

Paper Laid

Friday, January 22, 1993

HOUSE OF REPRESENTATIVES

Friday, January 22, 1993

The House met at 1.45 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

PAPER LAID

**Camp Omega
(Commission of Enquiry)**

The Minister of National Security (Sen. The Hon. Russell Huggins):
Madam Speaker, I beg to lay on the Table of this honourable House the following paper:

Report of a Commission of Enquiry to investigate all the circumstances relating to an explosion at Camp Omega on the 26th day of April, 1988.

In laying this report, I crave your indulgence to make a brief statement.

Madam Speaker, on June 3, 1988, His Excellency Mr. Noor Hassanali, President of the Republic of Trinidad and Tobago, issued a commission appointing Mr. Justice Alcalde Warner, Mr. Cecil Bernard and Dr. Stephan Gift to hold an enquiry into the circumstances relating to the occurrence of an explosion at Camp Omega, Chaguaramas, on April 26, 1988, and the consequent death of Lieutenant Gerald Waldron and Lance Corporal Nasim Ali of the Trinidad and Tobago Defence Force and Fire Sub-Officer Louis Jordan, Firemen Kenny Leigertwood, Earl Moore and Auxiliary Fireman Hardeo Hagayah of the Trinidad and Tobago Fire and Ambulance Service.

The commission held 50 public sittings between July 4, 1988 and April 3, 1992 and listened to evidence on oath and addresses from 45 persons, including members of the public and private sectors, and various sections of the Ministry of National Security. The report dated May 6, 1992 was duly presented to His Excellency the President on May 6, 1992.

By Minute 1905 dated August 6, 1992, Cabinet agreed that the report of the commission of enquiry be referred for the comments of the Attorney General and Minister of Legal Affairs and the Minister of National Security.

The Minister of National Security was in full support of the recommendations of the commission of enquiry and noted the following:

- (a) the findings of the commission of enquiry, though not conclusive, indicated that the final decision to choose Camp Omega and the Helix House within it for the establishing of an explosive magazine may not have been as informed as it might have been, in that it appeared not to take cognizance of the technical and logistical disadvantages which the site presented;
- (b) the explosion was, in all probability, caused by the ignition of leached unstable material on the floor of the bunker with burning embers from a nearby bush fire which more than likely entered the bunker through an unprotected vent.

The Minister of National Security has already taken steps to deal with those recommendations which can be handled administratively, in particular the filling of the post of Explosives Keeper.

The Attorney General and Minister of Legal Affairs, after consideration of the report, advised the Cabinet that insofar as recommendations 1 to 12 are concerned, amendments to the Storage of Dynamite Regulations under section 36(2) of the Explosives Act, Chap. 16:02 would have to be made. He further advised that the said Explosives Act would also have to be amended.

Insofar as recommendations 14(2) to 14(7) are concerned, the hon. Attorney General advised of the need to put new legislation in place to address the matters raised therein.

The Cabinet has accepted the advice of the Attorney General and Minister of Legal Affairs and steps are being taken to bring the amendments before Parliament anon.

Madam Speaker, the Government of Trinidad and Tobago laments the occurrence of this event which led to the loss of precious lives and gives this honourable House the assurance that since the submission and consideration of this report it has moved expeditiously to address the matters referred to above so as to ensure the proper management and safety of explosive magazines in Trinidad and Tobago.

Thank you, Madam Speaker.

**WRITTEN ANSWER
(INADEQUATE RESPONSE)**

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Mr. Trevor Sudama (*Oropouche*): Madam Speaker, may I get your permission to raise a matter with respect to the response to a question from the Minister of National Security? This relates to question No. 94 of which part (a) had to be given in writing, in which I asked for the names of those persons who had passed the examination for firewomen.

I got no response until I had to write to you. As a result of writing to you, I got what is termed to be a response, but instead of getting the names of 232 persons, I got the names of 43 persons only; and this is inadequate.

Madam Speaker, I wish, through you, to make a second appeal to the Minister of National Security to respect the authority of this House and to provide full answers to questions.

**ADJOURNMENT MOTION
(LEAVE)**

Miss Hulsie Bhaggan (*Chaguanas*): Madam Speaker, I rise to seek the leave of this House to discuss as a definite matter of urgent public importance, the question of the Unemployment Relief Programme which is designed this year to provide relief for at least 100,000 persons and at the same time, according to a recent statement of the Prime Minister, to provide social peace in Trinidad and Tobago.

This particular issue is urgent because the Unemployment Relief Programme is due to begin on Monday January 25, 1993, yet there are serious omissions with respect to this programme.

Firstly, there has been no public advertisement with regard to the commencement of registration of persons who wish to enter that programme. As a matter of fact, the whole issue of registration has been through word of mouth and has been clothed in secrecy by this Government.

Secondly, with respect to the recruitment of technical persons, including foremen and checkers, there has not been any public advertisement and, again, this, too, seems to have been conducted by word of mouth.

Thirdly, the House was not told as to the irregularities which were identified last year. In the debates which we have had last year, we had made certain recommendations. As a matter of fact, the hon. Minister himself took certain issues to the public and they are as follows:

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- (1) The question of ghost workers. In fact, in Region 1 alone there were 300 ghost workers.
- (2) The hon. Minister indicated to this House that a computerized listing of persons who were registered was being used as the source for the employment of persons.

We have information which denies that particular piece of information given to this House.

- (3) The question of political interference in the recruitment process. There have been instances where when a list is brought to a work site, names on that list are crossed out by political activists and other names are inserted.

I am told that there are people demonstrating outside right now with respect to a similar programme.

- (4) At least 80 persons, according to the Parliamentary Secretary, were paid twice for one fortnight.

There is also a cloak of secrecy surrounding the School Feeding Programme. Recently I read in the newspapers—I believe it was the *TNT Mirror*—that there has been gunplay at Piccadilly Street with respect to the registration of unemployed persons.

Madam Speaker, another irregularity has to do with the stealing of cheques and the cashing of other person's cheques. So, I feel under those circumstances, this is an urgent matter especially as the programme is scheduled to start on Monday.

With respect to the question of public importance, Madam Speaker. In Trinidad and Tobago today we have an unemployment rate of 20.4 per cent officially, which means that more than 100,000 persons are unemployed. We had an announcement recently where the sum of \$140 million of scarce funds is going to be now allocated towards LIDP which primarily is supposed to keep the social peace.

1.55 p.m.

Madam Speaker, we are concerned that this money is going to be used to provide unemployment relief and to create or maintain social peace, whereas this money could have been used to create more sustainable jobs. Especially also in

the light of the cutbacks to the various ministries and the local government bodies, we are concerned to the extent that \$140 million is being spent on this programme. On last year's projections and allocations, Madam Speaker, out of \$120 million, I am aware that \$30 million was spent or used to pay debts from 1991. It meant that \$90 million was spent on, we were told, 300 projects.

Madam Speaker, my information with respect to the allocation of projects, is that in the Opposition constituencies, that is the constituencies which we represent in Parliament, only two or three projects per constituency were allocated, whereas the constituencies which are controlled by the Members on the other side—

Mr. Valley: Madam Speaker, the Member seems to be arguing the case at this time, rather than simply arguing a case to allow the motion. *[Interruption]* I am on a point of order.

Mr. Mohammed: Let the Speaker decide that!

Miss H. Bhaggan: Madam Speaker, I am aware that I have got to demonstrate to you clearly that it is a matter of public importance and urgent, too, and as such, I have got to make a proper case. Madam Speaker, the question of two to three projects in our constituencies is a serious matter of public importance; and also the question of discrimination as far as the allocation of projects is concerned.

Madam Speaker, within recent times we have been told—in fact, the hon. Prime Minister made a very public statement with respect to the allocation of these projects. He spoke about several reasons why there is this discrimination. One had to do with agriculture, the fact that we have access to land—

Madam Speaker: I think that if you stick to the main points, highlighting why, rather than going into the detail, it will suffice for the purposes of making out a case.

Miss H. Bhaggan: Well, Madam Speaker, I will suggest, therefore, that the Prime Minister himself, through a statement, has acknowledged that there is inequality with respect to the distribution and allocation of projects. If I am given a chance later on this afternoon, I shall delineate all the reasons, in fact, that he proposed to the public. Madam Speaker, also, given the fact that unemployment is not a problem only in certain parts of this country, but is a national problem, I feel that the projects ought to be allocated as such. We have got to be aware, also, that of the major projects being undertaken by this Government, none of them is

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located within the constituencies of Central or part of South Trinidad and as such, that, too, makes a case for these projects to be allocated properly.

Madam Speaker, another point I wish to make in presenting my case concerns the reason that the drug problem is getting out of hand in this country today: it has to do with the unemployment situation. If we do not tackle that problem on an equal basis, it means that the drug situation is going to become a more serious issue, especially in Central Trinidad, where you are hearing almost on a daily basis persons are being killed because they are somehow connected with the drug problem.

So, Madam Speaker, it is our view, on this side, that this situation is an urgent one, as I said, because this programme is supposed to begin on Monday. Secondly, it is \$140 million being allocated to this programme and thirdly, there are serious questions with respect to the allocation of projects and with respect to the equitable treatment of the citizens of this country.

I thank you, Madam Speaker.

Madam Speaker: On January 11, 1993, I received from the hon. Member, an application on the very question to raise this matter on a motion for the adjournment of the House, asking that this issue of the Unemployment Relief Programme be raised as a motion on the adjournment of the House. I granted leave to the hon. Member by letter dated January 11, 1993 to raise this matter with the appropriate Minister on the motion for the adjournment of the sitting of the House on January 15, 1993. I noted, though, that on January 18, the hon. Member advised the Speaker that she wished to withdraw the motion on the adjournment of the House regarding the Unemployment Relief Programme which was submitted on January 11. As a matter of fact, the Minister was notified that the Member would be raising this matter under Order 11. I note today that, having withdrawn that, the Member raises it now under Order 12. With the greatest respect to the hon. Member, this is certainly a matter that falls within the ambit of Order 11. I think the Member was well advised on the last occasion to have raised it under Order 11 and I do advise the Member to continue and to raise it under Order 11.

Miss H. Bhaggan: Madam Speaker, on the last occasion the Parliament closed at 12.00 midnight.

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Madam Speaker: I have ruled that the matter be raised under Order 11. I have refused the motion under Order 12.

Hon. Member: She has ruled!

Miss H. Bhaggan: But for the record of this House, Madam Speaker, the Parliament adjourned at 12.00 midnight, and I could not raise the motion.

Madam Speaker: You have been granted leave to raise it on the adjournment, there is no problem. The Speaker has already granted approval for that. Continue please. *[Interruption]*

INADEQUATE RESPONSE TO QUESTION

Madam Speaker: Before we move on, with respect to the question raised by the Member for Oropouche, hon. Member, may I advise you, the instructions passed on to me by our Clerk are that those two documents were part, really, of the fuller list. So I think there are 232 names which will be circulated. The Clerk informs me that the hon. Member will be circulated with this in a short while.

DIVESTMENT POLICY

[THIRD DAY]

Order read for resuming adjourned debate on question [September 25, 1992]:

Whereas the People's National Movement in its 1991 manifesto informed the nation that if elected to form the Government it would pursue, within the context of its Investment Policy, a programme of divestment of Government's shareholding in Companies, and

Whereas having formed the Government there was established an Investment Division within the Ministry of Finance with the specific mandate of ensuring development and implementation of the Government's Investment and Divestment Policy; and

Whereas 'Divestment' as defined by the Government is fundamentally more than privatization, in that this Government's concept of 'Divestment' is the reduction of Government's shareholdings by disposal to private persons/entities in a manner that facilitates the widest possible participation of the citizenry in share ownership to the extent that this is part of a programme of national development; and

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Whereas the strategy of treating with Divestment within the context of the Government's Investment Policy is, *inter alia*, with the objective of ensuring to the extent possible, the utilization of the proceeds from divesting for re-investment purposes and the reduction of the public debt:

Be It Resolved that this honourable House take note of and commend Government on its approach to the development and implementation of its Divestment Policy which includes the re-investment of the proceeds and the consequent reduction in the public debt from such divestment for the national good. [Mr. H. Bereaux]

Question again proposed.

Mr. Andrew Casimire (*Toco/Manzanilla*): Madam Speaker, I rise this afternoon in this honourable House to make a small contribution to the Motion under review. Madam Speaker, the People's National Movement in its investment programme commenced the move forward in the early 1970s. The thrust of the Programme at that time, Madam Speaker, was developed on several prongs. The main thrust of it was to accelerate the transformation of the economy to serve as an instrument for creating employment and to increase the participation of nationals in the economy. That is to say, the idea behind the move was that nationals of Trinidad and Tobago were to control the commanding heights of our economy.

2.05 p.m.

Madam Speaker, the question of investment always included some inclination for divestment, because the Government's attitude was to go into areas where the private sector was either unwilling or hesitant to enter, for reasons better known to themselves. The People's National Movement, all through its thrust along this line, always kept in view the benefit of all the people of Trinidad and Tobago.

You will observe that some Members, at the last sitting, indicated that the late hon. Prime Minister, perhaps, was turning in his grave at the *volte-face* of the People's National Movement in its programme at this stage.

Mr. Sudama: The Prime Minister had no grave.

Mr. A. Casimire: Some people cannot determine between a watery grave and another grave. But, nonetheless, the People's National Movement continues to do what it must do for the benefit of all segments of the people of Trinidad and Tobago.

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Mr. Maharaj: Madam Speaker, I wonder if the hon. Member would give way. Since he has made that commitment, can he say what he intends to do for the unemployed and the vendors who cannot ply their trade?

Mr. A. Casimire: As I was saying before I was interrupted, we continue in our programme for the benefit of all people, and I stress, all sectors of the economy of Trinidad and Tobago.

I want to place on record the activities of the Government of the People's National Movement in this regard over the period. It is not true to say that the PNM never intended to divest. We always intended to divest. But the problem is, we wanted to divest in a way that we will retain some form of control over the commanding heights of our economy. Regardless of individualistic styles, we had a party policy, a governmental policy, and those can be found in the White Paper of 1972, 1975 and 1978, where we reiterated, that the style adopted by the Government was one of realism and pragmatism. Some people are saying that the PNM had turned around its ideology by divesting and privatization. The PNM never had an ideology of privatization. When the PNM decided to invest in the state sector, as I said before, it was to allow the commanding heights of the economy to rest in the state. That, we have done. We have prepared the way so that the private sector can now play its role.

Now we are prepared to divest some of these enterprises so that we can now chart new courses where private sector investment are wary to go.

Miss Nicholson: May I ask a question? I would like to ask the Member for Toco/Manzanilla if he read what was said at the divestment of Telco which was addressed by the Members for San Fernando East and Diego Martin Central. If that is his style now, I would like to hear what he has to say about their statements.

Mr. A. Casimire: Madam Speaker, I said before that we were proceeding on a position of pragmatism and idealism, and I want to say, whatever has been said, we must look at the attitude of the Government in determining its policy, not what has been said, where and when. That is included in several White Papers produced by the People's National Movement some time ago.

I just wanted to make reference to an article appearing in today's *Guardian*, headed: "Divestment: An Ideological About-Face for the PNM." That is not so. The PNM cannot be accused of, what we call, a *volte-face* in this matter, because we always proceeded carefully, as can be exemplified by the way the shares of the

National Commercial Bank were divested some years ago. I want to make reference to that, because the National Commercial Bank, which was formerly the Bank of London and Montreal, was acquired by the people of Trinidad and Tobago, through the PNM Government, somewhere back in early 1970.

Some of those shares have since been divested, leaving only 36.4 per cent of the equity in the hands of the state. Twenty-four thousand shareholders now form the equity register of the National Commercial Bank. This transcends from companies, public servants, teachers, taxi drivers, even politicians, hold shares in the National Commercial Bank. In 1978, I think it was, when the first tranche was put, some of us, as humble and poor public servants, were able to get shares in that divestment. Today I speak for myself and my entire family, to be proud holders of a wee bit of shares in the National Commercial Bank. That is what we call divestment through all and for all. Because the Government at the time was very careful to ensure that everyone had an opportunity of obtaining a share under the divestment of the National Commercial Bank.

Mr. Sudama: Madam Speaker, could he tell us what influence he has over the policies of the National Commercial Bank as a result of his shareholding in it?

Mr. A. Casimire: Madam Speaker, it surprises me that an experienced Member as the Member for Oropouche will try to derail me in making my contribution, because he knows that every entity has an annual general meeting, where the shareholders have an opportunity of influencing policy.

Mr. Sudama: I just want to make one correction. Only a train is derailed. I want to know if the Member for Toco/Manzanilla is a train.

2.15 p.m.

Madam Speaker: Allow the hon. Member to continue, please.

Mr. A. Casimire: Thank you, Madam Speaker. The truth does hurt, but this is the truth. The PNM Government, and some time under the last Government, the divestment of the shares of the National Commercial Bank took place. As I said before, there were three tranches; one in 1978, one in 1980 and one in 1988. That is how my Government, the Peoples' National Movement Government, intends to go about the divestment of the shares owned by the state.

Madam Speaker, our policy on divestment is very clear and I only have to refer Members of this honourable House to page 12 of our manifesto, under the item "State Enterprises". It is very clear that the PNM intended to divest shares in

companies, open new companies in other areas, and to use some of the moneys acquired from those sales to retire the public debt and foreign liabilities. It is very clear. So, the question of divestment should not take us by surprise. Because, all over the world, especially in Third World countries, that is the path which they are taking.

You will notice, Madam Speaker, the growth in the state enterprises sector to a point where it has now reached 83 such enterprises. We feel, as a Government, that it is time to let go of some of these enterprises, because, it was always at the back of our minds to prepare the way for the private sector to follow, especially in areas which at the time probably were too high risk or were not attractive enough for private investment.

What has happened since then, Madam Speaker? Today, we hold interest in 83 companies with varying degrees of ownership. In some cases, 100 per cent, in some other cases just a majority holding of over 51 per cent, and in a couple of cases we have 50 per cent; in about 18 or 19 cases, we have a minority shareholding.

Madam Speaker, this country cannot remain locked into a situation where the state will control all major industries. What is happening is, that if it is in the hands of state or nationals, it is still under national control. What we are saying is that the initial step was for the state to get in, prepare the infrastructure, make it sort of viable for the private sector to get in and then divest, but in divesting, we want to ensure that every national would have a fair chance in acquiring some of the equity. That policy remains good up to today.

Madam Speaker, the PNM has stated in its manifesto that it will continue to act as a facilitator. It will continue to provide the infrastructure; it will continue to encourage foreign investment; it will continue to make it possible for local companies to get into economic activity. The Government's participation in the commercial sector will continue only in limited circumstances, such as areas of strategic importance such as oil and gas; enterprises providing social services and other enterprises of strategic importance in which foreign investors may be unwilling to undertake investments without, perhaps, the guarantee of the Government.

That remains the policy, Madam Speaker, as of 1991. But to say that the PNM had a fixed position on investment is far from the truth. We always dealt with the matter in a pragmatic kind of way to meet the particular circumstances at the time,

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and now that we wish to move forward, we have adopted what some Members are calling privatization. Privatization is a spillover of the last Government. Privatization was the ideological base of the last Government, not of this PNM Government. We are divesting, we will continue to divest, but not as an ideological state to privatize.

Madam Speaker, in the prevailing circumstances, the Government's policy is consistent with all that transpired after the 1970s, and will continue on a path to economic independence as promised as far back as 1970. You will remember, Madam Speaker, after the small troubles of 1970—

Mr. B. Panday: Small?

Mr. Bereaux: Small compared to 1990.

Mr. A. Casimire: —the Government embarked on an investment programme mainly, as I said, to protect the jobs of persons in some industries as a result of the economic pressures prevailing at the time.

Madam Speaker, you may recall that the Government even acquired Caroni (1975) Limited to save the jobs of almost 7,000 workers down there. The Government will continue, if needs be, to pursue that kind of policy to save the jobs of persons in a key industry in this country. The circumstances that prevail today are different from those times, and the Government, therefore, must adjust its policy to meet the times and circumstances as they are at present.

2.25 p.m.

The approach is through enhanced fiscal discipline, reliance on the private sector for incremental investment and increased exports as a major source of growth and employment.

Madam Speaker, notwithstanding this, it is significant that some people would go to no pains to try to paint the policy of the Government as one which is likely to cause gloom and doom. But, we are positive on this side, we are on the right path. We are positive that the investment of the Government will bring fruit and we are also positive that all of Trinidad and Tobago will be proud of us in the not too distant future when the actions of the Government at this time will bear fruit, and bring benefits to the citizens.

We on this side will continue to be firm and forthright in the handling of the economy of this country. As a Government, sometimes it calls for tough

decisions. My Government is prepared to take tough decisions *albeit* to the benefit of Trinidad and Tobago.

Having said this, I would like to commend my friend, the Member for La Brea, for bringing this motion to the House and ask that the House take note of a new Government's policy.

I thank you.

Mr. A.N.R. Robinson (*Tobago East*): Madam Speaker, I too, would like to commend the hon. Member for La Brea for bringing this motion before the House so that a very important policy measure can be debated and, hopefully, the public enlightened by the debate.

I regard the Member for La Brea as an honest parliamentarian. He endeavours to speak the truth, and I have to sympathize with him for having been selected to bring this motion at this time. A motion of this kind, I would have thought, would have been of sufficient importance in respect of the Government's policy position and measures for a Minister to introduce to this House. But the mere fact, that a backbencher has been selected, however eminent he maybe, (he is still a backbencher) to move this motion is an indication of the Government's attitude to this particular measure and possibly other policy measures.

I refer to certain passages in the motion and also to certain statements made by the Member for Toco/Manzanilla, and refer to an authoritative pronouncement of the Government's policy in the light of the statements made. May I, therefore, quote from the motion:

"Whereas 'Divestment' as defined by the government is fundamentally more than privatization, in that this Government's concept of 'Divestment' is the reduction of Government's shareholdings for disposal to private persons/entities in a manner that facilitates the widest possible participation of the citizenry in share ownership to the extent that this part of a programme of the national development..."

So that divestment, according to this Government, is a reduction of Government's shareholdings for disposal to private persons or entities in a manner that facilitates the widest possible participation of the citizenry in share ownership; Reducing the Government's shareholding to pass this over to private citizens and to ensure the widest possible ownership in shares in these investments. Now, that is divestment. This is what the motion says. And that is very clear but, the motion goes on to say:

"Whereas the strategy of treating with 'Divestment' within the context of the Government's investment policy is, *inter alia*, with the objective of ensuring to the extent possible..."

And I emphasize:

"...the utilization of the proceeds from divesting for re-investment purposes and the reduction of the public debt."

Now, we do not have only participation of the citizenry but we have also reduction of the public debt.

The Member for Toco/Manzanilla said: "To say that the PNM has a fixed position is far from the truth". That is perhaps, the most truthful statement he has made. It is not only that the PNM has not had a fixed position, has never had a fixed position, but even now, does not have a fixed position. I am really at a loss to understand what is the Government's position having defined divestment in a particular way, having said that it is committed to a policy of divestment and then goes on to talk about other things other than the divestment to which it is committed.

It is much more serious than that. In the speech of the hon. Member for La Brea, he made a statement concerning the commitment of the Government and the commitment that the moneys obtained from divestment must not be used and will not be used for consumption purposes directly or indirectly. I repeat, "the government is committed to ensure that the moneys obtained from the sale of these assets will not be used for consumption purposes directly or indirectly". That ought to be the case. That should be the policy of the Government.

May I now refer to the authentic policy of the Government which is in the *Medium Term Policy Framework* which is circulated all over the world: financial circles, government circles etc. as a government statement of policy. The Government has a *Public Sector Investment Programme*. It has a *Medium Term Policy Framework* and also the budget. The *Medium Term Policy Framework* is the framework within which the *Public Sector Investment Programme* and the Budget are prepared, enunciated and implemented. Now this is what the *Medium Term Policy Framework* has to say about this whole treatment of Government's assets and the reasons why. It is in the final paragraph on page 51, paragraph 164. I quote:

"In presenting these policies, it should be noted that during the period 1981—1985, in the absence of strong export led growth, Trinidad and Tobago consumed its external savings;..."

That is quite a correct statement.

"...in the period 1986—1991, in the absence of export led growth Trinidad and Tobago consumed almost all of its external borrowing capacity;..."

2.35 p.m.

I will show in a moment how this came about and what are the facts relating to the public debt, about which we are hearing so much.

"...Trinidad and Tobago consumed almost all of its external borrowing capacity; in the period onward from 1992,..."

This is the significant statement now, which relates particularly to this debate, more than any other—

"...Trinidad and Tobago proposes to divest significant public assets, even though for the worthwhile goal of liquidating public debt."

That is the *Medium Term Policy Framework*. Government proposes to liquidate significant public assets for the worthwhile goal of liquidating public debt. There is no talk here about distributing to citizens and widest ownership in the society. There is talk of the goal of liquidating public debt.

It goes on to say—

"After divestment we will have used up all the alternatives to adjustment. The imperative is therefore clearly to trim the ship of State now and succeed at all cost in steering a path which leads to widely diversified export led growth."

Having used up all external savings; proposing now to sell assets, the Government is saying there is no further alternative left; we have to diversify. Of course, the bulk of that, the onus of the diversification is on the private sector. This is the Government's position in accordance with its *Medium Term Policy Framework*.

May I elaborate on this in order to demonstrate the truth of this statement in the *Medium Term Policy Framework* which is a document the technicians and foreign investors will look at. Let us turn now to the revenue expenditure pattern. There are six elements with which I shall deal which will indicate the underlying

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situation to the circumstances that we are discussing now. First of all, I will deal with:

- (1) The revenue expenditure pattern from 1982 to 1986;
- (2) The savings pattern;
- (3) The public debt and debt servicing.

It is a consequence of the revenue expenditure pattern and the savings pattern.

- (4) The foreign reserves;
- (5) The growth rate;
- (6) The state enterprises, specifically the position in which the state enterprises found themselves.

One can deal with unemployment in that context. Those are the six elements with which I propose to deal.

Firstly, the revenue expenditure pattern; what revenue was obtained and how did the Government make use of that revenue. From 1982 to 1986—it is important to understand these basics—the Government ran up a deficit of nearly \$2 billion per annum, amounting to over \$8 billion. It spent nearly \$2 billion more than it earned in revenue. This is a basic fact that has to be understood, in order to know what we are talking about today, and the reason for this policy measure before the House. Nearly \$2 billion per annum amounting to over \$8 billion deficit, leaving an overhang of \$1 billion in advances from the Central Bank.

In 1987, when the previous Government came into power, the Government of the National Alliance for Reconstruction, it found that the Government had been functioning on the basis of a \$2 billion deficit, for the previous five years and in spite of that, leaving \$1 billion overhang of short-term debt from the Central Bank.

On the other hand, from 1987 to 1991, the deficit was reduced from \$2 billion to \$380 million per annum. I want to repeat: Whereas under the PNM Government 1982 to 1986, they ran up a deficit of almost \$2 billion per annum, under the NAR, that deficit was reduced to \$380 million per annum.

[Interruption]

Madam Speaker: May the hon. Member for Tobago East be permitted to continue his contribution.

Mr. A.N.R. Robinson: Madam Speaker, the second point is savings. If you run a deficit, the deficit has to be financed from somewhere; you have to make up the shortfall from somewhere. How did they make up the shortfall? From savings from previous years and they ran down every penny of savings. In 1986, the last portion of the long-term funds was utilized, and not a penny of savings left.

In 1975—I am now dealing with the savings ratio, that is the ratio of savings to the gross domestic product—the ratio was high, 42.3 per cent, a high level of savings. By 1980, it was reduced to 38.2 per cent, but still a high level of savings. In 1985, from 38.2 per cent in 1980, the level of savings was reduced to 16.7 per cent of the gross domestic product and in 1986, it was reduced to 10.4 per cent. So, from 42.3 per cent in 1975, it was reduced to 10.4 per cent in 1986.

When you reduce the level of savings, it means that you cannot grow. You cannot invest, and therefore, you cannot grow. So high level of deficit, high consumption of savings and now look at the consequence for the public debt. This is where the public is being most misled and misinformed on the question of the public debt.

In 1981—and I am quoting in TT dollars; in US dollars the position will be even different in terms of the gravity of what was done—the public debt was \$3 billion. In the five-year period, 1981—1986, it was increased by \$5 billion to \$8 billion or 200 per cent increase. From 1986—1991, the public debt was increased from TT \$8 billion to \$12 billion or 50 per cent increase.

Whereas in the previous five-year period, there was a 200 per cent increase, in the subsequent five-year period, it was only a 50 per cent increase. In terms of US dollars it was only about 14 per cent increase. In other words, from 1986—1991, the increase in the public debt was just marginal. The public debt was almost stable.

Listen to debt servicing. They talk about the burden of debt servicing. These are figures from the *Review of the Economy*, published by the hon. Members opposite. From 1981 to 1986 the PNM paid out \$2.7 billion in debt service. Now listen to the figure the NAR Government paid out in debt service, debt left by the previous Government. Figure paid out by the NAR Government as against \$2.7 billion was \$7 billion. The Government which preceded this one paid out \$7 billion in debt service, as a result of debt left by the PNM Government, which had only in the five-year period paid out \$2.7 billion in debt service.

2.45 p.m.

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I want to deal very briefly with the question of the rescheduled debt. There has been much talk about debt being rescheduled. Only 30 per cent of the total debt left by the PNM was rescheduled and it was rescheduled on much more favourable terms, 12 years, whereas previously it was short-term. They had one called a "bullet", which really hit us like a bullet when it came, some US \$50 million, which was for seven years, but just imagine this: for seven years, but repayable on call. So at any time during the seven years, the debt could be called in and this was precisely what happened.

So that the rescheduling resulted in 12 years with a four-year grace period and only involved 30 per cent of the debt which had been accumulated over the period of the 1981 to 1986 repayment beginning in 1992.

Listen to the foreign reserves position: In 1981, foreign reserves were \$7.7 billion. By 1986, the foreign reserve had been reduced by over \$6.5 billion, over \$1 billion per annum. Over a five-year period under the Government from 1981 to 1986, the foreign reserves were reduced from \$7.7 billion to \$1.2 billion, a rate of \$1 billion per annum.

In the subsequent period, 1986 to 1991, the foreign reserves over the entire period were reduced by \$1 billion, at any rate of one fifth, they were reduced under the previous Government. This had consequences for the growth rate. The NAR Government targeted a growth rate in 1990 of nil. We actually achieved a growth rate of 1.7 per cent, in spite of the disruption that occurred in that year 1990, which was a serious setback for the Government, still a growth rate of 1.7 per cent was achieved.

Mr. Breaux: Madam Speaker, would the Member please give way to a question? Would it be correct to say, at a time when there was the disruption here, elsewhere in the country, large quantities of oil were being produced which had, as a result of another crisis, increased and as a result of that, caused the increase in earnings in the country?

Mr. A.N.R. Robinson: Madam Speaker, the hon. Member only has to read his own *Medium Term Policy Framework*:

"These measures included reduction of the fiscal deficit through tighter control of public expenditures, strengthening of the management of the Public Sector Investment Programme, restructuring, divestment and liquidation of a number of state enterprises, increases in public utilities tariff, rescheduling of a portion

of the public sector's external debt payments, relaxation of exchange control measures, liberalization of the trade regime..."

And it goes on to talk about:

"The combined effect of these measures was to produce a fiscal discipline which enabled the growth rate to take place, in addition to the increase in oil revenues."

It was not an increase in oil revenues alone, it was the fiscal discipline. We had the oil revenues in unimaginable proportions from 1975 to 1981. But what happened? It was wasted, dissipated. So the hon. Member should not come and seek to suggest that was the only reason for the improvement which took place.

The NAR Government, in 1991, targeted a growth rate of 1.5 per cent. What was actually achieved was 3.1 per cent. We targeted a growth in 1992 of 2.5 per cent and the moment the PNM came into power it fell, 0.2 per cent, or virtually nil.

I am giving the background now to the use of the state enterprises, why the state enterprises have got to be divested in the way the PNM talks about in the medium term programme.

In 1993, growth rate targeted at 3 per cent. Now, it is targeted to be 1 per cent. In 1994, growth rate targeted to be 3.5 per cent, now it is targeted to be 2 per cent. In 1995, the growth rate targeted by the NAR, 4 per cent, now becomes 3 per cent under the PNM Government. There are reasons for this, Madam Speaker.

May I ask what has happened to the *Medium Term Macro-Planning Framework*? Now, this document was prepared as a result of extensive discussions and technical explorations both with the use of domestic expertise and bolstered also by external expertise where necessary. This document was prepared, a voluminous document, dealing with all aspects of national policy. What has happened to it? I am not saying that the Government should follow this, but if there is going to be a deviation from this document, we should be told. Where is the weakness? What was the weakness in the *Medium Term Macro-Planning Framework*? Why is it that the Government finds it necessary to deviate from proposals which had such projections? Their projections are falling far short of the projections in this document.

Mr. Valley: Madam Speaker, if the hon. Member would give way, I think a simple answer to that is that people went out in 1991 and voted for a certain

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manifesto with a certain course of action and we are simply following that.

[Interruption]

Mr. A.N.R. Robinson: Madam Speaker, I did not invite the hon. Member for Diego Martin Central to respond and now he has made a laughing stock of himself. May I say he need not respond. If I ask him specifically to do so, then I would expect him to do so. But this is very serious.

Mr. Valley: The people responded. *[Interruption]*

Mr. A.N.R. Robinson: A tremendous amount of work and expertise went into the preparation of this document. The new Government owes it to the country to say what is wrong and why, what deviations will take place and for what reason. But we are yet to hear this, and we hear no more about planning.

When the previous Government came into power, planning had gone out of style. Therefore, there were no plans whatsoever. But plans were left, projections were there. What has happened to the plans and the projections?

Madam Speaker, that is an indication of why we are in the situation in which we are today, talking on the state enterprises and we hear nothing about the condition in which those state enterprises were left. Again, why is it they have to be divested? The hon. Member for Toco/Manzanilla talked about pragmatism and realism and I thought at one stage when he tried to repeat himself he said pragmatism and idolism.

Let me give some idea of what happened to the state enterprises, why we are in this position today. I will take a few major state enterprises. As I say, these are elemental facts which the country must continue to keep in mind otherwise people will continue to be misled about public debt and divestment, which has so many different meanings and purposes.

As of 1987:

- Urea: Accumulated losses \$343 million; foreign debt, \$22 million.
- Methanol: Accumulated losses \$172.8 million; foreign debt, \$181 million.
- Fertrin: Accumulated losses, \$243 million; foreign debt, \$324 million.
- Tringen: Accumulated losses, \$21 million; foreign debt, \$790 million.

- Iscott: Accumulated losses of \$1,786.9 million; foreign debt of \$466 million.
- Caroni: Accumulated losses of \$2,419 million; and a small foreign debt.
- BWIA: Accumulated losses of \$328 million; foreign debt of \$74 million.
- Shipping Corporation: Accumulated losses of \$141 million, foreign debt of \$187 million.
- Development Finance Company: Accumulated losses of \$66 million; foreign debt of \$59 million.
- Telco—

The one for which the previous Government was so wrongly lambasted, criticized and castigated:

- Telco: Accumulated losses of \$896 million; foreign debt of \$756 million.

So I am only mentioning 10 out of 83. Ten state enterprises had accumulated losses by 1987, of \$6,416.7 million and foreign debt of about \$3 billion. So it is quite clear, from a pragmatic standpoint, it is not divestment, it is not fears of participation, the ideology that he is now espousing. There is no ideology, no fixed position, but he has just espoused an ideology.

That was the position, Madam Speaker, from a sheer practical standpoint, common sense point of view: These state enterprises could not continue to be maintained with this level of loss. That is why the previous Government set up the Rampersad Committee, to rationalize and restructure, in order to put the state enterprises in some sort of sensible position.

Now, may I deal with the misrepresentation which has been made about the NAR Government policy. The hon. Member talked about privatization. May I say that privatization never occurred in the language of the National Alliance for Reconstruction. It was just one of those elements of propaganda effectively used in order to tarnish the party and we know who are the most efficient agents of propaganda in this country.

Let me read, firstly, from the manifesto of the National Alliance for Reconstruction:

"While it is the responsibility of the State to effect national direction of the economy, it must do so with efficiency and purpose and must not encourage and support poor and inefficiently managed enterprises..."

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such as I have just referred to. It must do so with efficiency and purpose. Then it goes on to say, I am quoting sections:

"Where employment, cost of living and linkage benefits override financial viability, a predetermined subsidy arrangement will be put into play. In all cases, the cost of Government subsidies must be equated to wider economic benefits, to generate revenue for the national Treasury and to support the NAR's expansionist economist programme."

Then it talks about programme of divestment. This is where divestment occurs: in 1986, in the NAR manifesto.

There is a story of Disraeli and Gladstone, when Gladstone changed his position and adopted the policy of the Whigs and Disraeli declared that Gladstone had caught the Whigs bathing and walked off with their clothes and while leaving them in the enjoyment of their free and liberal position, he remained a strict conservative of their garments. He stole their garments, and that is what has happened to the party opposite: They have stolen the garments of the National Alliance for Reconstruction.

Mr. Valley: Madam Speaker, as you know, the hon. Member for St. Augustine has said on a number of occasions that they failed to implement their policies because if they had gone ahead with that plan, perhaps they would still be in Government today.

Mr. A.N.R. Robinson: Programme of divestment:

"For state enterprises engaged in the supply of private goods, a programme of divestment will be put into effect."

Dr. Rowley: Where was it?

Mr. A.N.R. Robinson: You are not getting enough? Please absorb what you are getting and then ask questions afterwards.

"Shares in such state enterprises will be offered to workers..."

[Interruption] Let me pause and read again, Madam Speaker:

"Shares in such state enterprises will be offered to workers and their affiliated unions and to local capital."

Mr. Valley: I have to ask—

Madam Speaker: Are you rising on a point of order?

Mr. Valley: I just want to get some information from the Member.

Madam Speaker: If it is clarification, indicate. Or, whether it is a point of order, indicate, too.

Mr. Valley: Madam Speaker, I want to ask two questions. I want to ask, first of all—

Madam Speaker: No, you cannot. Please sit down. That is why I asked the hon. Member to indicate whether it is a point or clarification.

Mr. Valley: I asked the Member to give way to get some clarification.

I simply wanted to know, Madam Speaker, the date of that manifesto and, secondly whether there was any divestment to workers in companies over the period 1986 to 1991.

Mr. A.N.R. Robinson: Surely, the hon. Member is in a position to know. He is in charge of the Government. He is not in the Opposition. Has he ever heard of the Cement Company? Does he know what happened in respect of the Cement Company?

Dr. Rowley: Oropouche called it discrimination.

Mr. A.N.R. Robinson: Has he heard of the National Commercial Bank?

Madam Speaker, not only did the Government set the lead, but it also encouraged companies in the private sector to do the same. I think if the hon. Member will speak to me privately, I will give him much information which he can obtain from government files. Perhaps he does not have the time.

That has been the policy of the Government put into practice. They talk about enhanced investment and subsidization:

"In state enterprises where the financial viability of the operations is dependent on the introduction of additional fixed and working capital, a policy of enhanced investment will be pursued to provide additional capitalization and to allow for a new management style that supports efficiency and accountability."

There is much more to it which is elaborated even further in the Macro Planning Framework, Madam Speaker. There is much more which on a future occasion, if the opportunity presents itself, I will certainly seek to clarify misconceptions and

to deal with much of the propaganda which has the country in the position in which it is today.

We have dealt with these basic elements. Let me say a little more about restructuring of the public debt. Madam Speaker, as I said, only 30 per cent of the debt which was left by the previous Government was rescheduled and it was rescheduled on much more favourable terms than attached to it at the time that it was incurred: 55 per cent of the debt that was not rescheduled, in fact, 84 per cent of the debt that was not rescheduled was Japanese debt obtained on the bond market. Many ordinary people had these bonds all over the place. Also, the commercial debt was in a situation where many banking institutions were in possession of it, therefore, it could not be refinanced. We had to embark upon an extensive and comprehensive programme of rescheduling instead of refinancing. Because it would have been impossible having regard to the number of institutions involved to come to any kind of arrangement for refinancing.

Now, refinancing, as has been mentioned on occasions by the current Government, does not mean disposing of the debt, it means borrowing, incurring debt in order to postpone the payment of debt. So when you borrow and you dispose of one set of obligations, you create a new set of obligations. That is what refinancing means.

All of these things should be explained to the population. What I have sought to do today is merely to rise and give the facts. As I said, if these figures are stated in relation to the public debt, as stated in terms of US dollars, it would be found for the five years previous to this Government the external debt of the country was hardly increased at all.

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. Rowley*]

Question put and agreed to.

Mr. A.N.R. Robinson: Madam Speaker, with the greatest of respect, if the country really appreciates the basis and the background to the current situation, then the country would be in a much better position to deal with the situation. One of the elements, for example, responsible for the current situation is the issue of corruption which has arisen again. Now, people do not take corruption, for some reason, seriously in Trinidad and Tobago.

Miss Nicholson: True, or else Imbert would not be sitting there.
[*Interruption*]

Mr. A.N.R. Robinson: I have in my possession a book which I have had for some time. I have had it for some time because—[*Interruption*] Is the hon. Member disturbed? I wonder if I could contribute to his equanimity.

This book I have had in my possession for quite some time, as I have had numerous papers on the issue of corruption and abuse of power, having been associated with the United Nations on this matter for quite some time. Some people think that in order to prove corruption you must go to court and have evidence and convict, and it is only then there is corruption, but there are numerous aspects and elements of corruption. If you think you have to go to court, then what you are saying is that if you catch a member of your staff in your house stealing your gold ring, then the theft has not been committed until conviction takes place. You do not have to steal, there is such a thing as influenced peddling, using influence which arises from your position in Government in order to obtain decisions in your favour. That is corruption.

Mr. B. Panday: Pegasus.

Miss Nicholson: The Member for Diego Martin East.

Mr. A.N.R. Robinson: The point I want to make is that—listen to these figures of what corruption results in and then we might be able to take it a little more seriously in Trinidad and Tobago. Take the case of Mexico. In 1952, the name of the President was Aleman, and his estimated fortune was US \$500 to \$800 million. It is estimated that the external debt of the country was \$509 million. [*Laughter*] Very serious, not something to laugh at. Peron, in Argentina, 1955, his fortune estimated at US \$500 million to \$700 million; the external debt of the country was \$442 million. Jimenez, in Venezuela, a fortune estimated at \$250 million; external debt of Venezuela, \$226 million. Batista, Cuba, fortune estimated at \$100 million to \$300 million; the external debt was about \$800 million. Trujillo, in the Dominican Republic, his fortune was estimated at something like \$500 million, but the external debt was not very high in his case, he made sure that he did it differently.

Mr. B. Panday: Would the hon. Member give way? Would he be so kind as to quote the figures for Trinidad and Tobago?

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Mr. A.N.R. Robinson: Madam Speaker, there was a personality here recently who could have helped him. But that is to show, when we talk about corruption, the entire external debt could be the result of the activities of corrupt elements in your society.

So they make much about a \$50 million or \$60 million dollars settlement. We are talking about hundreds of millions of dollars. How much do they pay for the Police Service? When they are researching and investigating crime, do they count the cost? We are paying so much for Scotland Yard investigators. Have they produced anything yet, anybody arrested, anybody charged?

Madam Speaker: Just to interrupt the hon. Member, did the hon. Member quote the title of the source for the purposes of the record?

Mr. A.N.R. Robinson: Oh, the book. The title is *Corruption*.

Madam Speaker: Yes, written by?

Mr. A.N.R. Robinson: The subtitle: "Causes, Consequences and Control", and it is edited by Michael Clarke. It is a symposium, quite a number of writers from all over the world.

Madam Speaker: Yes, it was drawn to my attention. The Member may proceed, please.

3.15 p.m.

Mr. Sudama: Do you want to research that to see if Trinidad appears in it?

Mr. A.N.R. Robinson: May I read this very important passage which relates to the state enterprises, the public debt, and so on. I quote:

"If the effect of corruption is to create a large outgroup who are excluded from access to services and opportunities to which they have a formal right, it is likely that at least some of this excluded group will want to protest. Control of corruption hence requires a population sufficiently alert, self-confident and politically aware to, in Lampert's terminology, 'blow the whistle', and determined enough to require effective redress. At the same time the state must be sufficiently open to allow such protests and to act effectively upon them, since in many cases state agents will be the objects of the protest and serious accusations of corruption are always politically embarrassing. Because

the state has an obligation to prevent corruption, it is not likely that in practice it will look kindly upon such complaints; the press..."

May I repeat now, members of the press.

"...the press becomes the principal effective medium of complaint. Even in Britain, where the press is not subject to direct political control, enormous obstacles stand in the way of complaints being publicised and followed up by journalistic investigation, as Murphy and Doig document."

Mr. Breaux: Would the Member give way to a question, please?

Mr. A.N.R. Robinson: Sure.

Mr. Breaux: Last night I happened to hear Mr. Rodwell Murray, Assistant Commissioner of Police, indicate that he had told members of a previous administration to this one about the existence of a drug cartel in the police service. Would the Member say while he was the Prime Minister of that administration whether he knew about it and what he did about that allegation?

Mr. A.N.R. Robinson: Madam Speaker, there are numerous complaints made. A complaint is made, in the first instance, it is referred to the head of the division; it does not necessarily come to the Prime Minister. He told the Minister involved, and the Minister has already said, publicly, that he was told, and what happened. I do not know whether the hon. Member is living in this country. The Minister involved at the time answered that question. I am surprised that it is the hon. Member for La Brea who is interrupting me in this fashion.

Mr. Breaux: I am not interrupting you.

Mr. A.N.R. Robinson: May I continue?

"Even in Britain, where the press is not subject to direct political control, enormous obstacles stand in the way of complaints being publicised and followed up by journalistic investigation...The power of the corrupt..."

Let me repeat:

"The power of the corrupt to control information, to influence potential informants and to deny journalists access to sources is supported by the powerful laws on contempt, official secrets and especially libel."

The author went on to make certain recommendations.

May I emphasize that the openness of the Government, the frankness and honesty of Ministers, is the only example that is going to have any effect in this country to get rid of corruption. If you have no credibility, when you speak, people cannot believe what you say; if when they make a complaint they feel that it is futile to make that complaint; if they feel they cannot look to the highest levels of the Government for effective redress, you would not be able to control corruption, and many other things. But this debate is not specifically about that so I do not want to go into detail. When the time comes and I can assist, I will certainly assist.

Let me say about the Tesoro matter. The Tesoro matter was not only about money, it was about information and evidence—an enormous amount of information obtained which could prevent that sort of thing happening in the future. Millions have gone but we should be in a position to prevent hundreds of millions from going in the future. That is the importance of that matter. If you are not serious about corruption you would never understand the seriousness of that matter.

In that context, may I say that Pan Trinbago is entitled to its \$7.5 million. The money was allocated and put in trust for Pan Trinbago and Pan Trinbago is entitled to that \$7.5 million; it has nothing to do with any other aspect of the matter. The decision was taken by the Cabinet at that time. It is a moral obligation on the part of the Government, if not an obligation in equity, and I am of the view that that moral obligation should not be interfered with.

There is another matter I was tempted to raise but I will not raise it at this stage. I will do so at the appropriate time, and I thank hon. Members for listening. I hope hon. Members opposite have listened carefully and that they would take very seriously what I had to say. The figures that I have are available to them—they are from their own documents—and they can be supplemented, if necessary.

Thank you, Madam Speaker.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, I rise in support of the motion by my colleague, the Member for La Brea. Based on a comment made by the last speaker, the Member for Tobago East, I think I should clarify the position of the Government.

The Member for Tobago East made the observation that the motion is in the name of a backbencher and, therefore, it indicates, if I may paraphrase my

understanding of the sentiments, 'a lack of seriousness on the part of the Government on the subject matter.' He thought that the motion should have been brought by a Member of the Cabinet. I do not think that that is a fair observation for two reasons: One, it is not the policy of this Government to have Ministers of Government produce motions on Private Members' Day. There is a lot of Government business that can be transacted in the normal time, and Private Members' Day is the only time when non-Cabinet members can have an opportunity to bring their motions to the Parliament. So one ought not to expect this Government, as a result of a policy decision, to have Ministers bring motions on Private Members' Day. However, to put the mind of the Member for Tobago East at ease, the fact that members of the Cabinet will take part in the debate and speak in their capacity as Cabinet members, I do not think it is that significant that the motion was brought by a backbencher and not a Government Minister.

Madam Speaker, the Member for Tobago East, the previous speaker, and many commentators, including the one quoted by my colleague, the Member for Toco/Manzanilla, in their presentations sought to give the impression that there is some changing of the ground on the part of the PNM. Let me try once again to put this matter to rest. It might serve the purpose of others to give the impression that the PNM said it will do 'X' and it is doing 'Y' and, therefore, according to the Member for Oropouche, the PNM should be out of office.

I draw your attention to the PNM manifesto of 1991 which is the document which was used in the election campaign of 1991. We went to the people with a position while we were out of government and that position was recorded in the manifesto. I want to go to the section on page 12 under "State Enterprises", where before a vote was cast in that election, the PNM's position was made abundantly clear and the people of the country were asked to take a stand with respect to the PNM's position.

3.25 p.m.

Madam Speaker, permit me to quote from the PNM manifesto at page 12. It says—

"State Enterprises

- While the state will essentially be a facilitator for economic activity, participation in the commercial sector will continue at appropriate levels where:

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- the industry or enterprise is of strategic importance, e.g. oil and gas, and telecommunications
- the enterprise provides a major social service, e.g. T&TEC, WASA, PTSC
- the industry or enterprise is essential to the economic diversification drive and the private sector is unable to channel financial resources into such investments, e.g. downstream petrochemical plants from urea, methanol or natural gas
- a foreign investor is interested in a major project but wishes to minimize country risks by including the state as a partner
- Government shareholding in the above companies will be reduced over time through a programme of divestment."

So, Madam Speaker, that was the manifesto position in plain simple English. We talked about continuing at appropriate levels of shareholding; about reducing over time in a programme of divestment; and, Madam Speaker, I want, at the same time, to draw your attention to page 53 of the manifesto when we dealt with this vexed question of the public debt. And on page 53, Madam Speaker, under "Public Debt" it says—

"The PNM proposed to manage our external debt by—"

and one of the ways in which we will manage the external debt is by—

"earmarking part of the proceeds from the divestment programme for debt servicing."

Madam Speaker, that is what is written in black and white in the PNM manifesto.

So I fail to see, having put that as clearly as it is, and we proceed along the lines that we are proceeding, how anyone without malice and with respect for accuracy, can accuse the Government of deviating from its position. We said we are going to dispose of some of our resources and use the proceeds to pay the public debt. If we do that, Madam Speaker, it will be against a background of a position which was endorsed by the people in 1991, December 15 and, therefore, we would accept our position.

Mr. Humphrey: Minority!

Dr. The Hon. K. Rowley: There are those who would like you to believe, Madam Speaker, that there was not an election in this country in 1991; there are those who would have you believe that the election of 1991 should not have happened and what should have happened is that we should have followed what was there before. Sometimes we hear we are following the policy of the previous government. Today we are hearing the ex-Prime Minister asking why are you not following this policy and justify why you are not following it. There was an election in this country in 1991 and the people had a chance to adjudicate on the government of the day and they put the Member there. If they were satisfied with his policy and they wanted him here, he would have been here, much as you would like to be here. But there was an election in this country and we have differences of positions, Madam Speaker, and to the extent—

Miss Nicholson: They now understand it.

Dr. The Hon. K. Rowley: Madam Speaker, to the extent that we are embarking on a divestment programme, it is against a manifesto policy. This question about privatization and divestment is confusing the issue. Madam Speaker, this privatization was a phrase that became fashionable in British politics under Mrs. Thatcher. When one talks about ideology and dogma, one has to understand what one is talking about. If it is that the previous government's approach was labelled as privatization, it might have been as a result of postures taken by the government barking brilliantly in support of Thatcherism when they were the government of the day.

Privatization simply meant that there were those who feel, and still feel, even in Trinidad and Tobago, that the state has no place in business at all. There are those who feel that the state has no business running any enterprise at all and, therefore, to the extent that the state has business ventures, the state must get out of those ventures and allow the private sector to handle them and that is, indeed, privatization. To the extent that the PNM manifesto identifies a role for the state and one for the private sector, clearly we could not be seen to be subscribing to that.

We are saying there is a role for the state. We are not subscribing to this principle that the state must not be involved with business; but we put strictures on it. We are saying to the extent that the state is involved in business, we outlined in our manifesto the nature of the business the state should be involved in, and at all times, as my colleague from Toco/Manzanilla tried to point out earlier on, it must be done for the wider good and in the interest of all the people

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of the country. If you try to do it and it is not working out, then, Madam Speaker, whether it is my government, your government or any government, if it is not working out, then you need to change course.

I think somewhere in his presentation the Member for Tobago East made the point that he was seeking to point out why it was necessary at this time to divest some of the state enterprises that we have under state control. Divestment simply means change of ownership of shares; privatization is a finer point on it when you say that you are doing it purely from the point of view that you are saying, that if it is done by the private sector, it will be done properly; if it is done by the state it will be done badly and, therefore, the state has no business in it. That is a clear distinction but, of course, it opens itself to all kinds of confusion for those who seek to use the two terms to confuse the issue. But in the Government, we had no problem with it in the manifesto; we have no problem with it now in Government. We are absolutely clear as to what we are doing. The Member for Tobago East said that the PNM never had any position and never will, and what not. I probably can only ask him to speak for himself. He is not speaking for this Government or for me, for that matter. I know for a fact that we have positions as outlined, and the Government's policy, the point of departure and the foundation of those policies we are seeing today are policies which come out of the PNM manifesto.

Madam Speaker, he quoted from the *Medium Term Policy Framework* and, very skillfully, tried to give the impression that there was a divergence of view between the Government's position in one document and the medium term document which goes all over the world. Madam Speaker, I would rather not comment on that, because if I quote from the same document which he had, November 1992, the same document that went all over the world, at page 23 paragraph 62 it says—

"The proceeds of the Divestment Programme will be used to enhance the country's Capital Stock and reduce its external liabilities."

Where is the divergence of position? Manifesto/Medium Term Policy.

Mr. Robinson: I am sorry to interrupt. That is precisely what I mean, that it is different tongues speaking at different times. In the final paragraph what it says is—

"Trinidad and Tobago proposes to divest significant public assets even though for the worthwhile goal of liquidating public debt."

Now any interpretation of that means that the principal purpose, whatever other purpose there is, the principal purpose is liquidating public debt. Whatever interpretation, that is it. And it is in the Conclusion of the *Medium Term Policy Framework*.

Mr. Mohammed: He did not read that paragraph.

Dr. The Hon. K. Rowley: Madam Speaker, the Member's interpretation can also be examined. I do not subscribe to this position. He is interpreting that the principal purpose of divestment is to do that. But even if it is, Madam Speaker, there is no divergence of view there. Because where there is a divergence of view I can tell you. I was surprised that the Member was coming here trying to put a fine point on that, because I would have thought that when the Member got up to speak, if that was the line the Member was going to take, he was going to show a difference between his government's approach with the NIC and this Government's approach in its Divestment Programme. When—

Mr. Robinson: Sorry, Madam Speaker, I apologize for interrupting, but I think it is so important that one should seek to get these points straight. The hon. Member mentioned difference between NIC and liquidating public debt. Now, it is important to understand that debt service is a current expenditure. It is an obligation on the current revenues of the country. Debt Service. So what you are doing is, when you liquidate debt from sale of capital assets, you are freeing your current revenues for consumption. That is what you do. What you are saying is it will not be used for consumption, therefore, you will have to show how you are going to prevent it being used for consumption because that is precisely the effect of it.

3.35 p.m.

Dr. The Hon. K. Rowley: Madam Speaker, I gave way because I thought the Member was asking for clarification or making a point. The Member was giving me an economics lesson. I wish to point out to the Member for Tobago East that whereas he learnt economics in Oxford in 1954, with textbooks written in 1942, I learnt economics at Mona in 1972, with textbooks written in 1970.

Mr. Humphrey: But this is 1993.

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Dr. The Hon. K. Rowley: But I am more current than he is. The point I am making is that I am more current in my economics.

The Member has not made any significant difference to the contribution that I was making. The point I was making was that during the previous administration, as we approach the election season and there was agitation for public servants to receive emoluments which were taken from them by earlier governmental action, the government of the day was moved to satisfy that public service demand. The mechanism by which the Government was going to do that and had committed itself—and I presume had the Government won the elections it would have proceeded along that line—would have been to liquidate shareholding in the state enterprises via this mechanism called NIC and the proceeds would have been used to deal with the public sector debt. If I am wrong, I ask the Member for Tobago East and his colleague to correct me at this point in time.

However, this Government is saying, yes, we also will liquidate some of our assets, but we are not using the proceeds of that liquidation to pay public servants, as the previous government was going to do. We are going to use it to deal with the more critical item of servicing the public debt for the wider national good.

Mr. Robinson: The hon. Member, I am sure, would forgive me, but it was not to pay public servants, it was to maintain the capital stock. Public servants would have shares. A certain amount would be in cash and the rest would be in shares, so you maintain the capital stock. What you are doing is liquidating capital stock and most of it will go into consumption expenditure and go abroad. That is what is going to happen.

Dr. The Hon. K. Rowley: Madam Speaker, I am not getting into any further economics lesson with the Member for Tobago East, because the Member for Tobago East is missing the point and deliberately confusing the issue. If it is that he is saying now that NIC was not meant to satisfy the public servants' demands, let him say so. I am surprised to hear that now.

However, subsequent to NIC, the PNM's manifesto said very clearly what we will do about state enterprises and how we will use the proceeds. He spoke about consumption. The Member for Toco/Manzanilla mentioned that the PNM said that we would not use it and I quote from the *Medium Term Policy Framework*.

"Under no circumstances would such proceeds be utilized to fund consumption, whether directly or indirectly."

He seems to have a problem with that. I will read it again:

"The proceeds of the divestment programme will be used to enhance the country's capital stock and reduce its external liabilities. Under no circumstances will such proceeds be utilized to fund consumption, whether directly or indirectly."

In other words, what we are saying, we will not do what the previous government did, which is sell the BWIA planes and spend the money in the current account. It is simple English. We will not do like the previous government, sell TSTT shares and spend the money in the current account. We are saying, to the extent that we liquidate any of those assets, we will reduce the public debt. That is why we are saying, as we reduce the public debt, by mid-1994, when the big peak is dealt with, quite correctly, as he is saying, it would free up more resources out of the local resource base.

So, Madam Speaker, I do not know what is this confusion and this lecture we are getting about economics. It is very simple and clear.

Mr. Palackdharrysingh: Do you know what is happening at the Caroni Racing Complex?

Dr. The Hon. K. Rowley: Why are you so irrelevant?

The point was raised about our objections to the Telco approach. Yes, we did object to the way the previous government handled the Telco approach. I do not think that the remnant of the previous government that is in the House today can point out where the PNM, in Opposition, had objected to the principle of selling shares at TSTT. The primary spokesperson for the PNM at that time was my friend for Diego Martin Central. He made the point time and time again, that, yes, TSTT was a profitable company. We have injected a substantial amount of money in the company, improved its equipment and the company was making a profit, but the company was doing all its business in local dollars. Our position was, to the extent that you are going to divest TSTT, it makes more sense to divest a portion of those shares on the local market, since all the company's business is in local dollars, and it makes no sense to convert a local liability to a foreign debt liability.

What the previous government did, was to divest it, at the time, into a body for foreign dollars, using the current account and they have converted it into a permanent situation where, for the rest of the life of that company, the shareholder

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now has to have his dividend paid in foreign exchange. If the Member for Tobago West and Tobago East could not see that difference, I cannot help. But it was very clear. We did not object to the fact that TSTT shares were to be put on the market. We simply had a different approach.

Mr. Robinson: On a point of order. The hon. Member is misleading the House. The foreign investor brought in foreign capital. The restructuring was such that it was ensured that the external earnings—earnings in foreign exchange—would be adequate to cover the foreign liabilities.

Dr. The Hon. K. Rowley: Madam Speaker, I am not getting into the unsubstantiated positions of the Member for Tobago East. My colleague from Diego Martin Central will deal with that at the appropriate time.

Madam Speaker, talking about divestment of state enterprises, we are faced with certain situations in some state enterprises which warrant action by the Government. The Member for Tobago East tried to point out that his manifesto of 1986 had said what he was going to do about certain state companies and his Rampersad Committee was put in place to rationalize state enterprises. If my memory serves me right, that Rampersad Committee made certain specific recommendations with respect to actions on, I think it was, six or seven state enterprises. That recommendation was made in 1987. To the best of my knowledge, the follow-up to that is only now taking place.

I want to use an example of a state enterprise that is raised in this House very frequently by my colleague on the other side, giving the impression that such wonderful things are happening or not happening. In fact, I was accused by the Member for Caroni East of dereliction of duty during his last presentation, about National Fisheries.

National Fisheries is a state enterprise which, if you look at the PNM's manifesto position, you will see where it falls in terms of category. It is one of those state enterprises which we say that if they do not fall into certain categories, we will get out of those operations. It is not strategic.

That company, National Fisheries, has an accumulated debt in the order of \$80 million, of which a significant portion is guaranteed by the Government. This was the Government running a fishing complex. There was a lot to be said for it. Get

into the business and we could do "x" and "y". At the end of the day—this is the third administration under which that company would be existing.

3.45 p.m.

Madam Speaker, let me just give you some pointers with respect to its position when this administration came into office, the third administration, notwithstanding all that you have heard from the previous speaker. In April 1992, the company had an overdraft of \$2.5 million—it was up to \$2.6 million. So, it had crossed the overdraft limit. Even though it was operating on overdraft, it had exceeded the overdraft limit. The company was owing every utility. It was owing T&TEC \$0.25 million; during the last nine months, we have paid off most of that. It was owing TSTT \$51,000; we have paid off a substantial portion of that. It was owing WASA—the beleaguered WASA—\$145,000; we have paid off approximately half of that. It was owing National Petroleum \$1.1 million; we have paid off about \$584,000 of that. It was owing retrenched staff \$629,000; that is to be dealt with.

Madam Speaker, in the face of that kind of business, it falls to this Government to do something about that. For clearly, if this were not a state enterprise having access to state support in a variety of ways, and having access to the facilities in other aspects of the economy owned by the state, it could not have survived. What we have done in the last year, is to deal with much of this. I have not mentioned how much the company owed many of the business houses. Listed on these five pages are names of local business houses owed by National Fisheries; approximately \$3.5 million; local business houses, struggling to survive; doing business with a state enterprise and cannot be paid. The point I am trying to make, Madam Speaker, is that after a number of years in this enterprise, it would be unreasonable for us not to come to the conclusion that the approach is not working, and has not worked. Therefore, as the Minister responsible, I have taken to the Cabinet, certain positions to deal with National Fisheries.

In 1991, you would have heard of a previous attempt by the previous administration, which involved closing down the company. That was not fully effected and the company is doing some business. It will continue that business and provide the kinds of services it is providing to the local community until such time as an improved situation could be brought about. In the not too distant future, hopefully, in a matter of weeks, the Government will seek to invite proposals from the national community for a different kind of operation at National

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Fisheries. The intention is to change this kind of course of doing business in the state enterprise. Even if we did have the money to provide support, this is not the way to do it. And, of course, as you know, we do not have the money.

We have another situation in another state enterprise in my portfolio. One very well known to the Member for Couva North, since he is the head of the union that represents the workers there. I am talking about Non Pareil Estate, in which the state owns 2,000 acres of the best agricultural lands; and for the past number of years the state sought to operate a cocoa plantation. For the entire period, during which the state owned that operation, it has not made one cent return.

Mr. B. Panday: Madam Speaker, I am grateful to the hon. Minister for giving way. The union has made a proposal to the Government to lease the entire estate and run it as a co-operative, would he take this opportunity to respond?

Dr. The Hon. K. Rowley: Sure. Madam Speaker, the operation there, for all the years, has made no return to the shareholder; it has gone from bad to worse; substantial debts owing, even to the workers themselves and the situation was that every fortnight, rather than make a contribution, we are faced with a situation where the wages for the workers employed on that plantation had to be met from the Ministry, even though there was no provision in the budget. Because, at the beginning of the year one does not make provision in the allocation for paying wages and salaries of employees on a cocoa plantation.

However, as they worked on a plantation and they cannot be supported by the income from the plantation, they turned to the Ministry and the Ministry has to find that money by taking it from other allocations within the Ministry to ensure that they are paid. To the extent that one does that, and is late in the proceedings, one is faced with situations of having to answer to the Ministry of Labour; there is industrial dispute for non-payment of wages and things like that.

Madam Speaker, the end result is that we believe that the 2,000 acres are under-performing under the present arrangement. We would like to see those 2,000 acres perform and make a contribution to the national economy. Therefore, we have taken steps to terminate the present arrangement. The Cabinet has approved the situation where, in the not too distant future, the plantation would be put out again, asking the national community for project proposals to utilize this resource without having to depend on the Treasury to fund the salaries and wages of the workers who are there, and, to operate it in a way that, at least, some

measure of efficiency can come to the proceedings and have those 2,000 acres contributing to the national economy.

In respect of the question from the Member for Couva North, the proposal that the union would like to operate a co-operative out of the situation: when the requests are made for proposals, the union, if it so desires—and I hope it maintains that interest—would be free to make a proposal to the Ministry of Finance with respect to the Non Pareil Estate, and that proposal would be evaluated like any other proposal and the Divestment Unit of the Ministry of Finance would take a decision as to what is best for the national economy. On that basis, I expect the union has as good a chance as any other. But, we intend to take a decision based on the best project proposal.

3.55 p.m.

One of the most important things is to seek to attract capital to the land because without capital no serious operation can go on there.

To the extent that the capital will not be forthcoming from the Treasury, we seek to get it from wherever it comes from. If the union is interested we would welcome proposals from them or any other member of the national community who would want to take up the challenge of performing better. The case has been made and it was made a long time ago that the Government has no business operating a cocoa plantation under those conditions. Every week we receive requests for payment of salaries and wages from employees on the estate. That cannot be the best way to use our scarce resources. We are going to have to make changes and those changes are coming in the very near future.

Mr. Jurai: Would the Member give way? Would the Minister state who appoints the members of those state boards and what is the criteria used for the appointments?

Dr. The Hon. K. Rowley: Madam Speaker, if I do not give way again during my presentation you would understand.

Madam Speaker: If the hon. Member can put it as a question, I am sure the Minister would oblige to give the answer.

Dr. The Hon. K. Rowley: I think the Member from Nariva is simply trying to break my trend of thought so as to have me present a discourse like his own.

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The Member for Tobago East made comments about divestment under his manifesto commitment. I would like—speaking in the thirteenth month of a PNM administration, which gave the kinds of commitment I read earlier on as to what we would do in the state enterprises—to draw the attention of the House to what we have accomplished to date, having said what we will do. To date, we have taken action on the Trinidad and Tobago Printing and Packaging Company. We have put the company out for public bids. We have had those bids evaluated by a competent authority and there is a standing divestment unit and we have virtually concluded a transfer of responsibility for that company from the state sector to the private sector. With respect to Farrell House, we have done the same thing and we are virtually in a situation where that is concluded.

Crown Reef Hotel: We have had a lot of work done during the year. That hotel has been closed since 1987 or thereabouts. The structure has deteriorated considerably, in the meantime. The idea of finding a joint venture partner required much action on the part of Government, the previous administration and this administration. We are at the stage where we have virtually finalized that arrangement and I am told that action will start on Crown Reef in the not too distant future. I mentioned to you National Fisheries and Non Pareil proposals for which will be invited for the use of these resources.

Clearly, we have made a commitment in our manifesto in 1991, and in January, 1993, we can tell you, we stand by that commitment and can demonstrate the actions taken against the background of that commitment. If my colleague, the Minister of Energy were present he would have had much to say about similar actions in the energy sector. The point I am making is that we have made a commitment and we are keeping it.

The Member for Tobago East asked what has happened to the document, '*A Seven-Year Macro-Economic Plan.*' Madam Speaker, it has been reviewed by a different Government with a different perspective, and it has been found wanting in a number of respects.

One of the things that we found in the review was one of the fundamental problems that his Government had. I do not know if he accepts it up to this day, that even while everybody else was seeing something was wrong, he and his Government were not seeing that something was wrong. The hallmark of the previous administration was painting a picture which was far from reality and reality came home on December 16, 1991.

When that seven-year document was talking about three, four and five per cent growth, it was not even macaroni pie. It was something which could not stand dispassionate and objective scrutiny. And that is why today, after objective scrutiny by the new PNM administration we are telling the country do not expect three or four per cent growth. We are telling the country what to expect after dispassionate and objective analysis. If he ask, what has happened to his document—it has been reviewed and the figures have been found to be not credible.

He said that during his Government's short life they had predicted zero growth, and the policies were so good, they ended up with approximately 1 per cent growth in 1990. That sounds good. I must say when it comes from the Member for Tobago East speaking very eloquently, looking very elegant, you might take it seriously. But, for those of us who were in the political arena in 1990, we will know that calamitous economic conditions were facing us against the predictions over the famous Dookeran turnaround that was coming soon. Ask my friend from Couva North because he was with me out there on the public platform telling the country do not bother with them, nothing coming. The only thing that came was Saddam Hussein. And as a result of Saddam Hussein going into Kuwait, which had nothing to do with any NAR policy, we got significantly enhanced oil revenues. And even with that we did not break any records. For him to come here today and talk about his Government's policies had surpassed predictions, is only to make my friend from Couva North and my other friends on this side laugh because he is fooling nobody.

Mr. Robinson: The hon. Member is misleading the House. What I said is in his own document the *Medium Term Policy Framework*, it is set out there. If he would read his own document, pages three and four, he would see it is all there.

Dr. The Hon. K. Rowley: The Member is making another speech. The point he made was that they predicted zero growth and they got substantially more than that. The point I am making, that to the extent that there was any growth recorded at all in 1990, it had to do with Saddam Hussein.

He spoke about growth in 1991. I am saying again, to the extent that the economy recorded any growth in 1991, it had to do with the substantial injection for the LID programme, the record breaking amount of \$180 million spent in that year as compared to previous years and for general election. So clearly you had more economic activity and that showed up as growth. I am not mentioning 'sip,

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pop, pap and smear'. I am not mentioning all of that. That was all government injecting money into the economy; temporary, short-term, for the election. We all know it would show up as growth, but it will wither in the bud the day after the election. So the Member for Tobago is not fooling anybody with that.

Madam Speaker, to the extent that he says that his rescheduling efforts were on better terms and that they were done over a 12-year period, I simply ask him, when they had re-scheduled in 1987 or 1988 or 1989, and they had 12 years, how come all the repayment fell in 1992 and 1993. Add 12 years to your Government and they fell in 1992. Who are they trying to fool? They are fooling no one with that.

Mr. Robinson: If the hon. Member would give way. If he is interested in the facts: there was a grace period of four years and that is why they started in 1992.

Dr. The Hon. K. Rowley: They just happened to fall in the year after the Member is out of Government.

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

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

Question put and agreed to.

4.05 p.m.

Dr. The Hon. K. Rowley: Thank you very much, Madam Speaker.

The Member for Tobago East, once again, has brought his libel to Parliament, and again, very skilfully—because one must be very careful with this—sought to give the impression that the foreign debt situation which we are facing here has something to do with corruption.

I listened to his contribution, quoting from his favourite book, and seeking to give the impression to the public, innocent members of the national community, that whenever we speak about foreign debt and the debt burden, it has something to do with corruption. If ever there was a sleight of hand, that is it.

Whenever we speak about the public debt in Trinidad and Tobago, we are talking about moneys borrowed by the Government of Trinidad and Tobago, in the name of the people of Trinidad and Tobago; spent in Trinidad and Tobago, on the people of Trinidad and Tobago, and it falls to the people of Trinidad and Tobago to repay that debt. This story about PNM debt and NAR debt—

They can call as many names as they want in Parliament. I say again to Members on the other side, for heaven's sake, do not stay in Parliament and call people's name. Come outside and call their names on the street. Go outside and call Ken Julien's name and accuse him of something. Do not stay in Parliament and do that. It is unbecoming of Members of Parliament to sit here in the protection of this hallowed Hall and insinuate that.

While the Member for Tobago East was reading his corruption book and insinuating that something was going on here, his colleague from Tobago West was calling the name of my colleague from Diego Martin East. I want to ask the Member for Tobago West, whether she is in a position to tell this House, or anybody in this country that the Member for Diego Martin East is guilty of anything, but sits here in the protection of Parliament, while her erstwhile colleague is reading from a book on corruption, she is insinuating that he should not be here because he has done something wrong. I say to you, Madam Speaker, and to the Member for Tobago West, that long after she has gone into the dustbin of history, the Member for Diego Martin East will still be here as a PNM Minister.

Miss Nicholson: I will never leave here.

Dr. The Hon. K. Rowley: Madam Speaker, a trend is developing in this Parliament, where Members of this House should respect themselves; respect the rights of members of the national community and least of all, respect their colleagues. They have all embarked on a concerted strategy to wave this flag of corruption, fought from inside the Parliament, and seek now to attach it to Members of the Government.

Every Friday, you will see them doing that. If the Members for Tobago East and West are so concerned about corruption, how is it that they could ride shot gun on a situation, where a sitting Member of the Tobago House of Assembly could adjudicate on a situation where a contract is to be awarded for welding at the Scarborough market, and he, the politician, the elected person in the Assembly, gets the contract for \$300,000 to go out and take up his welding rod and weld the fence of the market. *[Interruption]*

Mr. Robinson: On a point of order?

Madam Speaker: What is the point of order?

Mr. Robinson: The point of order is that the Minister is in a position to do something about any wrongdoing in the Government.

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Madam Speaker: That is not a point of order. The Minister may continue, please.

Dr. The Hon. K. Rowley: He comes here with this holier than thou attitude and points his finger at innocent people, trying to smear their character, while he turns a blind eye to situations in his own bailiwick—*[Interruption]*—and trying to link the present Government to Trujillo, Batista and Peron. We have had enough of that.

Madam Speaker, I want to put them on notice, that they can try that strategy as much as they like. The Government has given the assurance that to the extent that there is any wrongdoing under this administration, those responsible will have to account for their actions. We can do no more than that, but we will not tolerate that, and turn away from our responsibility, because they come here every Friday and talk about corruption.

They have a situation where they want to rent public buildings. They rent it from the sitting Member of the Assembly, a politician. That is not corruption.

Mr. Robinson: Madam Speaker, on a point of order. The Minister is a Member of the Cabinet of this country. What is he doing about it? What is the Cabinet doing about it?

Dr. The Hon. K. Rowley: I have just outlined to you our track record. In one year we have done more on divestment than he did in five years. I can give him the assurance that in one year, I will do more about that malpractice than he did in the last 14 years.

There is one thing I want to get assured. I want to let the national community know that as often as they get up and play holier than thou, I want to tell them look at who is talking and who is pointing fingers at innocent people in this Parliament. They come here every Friday seeking to give the impression that the Government and the Members of the Cabinet are corrupt, even when they subject their allegations to scrutiny, by independent people of the highest integrity, they are not prepared to accept that because it does not suit their purpose.

They are prepared to denigrate even those who act in an independent manner and put their integrity at stake. That is their trend and habit. They can say what they want. Their conduct is disgraceful and base and the Government will not accept it lying down.

4.15 p.m.

The Member for Tobago East, the ex-Prime Minister, stood up this afternoon seeking to justify that he was fighting corruption, goes out in search of corrupt individuals, entered into an out-of-court settlement, received peanuts, cost the country \$50 million and comes here this afternoon saying that we should not criticize that because that is a price to pay for something.

Madam Speaker, I say this afternoon that if there is anybody in this country who should keep quiet on the issue of corruption and attempts to deal with corruption, the Member for Tobago East should keep quiet. He had the opportunity outside the Government. He made a campaign and a crusade of it. He came into Government and all he had to show for his five years in Government was the price the country had to pay, umpteen million dollars to pay-off a Tesoro liability, which he walked into with his eyes wide open.

He knew that there was a liability for Tesoro. He knew, and all the talk about Tesoro, he never got up one day in this Parliament and said he was the person who signed the document that brought Tesoro into this country. Every day he gets up, holier than thou. It was not my signature that brought Tesoro here, it was his signature that brought Tesoro to this country. Deny that now! He was the Minister of Finance that brought Tesoro here. How much did he get?

The national community is fed up with this, Madam Speaker. But you see this approach worked very well before and it contributed in no small measure to the demise of the previous PNM Cabinet. So they decide to resurrect it now. I can tell you, Madam Speaker, that if that is the basis on which they will move from there to here, they will not even get there.

As Prime Minister, he appointed a commission with great fanfare, the Alexander Commission. We said when we were in the Opposition that we give full support to that, because with allegations flying left, right and centre, innocent and guilty in the same basket, we supported the Alexander Commission

After five years in Government, I would like him to get up and tell me what he accomplished with that. What we did hear was that under his Prime Ministership, the Commission could not function because they could not get a typist or a notetaker. But he is interested in fighting corruption, coming in here and pointing his finger, clean or unclean, at the Member for Diego Martin East, all because he has given up a career at the university to serve in public office. They believe that once you come into public office they have a licence to tarnish your character. I resent that, Madam Speaker. *[Applause]*

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Because you happen to have the privilege of Parliament and the right to speak for 45 minutes here does not give you the right to tarnish people's character. If you have something to say, get up and say it and support what you have to say. But this innuendo—we even had one of them getting up here and telling us that in the British Parliament it is the practice to read anonymous letters.

I refer the hon. Member to *May's Parliamentary Practice* in the chapter where it shows even people in the House of Lords went to gaol for doing just that and maybe that will get him into gaol, file or no file.

Mr. Maharaj: Madam Speaker, may I inform the hon. Member that the PNM tried to get me into gaol already. They have done everything, they have paid a bank robber to lie and they have even done worse than that and they cannot get me into gaol.

Dr. The Hon. K. Rowley: The Member of the British Parliament who went to gaol, went to gaol for reading an anonymous letter. It had nothing to do with his involvement in other practices.

Madam Speaker, I wish to close on the note to say that it was a PNM administration that created a state sector in this country. It was PNM policy and PNM vision that created the state sector in this country. It was the PNM that saw the need to do certain things in this country.

I want to ask any of them who have been jumping from positions from here to there, I want to ask them what was their position when PNM bought out Shell. Cast their mind back and tell me what their position was. What was their position when PNM bought out Texaco? We have heard much about Tesoro.

After those actions, Madam Speaker, we had the oil boom of 1973 and the country came into significant revenues. When we came into that windfall, as a result of Arab/Israeli action in the later 1970s and the early 1980s, this country set about a programme of infrastructural development, public welfare and other matters unprecedented anywhere in the world, least of all in a Third World country.

Madam Speaker, as a result of that, today we have in this country a capital stock, whether it is in the form of highways, schools, hospitals, telephone service, whatever, we have in this country a capital stock and an infrastructure base, which is the envy of the region and the rest of the developed world. *[Applause]*

Many of those bills were initiated in the early 1980s and that construction boom, the bills for that period kept coming towards the end of the 1980s. Madam Speaker, when the Member for Tobago East gets up and says that the debt service pay out, 1981 to 1986 was \$2 billion, yes, but what were we paying for in 1981 to 1986? In 1981, 1982 and 1983, my friend from St. Augustine would know, the building boom in this country where the state was the leading light was not built pre 1981. So it is not surprising that when the country changed its Government in 1986, there were bills to come in from a previous period of extremely high economic activity where the state was the prime mover.

Today, Madam Speaker, we do not have that kind of economic activity with building a new stadium and building highways on that scale. So, therefore, it is all a matter of where it falls in the time in the country's history. It has nothing to do with his Government inheriting and having to pay \$7 billion. What it has to do with is a former Prime Minister getting up and saying that his assignment as Prime Minister is to save the country from the dragon of the debt trap and let it be measured by that yardstick. All we have to ask, Madam Speaker, is after five years in office, were we saved from the debt trap? That is all we have to ask.

Mr. Valley: Or from the dragon.

Dr. The Hon. K. Rowley: That is another story.

Madam Speaker, what we have to do in this country is to be able to differentiate between those who are serious and those who are joking; between those who seek to burnish their own image, while at the same time denigrating the national effort.

In the PNM, our objective is to create a better society for all the people of Trinidad and Tobago. That bothers some people.

Mr. Palackdharrysingh: For all?

Dr. The Hon. K. Rowley: Yes, for all. Including the Member for Caroni Central.

Mr. Valley: And especially the Member for Chaguanas.

Dr. The Hon. K. Rowley: Madam Speaker, to the extent that we embarked upon policies which are well thought out, documented in the manifesto, taken to the electorate and received their endorsement; to the extent that we are able to take those policies through a changing international environment, where the

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condition out there is more and more hostile to countries like ourselves; to the extent that we are more dependent on our trading; to the extent that we are more dependent on making sure that we make full use of whatever natural resources we are blessed with in this country; to the extent that we set about to do that honestly with a commitment to all our people, I have absolutely no doubt whatsoever that at the end of the day the people of this country will continue to endorse the policies of the People's National Movement. *[Interruption]*

Madam Speaker, if I were getting three salaries, like the Member for Couva North, and I found myself in a position to use some of it to bring some persons to exercise themselves outside the Parliament, I might have done that myself. To the extent that he sees that as political improvement on his part, I only wish him well.

Madam Speaker, at this time, this country is going through a difficult period and we will go through a difficult period for a while longer. What is required is for us to be clear on what course we are charting. I refute the allegations made by the Member for Tobago East that we do not have a course charted because we would not have been as confident as we are had we not assessed the circumstance, charted the course and convinced ourselves and the larger national community that we are doing what is required in the best interests of the country at this time. *[Applause]*

We are confident. It is as a result of that confidence that they have embarked on their national smear campaign, to seek to undermine our integrity. Desperation is the word, Madam Speaker, because they are fearful of success of these PNM policies. They know to the extent that these PNM policies are successful, they will be confined to the political wilderness in this country for as long as you can see.

All that I ask them to do, Madam Speaker, in conducting their affairs, is to take into account that regardless of how they view themselves, regardless of how they view others, operate with a certain basic decency, especially as Members of Parliament.

Mr. Sudama: Is that why you want to cuff me in the mouth?

Dr. The Hon. K. Rowley: And I am not the only one. Madam Speaker, the Member for Couva North simply fired him for the post, I thought he felt the same way, too.

Madam Speaker, I wholeheartedly endorse the motion which stands in the name of my friend and colleague from La Brea and I can assure you, Madam

Speaker, in the not too distant future, we will report to the Parliament and the national community on the great successes we are achieving with PNM's policy of divestment.

Madam Speaker: The sitting of this House will now be suspended until 5:00 p.m.

4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Ramesh Maharaj (*Couva South*): Mr. Deputy Speaker, I rise to speak on this motion with sadness, especially as I witnessed here this afternoon a serious contribution made by the hon. Member for Tobago East, in which he outlined how important it is for a Government to deal with frankness and openness on the issue of corruption. What I saw and what this House witnessed is a pattern of the PNM Government in that it goes after the person who makes the allegation without trying to investigate it. What is the reason for a Government not wanting to investigate allegations of corruption or to set up machinery for the allegations of corruption? Why is it that the Government wants to attack, at all times, anybody who raises the issue of corruption?

Miss Nicholson: That is their defence.

Mr. R. Maharaj: It seems to me that the Government is saying, "our defence is not to investigate, it is to get at the person who made the allegations." That has been the pattern not only in the last 13 months of this PNM Government, it has been the pattern of the old PNM. One just has to go back in history and see how the PNM has harassed and persecuted people who have made allegations of corruption against the Government and against people who have been manipulated by the Government.

I want to tell this Government that on this side of the House we have people who are not easily scared. We have people who have demonstrated their ability and commitment to stand up against all odds. We have people who are prepared, if it is necessary, to be prosecuted, persecuted, jailed for principles. When I say this side of the House, I mean both on this side and on that side in the back there, including the Members for Tobago.

Miss Nicholson: One position!

Mr. R. Maharaj: I want them to know that when we speak together, we speak for the majority of the people of Trinidad and Tobago.

Hon. Member: You are in the minority.

Mr. R. Maharaj: The election results that they are boasting about, by that election when we speak together, that is a minority Government.

Hon. Member: That is correct!

Mr. R. Maharaj: Mr. Deputy Speaker, we have a motion here in which the Government is, in effect, asking us to take note and commend the policy of selling assets of the state. In effect, that is what it is. One of the points, apart from the corruption points which the hon. Member for Tobago East has made, is that the PNM is responsible for us having to do that. He went through the trouble of producing the figures—records which cannot tell tales—and I must commend him, and I think the people of Trinidad would commend him, for taking that time in order to demonstrate that the cause of our having to do this today, is the PNM. They have not answered that. We are selling the state of Trinidad and Tobago because of the PNM. The PNM has caused this, but the Government would not answer that. Do you know why they would not answer that, Mr. Deputy Speaker? Because it is the truth.

The hon. Member for Diego Martin West has spent much time talking—

Mr. B. Panday: We had to jaray him first, though.

Mr. R. Maharaj: What has he said? He attempted to justify the Government's actions by its manifesto, and he read parts of the manifesto, but he did not read the important parts. You see, if it were the intention of the Government to tell the people of this country that if it got into power it was going to sell state enterprises, including, WASA and T&TEC, it should have said so in clear language. They should not put it in a manifesto which at its worst or at its best—whichever word you want to use—is ambiguous and then come and hide behind that alleged ambiguity and say that they told the people of this country that they were going to sell WASA and T&TEC, that they were going to divest.

Mr. Marshall: Mr. Deputy-Speaker, I just want to inform my hon. colleague, the Member for Couva South, and indeed the rest of the Parliament and the country, that no decision has been taken to sell WASA or T&TEC.

Mr. B. Panday: Or to have another electricity company?

Mr. R. Maharaj: I am glad that the hon. Member for Laventille West has said that, but I want him to get up and say whether his Government would not, during its term of office, sell WASA, T&TEC and PTSC and have another electricity plant opened up in Trinidad and Tobago, owned by a private company and the National Gas Company.

Mr. Bereaux: Mr. Deputy Speaker, on a point of order. The Member for Couva South, I am certain, read the *Medium Term Policy Framework* and he saw in it where this Government has a policy for the private generation of electricity, so he is just trying to—

Mr. B. Panday: Where is it in your manifesto?

Mr. R. Maharaj: Mr. Deputy Speaker, before I get into the nitty-gritty—if I may use that expression—of the motion itself, one sees that here we have a backbencher filing a motion in order to support Government's policy. We have a situation where a backbencher, obviously, on behalf of the Government, files a motion so that Private Members' Day can be used in order to discuss Government's policy. Do you know what this illustrates? This illustrates the conspiracy to try to muzzle the Opposition so that not only would they not answer questions but on Private Members' Day they would determine which motion goes on.

5.15 p.m.

Mr. Valley: Mr. Deputy Speaker, let the records show that the Government has answered all questions filed by the Opposition, every one, so much so that on today's Order Paper one would see there is not one question.

Mr. R. Maharaj: Mr. Deputy Speaker, I was not talking about express answering of the questions, I was talking about how many adjournments we get to answering questions; I was talking about how they have not answered our questions as to machinery to make the Government more accountable to the people. That is what I was talking about. I was not being legalistic, I was talking under very wide terms.

Anyhow, Mr. Deputy Speaker, it shows that this Government will use any machinery available in order to muzzle the Opposition and we have witnessed in this House what has happened, what machinery has been used, what has been done in order to muzzle the Opposition. I do not want to go into that, but I am

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saying that this is another part of the plan in order for this side of the House not to have its day, not to have its motions debated on Private Members' Day.

Mr. Deputy Speaker, if one checks any book on parliamentary practice, one would see that backbenchers' motions are not used for this purpose. backbenchers' motions are used for the purpose of either criticizing the Government, or taking up matters of that backbencher's constituencies. So we have a situation where the traditions, in my respectful view, are being violated by the Government, in that the Government is using the Private Members' Day in order to clog up the list with its own motions. But then we have the situation, Mr. Deputy Speaker, in which the bankbencher is asking this House—and I read the last paragraph of the motion:

"Be It Resolved that this Honourable House take note of and commend Government on its approach to the development and implementation of its Divestment Policy which includes the re-investment of the proceeds and the consequent reduction in the public debt from such divestment for the national good."

Well, Mr. Deputy Speaker, if we are to have a policy on divestment, we would expect to see a policy document, we would not expect to see three sentences from a manifesto, or have nothing mentioned as to if you are going to have divestment, what machinery you are going to use in order to ensure that you would account to the population that when you decide to sell Farrell House Hotel, or any other enterprise, that the price which you are taking for it is really a reasonable market price. How would the population know whether the Government, and the prospective purchaser in any transaction of any of these state enterprises are not, in effect, entering a deal? How would the population know that? Is it sufficient for the Government Minister to get up and say that the price was above board, we investigated it and it was all right? A hotel and enterprise is owned by the people of Trinidad and Tobago and it is incumbent that if the Government wants to divest the people of Trinidad and Tobago of those assets, they ought to set up machinery whereby the people of Trinidad and Tobago and the Parliament must be satisfied as to whether that sale is not a deal.

Mr. Deputy Speaker, one sees that it is because of the refusal of the Government to set up this kind of machinery that you have written all over the newspapers about the Farrell House deal, and one wonders if it is that some of these allegations are not correct, why is the Government reluctant to investigate it. I would have thought that they would have open investigations in these matters.

Mr. Deputy Speaker, we cannot, in this House, take note of a policy of divestment without knowing what sort of machinery you are going to use in order for us to be satisfied that the assets of the state of Trinidad and Tobago are not going to be given away to friends of Members of the Government or to party supporters. We want to be assured that the interest of the people of Trinidad and Tobago would be protected.

I think I want to start off where the Member for Diego Martin West had started. He read from the manifesto, but he did not read the second paragraph. After it was mentioned that—

"While the state will essentially be a facilitator for economic activity, participation in the commercial sector will continue at appropriate levels where:

- the industry or enterprise is of strategic importance, e.g. oil and gas, and telecommunications;
- the enterprise provides a major social service, e.g. T&TEC, WASA, PTSC;
- the industry or enterprise is essential to the economic diversification drive and the private sector is unable to channel financial resources into such investments, e.g. downstream petrochemical plants from urea, methanol or natural gas;
- a foreign investor is interested in a major project but wishes to minimize country risks by including the state as a partner;
- Government shareholding in the above companies will be reduced over time through a programme of divestment."

And this is what he did not read—

"An orderly programme will be implemented to divest Government shareholding in companies which do not fall into any of the classes mentioned above."

Contrary to what they would say, according to my understanding of this manifesto, it was an indication to the country that there would be no question of divesting T&TEC, WASA, or PTSC, or the petroleum companies.

Mr. Valley: Mr. Deputy Speaker, may I, ask the hon. Member how then does he interpret the section which says, and he read it a while ago, "Government

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shareholding in the above companies will be reduced over time through a programme of divestment." How does he interpret that?

Mr. R. Maharaj: The above companies will be subject to what is mentioned below—the above companies which do not fall within that category.

Mr. Humphrey: That is exactly what it says.

Mr. Valley: Boy! Mr. Deputy Speaker, obviously the Member's intention is, simply, to misrepresent. If one looks at the paragraph, one sees clearly that there is a break. That section talks about the above companies—what went before. In other words, those in which Government decides to maintain participation; and as I am on my feet, it answers the question with respect to WASA, PTSC and so on, because it says enterprises that provide the major social services and that Government would maintain a participation at an appropriate level in those industries.

Mr. R. Maharaj: Mr. Deputy Speaker, I hope my friend the hon. Member for Diego Martin Central would be able to reply. My submissions are two:

- (1) That this qualification at the end, in effect, is a qualification in respect of the companies which will be divested—the activities which the Government was telling the population that it was going to divest;
- (2) Assuming, but not admitting, that that is wrong, it was the duty of the party which was going to the electorate to put in clear language—if it is saying it is ambiguous, if it is saying it is not clear—what it intended to do; but it shows that the governing party went on the election platform, condemned the previous government for divesting, for saying it is privatization and, in effect, used the manifesto which, at its worst is capable, according to them, of two interpretations, in order to get political office.

5.25 p.m.

Mr. Valley: He is right, Mr. Deputy Speaker, at their worst. It could, because the people understood what we said.

Mr. R. Maharaj: Mr. Deputy Speaker, this is a clear indication of PNM hoodwinking the population to get into office.

It does not end there. It goes on:

"To facilitate the widest possible participation in share ownership, the PNM will implement the following specific measures:

- a regime of incentives designed to encourage new shareowners in the country and to facilitate investment in shares that have been divested
- incentives for the continued development of Employees Stock Ownership Plans
- an education programme to inform the public of the benefits to be derived from share investments and ownership
- review of the operation of the stock market to facilitate the widest possible participation in the ownership of newly divested companies"

Were Farrell House and Trinidad Packaging Company offered to the people of Trinidad and Tobago so that they could participate; they could buy shares? What happened to Farrell House? Farrell House was sold to a group of individuals.

If I can just mention here that when one checks the company records of Energy Consultants, the company which bought Farrell House, you would see that the paid-up share capital was a minimum amount of about ten or twelve thousand dollars, but it bought a company for eight point something million dollars.

Mr. Deputy Speaker, what comes into play, the owners of the company are shades of Pegasus, a company formed for the purpose of acquiring Farrell House, a company formed with paper, with very nominal capital. The circumstances under which that company got the loan—Did it get the loan from a bank owned by Trinidad and Tobago taxpayers' moneys? How did it get the loan? These are matters which this Government will not tell the population. If we do not have proper machinery, we can have the state being sold to the PNM and their supporters and activists. That is what we can have in this country.

So we have a situation where they told the population that "if we are divesting, we are going to divest it in such a way that you, the people of Trinidad and Tobago, would benefit; you, the ordinary man would benefit; you would be able to have shares; you would be able to acquire interest in these companies." Did anything like that happen?

Apart from them not taking any positive steps, on the contrary, they are taking positive steps to make it impossible, because the bank interest for people to borrow money is very high. A poor man cannot go to the bank to borrow money to

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buy shares. It is too high. He cannot even get money to buy food, much less to borrow money to buy shares.

I continue to quote:

"Initially, a small shareholding of selected state enterprises will be offered on the stock market to ensure higher levels of accountability by mandating these enterprises to adhere to the rules of the re-organized Stock Exchange."

Did we have that? No! Which are the two companies under this PNM regime which have been divested? Farrell House and Trinidad and Tobago Printing and Packaging, and divested to a group of individuals, not to the people of Trinidad and Tobago.

So when the hon. Member for Diego Martin West gets up and waves the manifesto and says that, "we said so in the manifesto", he knows that that is not the truth. He knows that what he is trying to do is to detract from the issue in the debate. That has been their strategy.

What we have been saying, on this side of the House, is that you cannot embark on measures in which you are going to either incur debt to the population of Trinidad and Tobago, or sell the assets of the people of Trinidad and Tobago without having proper machinery to account for them. History has shown that influence peddling, an integral part of corrupt practices, can be very influential in denying the people of Trinidad and Tobago of financial resources which can be utilized to alleviate poverty and unemployment.

That is one of the points the hon. Member for Tobago East was making this afternoon, in which he was saying that you have to deal with corruption. We have been telling the Government that. You have to deal with it! Because in any measure which involves the financial resources of the people of Trinidad and Tobago, corruption can take away what the people of Trinidad and Tobago are entitled to.

Mr. Deputy Speaker, that is why we, on this side of the House, have given notice and we have filed a motion that next week we are going to ask for the suspension of the Standing Orders to discuss the issue of corruption and accountability in Trinidad and Tobago. We invite the Government, that if they have nothing to hide, let us discuss it openly.

Mr. Panday: He says, "we will." Let the records show that he says, "we will."

Mr. R. Maharaj: Let the records show that the hon. Member for Diego Martin Central said, "we will." But when? Do you see? "We will." But when? Do you see how, to use the colloquial expression, they start to "back-back" already?

Mr. Valley: Let me make it clear, Mr. Deputy Speaker, I have seen the motion and this Government has nothing to hide. We will discuss any motion they want to bring to the House. It will be scheduled and we will discuss it. We have business to deal with already next week, that they have asked for. We are willing to discuss anything they want to discuss at any time.

Mr. R. Maharaj: Mr. Deputy Speaker, that shows the commitment of the Opposition parties in this House, of discussing openly, and asking the Government to discuss openly, the issue of corruption. So we will see whether the Government will, next week, decide to discuss this.

We have had a lot of talk in this House about what the Government is doing; therefore it is not really privatization but it is divestment. Whatever name we call it, the fact of the matter is that you are divesting. Privatization involves divesting. Because if you are going to privatize, you must divest from the public sector into the private sector. So that divesting or privatization would involve taking away what belongs to the people. It is either you are going to enter into a venture which is a joint venture with the people and with the Government, or you are going to sell it to the population, or you are going to sell it to a group of individuals.

So we should not worry about the terminology. The fact of the matter is that the state's assets are being sold, and the question which arises is, not only is this Government privatizing, or divesting, or selling state assets, but it has decided also to privatize, to divest its responsibility in providing services. You see, Mr. Deputy Speaker, we have the Prime Minister in his statement to Parliament on January 4, 1993, at page 28 saying:

"The Information Division, therefore, becomes a consulting firm, so to speak, to the Government. Ministers are free to utilize the services of the Information Division, or to solicit such services from the private sector if those services are not available in the public sector"

So we see a situation in which it appears to be the policy of this Government, that it is prepared to divest itself from its responsibilities in providing services to the Government or to the people, in effect, by allowing them to be performed by persons outside the public sector.

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That also follows from the statement which the hon. Member for Diego Martin Central made in this House on September, 18, 1992, on the audit of state enterprises by private sector auditors, in which he, in effect, said that the policy of the Government was to permit these entities to have private accounting firms to assist them in their audits.

So we see an apparent policy of the Government, but we do not see anything in the motion here, so I do not know. Since it is filed by a backbencher, he might be able to tell us whether that is the policy of the Government or whether it is just two or three individual instances, or whether it is the intention of the Government to privatize the responsibility of the services.

5.35 p.m.

I noticed also, on the newspapers today, that civilians are going to be put in the Police Service to administer it. We have a situation of divesting the state of its responsibilities in administration and, therefore, bringing in civilians; privatizing the operations. We do not know whether that is the policy; we do not know how far it is going. We have already seen that they have privatized the representation in Parliament, in that, there are many nominated Members who are Ministers. We do not know how we are going to end up.

We read in the newspapers that Mr. Nello Mitchell has stated that that is not the policy of the PNM. The policy of the PNM is not to have these people, they have not faced the polls. They should be elected Members. We do not know what is the real policy of divestment. Is it the policy of divestment that they are going to divest themselves from responsibilities—

Mr. Valley: Mr. Deputy Speaker, may I ask the hon. Member if he is saying that if his party were in government, Sen. Wade Mark would not be a Member of the Cabinet?

Mr. R. Maharaj: Mr. Deputy Speaker, we are saying no such thing. What we are saying is that the PNM party has rebelled against their nominated Members that they have appointed—

Mr. Valley: Mr. Deputy Speaker, I want to ask the hon. Member if Surendranath Capildeo, another Senator, would he be a Member of the Cabinet.

Mr. R. Maharaj: Mr. Deputy Speaker, we are saying no such thing. I would be quite willing to talk to the hon. Member for Diego Martin Central at any time,

on that matter. As a matter of fact, when we on this side form the government, we might even invite some of them to be Members of the Cabinet.

Mr. Deputy Speaker, if it is that there is such a policy—that they are going to privatize the services and work that is to be done—then they are going to, in effect, withdraw the obligation from the state to do these works. They are going to contract out such work to the private sector, in which case there is a greater responsibility in order to ensure the population that these things are going to be above board. It is only on Sunday I read in the *Sunday Express* about how much unhappiness this lack of accountability, in respect of the accounting firms, is causing in the country, in that people are concerned with the way some of these firms are getting these jobs.

Mr. Deputy Speaker, I want the Government to tell me whether it did not privatize some of the services done on the Prime Minister's house. I have in my possession, and I know how they are very annoyed when I get things in my possession, but I wish to assure them that I have a wealth of information. I do not only have cheques, but daily I am getting more and more information. I just want them to know that I like to give a little, wait a little, then give some more.

Let them have no fear, Mr. Deputy Speaker. Because, I want to tell the Member for Diego Martin West that whatever I say in this House, I can go outside and say it. I have done it, and I have said it before. I want to let him know—if he does not know—that nothing he says or does, or any one of them does, or is capable of doing, would prevent me from doing that. There is no way.

I would like the Government to answer and say whether material expenditure on the Prime Minister's residence repairs/renovations, construction and maintenance, Ministry of Works and Transport—your Department, Member for Diego Martin East—for the period ending August 1992, whether it is correct to say that there was privatization for this work. Material, gravel, sand, cement, lumber—\$600,000; kitchen equipment, installation, electrical rewiring, \$800,000; interior decorating, design, labour and material, example, linen, curtains, contract to Mrs. M. B.—I will not call her name—\$450,000.

So, contract to Mrs. M. B. was a contract. I want him to answer and tell us if that is so. I am not saying it is so. I want him to tell me if it is so, because if he tells me—

Mr. Imbert: Mr. Deputy Speaker, on a point of order. In this honourable House, a question was asked with regard to those very repairs. A breakdown of

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materials and labour was given, totalling \$1,684,000. Clearly, the information the Member for Couva South is reading is not correct, and he knows that and he is misleading this House.

Mr. R. Maharaj: Mr. Deputy Speaker, I am not on the amount, I am on whether the services were privatized.

I am asking the hon. Member for Diego Martin East—he can get up in this debate—to say whether it is correct that the gym's design, purchase of all equipment and materials contract was awarded to Mr. Steve Castagne in respect of the Prime Minister's residence of \$1.1 million.

Mr. Imbert: Mr. Deputy Speaker, without fear of contradiction, I can state categorically that those figures are absolutely incorrect.

Mr. R. Maharaj: I am happy to hear that he has denied that categorically. *[Interruption]* He said the figures are incorrect?

Mr. Humphrey: That is what he said.

Mr. B. Panday: What about the contract?

Mr. R. Maharaj: Mr. Deputy Speaker, I am not on the figures. Whether he can deny categorically that Mr. Steve Castagne was not given a contract in relation to the Prime Minister's gym? Is that true or not? *[Interruption]* I see. I see.

Mr. Deputy Speaker, the inference I could draw is that the figure is wrong, but the facts with respect to Mr. Steve Castagne—is that not the same man with M & M, Airports Authority, Pegasus?—he was given a contract. I want to ask the Member for Diego Martin East, was that contract advertised to the population? In what manner was this contract effected? Who decided? How many bids did you get? Who was it advertised to? When the hon. Member for Diego Martin West got up to castigate Members on this side—especially today, the Member for Tobago East, about his allegations of corruption—saying that he was aware of matters in Tobago; and the Member for Tobago East was saying "You are in Government, if you are aware deal with it; do something about it". I want to ask the Member for Diego Martin West: Is he aware of this? Or, would he come after me now? Would he come after me for making the allegation?

Dr. Rowley: Mr. Deputy Speaker, is the Member for Couva South saying that any transaction between a government agency any member of the national community is *de facto* corruption?

Mr. R. Maharaj: No, Mr. Deputy Speaker. Apart from saying that setting up the machinery to deal with it, I am saying that in this particular case, having regard to the history of Mr. Steve Castagne with respect to the Airports Authority and the Port Authority matters, we want to know—

Dr. Rowley: Mr. Deputy Speaker, I am aware that Mr. Castagne is not in this Chamber to defend himself. I do not know what history Mr. Castagne has. Mr. Castagne is a member of the national community serving as a member of the board of the Airports Authority. I am not aware of what history he has there. Mr. Deputy Speaker, with all due respect to my colleague from Couva South, I think it is quite unfair, in this Chamber, to get up and speak about the history of Mr. Castagne at the Airports Authority. I am not aware that Mr. Castagne has an unpleasant history there. I think it is quite unfortunate. If in objecting to the manner in which Mr. Castagne is being attacked in this Chamber is to give the impression that one supports corruption, then I am guilty.

5.45 p.m.

Mr. R. Maharaj: Mr. Deputy Speaker, there has been no denial by the other side which I construe as an admission, and the people of Trinidad and Tobago would construe as an admission, that this gentleman, whom the Member for Diego Martin West has called his name a few times, and is defending so stoutely, did get a contract. I ask if he did get a contract—

Dr. Rowley: Mr. Deputy Speaker, I was asking the Member to assist me since he made a statement with respect to the history of Mr. Castagne at the Airports Authority. Maybe he might be able to assist me as to what history he is alluding to. And in the event, I do not think—since the person—and I am not only speaking about Mr. Castagne, I am speaking in defence of the entire national community, if people are not in this Chamber to defend themselves it is quite improper for Members on the other side or any Member to get up and treat matters in this nature. People are supposed to be innocent until proven guilty. What the Member is doing is reading from a letter. I do not know where the letter came from. The Minister has indicated that the figures are wrong. The Member is giving

the impression that since there is a contract between the state and an individual, it is corruption—

Mr. Deputy Speaker: Members, let us have some order please.

Dr. Rowley: I think it is rather unfortunate. I am asking my colleague from Couva South—I am sure he can present his case in a different manner paying due respect to the rights of others in the national community. That is all I am asking.

Mr. R. Maharaj: Mr. Deputy Speaker, I am indebted to the hon. Member for Diego Martin West for the advice he has so gratuitously offered, but I wish to assure him that I know how to present my case and I do not like anybody to tell me how to present my case.

With the greatest respect to him, I am asking a simple question for the Government to answer: Was this contract offered to this gentleman? Did he get the contract? If he got the contract, was it advertised? What procedures were used before he was given the contract? Why is it that the Ministry of Works could not have done what he was given to do? Those are simple questions.

We are being asked to take note and to commend the policy with respect to divestment. We have a situation where they are not only selling the state assets, but they are selling services which ought to be provided by the state. We are saying we would like to know, because, we are advancing this example in order to show there is some machinery. What my hon. Friend from Diego Martin West is talking about is a situation where people's names can be tarnished because of a lack of machinery. We have a duty in this House to raise matters and sometimes, one has to use the public interest, generally.

Is he saying that if we have information which he cannot deny, that the names of persons have been coming up and appearing, and we have the same name in a contract, that we ought to be muzzled; we should not say anything about it? We do not have the machinery where we could go at a committee stage to talk about it. We cannot come here and talk about it, and if we come here and talk about it we are irresponsible and threatened, to the extent that the resources of the state would be used against you, and if you go outside, not only that, you would be sued. If that is the way that we are going—

Mr. Ramrekersingh: Mr. Deputy Speaker, I wonder if the hon. Member for Couva South can assist me. He gave us some information and figures a few minutes ago. I wonder whether they were coming from his notes or from a

document. If that information is coming from a document I think it is the practice that the source of the document be given to this House before going into that information

Mr. Maharaj: Mr. Deputy Speaker, they would first answer the question and then I would tell them. The fact of the matter is, that is my information. We have a situation where it is another way of trying to harass Members of Parliament, to intimidate them, trying to use rules in order to suppress the truth.

Hon. Member: Which rules?

Mr. R. Maharaj: Rules which do not exist. Mr. Deputy Speaker, he does not also know that this Government—and they talk about anonymous letter. I have some Cabinet minutes here. I would ask the hon. Member for St. Joseph to be careful how he is talking on these issues. Careful in the sense that he must only talk about what he knows. That is why I am asking the question. They talk about anonymous letters.

Dr. Rowley: Mr. Deputy Speaker, I hate to interrupt like this, but this House has procedures. My colleague asked whether the Member was quoting from his notes or from a document. As far as I know, the practice of this House provides for that reasonable question to be answered.

Mr. Deputy Speaker: The Speaking time of the Member has expired.

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

Mr. Deputy Speaker: I would just like to ask the Member for Couva South to respond to the question put by the Member for St. Joseph. If it is a document that you are reading from, tell us your document. If it is your notes let us know so that we can proceed for the records of the *Hansard*. You may continue.

Mr. R. Maharaj: Mr. Deputy Speaker, I do not know of any practice which requires me in relation to facts to quote the source of the document. I know that the practice is if you are referring to an authority or something like that, that you quote. With deference to you, and in order for me to get on, the information that I am bringing to this House is information which has been supplied to me and information which I have in my possession. I was not actually relying on any written document for this information.

I would like to say to this House again, that I took the liberty of communicating with parliamentary associations in respect of what has happened in this House, and I am saying that the practice is that anonymous letters can be read especially where the contents of the letter are supported by documents. We have another red herring being used. It is anonymous. But they would not answer the facts. The question is: was the thing true? That is what they have to answer. I ask whether it is true.

I have a Cabinet minute here. I ask whether it is true that this Government reversed a decision of the previous Government secretly and agreed to pay a sum of \$495,000 to the former President of Trinidad and Tobago in respect of a matter in which the previous Government had denied that the Government was liable to pay. I want to know whether in relation to accountability and in relation to matters like these, the Government does consider that it owes a responsibility to the people of Trinidad and Tobago, to make a statement to say if it decided to reverse it, why? What are the circumstances? Let the public justify whether this was reasonable or not.

5.55 p.m.

Mr. Deputy Speaker, I am referring to a document, Cabinet Minute No. 2655, dated October 22, 1992, given to me anonymously and enclosed with an anonymous letter. So, if it is that I cannot refer to matters in which we get information from anonymous letters, one sees how the public's interest is subverted and undermined. Public interest has subverted its compromise for private interest. We would not be party to that at all.

Mr. B. Panday: But what! Is that Cabinet Minute wrong?

Mr. R. Maharaj: I would have thought that—I did not intend to speak so long on this matter, but the interruptions are generating some extra heat in me. The more heat is generated, the happier I become—if you are going to have a policy of divestment, you will say somewhere in that policy: Are you going to sell a company that is making money? If the company is making money, do you intend to sell it? If you intend to sell it, why do you intend to sell it? If the company could make money, what will be your policy? Will you not try to see that it makes money so that the people of Trinidad and Tobago will benefit, and their interest would not be undermined?

I want to know this because I am seeing in the newspaper—and I do not expect my Friend, the hon. Member for La Brea to answer this because he is not a

member of the Cabinet, but I would expect one of the ministers to answer it. We have the Trinidad and Tobago Urea Company, and Fertrin. From my information, the Trinidad and Tobago Urea Company is making millions of dollars and Fertrin is losing money. Is it true that the Government—although this is a joint venture—intends to divest its interest in these companies?

I noticed that there is publication that the Government has retained the services of a foreign firm to have its interests in these companies divested. The people of this country and I would like to know, why is it if these companies are making money, (it may be that you are doing the right thing, or if they can make money) you are going to sell them? Can you use these companies? Have you explored the possibility to use the interests in these companies to make more money, so that we will be able to assist in paying off the debts, and that we will be able to maintain the assets of the company? Why? We want to know.

I would have thought that if we are to take note of a policy, we do not have to take note of a statement in a manifesto. That manifesto was not even approved by Cabinet, as the previous administration did in approving its manifesto as a policy document. The manifesto was not even approved by the people because the majority of people voted against it.

Then, we notice that there is talk about selling the National Fisheries Company. We would like to know whether the Government took steps to find out if that can make money, and if it failed, why the Government has to sell it. More importantly, in this debate, the Government must tell the population whether it intends to divest the public utilities; whether during its next four years in office, it intends to divest these companies, because if we are going to commend a policy, we cannot take note of a policy that is half-way. The policy must involve what you intend to do with the public utilities. That is important and I invite the Government to answer this.

Is the Government engaged in discussions for the setting up of a new electricity generating company in Trinidad and Tobago, to be in competition with T&TEC? Is it a fact that the Government is contemplating having a joint venture with the National Gas Company and private enterprise from abroad; and if it is not only from abroad, would it involve private interest locally?

If it is that such a company is going to be set up, it will be important for any policy on divestment, that they indicate to the country what machinery, law, regulation or regime they have put in place to ensure that when they do this, the

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services would not be beyond the reach of the poor man in Trinidad and Tobago? Water is already, but electricity and public transport would be beyond their reach.

I have read a book called, *Privatisation, Theory, Practice and Choice*. It is written by Dr. Mattson Piery, who is President of the Adam Smith Institute in London. It was published in 1988. The hon. Member for Diego Martin West learnt economics in the 1970s and he is using 1972 books. He accused the hon. Member for Tobago East of being outdated with his economics. I want to assure him, that I did not study economics in the 1970s, but I am now studying it and reading more up to date books. I am reading 1988 books.

6.05 p.m.

Mr. Deputy Speaker, this book—and I commend it for the reading of the hon. Member for Diego Martin West—deals with all aspects of divestment.

Mr. Valley: What page are you quoting from?

Mr. R. Maharaj: Mr. Deputy Speaker, I am commending the whole book to them. What I am trying to say is that this book demonstrates the different kinds of divestment. One sees that under every chapter in which they divest, there is different machinery put in place in order to protect the public interest.

Let me give them an idea of some of the topics which are discussed in this book:

- Method one, selling the whole by public share issue.
- Method two, selling a proportion of the whole operation.
- Method three, selling parts to private buyers.
- Method four, selling to work-force or management.
- Method five, giving to the work-force.
- Method six, contracting out the service to private business.
- Method seven, diluting the public sector.
- Method eight, buying out existing interest groups.
- Method nine, charging for the service.

It goes on. In every—

Mr. Valley: Mr. Deputy Speaker, if the hon. Member, is so familiar with the book, would he be kind enough to explain to us the difference in the various methods for our edification?

Mr. R. Maharaj: Mr. Deputy Speaker, now he wants to tell me how I must make my contribution.

Dr. Rowley: Will it surprise the hon. Member to know that that particular document has been available to this side for the last three years?

Mr. R. Maharaj: I would be very surprised. I am surprised, because in every method which has been used, there have been regulations put in place, either in determining what price they are going to sell their assets at, or if they are selling public utilities, as was done in England, they set up regulations to ensure that the prices for those services do not go beyond the reach of the common man.

As a matter of fact, Mr. Deputy Speaker, there could be no policy on divestment unless you consider all these matters. What has happened is that they got up one morning with a "vaps" and they wanted to come to this Parliament to do something, so what they decided to do was to draft a motion and say that this is a policy. Mr. Deputy Speaker, the policy that they are asking us to take note of is one which is contained within a few lines in the manifesto. This is a joke. I cannot understand how bold-faced this Government is, in coming to ask us to approve this policy.

But they should be honest and tell us that this is no real policy of the PNM, this is a policy dictated to them by the circumstances in which the country finds itself—the IMF, World Bank.

My learned friend, the hon. Member for St. Augustine, has read thing over and over, here, the "Report and Recommendation of the President of the International Bank for Reconstruction and Development", November 21, 1989, page 6. A condition of that report is that they have to divest.

So they should not come and hoodwink the population and tell them that this is their policy. As a matter of fact, as a condition, they have to dismantle the public sector and transfer the assets to the private sector. It is not their policy; it is a policy which is dictated to them. This Government has no imagination, cannot create anything, cannot say "let us mobilize the human resources and find a solution to the problem". They cannot do that. They criticized the NAR and now they are merely implementing what the NAR did and they cannot even do that

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properly. They should stand up in this House and pay tribute to the hon. Member for Tobago East because, in effect, they told the country that they would not follow his policy and now they are trying to implement it, but they are not doing it properly. *[Interruption]*

Mr. Deputy Speaker, one of the things that they have not answered—and I would like the country to know that we have found ourselves in this difficulty in Trinidad and Tobago because of them and their PNM predecessors. They are responsible for what we are doing here today. They are responsible to the people for dismantling the essential ingredients of a welfare state. They are responsible for the Government abdicating its responsibility in order to provide jobs because, in effect, by divesting, what they are saying is that the private enterprise would provide employment. They are depending on private enterprise to provide employment. They have abdicated their responsibility in providing jobs for people. They are, in effect, saying they cannot solve the unemployment problem in Trinidad and Tobago. But they did not say that in the campaign.

They did not tell the country that if they got into power they would depend on private enterprise to solve unemployment and poverty in the country, to solve schooling and education, to solve all the problems of the social services. But today they are saying that.

You see, Mr. Deputy Speaker, many criticisms were made by the Member for Diego Martin West, trying to imply that Saddam Hussein had a lot to do with what the hon. Member for Tobago East said about the figures, the growth. But the history of this country shows that the PNM, with all the wealth, all the oil money, was not able to solve the problem. As a matter of fact, the figures speak for themselves: They increased the debt. They eliminated and removed from the people the assets which they would have had to solve the problems of unemployment and poverty today. They have destroyed this country. They have destroyed this country.

In effect, Mr. Deputy Speaker, what is happening here today is that we are being asked to endorse a policy which is not a policy; to endorse a statement which, if endorsed, will be a prescription for chaos, more poverty, more unemployment. It is a prescription for the Government abdicating more and more its responsibility to the population of Trinidad and Tobago.

Thank you very much, Mr. Deputy Speaker.

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Motion made and question proposed, That the House do now adjourn to Friday, January 29, 1993 at 1 30 p.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 6.13 p.m.