be paid in US dollars. The total public debt of the central government in the revised estimates for January 1992 was TT $11,306.8 million, and in February, the latest revised figure is $11,130.13 million. At this time this country cannot afford to give low preferential treatment because the oil revenues are falling and we need foreign exchange in order to service this foreign debt.

We have to look at the international market. Credit is becoming more difficult to get and trade is also falling, when one considers the whole trade pattern in general. We need to look at the list of commodities which are mentioned in this bill to determine who will benefit as a result of the reduction of 25 per cent duty on these items. I am not sure whether Venezuela would import more curry powder, pepper sauce, seasoning and so on, if you give a 25 per cent reduction; whether this would increase their demand. I know Venezuelans like a lot of hot curry but I am not sure that this would be an incentive that would make them import more.

When we look at things like aerated beverages, Angostura bitters and stout, I wonder how these items were selected and who is going to benefit as a result of these items we have been exporting. I see we have artificial teeth. I do not know if the Venezuelans' teeth are falling out that they need so many artificial teeth from Trinidad and Tobago. The question is, why was this item selected? It will be interesting to know who selected this item.

Mr. Mottley: Careful pronunciation is essential here, lest the House be misled.

Mr. Jurai: I see the Partial Scope Agreement and when we look at the list of commodities—as I said, we need to question; from eight it has gone to 26 which makes it important to know how these items were selected and by whom. Maybe the Minister can throw some light on this.

Similarly, 26 commodities have been added to the list of items for export to Venezuela for tariff preferential treatment—25 per cent lower tariff. What was the method used to select the goods so chosen and by whom were they chosen? If you give 25 per cent lower duty on the import of these items, are we sure that this

reduction is going to be passed on to the consumer? What machinery do we have in place to ensure that the goods imported at 25 per cent lower duty would be passed on so that the consumer would benefit from prices which are 25 per cent lower? We need to look at this. I presume that the Minister is going to throw some light on this matter.

We look at some of the other items such as telephone apparatus and telephone parts. I am beginning to wonder if we have a telephone industry in this country. I am not aware of any. When these parts are imported, who are the purchasers? Who is going to benefit? Is it TSTT which was just sold to a foreign country? We need to have answers to these questions. We also need to look at—and it has been stated that TSTT would be divesting its additional shares to the public—who can purchase these shares. You are importing the spare parts at 25 per cent lower tariff. It means, therefore, that your shares will increase. But who would benefit from the sale of these shares? Is there any machinery in place to ensure that the small man, the individual, the man in the street or the small businessman would be in a position to purchase these shares and benefit from same? I fear this may not happen. Perhaps the Minister concerned will enlighten me otherwise. I fear that there are some conglomerates waiting there to gobble up all the remaining shares of TSTT. We need to look at the conglomerates already controlling the print media, the television and radio stations.

When we go down the list, what do we see? Fruit pulp is being imported. Who uses fruit pulp? We are looking at things like pineapple. Are we going to import pineapples when this country has an abundance of it? Where is the Minister of Agriculture? I am not seeing him this afternoon. Maybe he can tell us if he wants to give incentives to agriculture, how the Government could allow a 25 per cent reduction in the importation of pineapples. Recently, I was in the Tableland area where you can see field upon field of pineapple just rotting there. Here we have the Minister about to put dollars in the Venezuelans' pockets and our own farmers are suffering to find a market for these things. We also have large pineapple plantations at Matura and Mausica. Why give preferential treatment for the importation of this item from Venezuela when we can produce the same in abundance here in Trinidad and Tobago?

2.55 p.m.

We also see simple trade tools—chisels, hammers, paint rollers, masonry tools—which can be made locally. We have an iron and steel industry here. Why can we not train our people to manufacture these tools instead of having them imported? No high technology is needed to manufacture these. A chisel is a straight piece of steel. Why are we allowing our dollars to go to the Venezuelans?

Mr. Valley: I wonder whether the Member would just inform us whether these are being made here currently.

Mr. Jurai: This is exactly what I am saying: Encourage the production of these things. It is not technical; making a hammer only needs a mould.

Mr. Valley: If they are not made here, what are we to do in the interim?

Mr. Jurai: In reply to that question, this agreement was signed in 1989 and where are we? We are now in 1992. What is the hurry suddenly?

I am saying, let us manufacture these; let the Government give incentives to manufacturers, so that they can manufacture these very simple tools. Things like paint rollers, all you need is a metal with a sponge over it. What is technical about that? I am amazed. That is the blacksmith's trade, but now we have modern technology, and this can be mass produced.

We see leather footwear, excluding men's footwear. So, we are going to allow the importation of this. I am beginning to wonder. We are training people under the YTEPP to do leathercraft. I understand the Morvant/Laventille Improvement Organization is similarly involved in training people. So why are we training them? Are we training them so that we could import and put them on the breadline? Is this the kind of trade liberalization we are looking at? What about the Drag Brothers? What are they going to do with their craft? The leathercraft industry is a very large industry in this country and the Brothers on the Drag are doing a marvellous job, and I think we should encourage them rather than discourage them by this importation.

We need to take a very critical look at this bill. This agreement was signed, as I said earlier, in 1989 and here we are in 1992. The circumstances may have changed since this agreement was signed, so we need to look very carefully at whether we should pursue this course. I am beginning to wonder why the PNM is pushing this bill. This was an agreement drawn up by the previous regime. I do not know whether the PNM know what they are really doing. Here they are pushing a bit of legislation which has been taken out of the cobwebs—in 1992—asking for 25 per cent reduction, an agreement which was made in 1989. We need,

therefore, to ask the Government how serious they are. We need to bring legislation to this House to tackle the unemployment problem that exists in the country. We need modern-day legislation—legislation that is relevant to today's society, not an old bit of legislation now being brought to the House to give preference to a foreign country.

I fear that this bill is a red herring. To my mind it is the testing ground to see whether this House will pass this agreement, which was drafted by the previous government. It is therefore evident that the PNM are continuing the policies of the previous regime. What we need are new ideas—which are not coming from the Government. We need to tackle as I said, and say repeatedly, the unemployment problem in the country. Over 100,000 persons are unemployed; we need legislation that will assist these persons in getting jobs—not the LID "ten-day" projects, we need meaningful legislation. All we hear is talk, talk and more talk. If this agreement is accepted, I wonder whether the next step would not be for the PNM to bring that much maligned treaty with Venezuela as the next bill before the House. I fear that this may happen.

We also need to look at Article 23 of the same Agreement, which says:

> "For the administration and effective functioning of the present agreement, the signatory countries agreed to set up an administrative commission made up of government representatives of both countries and of representatives of the private sector."

In the light of this, I wonder if the Government would consider consulting the Opposition, and whether the small business sector would be allowed to have representatives on this commission. As the Government have openly said, they are concerned with the small businessman—the "Caring Government"—so we hope to see some results coming from the Government on this matter.

It seems, instead of encouraging local production, the Government are choosing to import the articles mentioned at a much lower price, which will kill the existing local industry, and increase unemployment. Madam Speaker, this country's economy can ill-afford to grant concessions at this time, as it would have an adverse effect if we reduce the revenue and the foreign exchange earnings of this country. It seems that this bill is designed to produce greater benefits to Venezuela rather than to Trinidad and Tobago. We have to view this in the case of most of the agreements which were signed by the previous regime and Venezuela.

3.05 p.m.

I wonder why the haste at this time when there are so many agreements which will have more meaningful effect, and we need to look at those to see whether they should not have been brought to the House for ratification, before this bill which is before us here today.

If I may just mention one or two: The Narcotics and Psychotropic Drugs Agreement between Venezuela and Trinidad and Tobago 1987; the Second Report of the Joint Fishing Commission held in Tucupita in 1987; the Delimitation for Marine and Submarine Areas 1989; and Complete Delimitation between Trinidad and Tobago and Venezuela, 1990.

Madam Speaker, I wonder why the haste at this time to bring this bill before the House which, as I said, will bring greater benefits to Venezuela rather than to Trinidad and Tobago.

Thank you, Madam Speaker.

Mr. John Humphrey *(St. Augustine):* Madam Speaker, my intervention in this debate is to plead the case for much closer co-operation with Venezuela on a regional basis, and to advise the House about discussions which I had in Venezuela on the basis of expanding relations. The discussions were with several groups, but particularly with one of the members of the Board of Governors of the Venezuelan Central Bank. He was, in fact, labour's representative on the Board of Governors of the bank. We discussed what was required to enable the establishing, in this region, of an economic union which, I think, all of us recognize is a direction that all countries are taking, that is, moving towards greater union in economic affairs and the removing of state barriers where economics and finance are concerned.

Trinidad and Tobago and Venezuela, historically, are very close. In fact, if we had developed our relationship on the basis of the closeness between the countries at the time of the struggle of the Venezuelan people against Spanish colonialism led by the most revered and famous of Venezuelan heroes, Simon Bolivar, we would find that there would be very few barriers between Trinidad and Tobago and Venezuela.

When Venezuela was under Spanish colonial rule—and for a period Trinidad was part of that territory—Simon Bolivar led the nationalist movement which

eventually established the nation of Venezuela. The British who had colonized us after that period of Spanish rule—they had won this territory from the Spaniards—gave comfort to the liberation troops and enabled them to establish a base of operations in Trinidad where they had supplies and mobilization for the fight against the Spanish colonial master on the continent. If we would pay more attention to that and give it greater focus, Trinidad and Tobago and our people, would be readily accepted by Venezuela and her people.

I do not think it should be too difficult for us—including those states that were not liberated by the movement led by him—to declare Simon Bolivar as a hero of the hemisphere. In fact, as a liberator of those Latin countries that won the independence from Spain, he was part of a movement of anti-colonialism and liberation for all of the territories that were under colonialism, including Trinidad and Tobago and the rest of the British Caribbean, which includes all our Caricom partners.

The discussion which I had with the Central Bank Governor was on that basis: how Trinidad and Tobago could relate with Venezuela in seeking a regional initiative towards establishing this economic union. We had agreements on the need for certain institutions to enable it. Further discussions were held which, I think, perhaps led to the intervention by the President of Venezuela with a proposal that Venezuela would seek to get into Caricom as a full member; and possibly as a little incentive to attract Caricom towards accepting Venezuela, the offer that the President of Venezuela made to the Caribbean Heads of Government Conference, of no tariffs at all in Venezuela on all goods and services sourced from Caricom. It was a one-way arrangement where all the tariff barriers for Caricom would be lifted. I do not know how much progress has been made in that regard, but it seems like a very, very attractive offer that has been extended to Caricom by the President of Venezuela.

3.15 p.m.

The Governor of the Venezuelan Central Bank and the then Venezuelan Ambassador to Trinidad and Tobago were fully briefed in discussions and I know that a brief was dispatched to the President of Venezuela by the outgoing Ambassador for Venezuela to Trinidad and Tobago on the basis of what was discussed. In effect, what was discussed, was the need for a common trading currency in the region, and Venezuela was very interested in this.

I had a very lengthy discussion with the outgoing Ambassador—and that was transmitted to the incoming President of Venezuela—on a common trading

currency that would be accepted by all of Caricom, which would include Venezuela and an expanded Caricom to include all the countries of this region—Caribbean and continental countries; the need to establish a central bank of the region as the repository of the region's foreign exchange reserves and as the institution that would enable the issuing of this common trading currency. I had agreement from this particular Governor of the Central Bank, but when you are in the Opposition, you cannot very well take ideas forward. You operate at a realm of ideas and you have informal discussions, but there is no institutional arrangement to enable us to take an idea one step further towards implementation.

Even as a Member of this House, I know what I am saying now will be pure talk and, I dare say, some will listen, some might respond but it is not going to go any further than *Hansard*. I know that, but still that is what we are here to do, to talk. What we discussed was that if we consolidate our foreign reserves as a region, we would have the basis of capital generated within the region, to be directed by the regional governments in the interest of the regional people. We discussed, for example, the way the region could benefit from investment directed at a particular country, and the country was Guyana; that if we consolidated our reserves and changed the basis of the money issue, instead of having to keep a reserve to support the money issue, we would have foreign exchange that could be invested for development. This is what we discussed.

Guyana was singled out as a very viable source of investment to establish for the Caribbean region, the food basket for all time. Because of the extensive territory of Guyana and because of the limitation of land mass of the Caribbean islands, it was felt that if we pooled our resources and invested in Guyana to enable Guyana to become the food basket by, first of all, harnessing the hydro-electric capacity to generate very, very cheap electricity, and by building a road network to open up the land for development, all of the people of this region would benefit. So that we would not have to be at the mercy of the developed countries which use food as a weapon. The hydrogen bomb is no longer a viable weapon to control humanity, but food is now being used as a substitute because people have to eat to survive. And, those countries that produce surplus food hold us all to ransom with that surplus, because they know that when people like us are in need of it they the big food producing countries can get their demands because they have it.

We discussed that if we did have such an instrument for trading, we could reach agreement within the region on enjoying a zero balance at the end of any

given financial year, so as not to have balance of payments problems between trading partners within the region. That is one of the ideas that were discussed. You reach agreement and you seek, in fact, to satisfy your basic needs through trading by identifying those needs and seeing the capacity of each territory in filling needs and directing resources in that direction. So that we would try our best to satisfy our needs without entering into debt and without suffering the adversity of balance of payments problems.

Venezuela and Trinidad and Tobago had the same problem that when we were short of foreign exchange, instead of stimulating the productive process to generate greater surplus to earn more foreign exchange, what we found was that we slowed down that process. Because of the nexus between domestic currency and foreign exchange—and under our laws the Minister of Finance is forced to accept this principle because it is law. The Central Bank Act states that the issue of Trinidad and Tobago currency is limited by the externally held assets. In other words, we are still on the gold standard. The assets are spelled out as gold bullion and gold coins and paper in hard currency.

So our foreign reserves account is an account of convertibles, internationally convertible instruments, that limit the use of domestic currency virtually to 150 per cent of that account and when, as now, we are faced with the crisis of a shortage—because we have a critical shortage; they are now dipping into the reserves to meet the commitments of this country—we find ourselves having to get on bended knees to beg the multilateral lending agencies and those who can influence them, like the President of the United States, to avoid a forced devaluation. That is the situation. It was the same situation that Venezuela faced.

We discussed it at length and, at least that Governor of the Central Bank agreed entirely with me that we should separate the things. Manage the domestic money resource in response to the nation's capacity to produce. No different from the principle exercised by the Federal Reserve Board of the United States in terms of managing their money domestically. No difference. The Central Bank of Trinidad and Tobago, operating on the basis of controlling the money of Trinidad and Tobago internally, the domestic finances of Trinidad and Tobago, would issue the money on the basis of the capacity of the country to produce and not be limited by the paucity of foreign-held assets. He agreed that that was crippling Venezuela, crippling Trinidad and Tobago and crippling all of these Caricom territories that have inherited this principle of money management.

If the United States managed its money resource the way we do, they would have been bankrupt 50 years ago and would have closed down. Because they managed on the basis of the gold standard, where every dollar issued was a promissory note for 1/32 of an ounce of gold, when gold was guaranteed a global price of $32 an ounce; and anyone who held that piece of paper could go to the mint and demand 1/32 of an ounce of gold in exchange for it, because that is what it was. The French government, a small trading partner in the world in the general universal scheme of things, decided to redeem its stock of US paper for gold, and they did not have enough gold in Fort Knox to meet the demand from the French alone. Do you know what they did at that point? They took money off the gold standard. That is what they did. They saved themselves by simply taking the money off the gold standard and operating on the basis of a reserve system. So money is now managed on the basis of the nation's capacity to produce. But is that what we have done? No.

3.25 p.m.

So at least Venezuela was interested. Now I believe that the present President of Venezuela is heading in that direction, and if the time comes that he is accepted in Caricom, perhaps initiatives will come from him to seek to get Caricom to adopt a more progressive approach to resource management than we have right now.

We discussed in some detail how a Caribbean or regional central bank would function, having this monetary instrument for trading. He agreed entirely with my proposition. I do not like to make these statements in Trinidad and Tobago, because every time I open my mouth and I discuss this particular subject, people look at me a little peculiarly. That is why on the last occasion I responded to a comment that came from that side about possibly being mad but not being stupid. And you would notice, the only part of my contribution taken up by the *Trinidad Guardian,* is that—front page.

We discussed that if, in fact, we had a common instrument for trading within the region, we would use that instrument for accounting purposes; we would not have to touch our foreign exchange in trading within the region; we would consolidate all our foreign exchange and manage it in the interest of the people of the region through the democratic process; it would serve as an insulator between domestic currencies and foreign exchange. We discussed how it could serve as this insulator. I put to him my ideas, and he agreed—that if we fix the relationship of our common trading instrument which I described as the Cari-dollar—he

agreed that is a good name for it—to either an agreed, strong convertible currency, internationally accepted currency as we do now with the United States dollar, or for strategic reasons, in our own interest, a basket of those currencies—and I notice the rouble is soon to be added to convertible currencies worldwide—we could then float the domestic currency to the Cari-dollar, so that citizens of the region could save Cari-dollars, which means they would not have their hands on the foreign exchange, the instrument. They would have their hands on what is virtually a special drawing right on the instrument.

The foreign exchange in the region would be consolidated within that central bank; the citizens will hold the Cari-dollars which they could draw at any time they needed foreign exchange for any purpose and you would float the domestic currency to the Cari-dollar. Let the market forces determine how much domestic money you pay for Cari-dollars. Then the central bank of each territory, in our case, our central bank, would manage the money in response to the capacity of the country to produce; to create full employment, put everybody to productive work; utilize every bit of in-place capital; ensure that all the infrastructure that cost us a fortune to establish is utilized productively; and to increase output.

Madam Speaker, it is an idea that I am convinced is entirely feasible and I am bringing it, hoping that I would get a response. I know that this Minister of Finance is a very serious individual. He not only is technically competent, but he is also a thinking person, and I am hoping that we shall get a response to this proposal. Because I think that where Venezuela is concerned, the climate is very fertile to enable us, in fact, to achieve a kind of regional integration that is meaningful and can work in the interest of the people of the region, including the people of Trinidad and Tobago.

Certainly from the talks I had with the outgoing Ambassador and from the talks I had, not only with the Governor of the Venezuelan Central Bank, who is a member of the board—because it is quite different from our structure; we have one Governor but they have a board of governors representing various interests—and from the talks we had with leading trade unionists and with the opposition politicians that we met on that trip, the climate is right. I think that this legislation before us is really minimally effective. We could go very much further. From what the President of Venezuela offered to Caricom, I believe, in fact, he is ready to go very much further, and we can remove all barriers.

It is interesting to see how experts are thinking in the world today. Because in the world today, people are seriously engaging in trying to find the solutions to

human problems. The world climate is good because the cold war has ended. But we have seen, with the ending of the cold war, the explosion of some of the simmering problems in all societies; civil war emerging in states that were formerly part of the federation called the Soviet Union. Just recently in the United States of America, as all of us know so well, the eruption in Los Angeles and the way that has spread to other cities. It is social problems simmering below the surface that, given the opportunity, erupt, and erupt destructively.

A very interesting article was written in the *Express* and I have tried to get the original documentation from United Nations Development Programme's office in Port-of-Spain. We have not yet received it. But this was published on Friday, April 24, this year, on page 16. It is headlined: “Call for Global Central Bank”. Let me read this article—it is not very long—to show from this, which is the work of the UNDP—Now the final report, I think, will be extremely interesting to all of us. It emanates from Stockholm and it is a Cana-Reuters release:

> "Restricted access to the world's markets costs developing countries an annual US $500 billion and has helped to widen the income gap between the rich and poor nations, a U.N. report released on Thursday said. Developing countries enter the market as unequal partners (and) leave with unequal reward, the U.N. Development Programme said in its l992 report on human development.
>
> At a time when national markets are opening, global markets remain greatly restricted. The developing countries, with some notable exceptions, are finding it difficult to exploit fully the potential of these markets, the UNDP said.
>
> The income gap between the world's richest and poorest nations had doubled in the 30 years to l990, said the report, which chronicles world-wide progress in issues such as education, health, income, employment and the environment. The agency called on the world's nations to remove trade barriers and to increase development aid through defence cuts. It also suggested imposing a global income tax to re-distribute income across national borders."
>
> “In addition, it says developing countries should make their governments more responsive to the people and spend more money to build a skilled work force.

‘If global markets were truly open, they would allow capital, labour and goods to flow freely round the world...’”

And I refer at this point to what was proposed by the Hon. Leader of the Opposition and was contained in the manifesto of the UNC that received a negative reaction in this country.

3.35 p.m.

The Leader of the Opposition proposed that since the United States was our main trading partner, what we should do is to seek to enter into a treaty with that country for the free movement of capital goods, services and labour, naturally in our interest. This is now being proposed on a world-wide basis, to move the barriers to allow people to move freely as well as investment capital and trading goods and services.

“‘...and help equalize economic opportunities for all’, the report said. It added: 'If developing countries are to trade on a more equal basis, they will need massive investment in people.’

The UN agency said that by 1990, the richest fifth of the world's population, by nation, earned 60 times more than the poorest fifth, double the gap in 1960.

It listed Mozambique as the poorest country, with a gross national product per capita of 80 dollars in 1989, compared with US $29,880 for Switzerland, the richest.

Major trade barriers cited by the report included high tariffs on processed foods, and quotas on labour-intensive products including textiles and clothing where developing countries often have a competitive edge.

In addition, developing countries lack access to foreign investment and credit due to unskilled work forces and heavy existing debt burdens in poor countries.

Together, the trade barriers and lack of access to capital cost developing countries US $500 billion yearly, 10 times more than they receive in foreign aid.”

That is missed opportunities because of the way relations are established.

"Eliminating international textile and clothing trade restrictions alone would raise exports from developing countries by US $24 billion, a year.

Major changes in the world's institutional structure were needed to help deal with the problem, the U.N. report said.

It called for a global central bank, which would have powers to impose 'adjustment programmes' on rich as well as poor nations, more authority for the international trading organization GATT (General Agreement on Tariffs and Trade), and a stronger UN role in economic and social development. "

That is the corrupt thinking and, in fact, the economic groupings that are emerging are establishing the institutional framework that enable it, and here we are still talking. I am sorry our Prime Minister is not here because he is soon to take over the chairmanship of the Caricom Heads of Governments. I think that he is very well placed if he takes bold and imaginative initiatives to those conferences to seek to do what, in fact, has to be done. If survival is ever to be hoped for developing countries we have got to change our approach to mobilizing and managing resources. You see, bills like what we have before us are really quite meaningless in the whole scheme of what is happening in the world today. My concern is that we are not doing enough to really address the problem of our inability to mobilize our God-given resources and this little country is endowed with an abundance of resources. What are we doing about it?

If you ask the IMF to evaluate a discarded oil drum what will they tell you? They will tell you yes, they can monetize that and take the weight of it and relate it to the value of scrap iron. But you put that in the hands of Trinidadians and Trinidadians who are perhaps considered the most backward of our people because they have not had the opportunity to enjoy wealth, they are dispossessed, poor, deprived and have not had the opportunity to enjoy the advantages of higher education, but they take that discarded oil drum and fashion it into a musical instrument and apply a genius that has astounded the whole world. That is the kind of blessedness that occurs in this little society of ours. If God is not smiling on us that could not happen. It is because of that, that it happens. But you see our politicians, especially those who have the power—for some reason power seems to harden attitudes. We do not recognize the value of our people and the tremendous potential that exists if you only allow that genius to gain expression and you mobilize the resources to enable it, because the role of Government is to manage the nation's economy. The Government are the only institution with the power to manage the nation's economy.

Madam Speaker, unfortunately, you do not even get an opportunity to discuss these things. Long ago you could have ruled me out of order. You could have said I am not really relevant to the simple matter that is before us. I appreciate the fact that you are enabling me to do this, and I know the reason. People who do have hope for their country and have vision and are seeking in fact, the best solution to the problems, will tolerate each other. I know that is why you tolerate me.

Madam Speaker, as I have raised it, it will enable Members opposite to include a discussion on the things that I have brought up during the course of this debate and I would honestly invite the Minister of Finance to participate in the debate and deal with some of these issues. Because I know the problems he faces. Within the restrictions of the system and the laws, the hon. Minister of Finance has to try his best to release finances for the Government to achieve exactly the things we have been talking about—full mobilization of the economic resources of the society, endeavouring to achieve full employment of our people, productively; and development.

Madam Speaker: I imagine that the hon. Member is making his contribution as regards Venezuela for consideration with the matter before the House. Is that so?

Mr. Humphrey: Madam Speaker, it just so happens that discussions occurred with Venezuela at ambassadorial level. This was transmitted to the President when we made a trip to Venezuela at the invitation of the trade union movement and various interests in Venezuela. I want to say that the climate is ripe for it because from what I discern from those discussions, Venezuela is keen to enter into a very meaningful relationship, not only with Trinidad and Tobago, but also with the rest of Caricom. I seize the opportunity given by the bill to raise these points. They say politicians are opportunists. That is the kind of opportunist this politician is; that when an opportunity arises to make what I consider a meaningful contribution, I would seize that opportunity. I am, therefore, inviting the hon. Minister of Finance to participate in this because it would be interesting to hear what critics of such a proposal would advance to argue that it is not a viable proposal.

3.45 p.m.

I want to point out to him—and I know that he is going to the United States tomorrow with the Prime Minister—that the Chairman of the Federal Reserves

Board of the United States is the one who has the responsibility of money managing in the United States and has adopted an approach to managing the US domestic financial resources in a manner that would enable full mobilization and utilization of US productive capacity. It is a dynamic way of managing money. You are running it as a system and not as a commodity. We are doing exactly the opposite. Money to us is on the commodity market, short supply, great demand and high value. We do not manage it to enable production and utilization of idle capacity but they do.

I want to suggest to the hon. Minister of Finance that he probe in that direction and question why it is that the multilateral agencies insist that we maintain the system of the gold standard when the United States of America, Europe and the developed world generally, do not operate that way any more, and come back and give us good news that he has been able to persuade Allan Greenspan and George Bush, that they should enable little Trinidad and Tobago and other Third World countries to manage their money in a productive way and assist us in dealing with the critical nature of the foreign exchange position that we find ourselves in. Because it is not entirely our fault.

All the programmes imposed on us are one-sided, instead of our benefitting from an inflow of capital, we suffer from a net outflow of capital. All the programmes of aid and financing result in that. I am delighted to see that the specialists of the United Nations Development Programme have come out and admitted it. It is time that we take stock of ourselves and stood up. We are an independent nation; the principle of national sovereignty has been accepted all over the world, let us stand up on that basis and argue in our own self-interest. Then, perhaps we would have more meaningful discussions with Venezuela and with that concluding statement, I think I have made it a little more relevant to the bill before us.

Mr. Basdeo Panday *(Couva North):* Madam Speaker, I had hoped that this topic would have resulted in a debate. It appears that it is not. It is going to be monologue as usual. Everybody on this side is going to talk and then one person on the other side is going to reply. I shall not be long. There are a few things which bother me about this bill.

Now, in introducing this bill, the Member for Diego Martin Central, the next acting Prime Minister said—I wish to congratulate him. He is going to be the next acting Prime Minister, I understand—that it was Mr. George Chambers, former Prime Minister who entered into the Declaration of Intent with the Venezuelan

Government. I want to find out whether I am correct or not, that although it was the former Prime Minister, Mr. George Chambers who entered into the Declaration of Intent with the Government of Venezuela, it was actually, former Minister Sahadeo Basdeo who signed the agreement. Good, so, I can put this aside. You see you must give credit where credit is due. I did not hear you mention that.

Mr. Valley: I said it was signed in 1989.

Mr. B. Panday: He may have said that but he should say who did it. He mentioned Mr. Chambers' name. That is beside the point. It just goes to show the bias that exists on the other side. The point is that it is all cleared now. The Declaration of Intent was entered into by Mr. Chambers. Then we have on August 4, 1989 the then Minister of External Affairs, Sahadeo Basdeo entered into this Partial Scope Agreement.

What bothers me is that this is a bill that seeks to reduce the tariffs on goods coming from Venezuela to Trinidad and from Trinidad to Venezuela. That is fine. What I cannot understand is who—that is why I told him he must give credit where credit is due—determines the list of goods because I think it is the most curious list I have ever seen for an independent country negotiating with another country in its own trading interest. So, you see, I did not want to blame Mr. Chambers. That is why I separated the two things. Who determines? Obviously it was the Government, between 1986 and 1991 that negotiated this agreement which resulted in the list of goods that are going to come from Venezuela and Trinidad. It is a curious list and I should like to know if the Government have any idea of what were the criteria at the time of negotiating that resulted in a list which is biased in favour of Venezuela.

I think my learned colleagues have mentioned some of the goods coming from Venezuela for which there will be now reduced tariffs and therefore, those goods are going to be cheaper and in greater competition with the goods that are produced here. They include fruit pulp, pineapple, vitamins, cough and cold preparations. I am not going to mention the other word because I am not going to fall into a trap like my friend to mention a word that I cannot pronounce, but whatever it is, I proceed: other medicaments, paper for filter. I am mentioning these because I wanted to ask: Were these potential industries for Trinidad and Tobago? If they were, what determined this list? Paper for filter—I think leather footwear was mentioned—kitchen and table glassware. Do we not have a glass

industry here? Also steel plate, seamless tubes and a heap of industrial goods. That is the key.

What is omitted from this is the list of goods which will be moving from Trinidad and Tobago to Venezuela? I imagine that would be part of the Venezuelan legislation when that matter comes before Venezuela. I think however, I want to tell this House what that list is, because that is not part of the bill and it is a very short list indeed. Now here is this long list of goods that are going to come from Venezuela and competing with our goods because of the reduced tariff. And the goods that our great government of that period decided on that should go to Venezuela at a lower tariff: curry powder, pepper sauce, seasonings with condiments and a pepper base, aerated beverages, stout, angostura bitters, computer forms and paper—very interesting, because I want to know who at the time owned a company that produced this paper.

I have my suspicions about a certain company that used to produce forms, and who was the owner. At that time he put in computer forms and paper. Very curious! Very unusual thing, everything else is pepper sauce and so on, this is computer forms—steel pellets, wire rods, steel nails for use in construction, parts for household electrical appliances, artificial teeth; 25 per cent less tariff will be charged on artificial teeth leaving Trinidad to go to Venezuela. We have a great trade in artificial teeth. I want to ask the Minister of Trade Industry and Tourism if he would be so kind as to furnish me with the number of artificial teeth that were exported from Trinidad to Venezuela within the last 10 years.

3.55 p.m.

Whichever government negotiated this list, that bothers me. I should have thought that what we would have done is look at our goods here and try to include in this list the goods that we want to export. The Venezuelans were very clever and I congratulate them on their cleverness. It is just that I want to know who the Ministers were at the time.

I continue: vitamins and cough syrups, aluminium sheets, and aluminium sheets for candy wrapping, aluminium cans, chisels, hammers and masonry tools, centrifugal pumps, hydraulic pumps, parts for all these pumps, valves, telephones and electronics. That is the kind of thing I would expect my Government to do.

The first point is, how is it that this list is so one-sided? The second point is— and I want some clarification—on an article that appeared at page 3 of the *Express*

dated May 6, 1992, only two days ago actually, headlined, "Venezuela trade pact soon with Caricom" and it says:

> "Caricom leaders will be asked to ratify the one-way trade agreement with Venezuela when they meet in Trinidad in July."

Now, if we are going to get one-way free trade, that means, as I understand it, that our goods will be entering into Venezuela without restriction. Why are we following up an agreement that imposes tariffs on our goods that are going in, when soon there is going to be an agreement where Caricom is going to accept an offer of the Venezuelan Government for a one-way free trade from Trinidad and Tobago and Caricom countries. I cannot understand that. The article went on to say:

> "This was stated yesterday by the Venezuelan Embassy's Charge d'Affairs, Pedro Camacho when he spoke at a ceremony at O'Meara Road, Arima, to launch Automotive Components Ltd's entry into the Venezuelan market.
>
> The company, a subsidiary of the Neal and Massy Group, will ship its first container of 800 Miatsu motorcar batteries to Venezuela today and hopes to export 10 containers monthly.

Now, I should have expected that that would have gone into the list. We could have put that into the list so that now, will be so competitive, that instead of 10 containers, we would have 20 containers per month. How was this list arrived at? The article went on to say:

> "ACL executives will attend a trade fair in Venezuela next week where they hope to secure further contracts. The company is also looking into markets to Colombia.
>
> Also speaking at the function were Brian Kuei Tung, Minister of Trade, Industry and Tourism..."

I understand the people of Laventille have never heard of him—

> "and Jesus Pazos, deputy Chief Executive Officer of Neal and Massy Holdings.

Camacho said the Venezuelan Government has been working out the details of the agreement and that there had already been three technical meetings on the matter.

The agreement, proposed by Venezuelan President Carlos Andres Perez at the last Caricom summit in St. Kitts..."

That is the one that was referred to by my learned colleague here—

"will allow Caricom states free non-reciprocal access to the Venezuelan market for five years."

If we are having that, do we need to have a partial scope that imposes tariffs on our goods going to Venezuela? That is what I want to know. Maybe I do not understand something, so I am asking this for my own edification. The article goes on:

"'I think we will be able to sign the agreement by the middle of the year,' Camacho said, 'and I expect that it will be taken to the Trinidad and Tobago summit.'

Camacho said that as far as trade was concerned, governmental relations between Trinidad and Tobago and Venezuela were 'excellent', but he noted that the private sector had not utilised the various agreements to the extent that the two Governments had wished."

So, I should like to find out from my friends how this meshes with the bill before the House today.

These were the two matters that bothered me. I am all for expanding trade with Venezuela and I would hope that there would be free trade between Venezuela and Trinidad and Tobago. I noticed these things. This thing about the teeth and so on, I know that the local dentists were making a fuss—they were coming to see me and Ministers. I do not know if this was put there so that the local dentists would have a market for the teeth they manufacture. What bothers me, however, is the one about the telephones—we should be able to import telephones from Venezuela. I just wondered whether this had anything to do with the present impasse that is going on between the telephone company and the workers, and whether this timing was intended to dampen the spirit of the workers in the struggle that they are having. Most important, however, is the fact that the Government are not even intervening, are not trying to resolve a problem that is crippling the country.

Mr. Valley: Madam Speaker, the hon. Member knows that that matter has nothing to do with this debate. He was supposed to debate that on the last day.

Mr. B. Panday: I am doing it today because I could not do it on the last occasion. However, I take this opportunity to say that I believe that the Government should intervene in some way in this matter and stop this madness that is taking place on both sides; stop this internecine conflict that is damaging the nation's economy.

That was in passing. The real problem I am worried about—the goods and what is going to happen to the Venezuela one-way trade agreement.

I thank you.

4.05 p.m.

The Minister of Industry, Trade and Tourism (Sen. The Hon. Brian Kuei Tung): Madam Speaker, in view of the fact that quite recently I had addressed this House with respect to some of the plans which the Ministry of Trade, Industry and Tourism hopes to take in the near future, I would try my best to restrict my speaking time, to focussing instead on the very pertinent aspects of this bill, and in the process, hope that I would be able to address some of the concerns raised by the hon. Member for Couva North.

With respect to trade reform, I recognize that change does not come easily and that generally we tend to be very comfortable with things as they are; therefore, words like “liberalization” and “reform” tend to engender much fear, hysteria and misgivings. I believe, however, that these fears and misgivings have been formed because of much misinformation—and, maybe, mischief—which has been used to try to deter us from our economic reform programme.

My ministry plans to undertake a public relations programme with the hope of being able to educate the general public with respect to the need for trade reform, the benefits of trade reform and the fact that we really have no alternative but to seek economic growth by means of export.

Hon. Member: Propaganda start!

Hon. B. Keui Tung: Madam Speaker, today, I am pleased to join my colleagues on this side in support of a bill which I see as yet another plank in the issue of trade reform. My ministry is committed to doing its best to facilitate exports, particularly in unknown markets. I say “unknown” because whilst we are a mere few miles away from Venezuela, our manufacturers appear to be focussed

on the North American market, traditionally so, and have ignored a market which has been sitting virtually on our doorsteps.

I do not believe that our trade reform programme would get going unless we demonstrate the will and resolve necessary to accept change and to recognize when change becomes due. In another House, I had said that it is better for us to undertake the trade reform programme sooner rather than later.

The success of our trade reform programme which, as I said, is based upon export-led growth really will require the best resilience and the greatest desire on behalf of our manufacturers to achieve international competitiveness. To do that, Madam Speaker, the Government intend to create a facilitation which this bill seeks to do in part to ensure that manufacturers are given every assistance to reach previously untapped markets.

This bill, as the Member for Couva North rightly said, really deals with the financial impact it will have on us. So that the items listed here in this bill really have been itemized by tariff numbers so that the proper application of the tariffs and the reduction in tariffs can be passed into legislation.

What this bill does not show in its entirety is that this agreement was originally signed—I am glad that the hon. Member did notice that it was originally the wisdom and vision of two previous leaders of Trinidad and Tobago and Venezuela, respectively—in 1986 by people who may have very well seen the need for trade reform by the 1990s.

This original agreement initially identified no more than 11 items, so that the Partial Scope Agreement could have been catapulted forward. I say that because the agreement, originally, had 11 items conceded by Trinidad and Tobago and 11 items conceded by Venezuela. In essence, while the original agreement, which the hon. Members on the other side seem to have, seems to indicate only 11 items, what has really happened is that there are as many as 35 different items that had been identified on both sides. Therefore, I am pleased to inform the hon. Member for Couva North that there is another list of 24 other items.

Mr. S. Panday: Let us hear them.

Mr. B. Panday: Items of goods coming from Venezuela? So that what is in the bill before the House is incomplete?

Hon. B. Kuei Tung: No, no. Madam Speaker, I am saying that the things that are in this bill relate only to items that are coming from Venezuela that impact on Trinidad and Tobago's legislation.

Mr. B. Panday: Okay, fine!

Hon. B. Kuei Tung: The agreement from which he quoted had only the original 11 items, but since then, a further 24 had been added, which include things like: beverages, beer, lacquer, enamel, shampoo, toothpaste, face and body powders, deodorants, skin-care products, cosmetics, manicure preparations, toilet soaps, insecticides, ceramic roofing tiles, unglazed tiles, electric room fans, blenders and mixers, coloured television (19", 25", 26" and above), metal furniture, and other products for the care of hair. So that it is wrong to think that there were only 11 concessions granted by Venezuela whereas—

Mr. S. Mohammed: Minister Valley should have said that.

Mr. Valley: I said that.

Mr. S. Mohammed: You did not itemize it.

Hon. B. Kuei Tung: Originally, the 11 items that were in the agreement, I understand, were identified by technocrats of the ministry but this was done by technocrats from both sides in order to expedite the signing of the agreement. Since that time the additional items from both sides have been negotiated by teams of both sides each comprising Government representatives, technocrats, as well as members of the private sector in particular, in our case the Trinidad and Tobago Manufacturers' Association. So that the Manufacturers Association had a very clear opportunity for input into determining the type of items which would end up into Venezuela, and the presumption here is that they will be seeking products which they know they can amply manufacture and produce for the Venezuelan market.

On the question of one-way trade, which I know is very much in the air, what we seek to do today is to put in place an agreement which was originally thought of in 1986; regrettably only signed in 1989. We want to do this at this time to encourage exports into Venezuela. It is likely that in the very near future—and unfortunately I am not able to predict how soon that would be—a new one-way trade is going to supersede this, in which case the advantages to be derived from the one-way trade will clearly outweigh this, and we may very well decide to allow this agreement to lapse. In spite of that, Madam Speaker, I should like to

point out a few of the general highlights of this agreement for the benefit of this honourable House.

4.15 p.m.

In the first place, the agreement has, as its objective the stimulation of trade between the two countries and I did notice that Members on the other side seem to indicate that trade with Venezuela is to be encouraged. Duties include customs duties and any other charges of equivalent effect, whether of a fiscal, monetary or exchange rate.

At this time, the agreement requires that the signatory countries shall abstain from applying new non-tariff barriers. The agreement also provides for evaluation and revision annually and I believe it was the hon. Member for Nariva who indicated that there is an administrative commission, which comprises members of both Government and private sectors for this purpose.

This bill fits very much within our trade reform programme and I should like to make one other point before I wind up. There is a tendency, generally, for people in understanding two-way trade to focus on what we are giving up without fully understanding what we are going to be getting in the process. I say this, because very frankly one wonders what particular interest Venezuela has in opening up its market to us. When one considers that the Venezuelan market is many, many times the size of ours, and where, for the sake of argument, the agreement suggests that the negotiations were very tough, in the sense that we were able to negotiate the same number of items to be traded, the same rate of reduction, one can only assume to my mind, that this agreement benefits Trinidad and Tobago far more than it benefits Venezuela, particularly, as the market in Venezuela outstrips ours many times over. Madam Speaker, in winding up my—

Mr. Humphrey: Could the hon. Minister indicate to this House what progress has been made at the end with the Venezuelan Congress in terms of ratifying the agreement?

Hon. B. Kuei Tung: Madam Speaker, I understand that shortly after the signing of this agreement, the Venezuelan formalities had been concluded. At this time the reason we are doing this, which may appear to be hastily, is that we are prepared to put in place something that we had agreed to and committed ourselves to a couple years back. So that, because it fits well within our own plans, we are pleased to produce this bill at this time to ensure that our manufacturers continue to get the facilitation that we hope to provide.

So that, in closing, I should like to ask that Trinidadians and Tobagonians recognize the need for us to pursue export-led growth, but more importantly, to demonstrate loyalty to local products particularly because there is a tendency to believe that locally produced goods are not of the highest quality. I was quite pleased myself to be part of the launching of that container of batteries. Maybe I am one of those who, like so many other Trinidadians and Tobagonians, believed that we could not compete in the Venezuelan market because we felt that the low cost of labour in Venezuela gave a competitive edge to their products and that our products would have very little comparative advantage.

Madam Speaker, because I know that we have demonstrated that we can produce a high quality battery, I have every confidence that this agreement is going to succeed and redound to the benefit of Trinidad and Tobago. Madam Speaker, I thank you and I am pleased to support this bill.

Mr. Raymond Palackdharrysingh *(Caroni Central)* Madam Speaker, I wonder why the hon. Minister had to talk about the wisdom of leaders, especially when he is not fully cognizant of the fact that some of the so-called great, ordained leaders of the PNM had waged a bitter war against Venezuela in accusing the Venezuelans of attempting to re-colonize the Caribbean. I must reply to that because, you see, we are coming into a situation in which a particular period of history is opening up to us and therefore we must begin to understand the context of the development of either trade in the Caribbean and Latin America and even our relationships with Venezuela.

I recall, that it was the Member for Couva North who, in a lengthy presentation on April 30, 1989, made a clarion call at the launching of the United National Congress for the establishment of trade with our Latin American neighbours. Even at that juncture, to make such a call was to the response: Why is it necessary to foster relationships with the Spanish-speaking countries?

Madam Speaker, just permit me to make a little quote from a book entitled: *Contemporary International Relations of the Caribbean* which is edited by former PNM Minister, Basil Ince, of the Institute of International Relations, UWI, St. Augustine. It states on page70—

> "While there are probably any number of reasons for Williams' objections to the Agreement, his main charge was that it was ‘a calculated attack’ on the smelter project announced by the three Commonwealth Caribbean states. Williams' stated concern derives from (1) the innumerable bilateral arrangements being entered into between Venezuela and individual CARICOM

member States and (2) Venezuela's interest in becoming a Caribbean power and exercising rights over large areas of the Caribbean Sea. As Williams views it, Venezuela is using petrodollars, not to structurally alter its own economy which is dominated by transnational corporations, but rather to exert greater influence in the English-speaking and Dutch-speaking Caribbean. He envisions Venezuela's oil agreement with the Caribbean and Central American countries; the bauxite agreements; Venezuelan claim of a 200 mile exclusive economic zone in the Caribbean sea; Veneuzelan involvement in Caribbean tourism; and the Venezuelan inspired 'Caribbean Basin' idea as threats to the survival of the Caribbean Community. As he succinctly put it: 'Can we now expect that Venezuela will be made an honorary member of the Commonwealth?' 'Bilateralism is eroding the multilateral emphasis explicit in our Community and the bilateralism has all the hallmarks of the colonialism implicit in all the statements of Venezuelan publicists'—A new Venezuela they preach..."

4.25 p.m.

That might have answered the question posed by the Minister himself: What particular interest does Venezuela have in the Caribbean? Today it would seem that there is a departure from that. It might be. But for the hon. Minister to come here and say that there are some Members on this side who oppose change and others who find it hard to adjust, I want him to recognize that he has sprung from one of the most reactionary groups in the society; and that we are not really afraid of anything that brings about change or even revolution. I want him to go and inspire the people of Laventille to change and the people of Barrackpore, in terms of their conditions of life. It is my own opinion that he belongs to a group in this society which does not care very much for change, but cares rather for instruments to protect a peculiar elite class in this society.

This bill before us states in the Explanatory Note:

"The Bill seeks to amend the Customs Act, Chap. 78:01 in order to incorporate therein the tariff preferences agreed upon by Trinidad and Tobago and Venezuela in the Partial Scope Agreement signed at Port of Spain on the 4th August, l989 (hereinafter referred to as 'the Agreement')."

Clause 2 would insert into the Customs Act a new section 6A which provides, *inter alia*, for the incorporation into the customs laws of the tariff preferences established by the Agreement. These tariff preferences would only apply to goods originating in and proceeding from a State which is a

party to the Agreement, which goods must be accompanied by a certified declaration by the producer or exporter of the goods to the effect that the goods meet the requirements of origin established under the Agreement."

Madam Speaker, the note also explains that the Eighth Schedule, setting out the goods that are to be given preferential treatment and the tariff preferences applicable to such goods, may be amended by order of the President.

4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Mr. Palackdharrysingh: Madam Speaker, since this agreement involves products for preferential treatment based upon the principle of rules of origin, I am afraid that the Government has not spelt out in any reasonable way how they are going to determine the rules of origin criteria. Is the rule of origin concept merely to pull a figure out of a hat and say that 50 per cent of the input in the commodity must be from the originating country? In Caricom for example, over the years we have had so many conflicts on the rules of origin and there were so many practices that seem not to have met with approval by member states. This House ought to know, when it comes to the rules of origin, what is the level of the original inputs in goods that come from Venezuela and how much other value added that goes into the manufacture of the particular commodity is allowed to come from Third World countries. That has to be spelt out because you see—the Member for Diego Martin Central could suck his teeth as often as he wants; I hope they are not false.

We have problems today in Caricom with respect to the common external tariff and I am wondering if the Government, merely by their bilateral action, are going to aggravate a situation with respect to our Caricom partners. We are saying that in this bilateral arrangement that we are having with Venezuela, we cannot wait to settle matters with Caricom because up to this present day, even in Caricom, the question of the common external tariff, though postulated, has not been accepted for implementation by about four of our Members. You see it almost every day. I think the Minister rightly pointed out that the labour factor in the Latin American countries is much more competitive than the labour factor of this country—I hope I got him right on that point or more specifically with respect to Venezuela—and if that is the case, with the cheapness of the labour input in Venezuela, even a 25 per cent preferential tariff might not in any way give the edge to some of our producers in this country.

Yes in principle we have to accept free trade if that is the area we are going into. But the haste with which we try to implement that might cause some serious dislocation in our own economy, particularly with respect to our own small people. It is well known, for example, that some of the major exponents of free trade: Japan—

Mr. B. Panday: Japan is not an exponent of free trade.

Mr. Palackdharrysingh:—the United States has so many protectionist policies with respect to their agricultural sector. As the hon. Member for Nariva pointed out, fruit pulp—pineapple and fruit pulp. They put that on a list for preferential treatment, when we have in our country at least many farmers who cannot find markets to sell their pineapples—if the answer is that there are markets, then there are no mechanisms to get the product from the farmers' plantations to where it is needed, maybe in the hotels or in the processing industries for those who use pineapples for other purposes.

I want to sound a note here to the Government, especially with respect to fruit pulp because if we do not give a measure of protection to our farmers who admittedly, through no fault of their own, cannot really compete against the large-scale economies of the bigger countries, we might be in very serious straits. The one thing that we should always keep in mind is that there must be food for all our people, produced on a local basis, and the question of food security is ever before us.

Over the years when you look at all our budget presentations you see that import of foodstuff into this country has been between $0.75 billion and $1 billion. Is not that telling upon a country that is endowed by the Creator with so many natural attributes of fertile soil, and hard working people? Why can we not at least provide a level of food supply so that in the event of any contingency we would always be able to supply ourselves?

5.15 p.m.

But the whole thing on food in this country is a conspiracy. If you look at some of the practices in the past you would very clearly see that whatever the farmer has to do has been frustrated. He cannot get proper seeds, weedicides, the proper tools or cannot afford them, and then when it is in disarray you import a lot of food from outside. Who control the imports? Just a few people who supply all the food in this country. That has to be taken into account and in this respect it is most unfortunate that items such as pineapple, fruit pulp and others have to be

here because I believe, that given the right environment, our farmers would be able to produce a quality of fruit for us that is more nutritious, with benefits accruing to themselves, their families and the country. Let me hope that the Government reconsider this item in this bill, eliminate it and strengthen the agricultural capabilities of our own farmers.

I think that it is also necessary to look at what are some of the other problems that could arise in an agreement like this. If you look at the Partial Scope Agreement, Ch. 1, Aim of The Agreement you would see that it states:

> "Article 1: The present Agreement has as its objective the stimulation of trade between the signatory countries through the granting of tariff preferences and the elimination or reduction of non-tariff barriers."

I think that the Government ought to elaborate on this point. What exactly is the intention for the future with respect to the elimination or reduction of non-tariff barriers? That has to be explained because I do not have a clear picture of what is transpiring with respect to trade.

In the *Annual Statistical Digest No. 37* when I look at the trading patterns between Trinidad and Tobago and Venezuela, I notice that we imported from Venezuela the following:

Year	TT$ Million
1981	29.7
1982	31.8
1983	21.4
1984	22.1
1985	27
1986	119.6
1987	60.9
1988	113.1
1989	154.4
1990	400

I tried to find figures for our exports, but I could not find them. I think that the Minister ought to present a picture of what is actually transpiring in trade with

Venezuela and Trinidad and Tobago, because at the moment, in relation to Venezuela we are importing, it would appear, quite a sizeable amount of products while there seems to be no corresponding exports. If this is the case, that ought to to be explained. If we have exported to Venezuela, probably from 1981 to 1990, I think it ought to be clarified for us what the commodities exported were.

At the moment what I think is happening is that Venezuela is enjoying an advantage—no fault of theirs—because we are entering into relationships without providing the resources for export so as to bring some measure of equilibrium in the balance of visible trade. It is clear from that point of view that the Venezuelans are producing to an extent that they are looking outward for markets and we have not begun a level of production where we can export in the regional market. That ought to become very obvious to us.

5.25 p.m.

I want to look at what the Partial Scope Agreement says in Article 6:

"The signatory countries shall abstain from applying new non-tariff barriers to the importation of the negotiated products or from making more restrictive those that have been stated except for measures aimed at:

(a) protection of public morals;

(b) application of safety rules and regulations;

(c) regulation of the importation or export of arms, ammunition and other war materials and, in exceptional circumstances, all other military material;

(d) protection of human, animal and plant life and health;

(e) imports and exports of gold and silver in bullion form;

(f) protection of the national patrimony of artistic, historic or archaelogical value; and

(g) export, use and consumption of nuclear materials, radioactive products and any other material used in the development or exploitation of nuclear energy."

While Article 6 seems to have put down certain conditionalities, in case the Government intend to increase the number of items for export or import, what mechanisms are in place to determine these criteria? These have to be stated because you may enter an international agreement and when producers believe

that they have a market, the fact is there are no mechanisms to facilitate their economic activity and the whole process of trade becomes meaningless.

I want to quote Articles 23 and 24 on the administration of the Agreement:

> "For the administration and effective functioning of the present Agreement, the signatory countries agree to set up an Administrative Commission made up of Government representatives of both countries and by representatives of the private sector designated by the respective Governments."

Would the Government or someone speaking on behalf of the Government be kind enough to indicate what is the state of development of that administration for the effective functioning of the present agreement? Article 24:

> "The Administrative Commission shall meet within (90) days from the date of the entry into force of this Agreement; it shall establish its own rules and meet thereafter as often as it deems necessary with a view to promoting the equitable balance of trade flows between both countries. The Commission shall have *inter alia* the following functions:
>
> (1) To monitor compliance with the provisions of the present Agreement;
>
> (2) To propose to the signatory countries the inclusion of new products or the granting of greater preferences on negotiated products;
>
> (3) to propose to the Signatory Governments recommendations which it considers suitable for settling disputes which may arise from the interpretation or application of the present Agreement."

So, there is the Administrative Commission with a role that has been defined. May I enquire how that Administrative Commission is to function; how is it to be comprised; where will its headquarters be, so as to make it known where the commercial centres between Trinidad and Tobago and Venezuela are going to be?

I hope the Government will respond to some of these issues, but more than that, I do not know if we are really trying to see, while we are getting into free trade, which is inevitable, what might be some of the possibilities.

Look at page 1 of the *Trinidad Guardian* dated Thursday July 2, 1991, "Twelfth Caricom Summit, Caricom Venezuela sign Trade Pact" and "Perez Declares Wish for Full Membership". The article states:

> "A multilateral one-way trade agreement between Venezuela and Caricom was signed last night at the end of a historic address by Venezuelan President,

Carlos Andres Perez, to the opening session of the 12th Caricom Summit in St. Kitts.

In his speech, translated by an interpreter, President Perez also forthrightly declared his country's wish for full membership in the Caribbean Community. Venezuela has observer status in a number of Caricom committees and has long been signalling a desire for a firmer arrangement with the grouping of English-speaking Caribbean countries."

In parts, in this same article,

"That is why he announced Venezuela has decided to eliminate duties on products from member countries of Caricom without requiring reciprocity. He also singled out transportation by sea and air, telecommunications, telephone and fax systems as areas in urgent need of development. All of this, he said, encourages co-operation in the important tourist industry."

What we have to consider in a situation like this, is the size of the Venezuelan population. That is about 13 million vis-a-vis the size of Caricom as it is now constituted, with about 5.6 million people. From the time you start looking at Venezuela vis-a-vis the Caricom situation, there might be certain motives that will in due course, surface.

One, while one is willing to enter into arrangements one must not forget some of the conflicts with respect to the ambitions of Venezuela for territorial expansion. One must not forget that the law of the sea regime has brought a new dimension to increased territorial integrity in terms of land space and also an expansion of sea limits. One must not also forget that Venezuela is looking for a very comfortable position with respect to her maritime ambition. I am merely saying these things to put the Government on guard, because while we might want to foster the speaking of Swahili and Hindi and other things, we might have to learn Spanish even more quickly. *[Interruption]* Not on your initiative, that is the point. Madam Speaker, I hope you know that.

5.35 p.m.

The other thing is that in terms of military capability we cannot face the Venezuelans. One may never know what is the hidden agenda for the future. Venezuela has aligned itself with several other economic institutions in Latin America. There is close collaboration with Venezuela, Colombia, Mexico, and whatnot. If there is one-way free trade, it is very obvious that you cannot dilly-

dally too long with giving Venezuela full membership in Caricom. The Government have to state whether they intend to support Venezuela as a full member of Caricom. That is an inevitable question. State your policy!

Madam Speaker: I do not think that policy arises in this bill. Would the Member please confine himself to the bill.

Mr. Palackdharrysingh: Madam Speaker, it is my belief that that is a very pertinent point because, you see—

Madam Speaker: I am beginning to wonder whether Members have taken time to study parliamentary procedures. I have ruled that these observations are not relevant at this time. The hon. Member will have many opportunities, when the time arises, to discuss that issue that he has just raised. For the moment, confine comments on Venezuela to what is at hand.

Mr. Palackdharrysingh: Madam Speaker, I wonder if you might give me an opportunity just to clarify a matter.

Madam Speaker: No opportunity is given. Would you please proceed.

Mr. Palackdharrysingh: Madam Speaker, when we are dealing with a treaty or an agreement, there is always an international relations side to it that we cannot escape, and one has to understand it. It has to do with some measure of foreign policy. In that respect, I believe that the point has to be made.

Miss Bhaggan: It is part of international trade.

Mr. Palackdharrysingh: That is right. Madam Speaker, not long ago in the *Guardian* there was an article which stated that Venezuela was willing to have an arrangement with T&TEC, and there was some level—

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. *[Hon. K. Valley]*

Question put and agreed to.

Mr. Palackdharrysingh: Thank you very much, Madam Speaker.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I hope the Member did not take objection to the fact that I moved the extension.

Let me, first of all, start by thanking all Members who contributed to this debate. Very simply, what we are doing today is the detailed work with respect to an agreement which was signed way back in 1989; the intent of which dates back to 1986. So that what we are seeing really is a stage of development. There was the intent in 1986; the agreement was executed in 1989; and we are doing the detail here in 1992 in an environment in which the Venezuelans have already enacted their legislation.

With respect to Trinidad and Tobago's dealings with the external world, I think we have to agree on one thing—credibility. Credibility must count. I think the last Government demonstrated that when they pursued that course by entering into the agreement in 1989. I am sure that was one of the considerations, and obviously an important consideration would have been the fact that it makes sense. Venezuela is, in fact, our closest neighbour and we need to develop ties with our neighbour.

One would note, for example, that there is also a Partial Scope Agreement made between Guyana and Venezuela. Obviously, a country with 1.2 million persons, if we are gaining access, even on a limited basis, to a market of 13 million persons, I think it is, then we want to do so.

There was some talk concerning the list, but I think that was clarified when my colleague of long time, the Minister—

Hon. Member: Boss.

Hon. K. Valley: Yes, my colleague and boss. He said that there are now 35 items on the list rather than the 11 which the Members on the Opposition benches thought there were.

Mr. B. Panday: Thank you for giving way, Member. I have been trying to get a list of what is the rate of duty, at the moment, with respect to goods moving from Trinidad and Tobago to Venezuela. The bill states a rate of duty, and what I think has happened is that the duty on goods coming from Venezuela into Trinidad and Tobago has been reduced by 25 per cent. Where would that document be? This is for my own edification.

5.45 p.m.

Hon. K. Valley: Madam Speaker, the agreement says that whatever duty the country is at present charging third parties, that rate would be reduced by 25 per cent. It does not matter what duty. For example, we have now gone to the CET

and it means that the now higher rate would be reduced by 25 per cent. Venezuela, on the other hand, I think, have reduced their rates. What it means is that we would get 25 per cent off. It is not a fixed amount.

Mr. B. Panday: Does the rate vary with all third parties?

Hon. K. Valley: It is 25 per cent of whatever the rate is for third parties. Simply, giving preferred access to the market for certain stated products.

Madam Speaker: I think the hon. Member is asking where he can find that information for his benefit.

Hon. K. Valley: I do not know whether there is a copy of the Partial Scope Agreement.

Mr. B. Panday: If you look at the bill, it states in the Schedule—it gives the figure there—the rate of duty on goods moving from Trinidad to Venezuela, not the percentage by which it falls. What I wanted to find out is what would have been the rate of duty with respect to the list of goods that the hon. Member so kindly supplied to me. It says, merely, that the duty in respect of these goods falls by 25 per cent. What I wanted to find out is, where I could get the rate of duty for each of these goods.

Hon. K. Valley: You may have to get the Venezuelan legislation. Let me just explain. For example, in Trinidad we know the rates—the third party rate, for example, for vitamins. What is shown here is simply 75 per cent of that third party rate, throughout. So similarly in the Venezuelan legislation, the rates for the items that Trinidad and Tobago can export to Venezuela would be shown in that legislation. But I do not know. This schedule will have to be amended, if, for example, we were to change these rates because it is a percentage thing rather than a fixed amount.

Now, we all know that, in fact throughout the world today countries are seeking these types of alliances. In Europe there is the European Common Market which existed for quite some time. In the Americas there is now—

Mr. Palackdharrysingh: How is that relevant to the bill?

Hon. K. Valley: There is now agreement, the Free Trade movement. All over the world there is, generally, a movement towards free trade; getting into arrangements with trading partners to reduce duties, non-tariff barriers, and so on. Obviously, this is in keeping with our own needs here in Trinidad and Tobago

where we want to sensitize our manufacturing sector to export more. So that, this is all in keeping with Government's policy. This is why we hurriedly got this piece of legislation to the Parliament.

There was an issue, with respect to the net benefit and I think it was the first speaker, the Member for Nariva, who claimed that, in fact, we export very little to Venezuela and that, in fact, Venezuela would gain much more than we would from this agreement. What we want to do is export more. We realize as a fact that we do not export sufficient to Venezuela, our closest neighbour, a market of some 13 million persons and we want to be able to export much more. Therefore, obviously in the choice of products, one would select items in which one has a capability to export. Obviously it is a negotiation. For example, when one looks at some of the items that we have on the list that come into Trinidad and Tobago like vitamins, for example, I do not know whether we make vitamins in Trinidad and Tobago, but we have to buy vitamins. So if we say, fine, Venezuela can export vitamins here in return for our exporting steel to Venezuela, then I say bravo! That is the sort of thing I think we want and obviously that is subject to negotiation. There would be some cases of conflict where they may want to export an item that we are producing here. It all depends on the strength of our negotiators; that is what it is. I think it is all leading in the right direction, the give and take and so on.

There was the contention also about why should we have this Partial Scope Agreement; why bring this to the Parliament given that there is now talk about one-way free trade. Again, I think we are seeing another stage in the development. Here we spoke about partial agreement intent way back in 1986. Today we are talking about one-way free trade into Venezuela. The Member for Caroni Central said, obviously, Venezuela at some point would want to be able to export free to the whole Caribbean. And I think the one-way free trade, if I understand where we are with that, is for a limited period, for some five years we are talking, at present, because we are still in the negotiating stage.

At present, I think they are talking about a priority list of products, so it is not as though it were unlimited. There is still talk, and one knows that things of this nature can take some time. I think we are really showing more than anything, good faith, today by legislating this Partial Scope Agreement. They have done it quite some time ago. We have entered into an agreement and I think that, as a Government, when we enter into an agreement we must be able to honour it. It does not matter which government because it is the government of Trinidad and

Tobago. So, as I said, Madam Speaker, it is a very simple measure. I know Members would support it.

I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in Committee.

Clauses 1 to 3 ordered to stand part of the bill.

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

House resumed.

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

5.55 p.m.

PUBLIC ACCOUNTS COMMITTEE (MEMBERSHIP)

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House appoint the following Members to serve, with an equal number from the Senate, on the Public Accounts Committee:

Mr. Desmond Allum

Mr. Jarette Narine

Mr. Andrew Casimire

Mr. Raymond Palackdharrysingh

Miss Hulsie Bhaggan.

Question proposed.

Mr. Basdeo Panday *(Couva North):* Madam Speaker, you will recall that on a previous occasion we had announced in this House that we were not going to take part in any of the committees, because we believed that it was really an exercise in futility, unless the Government were serious about genuine reform. You would also recall that we had moved a motion in the House, and I think it

was during that motion we had said so. Then later we heard that you had appointed certain Members to sessional committees. First of all, I do not think any Member had consented, but we have spoken to you. The first point is that I do not think Members on this side should be appointed to any committee unless they consent.

The second point is that, having regard to our discussion with you and to an undertaking that there will be a genuine effort made to revise the Standing Orders of this House, we want to change that position. We are prepared to serve on these committees until such time as we are convinced that the Government are not prepared to have genuine reform. The moment we are convinced of that, we shall, of course, resign *en bloc* from these committees. So I merely want to say that we will make an effort and we hope that the Standing Orders of this House will be reviewed.

Madam Speaker: Hon. Members, I must express my thanks to all the Members of this House, because as you know, the appointment of committees, really, is the duty of the Speaker under the Standing Orders. It is getting on in the term and I think Members would also realize that the business of Parliament can hardly go on without the appointment of these committees.

I, myself, hope that as we get our teeth into these committees, we are going to have the input of both the Government and the Opposition, into what kind of reforms are being thought of; whether they are necessary at this time; what should be pursued, having regard to more modern Parliaments, *etc*. I think we are now in a position to bring our inputs into these discussions and I hope they will be fruitful and constructive. I do want to thank all of you for agreeing to serve on these committees.

Question put and agreed to.

Madam Speaker: I appoint Mr. Raymond Palackdharrysingh to be Chairman. Member for Caroni Central, do you agree to be Chairman?

Mr. Panday: Yes, Madam Speaker.

PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE (MEMBERSHIP)

Hon. K. Valley: Madam Speaker, I beg to move that this House appoint the following Members to serve, with an equal number from the Senate, on the Public Accounts (Enterprises) Committee:

Mr. Edward Hart

Mr. Hedwige Bereaux

Mr. Cyril Rajaram

Mr. Trevor Sudama

Mr. Sahid Hosein

Question put and agreed to.

Madam Speaker: Members will appreciate that the Chairman of this committee will come from the Senate.

BUSINESS OF THE HOUSE

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, just before I move the adjournment of the House, I will seek leave to proceed with the second reading of a private bill listed at the end of the Order Paper.

Leave granted.

ECKANKAR SOCIETY (INC'N) BILL

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

Bill accordingly read a second time.

Bill referred to a special select committee of the House appointed by the Speaker as follows: Dr. Rupert Griffith (Chairman), Mr. Cyril Rajaram, Mr. Edward Hart and Miss Hulsie Bhaggan.

Motion made, That the House do now adjourn to Friday, May 15, l992 at 1.30 p.m. *[Hon. K. Valley]*

Question put and agreed to.

House adjourned accordingly

Adjourned at 6.01 p.m.