HOUSE OF REPRESENTATIVES

Monday, July 12, 1993

The House met at 1.45 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair]*

ORAL ANSWERS TO QUESTIONS

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that with the Opposition's agreement, the questions on the Order Paper be deferred until Friday.

The following questions stood on the Order Paper:

CNG Filling Stations

226. Could the Minister of Energy and Energy Industries state:

(a) How many cars in Trinidad and Tobago have been converted to Compressed Natural Gas (CNG) to date?

(b) How many CNG filling stations have been established by National Petroleum Company in Trinidad and Tobago to date?

(c) Where are these CNG Filling Stations located?

(d) Is the hon. Minister aware that motorists in South Trinidad suffer extreme hardship whenever the single CNG filling station in San Fernando breaks down?

(e) If the answer to (d) is in the affirmative, what steps are being taken to alleviate their problems? *[Mr. S. Panday]*

TT Dollar
(External Value)

227. Could the Minister of Finance state whether the Government intends to set a level below which the external value of the Trinidad and Tobago dollar will not fall? *[Mr. S. Panday]*

Petrotrin
(Electricity Supply)

228. (a) Is the Minister of Public Utilities aware that there is a large number of persons living in the vicinity of Petrotrin's operations who depend

on Petrotrin for their electricity supply, in the absence of a supply from T&TEC?

(b) Is the Minister aware that T&TEC is seriously objecting to the present arrangement?

(c) Can the Minister indicate what is his government's position on this matter? *[Mr. S. Hosein]*

Oil Companies
(Water Supply)

229. (a) Is the Minister of Public Utilities aware that the oil companies provide water to communities which exist in the vicinity of their operations?

(b) Can he indicate whether the oil companies are a net supplier or net user of water?

(c) If they are a net supplier are they paid on that basis by WASA or if they are a net user are they charged on the net difference between supply and usage? *[Mr. S. Hosein]*

San Fernando General Hospital
(X-ray Department)

230. (a) Is the Minister of Health aware that the staff of the X-ray Department at the San Fernando Hospital is refusing to deal with referrals from private doctors?

(b) Can the Minister indicate:

(i) The reason for this situation;

(ii) Whether the same policy exists at other health institutions;

(iii) What his Ministry is doing to correct the situation at San Fernando? *[Mr. S. Hosein]*

Questions, by leave deferred.

DEVELOPMENT LOANS

[SECOND DAY]

Order read for resuming adjourned debate on question [Friday, July 9, 1993]:

Be It Resolved,

That for the purpose of financing general development in Trinidad and Tobago, the Minister on behalf of the Government is hereby authorized to

borrow money externally in further sums not exceeding in the aggregate the equivalent of three billion Trinidad and Tobago dollars in any foreign currency. *[Hon. W. Mottley]*

Question again proposed.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, I enter this debate to make a few observations in support of the Motion moved by the Minister of Finance, and on some of the comments that would have come from contributions from Opposition Members. The Motion is relatively simple, in that it seeks to provide a legal framework for the borrowing actions of the Government as it conducts the business of the state. As I said that it is relatively simple, I observed a chuckle on the other side from a particular Member, but I am not disturbed by that because I would like to make a distinction by saying that the Motion is relatively simple. It does not mean that it is simplistic and that billion dollar borrowings are matters to be treated lightly.

As a procedural matter, the Government is allowed to borrow, but there are limits on the level of borrowing and those actions need to be legalized, even within those limits. Therefore, what the Minister of Finance has pointed out quite clearly, is that we have found ourselves in a situation where we have a body of debt, we have had other policy decisions which resulted in the changing in the priority of the dollar which automatically put the level of debt above their legal limit, and, therefore, it is required that this Motion be brought before the House so as to put that in its correct legal framework.

As we are going through this Motion, some of my friends on the other side have been making very heavy weather of the fact that the Minister of Finance was not seeking to legalize the exact amount but was asking for an improved margin on that. I should have thought that by the very fact that we spent Friday evening and into Saturday morning here and we are back here today—which technically speaking is what will be required if we went over the limit by one dollar—Members would have seen it quite logical that you have some sort of margin which would not require this kind of debate on a frequent basis.

Having the margin there does not necessarily mean that the Minister of Finance would run off and try to borrow every cent of it. Because, elsewhere, in reporting to the nation and to this House, the Government would have made it very clear as to what its philosophy and policy with respect to borrowing is all about. In recent years, I do not think there are many subjects of national debate which attracted so many contributions and counter-contributions like this question

of the national debt. I do not think any Member in the House objects to the idea of Government borrowing money; the problem begins to arise only when one has to take repayments into consideration.

Over the years we have been borrowing and as we go along the way, it happens, for more reasons than one, that repayment difficulties are with us now, and therefore, it falls to the present government to take that into account and determine the borrowing policy from here on. One would have heard from the Opposition Members about the profligate behaviour of earlier Cabinets. I made the point whenever I look at matters, that I do not take these self-righteous comments very seriously, because invariably when one examines, one would see that it was basically meant to impress people with certain considerations, which I would not want to describe.

For example, one would have heard Members on the other side seeking to place some personal blame on the Member for San Fernando East for being a part of a previous Cabinet that got us into a debt-bind suggesting that score, that score the Member for San Fernando East would have some personal responsibility to explain, and to disqualify himself from taking the kinds of actions we are taking now. Included in that would be other persons from that same Cabinet or from previous Cabinets, and, in fact, even persons who, in presenting their argument of that type when they were sourcing people for their line-up, they were quite happy to source from the same PNM Cabinet. So when I look at that I just dismiss the disparaging comments about the involvement of previous Cabinets.

1.55 p.m.

I should like to focus on this present Parliament, and say, that from time to time I am a little embarrassed at being a Member of this House when I listen to some of the contributions that come from the other side.

On many occasions when one listens to some of the contributions and note the content, or shall I say, lack of it, one gets the impression that other people would be seeing you in the same light. We have had many presentations on this Motion and, in short, many of them were simply repetitive and not only repetitive, of the previous speaker, but of previous eras. We had many, many hours here, on Friday, taking us into all of Saturday, which could have been avoided. But people were bent on re-presenting, for the umpteenth time, long discourses on who drew down the public figure reserves and by how much; and who did not do it. And all of these things, were repetitive, repetitive, repetitive, without really focussing on the issue before the House.

Madam Speaker, not that I mind the repetition so much; what I do mind is the fact that Members contributed in a particular debate and in previous debates in a way which is detrimental and in some cases destructive.

We had in this debate my good Friend the Member for Oropouche, who is absent today, getting up and putting on the parliamentary record an accusation against the Government about taking some decision not to buy Guyanese rice. There is absolutely no basis for the Member to make a comment of that nature. It cannot even be said to be a misrepresentation of something. In fact, it is diametrically opposed to the position which was made public and is being pursued by the Government. So then one has to ask, Madam Speaker, why is it done? It is done in the quest to make the Government look bad. Hon. Colleagues on the other side do not take into account what they do to us, as parliamentarians, and to the institution of Parliament, when they get up in the Parliament and make such irresponsible and damaging statements. Then when it is pointed out to them, that they are wrong, that they are misinformed, that they are deliberately and possibly malicious—of course the Standing Orders do not permit that last category—not even an apology comes from them.

When one looks at it, one could only come to the conclusion that Members are prepared to say anything if they believe that they would score a political point. We had a ridiculous biological discovery, in a debate recently where a Member of the House came and talked about corbeaux eating children and chickens. Everybody knows a corbeau is a vulture and eats dead things, but in Trinidad and Tobago in the political arena, vultures come to the House and talk about corbeaux eating babies and chickens and how many chickens die and so forth. Our children laugh at us because they know better; and they want to know why we are doing that.

Madam Speaker, the worst aspect of the debate that I have to respond to today, is the presentation by the absent Member for Tobago East.

Mr. Jurai: Madam Speaker, I had raised the issue of the corbeaux attacking children in the Cuche Village. Is the Minister denying this, when every newspaper is carrying the report almost every day?

Dr. The Hon. K. Rowley: Madam Speaker, I was very careful to say that it was a biological discovery that vultures are attacking live things.

The point I was making is that the Member for Tobago East—and I make no juxtaposition with the corbeau—made a presentation here which I have to respond to because I was quite surprised that—

Mr. Humphrey: Children from PNM families—those are dead things.

Dr. The Hon. K. Rowley: Madam Speaker, I am getting some assistance in developing my argument that parliamentarians are tending to be quite illogical so I had better stop there. We had a situation where the Government was severely attacked in the presentation on Friday for taking certain actions which were said to be detrimental to the development of Tobago. I know there are those who believe that they are the only ones who are supposed to speak about Tobago's interest.

We have Members here who represent Tobago and they, just as I represent my own constituency, have the right to represent their constituency. But when that representation goes to the point where, like the question about who is doing what, when it contributes to a breakdown of national association, a destruction of the oneness between the people of Trinidad and of Tobago, I am in duty-bound to speak.

The Member for Tobago East made very heavy weather on Friday stating that there was nobody from Tobago in the Senate, and that there is nobody from Tobago in the Cabinet. And, of course, in an argument with the Chair that Tobago's voice was being hushed up in the House, he stormed out. Madam Speaker, I am not concerned about the interpretation of the Member for Tobago East as to who is from Tobago and who is not, and who is not qualified, because I see my colleague across there, Senator Callender. As far as I know, he is from Tobago, but if he is deemed to be a nobody by somebody else then that is another matter. But the whole issue was an argument being raised by the Member for Tobago East, who has set out, systematically, to drive a wedge between the people of Trinidad and the people of Tobago.

You will recall recently where the Member for Tobago East asked a question with respect to a project which was supposed to be on the drawing board in Tobago and he wanted to know what was the position with respect to that project. But he asked for a written reply. I am sure, Madam Speaker, that you will have observed something a little unusual about that, because when we ask questions, the Minister replies and all Members can hear and the press can hear and the national community can hear the reply. But it is only when the answer is expected to be voluminous that a written reply is requested.

Mr. Mohammed: Not necessarily.

Dr. The Hon. K. Rowley: Well, largely. But, in fact, Madam Speaker, I am saying there was a particular purpose behind asking for a written reply. You see,

the Member was building up a case very carefully, building up an argument, which would be presented to one part of the national community. So the question was asked and the answer would come as a written reply; then he would go back to Tobago and say the Minister has said this and interpret it in whichever way he wanted, in such a way as to cause this kind of headline in the Tobago News—"Tobagonians are not slaves"; "Prime Minister treating the people of Tobago with contempt". Editorial: "Who Speaks for Tobago" and "There's Something Smelly about the Matter". In fact, literally setting out to poison the minds of the people of Tobago and by extension the people of Trinidad.

2.05 p.m.

Madam Speaker, what is the issue? The issue is that under the previous Cabinet, the Government of Trinidad and Tobago sourced approximately TT$120 million under the Lomé facility for development in Trinidad and Tobago. The Government, as the executive in office, would have determined how that money was spent.

What the previous Government did, or should I say the previous Prime Minister—because I refuse to believe that that would have been the decision of a cabinet which would have had persons representing people across the entire country—the previous Prime Minister, on behalf of the people of Trinidad and Tobago, sourced under the Lomé facility, $120 million for developmental projects, determines that a major priority in Tobago is tourism—no problem—but then determines that $113 million of the $120 million should be spent in his constituency, Tobago East. The sum of $113 million of the $120 million must be spent in his constituency on one project.

Miss Nicholson: What is wrong with that?

Dr. The Hon. K. Rowley: The Member for Tobago West says there is nothing wrong with that. I am not going to argue with her on the matter. If there was nothing wrong with it under the NAR Government, there is a lot wrong with it under any sane government. You understand, Madam Speaker.

The argument is that it is for tourism development. But the Lomé funds would only be made available if the project or projects were deemed by proper analysis to be viable. So, even if one could say that there was justification for spending $113 of the $120 million on that particular project, it could only have been embarked upon and funded under the Lomé facility if the technical exercise had shown viability of the project.

The selection of that project by the previous Prime Minister was based on a 1984 study, which had deemed, even then, as not to be viable. As they pursued getting the funding at a later stage and earmarked the funding again, it fell to the Government, to establish, by re-evaluation and review, the viability of the project. That review was initiated but was not completed before they left office. The end result is that the review has been done.

Mr. Humphrey: Would the Member give way to a question? Would he explain two things to this House? What does he mean by 'viability' in the construction of a road? And, why is it necessary to source funds internationally to finance the development of a road in Tobago? Why do you need the resources of other people outside Trinidad and Tobago to finance the development of a road in Tobago?

Dr. The Hon. K. Rowley: Madam Speaker, I am sure that I have heard from my Colleague the Member for Tobago West that she would be entering the debate at a later stage. I am sure that she would be in a position to answer many of these questions.

Miss Nicholson: Anybody could talk on Tobago.

Dr. The Hon. K. Rowley: However, I am saying in the context of viability that one is talking about whether the expenditure would be funded by those providing the fund when an analysis is done on the project to see whether that expenditure is justified under costs and benefits, especially in the context of overall national priorities. It is not a question of profit and loss; it is a question of whether those funds are going to be most productively used in that way and the benefits to come from it in the context of overall development.

Mr. Humphrey: But they used the judgment of the people of Tobago.

Dr. The Hon. K. Rowley: No. In this case, since we are talking about bank funds from Lomé, in the judgment both of Trinidad and Tobago and those who are providing the money. Because, if they are of the view that the project that you have put forward, especially if the technical analyses show that the project does not warrant that kind of expenditure, then you have no funds, so there is no issue. There has to be justification for the project.

I am sure the Member knows that, because he spent a year in the Ministry of Works and during that period, I am sure he would have been exposed to project building. Justification for a project starts with the ministry and once it is done, justifying it to the Cabinet and the Cabinet justifying it to your lending agency.

The point I was making is that the funds were being made available. They were grant funds and therefore you had to satisfy those who were making the grant available to you, and all that was required was that the project be shown to have a certain level of benefits coming from it. The review was done and the technical experts found that there could be no justification for wanting the scope of that project to be of such a nature as to warrant the expenditure of $113 million.

The project involves a link road between the villages of L'Anse Fourmi and Charlotteville. It is not said, and we are not saying, that a link road would not benefit anybody there. We are not saying that a link road is not required. We are saying and the review has shown that for an expenditure of $17 million on the current alignment of the B class roadway that is there, one could open a roadway between L'Anse Fourmi and Charlotteville for an expenditure of $17 million. But that is not the point of view of my Friend the Member for Tobago East. His position is, not that there ought to be a link road between L'Anse Fourmi and Charlotteville, but that there ought to be a link road of a certain quality, equivalent probably to the Claude Noel Highway standard, on a different alignment, not to cost $17 million, but to cost $113 million.

Madam Speaker, any reasonable government faced with these situations, faced with the fact that the technical experts have shown that that kind of construction, to warrant expenditure cannot be justified. One would have thought that it would have been reasonable to expect the present Government, to look at the scenario—because we still have to go to Lomé to get the funds. We are going there with the findings of the technical experts who are saying: $113 million multi-lane highway, no; $17 million connector road, yes.

We are saying we have no problem with going along with a roadway costing $17 million and, in fact, the discussions between the central government and the Tobago House of Assembly had established a number of priorities for Tobago and all those priorities were in the context of advancing tourism development in Tobago. So, one cannot say that we are at variance on the matter of whether Tobago should have improved tourism facilities.

2.15 p.m.

The Tobago House of Assembly election was fought in Tobago last year and contested by the party that forms the Government. For that election we put forward a manifesto and priorities were established which had to do with providing Tobago with a solution to one of its most pressing problems, that is, the

problem of an adequate water supply. We have in Tobago now a certain level of tourism plants, and one of the problems that the existing plants have is an insufficient supply of good quality water on a sustained basis. In fact, there are other developments on stream which are hindered by the fact that you do not now have in the tourism zone in Tobago an adequate water supply.

I have been in hotels in Tobago where the water supply was so bad that when you turned on the tap, brown mud came out of it, and there was a sign over the tap saying, "If you need water to wash your face, if the jug on the counter runs out, call the front desk". This is a hotel that is charging international rates, and saying to you, that if you do not have enough water to wash your face—not to mention flush the toilet—you should call the front desk for another cupful.

I have been in hotels in Tobago and at the counter people were checking out because they had been in there for days without an adequate water supply. Therefore, it seems to me that under those circumstances if one really wants to deal with even the existing situation, far less the potential, one would talk immediately about improving the water supply situation in Tobago.

That is why, both in the campaign last year and in dealings between the Minister responsible for Tobago and the Tobago House of Assembly at the level of the chairmanship, the question of the Richmond water facility was given the highest priority. Therefore, we in this Government have absolutely no difficulty whatsoever in placing the priorities in such an order as to give the Richmond water supply project a higher level of priority than a $100 million roadway between L'Anse Fourmi and Charlotteville at this time.

And it does not end there. As we spoke to the people of Tobago, and also in the context of tourism and local development, we mentioned providing Tobago with an upgraded health facility in the context of a new hospital in Tobago. And in the context of priorities for Tobago, that has been agreed. Because you cannot build up a tourism mushroom in Tobago if people are being told, do not get a broken finger in Tobago; do not get a bruise, and if you are diabetic, please do not go into a coma, because Tobago does not have the kind of health facility which will provide a larger and improved tourist plant with the support that it needs.

There are those who believe, of course, that their personal presence will do that. But those of us who are not on the way to the mad house will understand that the personal presence of a politician in the office of the Director of the Tobago hospital, is not provision of health care. I did not just say that *en passant*, I was referring to what exists at the moment. Today in Tobago a politician has put the

Director of Medical Services out of his office in Tobago and has taken it over, and is conducting the business of the hospital from his chair. That is happening. If you do not believe me, ask the PSA, who has written a six-page missive on the scandalous state of affairs of the management of the health service in Tobago. But I say no more on that.

With respect to the priorities for Tobago at this time, given our limited resources and the fact that to deliver these services we have to go out and source the funding, the question of justification that I was raising earlier looms large. But the mischief that was being done—and that is on the parliamentary record as put there last Friday by a person who held the office of Prime Minister of this country—is that the Government, in the dead of night, like a thief in the night, went to Europe and behind somebody's back, very quietly made an arrangement to sabotage Tobago's sovereignty and to deprive Tobago of a $100 million project. All of those inflammatory words to poison the minds of Tobagonians, to build hatred. Because if one hears that one has lost a $100 million project, or that one has lost $100 million because of the action of somebody, there is only one way one can react, and that is to object in the best way one knows how.

What is the truth of the matter? It is not that the Prime Minister went to Europe to re-arrange the priority on this ridiculous $113 million link road between L'Anse Fourmi and Charlotteville; it is that he went to Europe, and keeping focus on the central priorities of water and the hospital, sought to find funding for those two projects.

I am pleased to tell you today that as a result of the efforts of the Prime Minister of Trinidad and Tobago, within whose portfolio Tobago falls—whatever else anybody might want to tell you, the Minister responsible for Tobago is the Prime Minister—on his recent visit to Europe, sought investment and funding for the country, and already we have before us at least one proposal from an agency prepared to enter into discussions with the Government of Trinidad and Tobago to fund those two projects, the Richmond water project and the Tobago hospital. It is left to the Government to treat with that positive response, and I am sure there will be others.

I tell you this, and I put this on the parliamentary record if only to put the lie to the statements made by the Member for Tobago East to Tobagonians, that the Prime Minister of this country is somehow on a mission to deprive the people of Tobago of their fair share of the national cake. Anyone making those statements, and especially made in the context in which they were made by the Member for

Tobago East, could be quite correctly put in the bracket of those persons who seek, time and time again, to create division in this country. There are some two-by-four politicians who believe that what is good for them is good for the national community.

Therefore, they believe that if you go off and carve off a piece of the national community and tell them what they want to hear, tell them what will inflame them—in this case the Member for Tobago East is telling Tobagonians that he had put in place a $100 million project and the present Government has taken a decision to deprive them of that $100 million project, completely forgetting to tell them that Government's business is not done on that basis.

As the Government review the matter, we have taken a decision that a road can be built for $17 million and I have no doubt that that will be done. We have taken a decision that the $120 million Lomé funds, of which $113 million would have gone to this particular road, those funds would be redirected for wider national development infrastructurally, not only on one project, but on a number of projects, the major part of which is in advancing road development programmes in Trinidad and Tobago. That is one project. We are going to get the road, but we are going to get other projects.

2.25 p.m.

As regards talking about not wanting tourism to advance, and that the justification for this road was tourism, we are currently doing more to advance the cause of tourism in Tobago than the previous government did. Because, I see parallels between this $113 million road at L'Anse Fourmi and the Scarborough Harbour, where you spend $113 million and at the end of the day you wonder why. Because you are asking yourself "Now that I have it, what contribution is it making?"

As a member of the Cabinet, I have absolutely no doubt whatsoever, that when I support the construction of the Richmond Water Treatment Plant for Tobago, every person in Trinidad and Tobago could easily see the contribution that that will make to national development. I have absolutely no doubt, that when we build a new hospital in Tobago, every person there, bar two or three who have gathered together from time to time to mislead Tobago and misrepresent the facts to the nation, will see the benefit that they will get from having in that island an upgraded health facility.

When we talk about national development and borrowing, we have to see it in this context. It is not so much that you have borrowed, but it is a question of what

you do with the money you borrow. I have no doubt that we would have to borrow as we go on in this country, because borrowing is an integral part of doing business, even at the personal level today. As this Government pursues policies to pay off the debt of previous borrowings, and as we borrow, we would ensure that we borrow and apply those funds to projects that make sense and contribute to national development.

That is why we have no difficulty, notwithstanding all the rantings and ravings of those who seek to inflame the national psyche by talking about who is depriving whom of what; and who is talking about taking away sovereignty from Tobago and all of that—One of the things I find most painful about this is the level of hypocrisy that comes from the Member for Tobago East who, when given the opportunity, speaks most sanctimoniously about Caricom and the need for regional integration and where Caricom is going; and cynicism about Caricom, and tries to give the impression that what we should be doing in the Caricom region is a 'coming together'; because there is much benefit to be had by this 'coming together'.

This week we have before us a number of initiatives coming out of the recent Heads of Government conference in the Bahamas. Many people in the Caribbean are upbeat that something is going to happen with respect to this need to deepen and widen our relationship in the Caribbean. But right here at home, where we have a cemented bond of 100-odd years between people on two islands, the same sanctimonious mouth that speaks those statements, sets out to drive a wedge between our people. It is not because he does not know; he knows the facts and he knows them so well that he knows if he had asked for an answer to his question in the normal way, and had an answer read out in this Parliament, he would not have had the support I presume—because worse things have happened—even of the other 13 Members on the other side.

I am sure that some of them would have some difficulty with spending $113 million out of $120 million on a project which the technical analysis has shown can be done far more cheaply, and hardly justifies the expense that you are talking about. That is why he, very carefully, crafted the approach to ask for a written answer and to go back to the most rural corners of Tobago and take advantage of those innocent people by telling them that in Trinidad and Tobago there is a Government that has "done you in" in this manner; a Government that has done this against you.

And worse than that, to call on them to demand something called "self government" and to talk about "this is the time for Tobago to exercise its

independence", and all these kinds of inflammatory and divisive words; seeking to strike a cord to tell them that in the association between Trinidad and Tobago, they are—as one person wrote in the editorial "getting the wrong end of the stick".

The interesting thing is that one sees a systematic approach to destroy the relationship with the people. After the question was raised here, the next step was to go to the Tobago House of Assembly and mislead them in that manner. Then they had a full scale debate in the Assembly on this perceived injustice and a resolution was passed calling on the international community to intervene to defend poor, little, suffering Tobago, from the might of an advantageous Trinidad Government. That happened in Tobago. Do you know who was there stoking that fire? A man who was the prime minister of this country less than 24 months ago. I think it is shameful and disgraceful.

So when one hears them talking about Caricom and the Caribbean, tell them "if yuh business home going down, yuh cyar open no business in town". It is Cro Cro who said that. Do you understand? He cannot be here, driving a wedge between Trinidad and Tobago and want to play international statesman. Misleading people in Tobago causing them to feel that they have been "done in", knowing full well that he is making mischief.

There are people in the media in Tobago who are part and parcel of that mischief. Because, this debate took place in the Tobago House of Assembly about two or three Thursdays ago; interestingly enough, this paper comes out on a Thursday morning. But they were so well briefed on the action plan that the editorial in the newspapers on that day contained the proceedings of the debate of Thursday evening—systematically using the media to mislead and incite the people *[Interruption]* It has nothing to do with winning or losing Tobago. It has to do with right and wrong; and it has to do with, "what does it profit a man to gain the whole world and suffer the loss of his own soul"—if he has one.

This kind of approach to public business in Trinidad and Tobago might serve some people—I have no doubt it serves some people—but at the end of the day, what is at risk is the entire country.

I have the honourable distinction of being able to speak authoritatively about, for and on Trinidad and Tobago. I was born in Tobago, I spent 19 years there and 23 years in Trinidad. I can speak authoritatively on Trinidad and Tobago as my

home. *[Interruption]* If I am provoked by the Member for Caroni Central, I could easily shift constituency and put him out of politics. But, he is my Friend and I would not want to deny him a meal ticket.

I started off by saying that from time to time I feel embarrassed at being a Member of this House when I listen to contributions made by some Members on the other side. I would hate to think that I was in this House when a judgment is made of the various parliaments in this country that this period was one of the worst in the history of Trinidad and Tobago. If we are not careful, we are going to earn that distinction, I say without fear of contradiction. I would like to appeal to Members on the other side—and I am not appealing for them to support the Government, I was in Opposition too. I know that the Opposition's job is not to make the Government look good, but having accepted that, the Opposition's job is not to make the whole country look bad. It is not to make the whole Parliament look bad. You could present the other side in a way which does not bring down the whole institution.

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

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

Question put and agreed to.

2.35 p.m.

Dr. The Hon. K. Rowley: I was just about to wind up and I thank my hon. Colleague on the other side for moving the motion. I will continue, only to say that I was hoping to be able to read into the record a particular document which I now have and I would so do.

Some people do not know when to give up but whether we like it or not, we have to give up at some time. The records of the Parliament will remain here for those who would come after and they must see the truth and see how we developed and how we got where we are at. With your permission and particularly for the benefit of my friends and colleagues in Tobago, and for those who sat here last Friday and heard the venom which was spouted by the Member for Tobago East, I want to read into the record a letter to the Prime Minister of Trinidad and Tobago from Contractor's Design, Build and Finance Package.

"July 05, 1993

The Honourable Patrick Manning, M.P.
Prime Minister
Republic of Trinidad and Tobago
Eric Williams Plaza
Independence Square
PORT OF SPAIN.

Dear Prime Minister

RE: CONTRACTOR'S DESIGN, BUILD AND FINANCE PACKAGE FOR MAJOR PROJECTS SUCH AS RICHMOND DAM AND SIGNAL HILL HOSPITAL, TOBAGO."

This letter was written before the Member made his outburst and his feigned annoyance, and walked out of the Parliament.

The letter reads:

"Thank you for meeting with Mr. Alleyne and myself on May 21, 1993..."

If my memory serves me right that was before the question was answered.

"...and for the kind reception given to the Wimpey team during your recent visit to the United Kingdom.

We submit, as you indicated, the outlines of our design, construct, finance package for major projects such as the Signal Hill Hospital and the Richmond Dam. As we understand it, both projects are essential to the health, tourism and developmental infrastructure of Trinidad and Tobago."

Madam Speaker, I repeat: "as we understand it, both projects are essential to the health, tourism and developmental infrastructure of Trinidad and Tobago."

"This package has been drawn up in discussion with the local and foreign banks, with ECGD and CDC in order to cover mainly foreign currency costs of the projects. The package has been brought to a point in its development at which the parties are agreed that it constitutes a feasible proposal requiring only a positive response from Government for the completion and submission of detailed proposals.

As regards the physical aspects of the projects, ...it has already undertaken considerable work on the proposed Signal Hill Hospital in collaboration...."

Madam Speaker, I am trying to avoid calling names since this is in the incipient stages with a local grouping.

We also have available the services of a foreign company, expert in the business of providing and installing hospital equipment. With this approach, the hospital can be handed over to Government in a condition ready for occupation and use within twenty four (24) months of agreements and instructions to commence work. The proposals include a further twelve (12) months maintenance period subsequent to handing over."

Madam Speaker, there are more details but I think sufficient has been said to make the point.

> "As regards the Richmond Dam, we have assembled a team to design and build the Dam, together with water treatment works and pumping station which would cater for Tobago's potable water needs into the next century. Detailed surveys and environmental studies would be undertaken to enable the design to proceed in accordance with international standards. We believe that the project could be completed in two years after agreement to proceed using the fast-track approach."
>
> We outline below some details"

This is confirming an approach that the Government is taking. First, a commitment to have the facilities. Secondly, a commitment to source the resources to get it done, acknowledging that we do not now have it in our own capacity to do those things. Therefore, one should have no doubt whatsoever that we are committed not only to the development of Trinidad, but of Trinidad and Tobago because we are the Government of Trinidad and Tobago. Specifically we are committed to the development of the tourism sector in Tobago, and more specifically we are committed to those projects that will in a short space of time impact on the overall infrastructural landscape of Tobago enabling us to harness that potential which Tobago possesses.

And any time you hear any person coming to this House seeking to raise issues of discrimination and reneging on promises, I ask you to see that for what it is, a voice crying in the wilderness asking for a place that he has lost.

Thank you, Madam Speaker.

Mr. Basdeo Panday *(Couva North)***:** Madam Speaker, now that the Prime Minister is here, I think there is justification for my entering into this debate. The motion before the House, to put it quite simply, is to give the Government power to increase its ability to borrow money for development to the extent of $3 billion. That, basically, despite all the rambling in the House that took place up to two

'o'clock in the morning of last Saturday, is the simple issue. The Member for Oropouche went into the details as to the requirements that ought to be fulfilled before we on this side can approve such a motion.

As we stand in this House today, it is accepted by all and sundry, those on the Government side and those on this side, that one of the major problems facing us is the question of debt servicing. We cannot get out of that. Everybody accepts that. I recall—and I was looking for it; I could not find it. If I am in error, please forgive me, but I believe that when the Minister of Finance delivered his budget speech earlier this year, he said that if you take the requirement for debt servicing plus the emoluments in the public service, that about some 63 per cent of the income that would have been received by the Government would have gone.

That is a serious situation because it means that if some 63 per cent of our income is gone by just two measures, if we are going to have money for development, then we have got to do one of two things: We have to either borrow, reduce the debt servicing or reduce the expenditure in the public sector. These are the options that would be open to the Government. They could increase taxation, so that further borrowing is obviously going to result in a higher and greater debt burden upon the income of the Government to service the debt, whether it be foreign or local. [*Interruption*] If that is the case, I am glad you appreciate it. Then, you must know it is correct, otherwise you would not have absorbed it so deeply.

2.45 p.m.

Debt, therefore is a serious matter. We agreed on the fact that the borrowing of the Government, or the increasing of the servicing of the public debt is going to take place. That is a matter that should concern everybody. This is not merely a matter for the Government alone because an increase in debt servicing could result, and has in fact resulted, in greater taxation being levied upon the population.

In fact, the recurring theme of the Government is that they cannot embark upon development in this country; deal with unemployment and the problems in the police service because they do not have funds. That is the cry. Whenever you ask for something to be done in this country, whether it is repairing the bridge in Joyce Road; doing something about unemployment, or fixing the roads, the cry is always the same: Yes, the Government is willing to do that, funds permitting.

Why therefore, are "funds not permitting?" "Funds are not permitting" because the Government's income is already committed in another direction, largely debt servicing.

Mr. Manning: Is the answer not to borrow?

Mr. B. Panday: No! No! That is the point I am not going to make at all. No. I am not saying that the answer is not to borrow. I am saying that I think the Prime Minister agrees with me so far, that it is hindering our development. It is a constraint upon our dealing with the issue of unemployment; the crime situation and everything in the country. I am sure that he would also agree that every time the Government increases the borrowing of this country, it is a liability upon every citizen in the country.

I recall to this House an incident which the hon. Prime Minister and possibly the Minister of Finance may recall as well. That was during the boom years. We on this side were questioning the Government's desire to borrow. We were asking, why does the Government want to borrow money? I think they had about $8 billion in development funds. There was oil money flowing through their ears in those years. That was the late 1970s early 1980s. We asked why there was need for the Government to borrow.

I recall Mr. Errol Mahabir—I cannot remember what post he held at the time. In those days you did not have to hold any post; you just had to be the Prime Minister's favourite and you spoke on anything—as spokesman for the PNM saying that that was the time to borrow and that you could only borrow when your credit rating was high.

Mr. Manning: He did not say that.

Mr. B. Panday: He said that you must borrow to establish a credit rating. You can only borrow when your credit rating is high. He said that. Therefore, we must borrow to establish a credit rating. So, he and the Government went ahead and began borrowing when they had money flowing through their ears; when money was no problem. Mr. Errol Mahabir, on behalf of the PNM, said that was the time to borrow, that nobody would lend you money if you do not have money. That was the argument.

I thought the hon. Prime Minister just told me that it was to establish a credit rating. Why would you want to establish a credit rating, unless you wanted to borrow? How can you establish a credit rating? At least, by borrowing! That is exactly what the PNM set out to do. In our view, that was a foolish argument, but they persisted and borrowed. That is the problem.

They borrowed when this country had enormous financial resources. What has happened? They spent all the money in the development fund, some $800 billion.

Mr. Manning: That is not true.

Mr. B. Panday: If it is not true, where is it? [*Interruption*] I think you had already exhausted the special funds.

The Prime Minister is free to correct me. I am always willing to learn; I am not one of those arrogant Members of Parliament. If I am wrong, I am wrong. All I say is that my recollection is that by 1986 when the NAR took over, there were no moneys in the development fund. If I am wrong tell me how much there was. What did we use all this money in the Special Development Fund for, some $60 billion worth of it?

Every time I raise this matter and tell the Government that within 1972 and 1982 this Government received in revenues over $60 billion and spent it, I am told that I am wrong.

Mr. Valley: It was only $23.6 billion.

Mr. B. Panday: I am told it was only $23.6 billion. At least they have a floor ceiling, so we could argue from there upwards. So, they say we only threw away $23 billion, we did not throw away $60 billion. That is all right.

Mr. Manning: Are you saying the country has nothing to show for it?

Mr. B. Panday: I am coming to that part. What does the country have to show for it? Mount Hope Complex? This is a super white elephant sitting there while people in this country cannot get proper health facilities. It is lying there while the hospital in Port of Spain has deteriorated to the extent where it is almost unserviceable. That is where the money went.

In fact, the Government had published a little pamphlet saying where the petro dollars went. So guilty were they of the complaints of the people as to where the money went, that they published this little book. The Mount Hope Complex, nobody can say today that that was money well spent. First of all, the idea to build it was probably wrong if what the Government intended to do was to provide people with health care. More than that, the corruption and overrun that went into it, nobody has been able to justify that even to this day.

I remember for the 1986 election, the hon. George Chambers, Prime Minister as he was then, held a fete at the Complex, declaring it open. That is how they spent money, so they cannot open the Complex and they cannot close it down. That is the absolute problem they have there. Part of it is closed and part of it is open now. You wasted money there. If you were really looking to deal with people's health care, that was money wasted.

2.55 p.m.

The Hall of Justice. There is no one in this House who would say that the money spent on the Hall of Justice was money well spent. Nobody can say that.

The Twin Towers. I remember my argument in this House which was that the Government was renting so much property in Port of Spain, and the high property expenditure. The Government's answer was that they were building the Twin Towers. "We do not understand you, we are building the Twin Towers and you are quarrelling. We are trying to get rid of all these rents we are paying and you are quarrelling." Okay, the Twin Towers are built and we are still paying the same amount of rent, if not more than before. The important thing is I understand that there is room available in the Twin Towers but for some reason or the other, Government departments are not permitted to occupy it. If anybody goes there and sees how we use space there, I think they would agree that we have wasted space.

The empirical evidence is that when the Government has the authority to borrow money without any kind of supervision by the Parliament of this country, it is likely to borrow money and waste it and so commit the population to debt. That is the simple argument.

I answered the Prime Minister's argument a little earlier on. I am not saying that you should not borrow. As a matter of fact, I thought that the Member for Oropouche made that absolutely clear in his contribution. Take my word for it. I know that the Prime Minister was not here. You may have to borrow. Of course, we need not have borrowed if we had judiciously spent the moneys we had in the past. But we are in the position where we have to borrow and it is a pity that we cannot haul up before the bar of justice those who have been responsible for it and send them to jail. That is what we really ought to do, so that the present Government would not be tempted to do it.

What we are saying is that if they are going to borrow and to commit the country, this should not be Government's responsibility alone. The whole country ought to know what they are going to borrow the money for. The general rubric is development. We ought to know the specific projects before the money is borrowed. Is it that the $3 billion is going to PSI? If the $3 billion is PSIP—[*Interruption*] Okay, it is $2 billion. Well, is it $1 billion you will spend there? Tell us. Not only must we know what the money is being spent for, we must know whom you are going to borrow from. Why should we not know that? Suppose somebody is making a deal. I do not know. Suppose Mr. Julien is the one who

contacted the Bank. *[Interruption]* Well, if Panday is the one, then question him. That is my point. That is exactly my point.

Why are you jumping like jelly beans. The moment Julien's name is mentioned, you jump up. Are you guilty or something? Unfair to whom? I only said suppose he is the one who negotiates the loan. What have I said against Mr. Julien here today? Something is in your mind. You have something in your mind, you know why. *[Interruption]* Ten years I am on this now, but you have just come. I have to offload it on you now.

The point I am making is serious—we have to know from whom you are borrowing. We have to know the terms and conditions upon which you are borrowing. We want to know how much interest you are paying. We want to know finder's fees. We want to know all the expenses that are incurred in acquiring these loans because there are people who take two and three per cent of $3 billion; and that is a lot of money. We want to know to whom we are paying fees. It may be totally justified. We are not casting aspersions on anybody. Surely those are matters of which the people of this country must be totally aware before you commit them.

If that is the case, and we agree that that is what should be, then I ask a simple question: What mechanism exists in the present system which would facilitate such a situation and enable the people to know? The Opposition does not know and it represents people. I thought this was what this Parliament was about. It is expected that every Member of Parliament, whether Government or Opposition, would inform their constituents as to what the loan is for; where is the loan from. It is through us that the people find out what is going on. The Parliament must know. But, they borrow moneys all over the world, pay all kinds of interest, pay all kinds of finder's fees and we do not know about it until very long after the event. Surely that is not the time.

All I am pleading for is a mechanism by which people through their representatives in this Parliament, can have knowledge, not to tell you what to do, but to know what you are borrowing the money for, how much you are borrowing, from whom you are borrowing and the cost of borrowing—simple matters that no government should want to hide unless there is something to hide.

I am very pleased that the representative for Diego Martin West is agreeing with me so readily today. If there is no problem in giving this information to the people, what is the mechanism? I submit that there is no mechanism existing in this Parliament at the moment which allows for that.

Mr. Valley: Madam Speaker, just for the records let me just inform the hon. Member that he is all wrong and I shall be speaking immediately after him.

Mr. B. Panday: You know I would welcome that. That is what I thought this House is all about. I want to warn you, however, that after you speak, Ramesh is coming. That is how it works.

Mr. Valley: Toothless bulldog.

Mr. B. Panday: This is a problem that has faced many parliaments in the civilized world—the accountability of the government to the parliament. Such a system is sadly lacking in this Parliament; the Standing Orders go back to 1961 or thereabouts. The other Parliaments that have dealt with this matter have sought to do so by setting up parliamentary committees to monitor the activities of the Government.

3.05 p.m.

Every time we have asked for a parliamentary committee to be set up in this House, the response of the Government has been: You all want to determine policy from the back door—authority without responsibility. They have authority and responsibility and we have none. We have no authority and no responsibility.

I want to tell you something. When people voted for us on this side, which is really more people than who voted for you on that side—I hope you know that—they did not vote for us to go into the Opposition, you know. I want to remind you of that. It is a fallacy that the people who voted for us, voted for us to come into the Opposition. They voted for us to form the government, just as they voted for you to form the government. As it happens, more people voted for us to form the government, than voted for you. That is a fact! But because of the system of first-past-the-post—okay, it is a system we accept; you formed the government because you have more seats. Fine, I have no quarrel with that.

But we have a responsibility as much as you do. That is the problem. And the responsibility that we have is to ensure that the people of this country know when and how you are borrowing. *[Interruption]* Oh, certainly. You must be responsible. But you must be responsible to the Parliament, not to yourself! You want to be responsible to yourself. And you want to be the judge of your own responsibility. Surely, you cannot do that. You have got to be responsible to something and somebody other than yourself. You cannot be responsible to the PNM.

As I say, other civilized countries of the world have been confronted with this problem and they have solved it by the setting-up of committees, and not in a

single country has it been said that the Opposition was trying to get power without responsibility. Not in a single one! This is the only country that I know of where you are so paranoid for power, you are paracentric that any control of the Government is seen as an incursion upon your power.

Do you know that in the rest of the world—This is from *The Parliamentarian* April, 1993, Vol. LXXIV, No 2. I am sure the hon. Minister knows what that is. "The Constitution of standing committees in India". India is one of the largest democracies in the world; and they have been struggling with this very problem. They have decided that they are going to set up several committees, and the parliamentary committees that they have set up are directly related to ministries; they did not make any bones about it.

There is a Committee on Defence and External Affairs that monitors the activities of the Ministry of Defence and External Affairs. There is the Parliamentary Committee on Home Affairs that monitors the activities of the Ministry of Home Affairs, Law, Justice and Company Affairs—

Mr. Imbert: A very minor point of information. Could the hon. Member say why when he was a Member of the Government, why he did not establish similar committees?

Mr. B. Panday: If you think that is going to be a reason for you not doing it now, I will answer it. If you tell me the reason you are not doing it now, is because I did not do it in the one year that I was in the Government, then I will answer the question. If that is not the reason, then your question is irrelevant, surely.

I am proud to know how highly Members on the other side think of me, that in the one year that I was in the Government, I should have done everything. You know, if I had another year, I probably would have. But it shows the periphery upon which you are prepared to argue and not to deal with substance. Do you say that that is the reason for your not doing it now? If it is, then it is relevant; if it is not, then it is not relevant.

There is a Committee on Finance in the Indian Government and that monitors the activities of the Ministry of Finance, Planning and Programme Implementations. There is a Committee on Human Resource Development and Information and Broadcasting, that looks after the Ministry on Human Resource Development and the Ministry of Information and Broadcasting; a Committee on Agriculture, that monitors the Ministry of Agriculture, Rural Development, Water Resources, Food, Food Processing and Fertilizers; a Committee on Industry and

Commerce that monitors the Government's activities in Industry, Commerce, Steel, Mines, Textiles and Labour; a Committee on Energy, that looks after Coal, Power, Non-conventional Energy Sources, Petroleum, Natural Gas, Chemicals and Petro-Chemicals; a Committee on Science and Technology that monitors the Government's activities on Science and Technology, Environment and Forests, Atomic Energy, Electronics, Space and Ocean Development.

There is a committee on Transport and Communications that monitors Civil Aviation, Communications, Railways, Tourism and Surface Transport; a Committee on Social Welfare and Health that monitors Health and Family Welfare, Urban Development, Civil Supplies, Consumer Affairs and Public Distribution.

Dr. Rowley: Read all. Read all.

Mr. B. Panday: No, that is it. *[Interruption]* Oh! Yes; I am coming to that.

That is as they are doing it in India. In the New Zealand Parliament they, too, have set up Committees on State Owned Enterprises; Ombudsmen and Official Information Acts Committee; Finance and Expenditure Committee; Regulations Review Committee; Government Administration Committee and Justice and Law Reform Committee.

If the Member is saying that he is prepared to set up committees with the powers as stated there, then let him say so, and that would be an argument. That is the only time their powers become relevant. If, first of all, they admit the need for committees, we would determine its powers after that. I would advise the honourable House to lead us to what is happening with the Governments in Orissa, Victoria, Australian Capital Territory, Prince Edward Island, New Brunswick, Queensland, Canada, Alberta, Ontario, and Mizoram. Most of these are state legislatures, but even the state legislatures have these committees; why are you afraid of them?

Nobody else in the world seems to be afraid of them, but you are—from the Mother of Parliaments, from whom we have inherited our institution, the British Parliament—Perhaps, since 1979 and I am referring to the Standing Orders of the House of Commons, Public Business, published in 1991. They have 13 Standing Committees of Parliament—on Agriculture; Defence; Education; Science and Art; Employment; Energy Environment; Foreign Affairs; Health; Home Affairs; Scottish Affairs; National Security; Trade and Industry; Transport; Tourism and the Civil Service Welsh Affairs.

3.15 p.m.

My Friend was asking what were the powers. I want to tell him what they are.

Mr. Mohammed: Rowley, listen to the powers now.

Mr. B. Panday: I was referring to the House of Commons.

Hon. Member: He was here for 10 years; he has no excuse; you were here for one year.

Mr. B. Panday: Okay, now I want to tell you how the British have done it, and I recognize that the other parliaments do not necessarily have these extensive powers. But the British parliamentary committees—The Select Committees appointed under this Order shall have power (a), to send for papers... These committees have this power. You have been telling us over and over, that we keep talking about committees but we are not telling you what kind of committees we want. Well, we are telling you what kind of committees we want, and we are even telling you the powers we want for those committees.

"Those committees shall have power to send for papers, persons and records; to sit notwithstanding any adjournment of the House; to adjourn from place to place; and to report from time to time;

(b) to appoint specialist advisers either to supply information which is not readily available, or to elucidate matters of complexity within the committee's order of reference;

(c) to report from time to time the Minutes of Evidence taken before the subcommittees;

(d) to communicate to any other such committee and to the committee of Public Accounts their evidence and any other documents relating to matters of common interest."

They realized that the old public accounts did not work, so you see how they restructured it?

(e) to meet concurrently with any other such committee for the purpose of deliberating, taking evidence or considering drafts; and the subcommittees appointed under this order shall have power to send for persons, papers, and records to sit notwithstanding any adjournment of the House and to adjourn from place to place and shall have a quorum of three.

Now that is what we are talking about. Standing Order 130 says—

> "the select committee shall be appointed to examine the expenditure, administration and policy of the principal government departments as set out in paragraph 2 of this order and associated bodies."

If you do not wish to be civilized, like other governments are, continue in your primitive way; but if you do so in this Parliament then there is a price you will have to pay. It is going to explode in your face. It has exploded twice before, and I predict a third explosion, if you do not deal with the problems.

I notice that the hon. Justice Deyalsingh—he was not speaking as a judge, so I can deal with his speech. He was lamenting and bemoaning the decay of institutions in the society and saying how we ought to uphold these institutions and so forth. I want to tell the learned Judge here, today, that institutions decay when they become irrelevant. If the institutions in our society today are decaying, it is because they are irrelevant in that they cannot meet the needs and aspirations of a growing dynamic people, fighting for unity, justice, equality and progress.

I warn you in a friendly way—not in a threatening way—as it is my right to warn, that if you do not reform the institutions of this country to meet the needs of the young, growing, dynamic population, you are going to carry this country into the abyss of chaos. I am doing my duty here today. I do not expect that you will respond favourably, because you have not done so in the past. I have done it without malice, without acrimony—

Mr. Manning: Without rancour.

Mr. B. Panday: Without rancour and that is my duty. When the history of this country comes to be writ, I want it only to report that I did my duty.

Dr. Rowley: "England expects every man to do his duty."

Mr. B. Panday: I think somebody on the other side just borrowed *The Parliamentarian.* Having borrowed *The Parliamentarian*, it seems to me the argument is likely to be: "Ah, we are looking at foreign countries and we are too small and this, that and the other". [*Interruption*] I do not know, just in case—do not worry—just in case that is the argument. I want to remind you that the late Chief Justice, the Rt. Hon. Sir Hugh Wooding, in 1974, reporting on constitutional reform, a body which was set up by the late Prime Minister—

Mr. Maharaj: Selwyn Ryan was a member of that too.

Mr. B. Panday: And your future Ambassador to England. I understand the first choice could not go because there is some case pending. [*Interruption*] I

thought the Prime Minister wanted to say something. Hon. Prime Minister, we must not have acrimony against one another. I thought you said so. We must be pleasant with one another. We may disagree with one another, but we must be pleasant. Now when, of course, I am pleasant to you for a long time and you do not respond, you must forgive me for being brutal. I degenerate to brutality—verbal brutality of course!

The point I was making is, in case it is argued that these are institutions that are found in other countries but are not suitable to ours, a most eminent son of our soil, the late Sir Hugh Wooding reported—There were many eminent persons on that committee—I think I had a list here, yes, there was Sir Hugh Wooding, there was Mr. Justice Philip Telford Georges, an eminent jurist, a legal luminary, a Caribbean man, persons whom you spit upon by ignoring what they have recommended. That is one way of spitting on people. There was Mr. Mitra Sinanan, Mr. Michael de la Bastide, Mr. Gaston Benjamin, Mr. Julian Hamilton Maurice, Mr. Solomon Lutchman, Mr. Reginald Dumas, Mr. Anthony P. Maingot and Mr. Selwyn Ryan.

If you really want to have responsible government in this country you should do exactly what I am saying. They said that in 1974. If in 1974 we had set up the commissions and committees which they had recommended, maybe the country would not be in the problem it is today, because that was the period when money was no problem and when the Government of the day was spending wildly. If there was a committee they would say wait, you cannot borrow this money and you cannot do this or that; and you go to the population that might have deterred you from doing it, and today this country would not have been in debt.

Today I stand up in this House and am amazed at the argument that is going on, where the PNM is trying to blame the NAR for borrowing the money and the NAR is blaming the PNM for borrowing it. I thought that was a matter of statistics.

Dr. Rowley: No.

Mr. B. Panday: I did not think we had to fight over that at all. I should have thought also that that would have been a matter for the record, but is that really what is relevant to us today? We cannot cry over spilt milk. You have already thrown away the money, you have already wasted it. I can speak about that until I am blue in the face, but it is not going to come back.

What we can do, however, is say, okay, we made an error by not setting up these committees in time, let us set them up now so that we do not condemn the future generation to what we are suffering today because of what the PNM did

within the last 12 years. That is all I ask. Is that asking too much? So that, I want to put on the record a second time—and I say that I am going to put on the records for as often as it is possible because I want also to be placed upon the national agenda.

The question of race; I fought for 15 years to put it on the national agenda so I think I can claim some victory. It is on the national agenda and we are talking about it. That was the argument. Now I am putting another matter on the agenda.

3.25 p.m.

Hon. Member: PNM not talking. The PNM say they are not talking.

Mr. B. Panday: Oh, no. I understand that you say you are not talking. Everybody else is prepared to talk, but let us leave that alone. I am not going to be sidetracked.

I am putting on the national agenda, the question of parliamentary reform and I am using as my authority not only what obtains in the "Mother of our Parliaments" in Britain but also what happens in the other countries and what has been recommended in our own country. I think I should read it. I read section 263 of the Constitution Commission Report which says:

> "Committees already exist in the present Parliament. The best known is the Standing Committee on Public Accounts, which, under Opposition chairmanship, examines the public accounts on the basis of the Auditor General's report. Occasionally, *ad hoc* committees are appointed to study particular matters of policy, for example, the committee on reducing the age of majority. Committees investigate bills submitted for the incorporation of religious and charitable organizations before they come up for debate. The permanent committees, like the Public Accounts Committee, are concerned more with matters of administration than of policy, while the committees which look into matters of policy are set up for particular purposes and are dissolved thereafter."

Paragraph 264.

> "As regards legislation, bills are usually referred to a committee of the whole House after debate on the policy of the measure has been concluded at the second reading. There is no attempt at specialization and there is little likelihood of inducing the Government to make any significant concession after the public debate. All of this places an emphasis on the confrontation aspect of parliamentary politics—Government and Opposition adopting

combative stands in a mock battle the result of which is a foregone conclusion. Admittedly, this can play a part in attracting public interest in the processes of Government, but, particularly, in a small country like this, our view is that solid progress is much more likely to be made by emphasizing efficiency as a result of specialization and finding areas of consensus in the search for national development. The Committee system seems to offer a useful road for the attainment of these ends."

Paragraph 265.

"Accordingly we recommend that the importance of the committee system should be emphasized by enshrining it in the Constitution itself. The following Committees to deal with specific areas of policy and legislation should be mentioned—""

And the ones they mention are:

"(1) Finance and Estimates Committee;

(2) Public Accounts Committee; (Ministries and Departments);

(3) Public Accounts Committee (Statutory Authorities and Nationally Controlled Companies);

(4) External and Caribbean Affairs;

(5) Labour, Industry and Commerce;

(6) Agriculture;

(7) Constitutional and Legal Affairs;

(8) Education and Social Services."

Now, a lot of water has flowed—

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

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

Question put and agreed to.

Mr. B. Panday: I thank hon. Members. A lot of water has flowed below the bridge since 1974, therefore, there may be need for more committees than the ones mentioned there.

Our struggle is to make the Government more accountable by introducing measures that have been suggested since 1972. What can we do in this House in

order to achieve that? The Government has a majority and, therefore, in respect of several pieces of legislation, they will pass because they require a simple majority. But there are certain pieces of legislation which require a constitutional majority which the Government does not have. That is the only power so far available to the Opposition in order to force the Government to implement proposals which were suggested in this country for over 20 years.

I want to tell you we propose to use it and suffer the consequences, regardless of what they are, because whenever a constitutional vote is required in this House, we are going to take it to the public. We are not going to take it here first. If they want to debate it here first, we will debate it here, probably abstain, if they do not give us the necessary time. If they bring legislation on Wednesday and want to debate it on Friday, legislation which has a significant impact upon the social fabric of the country—if they do things like that and they want to push through because of your majority, they may push through if they wish. We will engage them in debate and we may abstain to voice our protests, but we shall carry the struggle to the streets regardless of what.

Hon. Member: For years you have been saying that.

Mr. B. Panday: No, not just for years we have been saying that. We have done it. We did it with another bill in this House and we had tremendous support. As a matter of fact, on the reform of the police. We took that to the public and after listening to the public, I think we have just finished typing our stuff and we are going to hand it to the hon. Prime Minister. He has asked us for comments so we are going to comment, but these shall not be our comments; they shall be the comments of the people. *[Interruption]*

If you want to say there were 20 persons there, there were 20 more than you ever had.

Mr. Manning: That is not so. I was dealing with hundreds when you were *[Inaudible]*

Mr. B. Panday: All right. Well then we will go and we will go to the people. Okay, we will do that.

But what we want to warn them about, lest they say that they have not been warned, the only power we have to force the Government to become accountable, is the requirement of a constitutional majority. That, they will never have unless they decide to become accountable. Just as they will never have our vote on this Motion. Unless they set up a parliamentary committee today to monitor the

Ministry of Finance, they will not get our support at all. We are prepared to pay the ultimate price for our stand because we know we are right and history will vindicate us. We know that.

I intervened in this debate in the most humble way. I have cast aspersions on no one. I have not engaged in rumour because what— *[Interruption]* No.

Mr. Humphrey: I am more familiar with that than you, who wrote it.

Mr. B. Panday: My colleague the Member for St. Augustine has just drawn to my attention their manifesto, which, as manifestos are, will be vague, but we have not seen them translating this part at page 21 of their manifesto.

"Major initiatives will include:

— the establishment of an appropriate mechanism, at the level of Parliament if feasible,"

"Appropriate mechanism"—does not say anything; "...at the level of Parliament if feasible"—does not say anything either.

"within the model of a parliamentary democracy,"

which says very little—

"to provide for consultation on national energy policies between Government and Opposition"

Now, I ask one question. If energy is so important that we should establish mechanisms between Government and Opposition, for talking about energy you mean that other things—finance—is not important?

Mr. Manning: What came before that in the manifesto?

Mr. B. Panday: I am sure you know.

Mr. Manning: De-politicizing energy.

Mr. B. Panday: Oh, I am so happy that the Prime Minister has intervened. If by saying that by setting up this kind of mechanism between Opposition and Government you de-politicize a matter, then I am asking them to de-politicize their accountability.

Mr. Manning: Then I will stand. Madam Speaker, just for the record, please, that mechanism was designed to ensure continuity of policy. The argument was that energy policy was so critical and we felt that what took place in 1987, should never take place in the country again. Different political parties have different

perspectives on economic policy and on a number of other policies. Of course, we can always argue about that. In respect of energy policy, we can also argue about that but we felt that we needed some kind of mechanism to try, as far as possible, to have an agreement on policy.

More than that, as I pointed out to the hon. Leader of the Opposition, it is written in such vague terms because we did not want to prejudice the position of the Opposition under the Westminster system of democracy by which we operate.

Mr. B. Panday: I thank the hon. Prime Minister for that intervention and want to tell him that it is precisely because of continuity that we ask them to set up a committee in this House before they borrow, because continuity means, not only borrowing but repaying.

Mr. Manning: No, no. It does not mean that.

Mr. B. Panday: The nation has to pay whether you are there or not. Therefore, you must get consensus before you borrow, so whether it is that side that is in the Government or this side, it is committed to repaying those loans. Having said that, the Prime Minister just told me that he does not wish that kind of continuity that he wants for oil, with respect to borrowing, which forces me to make a public declaration in this House today.

3.35 p.m.

We warn those people who are minded to lend this Government money—potential creditors—that if there is no mechanism in this House to monitor the Government's borrowing and expenditure, this party does not hold itself responsible for the repayment of those debts. If they borrow money to support corruption, we will not hold ourselves responsible for paying it back; if they borrow money in order to win elections, we will not hold ourselves responsible for paying it back; if they borrow money in order to have these kinds of white elephant projects which they impose upon the nation, we do not hold ourselves responsible for paying it back.

If we are not a party to the discussion or the information of where they are borrowing from, what they are borrowing for, from whom they are borrowing, what is the cost of borrowing, we tell them today in this House that if this Government persists in avoiding the issue of responsibility and accountability to this House, we on this side as trustees of the majority of people in this country, do not hold ourselves responsible for repaying those loans.

Dr. Rowley: I thank the Member for giving way. Did I hear the Member say that if he and his party were not party to the discussions? That is the first question I want to ask him. I know the Member had a very short stint in the Cabinet; it lasted a year. Was any money borrowed during that period and did the Opposition at that time have any discussions on those borrowings? If so, is the Government of today in duty bound to honour those obligations?

Mr. B. Panday: It is precisely because of that kind of situation that I am asking that we correct it now, and you are right to argue that. If you were not consulted, you ought to have been. I am saying that. I am arguing for you now and it is precisely to avoid that kind of situation that I am now insisting on the institutions being set up.

Madam Speaker, this is my humble contribution to this House. I can only hope that the Government take cognizance of what is taking place in the society.

Mr. Mottley: Did the hon. Member for Couva North consult with his shadow Minister of Finance, the Member for Oropouche, before he made this statement?

Mr. B. Panday: Yes.

Dr. Rowley: Dead men tell no tales.

Mr. B. Panday: I did not know he was dead. We did consult, and that is the fortunate thing about this party. We discuss among ourselves. We have a caucus before every parliamentary meeting and we can invite you to some of them, if you wish, provided you invite us to yours. We discuss the line we will take in this House. It is a very organized and very controlled party, very disciplined, actually. *[Interruption]* If that is the case, I think I can take out my diary and invite you immediately. On Wednesday, at 5.30 p.m. at the Rienzi Complex, this parliamentary arm will be holding its caucus and we invite you to attend.

If perchance you see that approaching 4.00 p.m. I leave this House, I do not mean any disrespect. I have given my commitment to a former Member of that side that I will appear on his radio programme at 4.00 today. Just to make sure that I do not just speak and run away, I end my contribution now so that the hon. Minister may reply.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I join this debate to support the Motion moved by my colleague the Minister of Finance to increase the limit under the Act by $3 billion. Before I get into that contribution, let me just say a few things with respect to the substantive point made by the Leader of the

Opposition, that is, once more the need for parliamentary committees. It started, as I said, on the last occasion, with a joint select committee to monitor Government expenses. There was a request some time ago for one on national security. We are hearing today that he wants a committee to monitor the Ministry of Finance.

Again, as I said on the last occasion—I think the Member for Couva North was not in the House on that day—we have been talking to the Opposition and we told them, "look, we are willing to consider your proposals. Let us see them." But on every occasion, the winning pole is taken a bit farther back. So that I am now convinced that, like when he was in Government, he does not want, really, any joint select committee, he wants simply to keep talking about it. He talks about wanting to be in Government, but when they gave him an opportunity finally to be part of a Government, he ran away. I think it is the same thing. He says the committee must have, first of all, a say with respect to policy, and then he goes on and asks for equal membership on the committee, similar numbers with the Government.

I think we have dealt sufficiently with that matter with respect to committees. I do not think we need to deal with that any further. We are willing to entertain the Opposition any time and we would deal with that.

They spoke about committees in India and I made the point, that India and the United Kingdom are quite different from Trinidad and Tobago, in terms of the size of their Parliament, and if only they would examine the committees, they would see that, in effect, they are merely subcommittees of the Public Accounts Committee. That is all they are. If they are talking about the powers of committees, we have said on a number of occasions, that we are quite willing to discuss the restructuring of the PAC and the PA(E)C. So I shall not dwell on it any longer.

Mr. Humphrey: Madam Speaker, I just want to invite the hon. Member for Diego Martin Central to set a date for the first meeting with our side to discuss the committee system.

Hon. K. Valley: Madam Speaker, we told the Opposition since last year, I think it was when the Prime Minister had asked the Attorney General and me, to meet with the Opposition—we will meet at 4.30 this afternoon.

3.45 p.m.

The other point made by the Leader of the Opposition was that Parliament must know before the fact what is to be borrowed. In 1967 this Parliament passed

the External Loans Act which guides borrowing with respect to external borrowing. The Act satisfies most of the requirements demanded by the Leader of the Opposition. The Act, first of all, sets out what can be borrowed in section 3, which states that:

> "(1) For the purpose of financing general development in Trinidad and Tobago, or of repaying borrowings effected for general development, the Minister on behalf of the Government may borrow money externally in such sum or sums not exceeding in the aggregate fifty million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and thereafter he may borrow such further sum or sums as may from time to time be specified by resolution passed in the Senate and the House of Representatives."

It sets out what one can borrow under the Act externally. It goes on to say that:

> "The repayment of all loans or charges under the consolidated fund.."

It talks about the issue of securities. This is what is important because the Member is asking for information with respect to the amount of the borrowing, interest rates and all of these things. In section 11 of this Act, it says:

> "Where any securities are issued for the raising of any loan under this Act, the Minister shall lay before Parliament all reports and other details relating to the terms and conditions of such loan as soon as practicable after such issue and in any event, not later than 30 days after such issue."

It is not one year later, it is within 30 days the Minister of Finance has a responsibility to lay in Parliament all reports relating to the terms and conditions of the borrowing. When one talks about pre-authorization, the budget in any year sets out Government's estimates with respect to revenue, expenditure and borrowing, both domestic as well as foreign. The Parliament is made aware in terms of the overall borrowing that the Government plans for the year.

In carrying out that programme, the Government operates under the Act, and as in this situation where the limit has now been exceeded, the Government has to come to the Parliament for an increase in the limit. Given that there is capacity under the Act, then one can borrow externally. But, having done that, then the Minister is in duty bound by the Act to report to Parliament within a 30-day period. That is the requirement.

So, there is no need for a joint select committee; the legislation already contemplates the accountability that is required with respect to transactions of this type. That was there since 1967. Parliament must be informed within that period.

The other point is the purpose of the increase. The hon. Leader of the Opposition would have us believe that the Motion is basically to give the Government the power to borrow an additional amount of $3 billion. What are the facts? The facts are that there was a limit set way back in 1989 of $6 billion under the External Loans Act at the exchange rate existing before August 13. That meant that the Government could have borrowed up to US $1.4 billion. There was sufficient capacity to allow the Government to borrow up to US $1.4 billion. Given existing exchange rates, if one has to maintain that ceiling of US $1.4 billion—remember the Act talks about external borrowing—it means that in TT dollars the Act ought to allow for $8.1 billion.

Quite simply, to remain on par, where we were before—and they made the argument very well; they argue all the time that because of the depreciation of the currency, one has to increase prices by 35 per cent. But it is as though it does not apply to the ceiling under the External Loans Act. So simply to maintain the ceiling, one would have to take it up to $8.1 billion.

When one looks at the Motion, one would note that the Government does not come every day to the Parliament to raise the ceiling under this Act. One would see that on July 20, 1979, the limit was raised by some $4 billion and then the next time the limit was increased was in 1989, a period of 10 years. When we come to the Parliament, it makes no sense simply to take us up to keep us on par. What this Government has done, quite simply, is to take it up $900 million more, to the $9 billion. All of this debate that we are going through, is simply to take up the limit by $900 million. That is simply the purpose of the increase.

I think it was the Member for Oropouche who was making the point last week that we were breaking the law, that in fact, right now the amount outstanding under the External Loans Act is some $6.4 billion, while the Act limits the amount to $6 billion. Again, as a fact, the amount outstanding is $6.4 billion, but we are not breaking the law. The test under the External Loans Act is at the time of the borrowing. At the time of the borrowing one must have that availability. We cannot borrow any new funds now under the Act, given that the ceiling has been exceeded, but the borrowings under the Act at this time are legal borrowings, as they were so when they were arranged. I thought one ought to simply have that cleared.

3.55 p.m.

As I said before, the purpose of the Act is to finance general development in Trinidad and Tobago. On the last day, my colleagues the Members for Siparia as

well as Princes Town, wanted to know whether we would be borrowing under this Act to finance water, electricity and so on.

I would simply like to provide the House with some of the loans which were raised under this Act to make the point that, yes, we talked about general development. I was very pleased when my Friend the Member for Oropouche took the point that where we are talking about general development we can, in fact, be talking about infrastructure projects and not simply the typical economic project. Just to give an idea.

There is the Export/Import Bank loan, which financed the Point Lisas power station development, financed under the External Loans Act. The Lockheed Aircraft—there is an outstanding obligation for financing of the wide bodied aircraft. Financing and expansion of the Trinidad and Tobago Cement Plant which was financed under the External Loans Act.

Of course, there was the general development borrowing, for a number of small projects. The loan raised in 1980 which was refinanced in 1993, $150 million for general development on the Euro-dollar market. The Mt. Hope Medical Complex loan. I shall say one or two other things about that transaction. The Member called it a white elephant.

Madam Speaker, as you would know, some of us get older. We feel a certain comfort to know that there is a state of the art hospital close by. I do not see it as a 'white elephant' at all. I had the privilege of going there for a medical on January 8, 1993. I was quite pleased with the competence of the staff. The fact is that one can get all of those things done here in Trinidad without having to go to Miami and all those places.

The Casia Field pipeline taking natural gas from offshore to bring it onshore—$50 million, borrowed under this Act for that project. So that, that gives an idea concerning the type of transaction being financed under the Act.

The Member for Oropouche on Friday also said that when they came into office in 1986, they could not—I really could not understand what he was saying. He said there was no debt record in 1986 when they came in, as though the Government before acted in a very ad hoc manner. From what I have just read—and this is a government document—*Estimates of Recurrent Expenditure.* Under Head 19, there are the charges on account of the public debt and here we outlined every indebtedness, both local as well as foreign. In the remarks column, clearly stated, are the terms of the amortization. This is a basic source document that one could have gone to—it is available every year—and got that information.

But more than that, there is the *Information Memorandum*, Republic of Trinidad and Tobago—and you would see this is dated November 3, 1986. This is a document that is usually produced every six months. In this document, we outlined quite clearly the outstanding indebtedness, which is on table 22: amount of outstanding public debt 1980—1985 showing the obligations of Central Government, the internal debt, final maturity up to five years, final maturity of five to ten years, final maturity of more than 10 years and then looking at the external debts.

But more than that, looking at the source of the indebtedness, EEC, World Bank export credit, sterling market, IADB, Canadian soft loans, Euro dollar market, Japanese yen market—all of that information is available. I was at a loss, really, last Friday when I heard the Member for Oropouche making that statement. One understands why he had to leave Government early—I mean, if he could not even find information with respect to the debt, I know he was really out of depth. Even in this document one would see the purpose of the borrowing in any year.

On Friday, the Member for Tobago East said—he made it clear—that the debt service was extremely high in the period 1987—1991. Most of the borrowing was in foreign currencies other than the US dollar which, as you know, is our intermediate currency. Those currencies were extremely strong and that caused certain problems. He made the point that when we borrow in yen, if it appreciates against the dollar, it is going to cost us much more in US dollar terms to repay that indebtedness.

In this House I had made the point before that as a fact we borrowed in currencies other than the US dollar, and for good reasons. At times, it was worth our while to do so because of interest rates. If, for example, US interest rates are 15 and 14 per cent and yen interest rates are 5 and 6 per cent, then there might be an opportunity available to borrow in yen, despite the fact that one faces a foreign exchange risk. But when one does that there is another transaction that one has to do. That is a swap transaction—swapping a yen obligation into a US dollar obligation and then thereby avoiding that foreign exchange risk. You would do well as long as when you take the whole transaction, the effective interest rate is still under the 15 per cent.

That is what we did. Our yen obligation, we swapped quite a bit of that into US dollars, as well as our French franc obligation. When we financed the Mt. Hope Medical Complex you would remember that there was a French export

credit, with French financing, and after two years with that exposure we locked in a US dollar loan and saved considerably on the transaction.

4.05 p.m.

I have a little report on that transaction here. Effectively, when we took that loan in 1981, in terms of TT dollars the original transaction was some $345 million. But the French franc was depreciating *vis a vis* the US dollar. I think it was in July 1984, we did a swap transaction locking US dollars at approximately 8.5 French francs to the US dollar, thereby locking in a savings of roughly $152 million, because at the time, I think, the transaction was around $145 million in other words, coming from $345 million, which was the original loan, to an amount of $142.5 million.

What is interesting on that transaction is that after that the French franc appreciated so that by 1988—1989, the French franc was about 5.2 to the US dollar. In other words, if we did not lock in that transaction, then it would have costed us much more.

What happened over the period 1987—1991? The Government at that time unravelled or terminated the swap and took their gain looking for financing. I understand they got about TT $50 million when they unravelled the swap and since then they have not been doing any swaps. At present we are exposed in foreign currency. We did this transaction simply because—I remember in 1982 when we were doing the transaction of the wide bodied aircraft with the Bank of Tokyo.

I remembered the Bank of Tokyo's financier telling me that they had done a study and showed me the study, which suggested that by 1992—1993, the yen US rate would be 100 yen to US $1. Bear in mind that at that time, the yen US rate was about 250 yen to the US dollar. It is not correct to say simply that there was borrowing in other currencies. There was borrowing in other currencies, but the risk involved was eliminated by the swap transactions.

Another point made on Friday and which was repeated here today is that there was waste and mismanagement, and nothing happened. I think the Member for Oropouche went so far as to say that the borrowing in the period 1972—1982 was merely for consumption purposes. First of all, I want to give the House some indication concerning the external borrowing in that period.

Year	External Financing (Million TT $)
1980	165.8

Year	External Financing (Million TT $)
1981	28.1
1982	265.2
1983	228
1984	457.5
1985	392

You would see that relatively we are talking about small amounts of external borrowing.

More than that, the Member is correct. In the early years, 1975 onward, there were petro dollars in Trinidad and Tobago. We had money, but there was the requirement to prepare for periods like now. There was the requirement to get loans in the outside market, which was not an easy thing as a small country in Latin America. As a matter of fact, most persons felt that we were some part of Guyana or Venezuela. That was a main requirement simply to do a transaction now and then in the early period which served us quite good in 1985 and 1986 when there was really the necessity to borrow.

There is an old saying, that the proof of the pudding is in the eating. This is another point I have made on a number of occasions. When you look at what has happened you would see that the credit worthiness of Trinidad and Tobago moved from sixth and seventh in the 1978—1979 period to the number one spot in all of Latin America and the Caribbean, by late 1981 early 1982, the number one spot, a position that Trinidad and Tobago held until I think, September 1987.

Seems that after the world realized that there was a new administration which was not as adept as it were, as the last Government, then the credit rating started to fall, so that by March 1992—this is *The Institutional Investor*; they do a semi-annual survey we are back at number seven in the Latin America and the Caribbean region—from a position of number one.

During that period, Mexico and Venezuela had more oil than Trinidad and Tobago, so it was not a question of simply having natural resources, it was a question of having the perceived efficiency of operation. I must say that I feel certain that within three years we would again be number one in Latin America and the Caribbean. We were behind the United States and Canada in the western hemisphere, number three. We want to get back to that position.

Another point made on Friday and I think the Leader of the Opposition at least suggested it today when he asked earlier, how do we get funds for development if we continue to borrow? His argument is that if we borrow more, then, the debt servicing requirement would increase and our current revenue constraint would leave us with nothing available for development. He suggested that perhaps the only way out of that is by increased taxation.

Let me say that there are other obvious options. The one that we are following is to have foreign equity flows. When we do that, we face criticism from across the floor. When we attracted Nucor, Enron, Arcadian and Ferrostaal Helm, we faced all types of criticisms.

4.15 p.m.

We must understand that we just do not have sufficient domestic savings to get us moving as we would like to into the twenty-first century and we must rely on foreign flows, which can come perhaps in three ways—either by grant, through debt or through equity.

We are, although not as well off as we were during the boom years, still perhaps too rich to qualify for grants in any sizeable quantity. One has seen what has happened by an over-reliance on borrowings in Third World developing countries. Research indicates that, as a fact, in the 1970s and early 1980s, Third World developing countries replaced equity by foreign debt, and I think we documented that in this little book that my colleague and I had the pleasure of writing some time ago. The point made here at page 51 is:

> "Thus, foreign investment inflows must be encouraged to supplement our domestic financial resources, moreso, because our external borrowing capability has reduced significantly."

We went on to make the point that:

> "Secondly the research indicated that most developing countries replaced foreign direct investment with foreign debt during the 1970s to assist in their development. For example, the ratio of direct investment to total foreign liabilities ... of non-oil developing countries declined from an estimated 26.5 per cent in 1973 to 17% in 1983.
>
> This substitution of debt for equity by developing countries may have contributed to the existing third world debt problem, but it was influenced by the action of foreign investors who enjoyed the incentives for the period offered by country "A", then moving on to another developing country for a similar benefit."

As you know, Madam Speaker, those were the times, in the 1970s, when the in-vogue was industrialization by invitation. Foreign investors would come and enjoy tax benefits offered by a country—the 10-year tax holiday—and as soon as they were finished they would move on to some other country. So that most developing countries moved away from that type of external financing, equity financing and substituted debt, which got them into the debt problem of the 1980s when interest rates rose quite substantially.

Obviously, we also have learnt from that period. What we are saying today is that there must be more reliance on the private sector, but, more than that, there must be more reliance on equity financing, hence our active programme. We, as the Government, are saying that we ought to be more of a facilitator. If we have certain investments where we know, for example, that there would be high capital requirement immediately or very shortly, we should attract other persons with equity rather than look for debt. So that, what we are doing fits in clearly with corporate strategies for developing countries.

Members appeared to have some reservation concerning the increase in the limit, but I want to refer them to our *Medium Term Policy Framework* which outlines the planned programme up to 1995. On page 11 one would see that in terms of the external financing plan for the period, in 1993, for example, US $150 million was earmarked, but one would note that that is to come via the proceeds of divestment or market borrowing. It is not simply a case of market borrowing. Some of it would come from the proceeds of planned divestment and some of it would come via the market. Similarly, this would be the case in 1994.

As Members know, we have in 1993 already received $90 million plus from the sale of Urea/Fertrin, so that we have planned a market borrowing of some $60 million. In 1994, again, we are looking for $125 million and most of that one expects would come via divestment, rather than from borrowing.

The point that is being made is simply that external debt is to come down over the period, not increase. One sees, for example, in the same table, if one looks at the motivation, the amount that is expected to be repaid in the period 1993, the amount that Central Government would be paying externally would be approximately $340.7 million. In 1994, that goes to $357 million. One is repaying much more than one is borrowing, therefore, there is a net repayment of external indebtedness, rather than a net increase. Again, in 1995, one sees that there is no external borrowing or divestment proceeds planned for that year.

The other issue. The Member for Oropouche raised again on Friday the question of the use of the proceeds of divestment. As we said in our manifesto, we are using part of the proceeds for the repayment of our external indebtedness and part of it will assist us in financing our capital expenditure programme.

As I am on that point, and as I touched on the point of divestment, there are certain persons who are still going about the place talking about something called NIC. I thought I had dealt with that sufficiently in this Parliament some time ago. Let me just repeat for those who are hard of hearing. NIC is fundamentally flawed. Unless one was dealing with the current situation, in other words, making sure that the accumulation was stopped, NIC could not have worked.

4.25 p.m.

Quite simply, even if one could have sold all those companies to pay off their indebtedness, at the end of the five-year period there would have been a new debt of some $2.5 billion, because the debt would have been accumulating at some $500 million a year. At no time were they talking about dealing with that; there was no plan. As a matter of fact, the hon. gentleman is on record as saying that we made an error by reintroducing the salaries of public servants in March 1992; that that is what got us into our difficulties—which difficulties I do not know. He is on record as saying that.

He would not have reintroduced the public servants' salaries and as a result he would have had a $500 million bill every year for five years so that while he was dealing with the arrears he would have been accumulating a brand new debt. At the end of five years you would have had no state companies but a new bill of $2.5 billion. It was fundamentally flawed, and I do not know why he continues to talk about it, but, hopefully, one day he will learn.

Madam Speaker: The speaking time of the honourable Minister has expired.

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

Question put and agreed to.

4.28 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Hon. K. Valley: Madam Speaker, when we took the break, I was just about to move on to the future and spend some time commenting on some of the points raised by Members on the other side. I simply wanted to show Members that in

voting for this Motion before the House today, they can rest assured that the Government would not run out there and increase the external indebtedness. As a fact, the Government plans, as I said before, to rely more on foreign equity rather than foreign debt to supplement its own domestic savings to aid in its development programme.

Members are aware that our major objective at this time is in building that export platform in Trinidad and Tobago, an export platform, having as its market not the l.2 million persons who reside in Trinidad and Tobago, but really the hundreds, thousands, or millions who live in the area around us, in Venezuela, Colombia, Central America, North America and even in the EEC, where we have certain preferential rights, at least, for the time being. All of this is spelt out very clearly in the *Medium Term Policy Framework*, so that there is the move towards equity rather than debt and even where we are talking about foreign debt, there will be an emphasis on long term debt provided via international lending agencies which are known for their low interest rates.

I wanted to say a few words, rather quickly, on Local Government, a Ministry that is in the news at present—Municipal Corporations—and one in which the Member for Siparia as well as the Member for Princes Town seem to have real interest. They made the point last Friday, that this Minister of Local Government seems to be bent on dismantling Local Government.

Mr. Haniff: The job is finished already!

Hon. K. Valley: Madam Speaker, let me disabuse the Members' minds. This Minister of Local Government is really simply preparing local government to face the challenges of the 21st Century. That is what we are about.

Mr. Hosein: Will the Minister give way?

Hon. K. Valley: I have not even said anything yet!

Mr. Hosein: Even if it means having to send home a number of workers who are presently employed in local government?

Mr. Haniff: And who have been employed for the last 19 years?

Hon. K. Valley: Madam Speaker, let me say again that not one regular or permanent employee in the local government system has been retrenched since I assumed office last year. There were certain persons to whom we provided casual employment. Because of our current situation, we are now no longer able to do that.

Hon. Member: How many got a "six-days" instead of 10?

Hon. K. Valley: Madam Speaker, I go on to another point. It seems to me that we as Members of Parliament have to make that distinction between national policy and dealing with a constituent who may be disadvantaged because of that policy. As a fact, every national policy would affect some persons, and that is why we are Members of Parliament. When we sit here we must, of course, make those national decisions—what is good for the nation—for the majority of people. We have to do that. But when we sit in our constituency office, with a constituent who may be disadvantaged, then we have to counsel him and see how we can assist him in making the adjustment.

Hon. Member: On hungry belly?

Hon. K. Valley: I spend every Thursday afternoon, like every one of my colleagues—the 21 of us down here plus the 15 upstairs, with constituents doing just that. That is the caring that we talk about in the PNM. We know that, yes, we have to make certain decisions at the national level and that there would be some persons who would be hurt by those decisions, so we have to be there for them. When we sit there we do not want to know whether they are PNM or UNC. Many people come from Couva to my office.

Mr. Haniff: That is not true.

Hon. K. Valley: There is not one person who has come to my office for assistance who can say that I ever asked him to which party he belongs. I think you accused me otherwise, but I do not mind. That is what I am here for. When I sit in my office on a Thursday afternoon, I sit to assist persons as best as I could. That is what I do. Because I know that as we make these national decisions, there would be some persons disadvantaged. I wanted to make that point, because I want to make the other point.

5.15 p.m.

I do not see that my function as Minister of Local Government is to create work. My function in local government is to provide a service. There is a government institution that is there to provide work. The Government knows that, yes, there would be some persons who may not be able to find a job anywhere else and since the 1960s, by different names—Special Works, DEWD—there is that organization, the whole *raison d'être*, as it were, of which is to provide employment. But in local government, my job is to provide a service most efficiently.

We have to realize that the boom years have really gone. There seems to be a lack of appreciation of that current realism, that no longer are we in the boom period; and the lean years, it appears, have not jolted us sufficiently, to the new demands of the time. There continues to be, as it were, a yearning for the return of the good old days. My own feeling is that we have a golden opportunity, standing as we are on the threshold of the twenty-first century, to realize that those years are gone. They cannot come back.

In the United States, they faced a similar situation, and the thing about it, most of the changes in government started at the local level. In 1978, in California, when they passed Proposition 13 which cut property taxation by half, the local bodies had problems. By 1982, their revenues were some 25 per cent lower than they were in 1978. But they survived and they performed a better job, because they realized that they had to become more creative and more innovative in the way they did things. That is what we are doing in Trinidad and Tobago.

Mr. Humphrey: How did they meet their financial obligations?

Hon. K. Valley: They started co-opting the private sector; ensuring that there was competition; decentralizing; and they tried as much as possible to get away from rules and regulations. You know, you have these rules and regulations—the bureaucracy, as it were, tell you that you have to do things this way. They cannot tell you why. I tell my people, let us question and see whether we can do things differently. That is what we are trying to do in local government, getting the private sector involved, getting the communities involved in what we are doing, relying on the people, knowing that perhaps if we do that, we are going to aid efficiency and effectiveness.

I am working with a team of Chairmen, Mayors and Chief Administrative Officers, and I think we are all enjoying it. There are some people on the outside who feel that we are having difficulties, but we are not. Since December we started analyzing the problem, meeting and talking with the unions. You would see Mr. John was here today. He came to meet with me.

Hon. Member: Sell out!

Hon. K. Valley: Not sell out. He understands. I give him a commitment that I will do as much as possible to hold on to the regular and permanent staff. In return, we need an increase in productivity.

Mr. Maharaj: Madam Speaker, I wonder if the hon. Minister would give way. Did the union give any commitment to the Government that it is going to agree to the reduction in days of work?

Hon. K. Valley: Madam Speaker, the union's commitment is to work with the Minister to solve the problem, to increase productivity. Every individual, every worker, working longer than 10 years, we are committed to have them work 10 days per fortnight.

Mr. Maharaj: I have a note from Mr. John of the union. He spoke to me and he indicated that there was no way that the union was going to agree to a reduction in days. I want to know whether the Government is agreeing to that or if it disagrees?

Hon. K. Valley: There is no union, Madam Speaker, which would agree to a reduction in days or retrenchment of workers.

The point I am making, quite simply, is that we have a particular situation and we are dealing with it. I can inform the House that only last Thursday the Cabinet agreed on a change in the fee structure in the local government system. We are committed over this three-year period to make municipal corporations more self-sufficient. They must earn more of their revenues on their own, through the services they provide, either directly or indirectly. That is the direction in which we are going.

Let me just inform my hon. Friends the Members for Siparia and Princes Town that they are going to be looking at a more efficient and more effective local government system, one that I am sure the former chairman of the association would be extremely proud of.

I thank you, Madam Speaker.

Mr. John Humphrey *(St. Augustine):* Madam Speaker, when the Minister of Finance presented the Motion, he told us that at the current level of limitation of borrowing under this Act, the Government had drawn $400 million in excess of the legal limit. He said that at April 30, before the Government took the decision to depreciate—their word—the value of TT currency—we call it a devaluation—the Government had drawn $4.8 billion with a legal limit of $6 billion. So there was still a sum of money that, under the law, the Government could have borrowed under this particular provision, that is, the External Loans Act, Chap. 71:05.

Now, if we were meeting on this occasion to extend the limit by TT$400 million, that would accomplish the provision of legalizing the sum of money borrowed by the Government under the provision of this Act, and I, for one, would have been very much happier. If the Government had come here to ask

Parliament to increase the limit to cover that legal requirement, and to demonstrate to the country that the strategy for economic mobilization is working; that the country is no longer strapped for foreign exchange; with the move to depreciate the currency, we are now accumulating a surplus, and that, in fact, we can go down the road together and look to a brighter future, fine.

By coming here to extend the limit to enable the Government to borrow more money when the Government has already admitted—in fact, one Minister described the situation as "morass." The debt position of the country is morass. That is the word the Member for Diego Martin East used. A quagmire, that was my word, but he corrected me and said, morass.

5.25 p.m.

Madam Speaker, the point is, we all recognize that the debt position of Trinidad and Tobago, as of now, is critical. We are in a serious crisis. I would have hoped that if the Government truly had confidence in what it was doing and was satisfied that the measures recently taken were, in fact, working, it would have seized the opportunity of this Motion, to say to the country, "we are not going to further commit future generations to paying back the international debt obligations. We recognize that by doing that we are putting a demand on our future production. We recognize that by taking any more of the resources of Trinidad and Tobago to service our international obligations, we are denying you, the people of Trinidad and Tobago, the enjoyment of those resources in improving your living standards, in establishing security for yourselves and your children."

But that is not what happened. It is business as usual. I wish to suggest the reason the Government want to extend the limit—and it is not true to say that they are extending the limit by only $1 billion; they are, in fact, extending the limit by $2.6 billion, because they have not exhausted the legal limit. They are giving themselves TT $2.6 billion in breathing space. That is, in fact, what is being done.

The hon. Minister in the Ministry of Finance quoted certain Government publications and he gave the examples of how the money was used in the past by singling out certain projects that were financed from international borrowing under the External Loans Act. But if you turn to the actual revised version of the laws, you will find them spelt out under the section: External Loans, Exemption from Taxes and Exchange Control Order, which is appended in response to a provision of the Act. It was spelt out at the time that the laws, in fact, were brought up to date—all of the loans. You will find that for most of them they have

given the title of the loan, the currency in which the loan was denominated, but they have not said what the loan is for. In the cases that the hon. Minister in the Ministry of Finance cited, those were already cited in the appendage to the Act. But you can go through this and see that the money has been borrowed all over the world.

The Minister in the Ministry of Finance admitted that. In fact, he went on to say that the Government had hedged its bets; had taken insurance, so to speak, to ensure that Trinidad and Tobago would not be overburdened by obligations with the re-valuation of currencies that we had borrowed. He explained all of that.

The concern of this side is not the principle of borrowing. When you borrow outside of Trinidad and Tobago, what you are, in effect, doing, is getting control in your possession of a demand on the resources of the outside world. That, in effect, is what it is. What is important is not the principle of getting that power—which is a useful power to have—but how it is used. What do we borrow and why do we borrow it? Are we borrowing so that we increase the nation's capacity to repay, or are we borrowing so as to put a further burden on the people of this country, forcing them to make greater sacrifices so that they cannot consume what they produce because too much of what they are producing is being used to meet the international debt obligation?

To me, that is the crux of the matter. The examples given by the Minister in the Ministry of Finance—if you turn to External Loans in the published version of the laws, you will find in l979 there was an Austrian Export Credit Facility for a cement project. In l979 there was a Euro-dollar Aircraft Loan Facility. In l979, there was a loan for the Point Lisas Power Station Project. In l979, a further loan for wide-bodied aircraft for the national airline.

Let us deal with cement, power station and wide-bodied aircraft and see whether Trinidad and Tobago has benefited or whether it has been burdened by this borrowing. The cement plant was owned by British Portland, producing cement in different parts of the world, with all the required expertise to enable it to do it. The company was a private enterprise, did not invest any further capital in improving the plant, in upgrading it, in maintaining it, for the simple reason that the Government put controls on the price of cement and crippled the company. It could not make profits.

To some extent at the time, the people of this country felt they were reaping benefits, because the price of cement was cheap; it was controlled. But did they reap a long-term benefit? The answer is, "no." Because when the company was

nationalized, the Government was forced to go out and borrow the money, perhaps far in excess of what the company would have been investing from its own resources, and the Government ran the company with an increasing price in cement, at tremendous loss, until it sold it to the market, wrote off nearly $100 million in accumulated losses. The shares of the company were put on the market and people of this country purchased, and with that move, increased the price of cement by 50 per cent. So all the gains that the average citizen could have realized from cheap cement were lost. Cement has now gone up again.

I know someone who purchased shares—I am sorry it was not me—in Trinidad Cement who has told me recently that dividends since the purchase have exceeded the cost of the purchase. What the Government has done, is that it has borrowed money on a long-term basis; it has imposed on the people of Trinidad and Tobago this commitment to repay that debt, and we have to repay it with whatever means we earn foreign exchange—petroleum is the main means—whatever we export contributes to repaying that debt, and has put us in a situation where we are worse off, not better off. They have transferred the ownership of the cement company from the Government to a few select people in the society who could afford to buy the shares. That is what the Government has done.

5.35 p.m.

The reason the Government—of which I was a Member at the time—did that is that the company had accumulated losses to the extent of almost $100 million and it was just as strapped as this one is for finance. I did not agree with taking the ownership of something as critical which was a monopoly, as the manufacturing of cement, away from the people of Trinidad and Tobago and handing the ownership to a small group of people. I did not agree with that. *[Interruption]* I was bound by it, I did not agree with it. Perhaps, that is why I was fired. I did not last one year. *[Interruption]* That is cement! Now we are continuing to pay what we borrowed from the Austrians and whoever.

Let us now look at wide-bodied aircraft. The Government, at the time, borrowed money—Euro-dollar Aircraft Loan Facility, 1979. I know it borrowed from the Japanese and the Americans to buy wide-bodied aircraft. At the time they were examining the wide-bodied aircraft, it was pointed out to them that the particular aircraft that they were seeking to purchase, first of all, was not designed for the purpose for which it was to be used. It was not going to be produced beyond our purchasing of those models. In other words, it was obsolete; it was no longer going to be produced.

It could not service the absolutely critical market of Tobago that needed to be serviced. Tobago's runway was too short. None of the international airlines was bringing visitors to Tobago from abroad. We were in a position at the time to bring visitors directly to Tobago from as far away as Scandinavia using the Boeing 747SP. It was the only aircraft available on the market that could service Tobago from any point on planet earth. With the simple addition of an instrument landing system, to the airport, aircraft could have flown from any point in Scandinavia, North America, the Far East and land directly at Crown Point Tobago.

The Government was not interested. It went ahead and borrowed money to purchase Lockheed L1011—500. We then discovered how that deal was put together. A card-playing friend of the then Prime Minister, who was a confidant of the Government, who was a member of the Advisory Council on Economics happened to be the commercial agent for Lockheed in Trinidad and Tobago. He was able to persuade the Prime Minister to accept that aeroplane. Who has to pay for it? We have to pay for it.

What of the accumulated losses of BWIA? Over $1 billion today. We have lost money. The citizens of this country have had to deny themselves the basic requirements of survival, to support and uphold a national airline that was never viable; should never have been brought into being; could easily, in the very beginning, have been a regional carrier.

Here we had cement, a bad deal for the people of Trinidad and Tobago; wide-bodied aircraft, a bad deal for the people of Trinidad and Tobago. It was not necessary to compete with international airlines to ensure that Trinidad and Tobago was linked to the world in air transport. And, it was not necessary to have competition to hold fares at a reasonable level, because those things are determined by international convention. So, somebody wanted to go into this grand scheme to satisfy what? I do not know. Because the opportunity was available at the time for BWIA to become a regional carrier. Discussions were actively going on with the late Sir Hugh Wooding as chairman, head of the negotiations, to make BWIA a regional carrier when BOAC was giving it up. But the PNM Government jumped in; they wanted a national airline.

What has happened? We still have to repay the debt. What has the Government done with the aeroplanes? They sold them all and leased them back. *[Interruption]* The Government! It sold all of them and leased them back. The accumulated debt of the airline is what forced it on the Government that came into office in December 1986.

Let us now look at ISCOTT. Government borrowed money to build Iscott; spent $1 billion to build it and then it spent over $1 billion in accumulated losses to run it. Then, what did the Government do? It gave it away. *[Interruption]* The Government! The Government that did these things came into office and met certain conditions. Who laid down those conditions? The Government did! PNM did! That is who laid down those conditions. The Government wants this Parliament today, to give it more credit to borrow more money? No, not this Member.

Let us look at another one. There were several loans to cement. Financing of Mount Hope Medical Complex. That was in 1981. In 1985, Mount Hope Medical Complex, equipment credit facility; 1985; again, Mount Hope Medical Complex, equipment (No. 2) loan. The Government had to borrow about $1 billion to finance this complex, and with great fanfare had a great fete to open the complex then to close the door and lock it to ensure that nobody went in there because it did not want it to be vandalized.

Up to today, notwithstanding the fact that the Member for Diego Martin Central could go and receive medical attention, and is satisfied with it, the general public of Trinidad and Tobago gets no benefit from it. If $1 billion was invested in decentralizing the health services and in building hospitals, then Tobago would have had its hospital long ago; Arima would have its long ago; Couva would have had its own long ago. The people of this country would have been involved in the whole process and, today, the health services would have been delivered.

The Minister of Health is trying his best to decentralize, but why can he not accomplish it? Because everything has been centralized. He cannot accomplish it. It is very difficult for him, and I know how committed he is.

This is the history of borrowing. What have we seen connected with this borrowing? We have seen certain people in very high places become fabulously wealthy through kickbacks, commissions and, very often, through outright corruption. This is what we have seen.

What we are doing today is virtually to give the Government, *carte blanche*, the equivalent in foreign currencies of TT $2.6 billion in external borrowings.

5.45 p.m.

You see, leopards do not change their spots. Although the Prime Minister likes to claim that this is a new government, everybody in this country recognizes it is the same old khaki pants. I do not know why the Member for Diego Martin

West did not read the whole text of the letter. He refused to identify some local agency that had already been in the picture when they negotiated the hospital and the water plant for Tobago. They had already negotiated certain local interests into the picture. Who were those interests? I can make a guess. The point is, all this Government is doing is putting this nation into a deeper hole and putting more and more pressure on the average Trinidadian and Tobagonian.

The Member for Diego Martin West insulted the Member for Tobago East in the language he used and in the way he described him. It was an insult. The fact is that nobody on that side can speak for Tobago. The Member for Diego Martin West was born there and lived there for the first 19 years of his life, but that does not give him the right to speak for the people of Tobago. He must go and win elections in Tobago and then he would have the right to come and speak for Tobago. Get a mandate!

There are two representatives for Tobago, in this Parliament—the Member for Tobago East and the Member for Tobago West. They are the only two Members mandated by the people of Tobago to speak on behalf of them in this House. I ask the Member for Diego Martin West: Can he speak for my constituency because he is my representative?

Dr. Rowley: Madam Speaker, over and above that vote, I simply ask my Friend the Member for St. Augustine whether he is saying that if a Member from any constituency, even Tobago East or West, makes an assertion which is incorrect in this House, that no Member has a right to correct it?

Mr. J. Humphrey: If the assertion is incorrect. I read the note and the reply to the question is incorrect. I ask the Member for Diego Martin West a question because he was talking about a grant that had been negotiated between the last Government and Lome´ for TT $120 million, the sum of which TT $113.2 was earmarked for a road. I asked the Member: What are the resources required to be mobilized for building a road in Tobago? He would not touch it. Very little foreign component at this stage is required, for the simple reason that the country overheated in the latter years of the oil boom and the contractors in this country accumulated surplus equipment. This is a fact. *[Laughter]* And they are laughing.

Let me tell you what could have happened. You get the gift of $120 million and that money could go to reducing the nation's external debt because very little of it is needed to mobilize the construction of the road. They either use the money as it came in to liquidate to that extent the external debt or they sell it to the people of Trinidad and Tobago to enable them to consume more in foreign

exchange. Those are the two options. There is no way you could use it. You do not pay for labour in Tobago with US dollars, Swiss francs or deutsch marks or whatever you borrowed it in; you pay them in TT currency. You do not pay the local contractor that is going to bring his bulldozers, graders and backhoes from Trinidad to do the project in US dollars, you pay them in TT dollars.

Madam Speaker, I really have a difficult time tolerating the stupidity from the Member for Diego Martin East. If the word "stupidity" is unparliamentary, please advise me and I will withdraw it. But Oh God!, please save me from this. Do you mean to say that is the Minister responsible for the construction aspect of the Government? O Lord!

The fact is that when you go internationally to borrow for projects that require the mobilizing of domestic resources, the money you borrow does not go there. It is not necessary. The money goes elsewhere. It goes into the main account of the country, the foreign exchange account of the country and it is managed as the Government sees fit. That is a fact but people do not seem to understand that. The reason foreign exchange—in that case $120 million from the Europeans—would have enabled the Government to spend more TT dollars is to be found in the Central Bank Act. I wish the Minister of Finance would talk to that young man and educate him on how the system operates.

The Government today is in a dilemma. It floated the TT dollar. It is a fixed float, not a real float, and it is pegged to US dollar which itself is floating *vis-a-vis* every other currency worldwide. Every time the US currency goes down, we go down with it. If per chance it should go up, we would go up with it. Under the Central Bank Act there is a very poor provision. Where is the Minister of Finance? I was hoping he would be here. I want to address some questions to him because he seems to understand these things.

The reason a loan from abroad enables the Government to issue more TT dollars is to be found at section 33 of the Central Bank Act. Let me read it again for those who have not heard in the past and for those who have not understood. I am not going to waste my time to read for those who are incapable of understanding, like the Member for Diego Martin East. It says:

> "33.(1) The Bank shall at all times hold assets of an amount in value sufficient to cover fully the value of the total amount of notes and coins for the time being in circulation."

TT money—notes and coins. That is what is meant.

"Such assets shall consist of all or any of the following:

(a) gold coin or gold bullion;

(b) notes and coins in sterling or in such other convertible currencies which the Minister may designate from time to time on the advice of the Bank;

(c) bank balances, money at call and time balances with banks in the United Kingdom and in such other countries having convertible currencies which the Minister may, from time to time, on the advice of the Bank, designate;

(d) treasury bills and other securities issued by the government of the United Kingdom and by the Governments of such other countries having convertible currencies which the Minister may, from time to time, on the advice of the Bank, designate;"

(e) treasury bills and securities issued or guaranteed by the Government which in the aggregate do not exceed in value fifty per cent of the amount in value of the total assets held under the provisions of this section;"

5.55 p.m.

In other words, there is a degree of leeway which is 50 per cent of the value of the assets. How would you value the assets? From day to day now that the dollar is floating?

"(f) contributions to the capital of, or by advances to international financial organisations made by the Bank under section 36 (h);

(g) special drawing rights (and any foreign exchange proceeds resulting from their use) constituting assets of the account authorised by section 4(6) of the International Financial Organisations Act."

That is the provision that enables the Government to increase that external asset base to issue more teeth in the system. Under the law, the Government had the power to issue 150 per cent of the value of that external asset base.

I want to know why the issue of our money is dependent on a reserve held in other people's money. I want the Minister of Finance to stand and tell us why. Why cannot the issue of TT dollars be pegged to domestic collateral of which there is plenty? The Corporation Sole, on behalf of all the people of Trinidad and Tobago, is possessed of all the state enterprises. All the shares of the state

enterprises are vested in the Corporation Sole which is a function of the Minister of Finance. It is a legal entity.

Why can that not be vested with the Central Bank and held as a reserve to support the issue of TT dollars? I want an answer to that. Why do we have to wear a straitjacket in managing our own finances that are designed and structured by foreign conditions? Why not manage our own money on the basis of how we see we need it? They are going to say, 'mad man Humphrey talking again.'

Mr. Manning: I did not say anything.

Mr. Humphrey: We see the front teeth of the Member for Diego Martin East. The character he reminds me of is one to be found in Alice In Wonderland.

Hon. Member: Who is that?

Mr. Humphrey: The Cheshire cat. Big smile!

I see the Minister of Finance has arrived. I think that he is technically capable of answering the question. The rest of them are not, not even the Prime Minister or his junior Minister. Minister of Finance, the question is: Why to issue TT currency notes, do we have to have a foreign asset reserve? Why can we not have our own state enterprises given to the Central Bank to hold, on the principle of a mortgage, which is very easy to do because the Corporation Sole which is the Minister of Finance is the one in whom they are vested, and have that as the asset base to issue TT currency notes?

This would remove our dependence as a nation on foreign exchange, the shortage of which we are always suffering from now, except now, there is no longer a shortage. Positive balances are accumulating and very soon we are going to see an upward adjustment. This is what the Prime Minister has said, and I believe him. That was planned in the whole deal that was made between the Central Bank and the commercial banks.

All of these commentators from abroad who say that we are going to have another devaluation, they are wrong. They are definitely wrong because there is a cartel that is managing the foreign exchange component of the economy, and that cartel decides what the value is from day to day. Central Bank is in league with the commercial banks. That is the cartel. The Minister of Finance gives the instructions. The Prime Minister is vexed. Everything is to the Central Bank. That is how it is done. Over one weekend they decide what the value of TT currency is to US currency.

They do not even put it out to the market to let market forces determine the value. Anyway, I prefer it that way because it would be more stable. People would have more confidence in it. They are now saying that they are accumulating a surplus. In other words, the country is earning more foreign exchange than it really needs. What is the excuse for not having enough money domestically to generate the idle capacity of the economy? It used to be foreign exchange shortage.

Mr. Valley: Give it time, John. Give it time.

Mr. J. Humphrey: We are in a debate. They are trying to get more foreign exchange and extend their limit. The effective extension is TT $2.6 billion. If you do not need it, why go for it? Did he not just say that they have surplus. There is no shortage. How can they need it if they have surplus? The Government should invest its own surplus instead of borrowing money outside.

I cannot understand people who are managing the economy of this country in such a way as to destabilize the whole society, as to create the conditions for this society to erupt and virtually destroy itself. That is what is happening. I hope the Prime Minister is right and I am wrong. The way I see it—

Mr. Manning: It would not be the first time.

Mr. J. Humphrey: Time will tell! The first time I said if jobs are not created, and money spent in job creating activity, there was going to be social unrest, they fired me. And there was social unrest—not because I said it. If the Government does not improve the living standards of the people and give them some kind of hope, for at least survival, they are bound to erupt. Bound to! It is happening all over the world. They want to avoid the debate on race in this society—when in fact, the debate on race in other societies has erupted in hot warfare and civil war.

I despair for the future of this country. I am very worried that the Government's approach to managing the economy is going to lead this country to chaos and confusion. I wish I could join the Prime Minister in chorus and say, “let us all work for a better stronger tomorrow. Let us go down the road together and get the job done”. I wish I could say that, but quite frankly, I do not think that this Prime Minister is capable of unifying the resources of the society, of bringing people together to get the job done for a better tomorrow.

It stops here, and the way the Government has demonstrated its unwillingness to share the responsibility of solving the problems of this country, with the Members of Parliament in the other parties—

6.05 p.m.

Mr. Valley: Madam Speaker, the hon. Member agreed at tea time that he would have made a certain statement. I am waiting for him to make that statement but it seems that he is saying something quite the opposite at this time.

Mr. J. Humphrey: It is quite clear since the PNM came back into office that they see the election victory as a prize that is their private possession. It is clear that they do not see it as a responsibility to all the people of Trinidad and Tobago that requires the unifying of the resources of Trinidad and Tobago and to so manage those resources in the interest of all the people.

Because of the prompting that occurred while the Member for Diego Martin Central was on his feet, the Member for Couva South and I met him at 4.30 p.m. and we agreed to meet on Friday, July 23, to initiate discussions on the reform of the parliamentary committee system. I am hoping that we shall have a date following that one which will not reach deadlock and that the Government will not demonstrate its typical intransigence. I am hoping, if in fact we meet on the 23rd—and I am sure that we will—and we have further meetings, then there is hope that this appeal: "Let us all work for a better stronger tomorrow. Let us go down the road together" will come to pass.

Before I sit down, I want to ask the Prime Minister what this campaign is all about. I watch TV regularly—

Mr. Valley: Madam Speaker, I really had the impression after we spoke that that statement would have been much more positive. That is why I gave way and did not make the announcement, allowing my Friend to make it as he asked.

Mr. J. Humphrey: The hon. Prime Minister has not participated, I invite him to make a more positive statement in that regard.

If I am sceptical it is because of many years experience. I just want to ask the hon. Prime Minister who is sponsoring these advertisements. They are very nice advertisements, but if he is serious about going down the road together with others, does he not think other people should be speaking with him in these advertisements?

Miss Pamela Nicholson *(Tobago West):* Madam Speaker, it would have been a great disappointment to me if I did not appear here today. On behalf of the Tobagonians I felt very pleased that I came here to listen to this discourse because I am here to defend their cause.

I am becoming more and more disappointed every day I listen to the Member for Diego Martin West speak in the House, especially after one of the most illustrious sons of the soil, the former Prime Minister of Trinidad and Tobago. From the Member for Diego Martin West, it is venom and wrath all the time. I heard him already and I was very well prepared for him, but I decided not to take him on but he came back again this evening and I must say a few words to him.

I believe that the representative is the individual who is driving a wedge in the business of Trinidad and of Tobago and creating friction. It seems that is his role in the House. Some weeks ago, after the Member for Chaguanas spoke, he rose and squared up. He is here to divide and he sends a wrong message. Instead of analyzing issues to bring peace in this country and heal matters, he squares up. I sat here quietly, watched and listened to him. I saw his Members cheer and I wondered if someone could not have sent a note to him telling him that squaring up is not the approach. Try to resolve the issues, dissolve the problems.

Again today, this is the second time he is squaring up and driving wedges. He can drive wedges among the Trinidadians. He can break up here. He can have them hate the Tobagonians, but he cannot drive a single wedge in Tobago; nor can he interfere with the unified approach of the Tobagonians for the welfare and progress of Tobago, a welfare and progress to which he has never made a contribution. If he has done anything to Tobago it is to help to destroy Tobago and to bring immorality into Tobago. If he belonged to the United States of America, he would not be sitting here this evening in this Parliament to speak.

Dr. Rowley: Madam Speaker, on a point of order. I wonder if the Member would want to elaborate. The Member has accused me of bringing immorality to Tobago. I wonder if the Member would want to substantiate that or withdraw it.

Madam Speaker: Are you withdrawing it?

Miss P. Nicholson: I cannot speak when he is on the floor. Madam Speaker, I did not hear you?

Madam Speaker: Are you withdrawing the word "immorality"? When you charged that this Member was fostering immorality in Tobago, I think that was an insinuation and you ought to—

Miss P. Nicholson: Madam Speaker, I can substantiate that very strongly here this evening, but I will not substantiate—

Madam Speaker: Then, please, withdraw the statement.

Miss P. Nicholson: I did not say I am not doing it. I am making my statement.

Madam Speaker: I do not see the need for the word "immorality" at all. You could have used another word. Withdraw it and move on, please.

Miss P. Nicholson: Madam Speaker, I withdraw. I did not even get a chance to make my statement yet I have to say that I am withdrawing. I am just harassed into withdrawing. Madam Speaker, I am speaking to you. I am not speaking to the Member for Diego Martin West. I withdraw "immorality" but I am saying that that representative, if he belonged to the United States of America, could not be sitting there today. I hold that position and I am not withdrawing it. That is why I feel peeved and hurt at the way in which the representative is attacking the Member for Tobago East. I think he could do much better. Many of us could do differently in here. *[Interruption]* I am not telling any lies. What did I say?

The Member for Tobago East dealt with the issue affecting the link road from L'Anse Fourmi to Charlotteville.

6.15 p.m.

Madam Speaker, why is the Member grieved and peeved? He got up here, he attacked, he said everything about the Opposition, and one leather ball has him grieved and peeved. And a factual "leather ball", one that time will expose.

The Member for Tobago East raised an issue, an issue affecting the people of Tobago. Any project or programme in Tobago is for the progress and advancement of Tobago. On April 12, 1991, representatives of the then Government of the Republic of Trinidad and Tobago and the Commission of the European Community signed the Lomé IV National Indicative Programme which states that the focal area of co-operation on which the community's support will be applied is tourism, and 95 per cent of programmable resources, $16.1 million ECUs—TT $113.2 million—should be devoted to construction of a link road, L'Anse Fourmi to Charlotteville, Tobago—and the remainder of the resources, $0.9 million, was supposed to be structural adjustment support.

Madam Speaker, the point that—

Mr. Manning: Madam Speaker, I thank the hon. Member for giving way. Is she saying that no further qualification was imposed on that arrangement? As a result of the arrangement that she has just made reference to, construction should have been started when the project was approved. Is that what she is saying or not?

Miss P. Nicholson: Madam Speaker, I never said that, and they must not anticipate me. As Prime Minister of this country he should know better than that. He must not anticipate what I am going to say and he must not put words into my mouth.

The last Government came to that agreement. This Government, I can remember, on getting into power raised the airfare from $125 to $200, justified their argument by stating that it was an agreement that the last Government made and it would have been immoral for them not to implement it. But today, Madam Speaker, *[Interruption]* this Government has immorally taken a decision here, in that they were communicated with by the Tobago House of Assembly and the issue was raised with them—

Mr. Imbert: On a point of order—

Miss P. Nicholson: I do not want to waste time. I am not against sitting down but the interference—

Madam Speaker: The Member is not willing to give way.

Miss P. Nicholson: Madam Speaker, he has thrown me off immediately. The point I am making is the immorality of the action. That is my contention. An agreement was made and if you are going to change the agreement, when you are communicated with by the Tobago House of Assembly, at least write and tell them something. It was only when the Member for Tobago East posed the question in the House, the answer was given that for rural development the Government changed the position, that when they went in they did not agree with that particular line and they re-addressed the situation. The copies of the answer that we got stated that they took a position on a sum to be allotted as follows:

Rural Development	70 million ECUs
Road Rehabilitation	16.0 million ”
Private Sector Development (Small Business Development)	20.0 million ”
Structural Adjustment Facility (Support Social Programmes)	9.7 million ”

When you look at the answer given, there was nothing about the road. I listened to certain arguments here this evening by the Member for Diego Martin

West, and I know I am talking the truth. *[Interruption]* Madam Speaker, he says that I do not speak the truth. Tobagonians do not speak the truth? Well, this Tobagonian is speaking double truth here this evening. He said that after—if I understood him correctly—a feasibility study was done on the project and after an analysis of the situation, based on the quality of the road that could be structured in the area, 17 million could do it.

Why did we not see any reference here in the answer stating that position? We have not seen that. Secondly, he argued—

Dr. Rowley: Madam Speaker, I thought the Member read out that there was a sum of money in that for rural development. Is there anywhere in Trinidad and Tobago more rural than L'Anse Fourmi? I should have thought that when the Member saw rural development she would have at least given us a bit of credit that it might be in there.

Miss P. Nicholson: Madam Speaker, there is nothing at all for Tobago in this. He said that $17 million could have done the project and the implication that was given—which I considered very absurd—with reference to the Member for Tobago East was that they were getting the impression that if they raise funds, everything would be for Tobago. But the Member for Diego Martin West did not articulate to us when over $50 to $60 billion came into this country, what kinds of development the People's National Movement really did in Tobago.

Why did they not do the Richmond Waterworks and Scarborough Hospital? Why up to now Signal Hill is still a basic grammar school and not a comprehensive school?

6.25 p.m.

Why do you have Scarborough Secondary School nearing collapse? The Minister of Education and the Government will have many problems when it collapses before any other school is built in Tobago. The boom period was there, the billions of dollars, representative for Diego Martin West.

Dr. Rowley: When was Signal Hill Senior Comprehensive School built?

Miss P. Nicholson: The point that I am making is, that if those things were done, in this lean period nobody would have had to search for funds to do development works in Tobago. I found it very absurd the way the Member argued here this evening. He was trying to argue that by doing that, and they did not get it, he comes here and makes other arguments. I was not here so I cannot really go into that. But I did not like the way he argued as if everything is for Tobago. For

example, he used the Docks and things like that. He did not say anything at all about development of the Crown Point Airport and what it means to Tobago. Not a word.

Hon. Member: Jobs.

Dr. Rowley: What about Crown Point Airport, who did that?

Miss P. Nicholson: Madam Speaker, it is very sad to know that this individual was born at Mason Hall, Tobago. He also argued, I listened very carefully—I am not talking about the project the Prime Minister was able to get signed. When the NAR group went to Europe they came back with an agreed programme that said they were going to fund the same Richmond Waterworks. For three years we worked vigorously with a grouping there and the Governor of the Central Bank, who was the Permanent Secretary in the Ministry at the time, can substantiate this because he was leading the work; and I am sure that the Member for Laventille West must see reports that work was being done vigorously with a team from the same European Community with respect to the Richmond Waterworks. That is something that is being pursued vigorously, because we who live in Tobago know about Tobago's problems with water.

Right now, Courland Waterworks is at its lowest ebb, particularly so because of the dry season. Up to now we are not getting what you would call rains in Tobago, and there is no spill coming over the weir in the dam. Hillsborough is almost totally dry and Tobago is really on schedule with all the different areas getting two days per week and that kind of thing. The only area where you really can get a serious plant is Richmond and that is why I work vehemently.

Hon. Member: Richmond is No. l.

Miss P. Nicholson: Be quiet! Why are you all so "sharky" and feeling so grieved. Madam Speaker, I am seeking your protection, again, from the Member for Diego Martin West. You know why I am deliberately doing it? It is because of the statement he made about being in the House with certain people and what they say and what have you. I notice that from the time the right reply was given to him, he cannot rest here this evening.

The point that I am making is we work assiduously on it. He argued that the Tobago House of Assembly when they met them, did not have the Link road as a priority. The Tobago House of Assembly did not put it as a priority because they thought that that was dealt with already. That is why it was noted as a priority. He was trying to insinuate—and I am watching their technicalities in the

arguments—they are trying to tie up certain people in the Tobago House of Assembly and I am listening very carefully to them. I will report when I return home. Madam Speaker, they did not argue about the Link Road because the whole business of the Link Road was already tied up with the Lomé decision. That is why that was not put down as a priority. The Windward Road—those of us who travel on it regularly know the state of it—there are a number of reasons why it is very important. Obviously, water, No. l, the hospitals; the same things we have in Tobago as our priorities. So he is not talking about or doing anything new. You have not done anything new. You are stale and it would be better if you keep yourself quiet when you come to this House.

Madam Speaker, it was because of that whole scenario that in the Tobago House of Assembly, a Resolution was moved and was unanimously supported because things were becoming clearer and clearer to everybody. This is the Resolution and with your permission I would like to—

Hon. Member: McKenzie, too?

Miss P. Nicholson: McKenzie and everybody. Madam Speaker, this is the Resolution and I am going to put it on the record.

Dr. Rowley: Madam Speaker, on a point of order. The Member says the Resolution was unanimously carried. I wonder if the Member knows what "unanimously" means? It means everybody voted for it. Madam Speaker, the Member is misleading the House.

Mr. Mohammed: How you know that?

Miss P. Nicholson: Madam Speaker, he is shifting his eyes across the House to find out if it is "unanimously." I am speaking from reports and the letter I received from the Assembly.

Dr. Rowley: Why do you not speak the truth?

Miss P. Nicholson: Madam Speaker, could I be given permission and protection in the House? The Resolution is as follows:

"Whereas the Government of Trinidad and Tobago has identified tourism as a sector for priority treatment in its economic diversification programme;

And Whereas the Island of Tobago is acknowledged to possess the greatest growth potential for tourism in the nation;

And whereas the National Alliance for Reconstruction Government successfully negotiated an agreement with the European Community for the grant of funds under Lome IV for tourism development in Trinidad and Tobago;

And whereas the link road between L'Anse Fourmi and Speyside was specifically recommended by teams of experts and was agreed to by representatives of the European Community and the Government of Trinidad and Tobago for funding to the tune of 113.2 million dollars from the funds donated by the European Community;

And whereas this commitment was communicated by the Government of Trinidad and Tobago to the people of Tobago;

And whereas the Government of the People's National Movement has now disclosed that it has refused to honour the terms of the agreement and has been secretly engaged in seeking to have the funds..."

Mr. Mottley: There was no agreement!

Miss P. Nicholson: This is the people's resolution. You want to change it?

"earmarked for the road transferred to other uses without any consultation whatever with this Assembly contrary to the Tobago House of Assembly Act No. 37 of 1980 and in breach of principles of good government and administration and in violation of the fundamental human rights of the people of Tobago.

And whereas this Road project is vital to the tourism and agricultural development of Tobago and to the transportation needs of the Island

Be it resolved that this House convey to the Government its total abhorrence of the treatment meted out to the people of Tobago which is contrary to all the recent assurances given by the Prime Minister to the people of Tobago and to the nation

And be it further resolved that this Assembly call upon the Government to honour the international agreement arrived at between the National Alliance for Reconstruction Government and representatives of the European Economic Community

And be it further resolved that this House call upon the national and international community and the people of Tobago to ensure by all democratic means necessary that the Government keep faith with the people of Tobago and implement the road project agreed to by the NAR Government and representatives of the European Community."

Madam Speaker, what I am trying to do here this evening firstly, is to respond to the statements made by the Member for Diego Martin West on the whole

Tobago issue. What I was pointing out was the immorality of the approach used by the Trinidad and Tobago Government under the People's National Movement. Secondly, I was trying to bring clarity to the situation of priorities that the Member for Diego Martin West was making.

Mr. Mohammed: You have done that.

Miss P. Nicholson: And pointing out that the Link road was not on the priority list because it was already taken care of, as I argued earlier. Also to point out that if he is saying that the money is too much because there were other things that were supposed to be done with it—I cannot go into that this evening, Madam Speaker—and $17 million could have done the road, at least one should have seen in the agreement that the road construction was agreed to, at a lesser cost. Madam Speaker, that is the point that I am making on the issues raised. The representative for Diego Martin West must be very careful when he speaks.

I would like to go on with my discourse.

6.35 p.m.

Hon. Member: You have done well, my dear. *[Laughter]*

Madam Speaker: I do not know if endearments are allowed in the House, but I will allow it.

Miss P. Nicholson: Today, Madam Speaker— *[Laughter]*

All right, Gentlemen, I have plenty to say here this evening. I want space. I want time to speak.

Today, we are here to consider the Government's Motion to increase the borrowing limit under the External Loans Act from TT $6 billion to TT $9 billion. When I looked at it, I asked myself, is this a government under the leadership of the Member for San Fernando East coming to the national Parliament asking for such an increase? Because when I read his contribution to the Development Loans debate on November 11, 1990, and I analyzed what he said, I was wondering if the Member would ever come to the Parliament asking for such an increase—$3 billion.

But, because of what I had to say earlier, I cannot take him up on that but I will have another day.

Mr. Manning: No man! Do not deprive me of the pleasure.

Miss P. Nicholson: The Minister of Finance unabashedly confronted the House previously with the argument—and I was able to get my information from

the newspapers because, with due respect to you, Madam Speaker, I was not here on Friday and it was only when I read it in the newspapers and was told by the Assistant Clerk that we had a sitting today, that I became aware.

He came here unabashedly and confronted the House with the argument that it became necessary to increase the limit from $6 billion to $9 billion because of the floating of the dollar, and that is why I said 'unabashedly'. It is not because of the floating of the dollar, not because of just that, you have to go beyond that. The problem does not at all emanate from just simply the floating of the dollar, the problem emerges from the poorest schoolboy management of the economy that this country has ever faced.

It was firstly the inclusion of the TT $500 million in the 1992 Budget to pay the two per cent and the COLA to public servants. It started from way back then, something that they could not control and that is why they had the whole unemployment scenario continuing in the way that it did. So that they had to transfer funds from areas like the essential public utilities—water, electricity, education—just to pay, when those funds could have been used in that developmental area, while the same public servants could have been paid in the same way they were paid before.

Mr. Mottley: Madam Speaker, I am just asking the hon. Member to clarify whether she is arguing that the debt that was owed should not have been settled? Is that the argument?

Miss P. Nicholson: Madam Speaker, I am arguing that he did not have the funds to do that in that way. It was an error. That is what I am arguing.

Mr. Mottley: I only hope the public servants are hearing that.

Miss P. Nicholson: They can hear me because they tell me every day it was an error. They meet me and tell me in my ears. I know by 1996 what the tune will be here. The error was compounded by that and that is what really created the problem.

The second area is the budgetary decisions of 1993 which the Minister confessed, more or less, when you read what he said in the *Guardian* of January 29, 1993. I think I raised this in the House already and he agreed that it was an error.

Misdirection—in that the Minister of Finance budgeted in a very optimistic way on US $21 million per barrel. Am I correct?

Hon. Member: US $21 per barrel.

Miss P. Nicholson: His advisers told him that he was too optimistic but he still used this $21 million to do the budget.

Hon. Member: It is US $21.

Miss P. Nicholson: What am I saying?

Hon. Member: You are saying US $21 million.

Miss P. Nicholson: Sorry, US $21. That is a basic problem and I know he will have a problem until life ends.

The point was made to him—and he felt confident, because you had the Gulf War just before—that that was not really for increasing the oil prices, but for the lowering of oil prices by the US Government because they were also fighting a US economic recovery. But the Minister of Finance, who is a very pleasant person, believed the story and he persisted. That left the Government with an albatross around its neck because since the budget, the price of oil has not exceeded US $19 per barrel for the year.

That was the reason for this so-called floating of the dollar. They did not just float the dollar like that; they were in straits because of how they budgeted. He budgeted for US $21 and it did not go above US $19 and right now it is down to US$16 and might go below that with the coming on the market of Iraq supplies. So they are in real straits. It was because of that, that the Government did what they call floating which was really a devaluation.

Also, the Government went on the local market and they borrowed $245 million, as we knew. They had a lot of problems raising it because they had to fall back on the Central Bank for $100 million and I remember a number of the financial institutions stating why they could not really give it the support that the Government wanted. These points must be made known very clearly to the people. The pressures of the Government's economic planning now forces it to seek another $200 million because it has already communicated with the financial institutions re the bidding of that. That is why they are speeding here this evening to have this passed through and then to have it probably in the Senate tomorrow, because they need the $200 million urgently.

6.45 p.m.

So the Government has tremendous pressure on the revenue side which therefore forces it, and requires it to borrow both internally and externally. It is not the cause of any floating or any good management.

I also heard the Representative for Diego Martin Central—if I remember correctly—stating that the management of its approaches is for equity business, that is, to bring the companies back into the country. He said that it is not just borrowing alone; the Government is doing equity flows also. So when they bring back Texaco with shares, that is equity. I wonder if it is the PNM Government that bombarded the NAR government, left, right and centre, about selling the patrimony. They were on the streets, up and down, inside and outside. They mobilized lieutenants, generals. They bombarded the Government about selling out the patrimony when Telco was addressed, and also Ispat. This is a very dishonest grouping. At least, the lieutenant and the general should resign. They should not be sitting here, because they are doing the total opposite to what they were saying.

Madam Speaker, when they leave, there will be problems with total ownership of Trinidad and Tobago. It is only the ground we are walking on that will be ours. I am not against divestment of some areas.

Mr. Valley: Madam Speaker, just for the avoidance of doubt, again in this little book that my Friend—

Miss P. Nicholson: He had his time already, Madam Speaker. I have a lot to say here this evening. Why do they want to bar me?

Mr. Valley: On a point of order. The Member is insinuating that we are changing our position today from yesterday—

Miss P. Nicholson: That is not a point of order. Madam Speaker, they are changing their position. I could bring *Hansard* after *Hansard* showing you the Member for San Fernando East stating that the NAR Government is selling the patrimony of the country. I can also bring *Hansard* after *Hansard*—I have endless here; I just cannot go into them this evening, Madam Speaker. Sit down! That is not a point of order.

Mr. Valley: Madam Speaker, the only point I am making is that the Member just will not understand. The same time we were criticizing them for following a certain line, we spelt out clearly in the same article—and I would simply refer her to the article—we were outlining our divestment policy. There is no conflict.

Miss P. Nicholson: Madam Speaker, all the students can go through the copies of *Hansard*. The Government is crying in the wilderness now.

What is really needed in the country now is a positive approach, telling the country the truth. Do not just float the dollar and you do not know the reasons. My facts are coming right from inside their stomachs. You have a situation here today—I am not going to quote names and make errors like the Member for San Fernando East did to public servants when he was in the Opposition, but I am talking from right inside their stomachs.

What do you have? They want $3 billion, a rise from $6 to $9 billion. I read in the newspapers, I think it was yesterday, about Carifesta for Trinidad and Tobago in l995. Some of the same things he said that we wanted to do in l990, he is on the same track preparing. You just had Carifesta two or three years ago; your country is in financial straits, and I read in the newspapers that l995 is the Carifesta year. That was articulated by the Prime Minister. I heard the Prime Minister in the Bahamas saying, Trinidad and Tobago's year is l996. So that is what our money is for.

We go to the area of energy, and it is because of the kind of management why we have the dilemma today, which is getting worse, and why the albatross is choking the representative for St. Ann's East. We have a company here called Nucor and they are supposed to deal with the iron carbide project. I do not know very much about the science in those areas, but this PNM Government is giving away the natural gas of Trinidad and Tobago. I am talking about what I read in the newspapers, because that is where I get my information. If I did not get that information in the House, I have to depend on the newspapers for my information.

The PNM Government is giving away the natural gas. The natural gas company is led by one Mr. Malcolm Jones who is the Prime Minister's *de facto* brother. Could I say that?

Mr. Manning: Yes.

Miss P. Nicholson: You know what I mean by *de facto* brother; I am not accusing anyone—and one Mr. Ken Julien. They used to call him the notorious projects man. May I use, notorious, Madam Speaker?

They are now selling to Nucor, the natural gas—that is what the newspapers said—at a lower price, and there is some man—I do not know if he knows his facts, some Mr. Legall. He used to support them tremendously when we were there and they used his arguments in the House. *[Interruption]* One Hamel Legall, or something like that. The article says that they are now selling the gas to Nucor at a cheaper rate than they are buying it from Amoco.

Madam Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

6.55 p.m.

Miss P. Nicholson: Thank you, Madam Speaker. What we would like to see is some improvements in that direction. When Nucor gets that, would Nucor ever declare a profit in Trinidad and Tobago? We know the history of those companies and their intra-company procedures. The Member for San Fernando East belonged to the previous Government when they took all their serious decisions, bringing back our patrimony here from all those companies that he is now bringing back. Therefore, he should not be asking me questions. That was one of the fundamental arguments that were made, that he never knew how much profits they were making.

We would not know that from Nucor; never! So, instead of wasting money on Nucor, spend money on tourism in a serious way, where you can get real profits in the country and you can have a serious contribution made to the economy of Trinidad and Tobago. But what is the problem, Mr. Prime Minister? Are you allowing the Member for Diego Martin West to dictate in that area?

Tobago is the platform for tourism in Trinidad and Tobago. The platform is prepared; it is a beauty. And we could have a real earner in tourism if it is addressed in a particular way. *[Interruption]* I just want to tell the Member for La Brea that we do not have water because of the People's National Movement being in power for 30 years.

Why we say the money should be spent there, is that there is a company, Air Caribbean, that should soon be dealing with the air bridge service, and you have a whole mixed up situation right now, in that, an announcement was made by Air Caribbean that the air fare would be increased from $200 to $250. That same morning on *Breakfast Club* the Director of the Board insinuated that BWIA wanted the service back. He also insinuated in his discourse that one could appreciate if the price goes up. Then, in the night, on the television, the General Manager said the price does not have to go up.

This is what we are confronted with. The same evening, the Member for Diego Martin East stated on the air that that decision has not been taken because it cannot be taken by the company; but the company had sent its information to the

licensing body, that was the governmental representative to take that decision. But, the next night, the same Minister, the Member for Diego Martin East, returned with a statement about—I call them speeding boats because I never remember the hydro-what—a service to transport people from Trinidad to Tobago in two and one half hours, and that they were going to the business people about it.

I was surprised in the sense that I remember that the Port Authority had suggested that idea already; and the information that came back from all the business people was that it would be very expensive to run because it is a very expensive system to purchase and maintain; and that the sea fare would have to be increased tremendously, if that has to be introduced. So, here is Tobago that is a part of a unitary state called Trinidad and Tobago, being confronted with that situation, and not a proper statement made by the Government.

A unique situation, because you cannot just get into a bus, a car or anything and just drive to the area. Air Caribbean's argument was that because of the floating of the dollar by 25 per cent, their costs went up by 25 per cent. If one looks at the logic of their argument, one wonders, if the dollar is floated tomorrow by another 25 per cent, they will be announcing another increase of 25 per cent. One would want to find out if the dollar drops, whether there would be a cut in the price. One also wonders what was the role of the Government in this. I am not talking about any licensing body, because regardless of what anybody wants to say, these systems must be properly subsidized by the state if there is to be a country called Trinidad and Tobago.

If they continue to increase the air fare between Trinidad and Tobago, the local tourism service would he destroyed, because the Trinidadians are the strongest supporters of tourism in what we call the "off season"—that is when it is outside the foreign service time; that is from September to April. From the time you keep carrying up those prices, they will just get onto planes and go to the other Caribbean islands instead of coming to Tobago. So, it is destroyed immediately.

Then the foreign service will be destroyed also, because the price to come to Tobago will go up. It was only recently that I was looking at a programme on the television dealing with the Cuban service, and the kind of development that it has made over a few years. They were talking with someone from the United States of America and the argument was that many of the things you can see in Cuba are the same that can be seen in Barbados and down the islands. What was strong for

Cuba was the cheapness of the air fare. That is what you have for all the other services. The areas that can provide cheaper air fares are the ones that progress more successfully, and the service develops and you will get your real improvements coming very early.

One wanted to know what the Government was doing. I listened to the Prime Minister of this country, making a statement several times about his now wanting to pay some attention to tourism. His statement hinged on using the satellite services from a cultural perspective to market, not Trinidad and Tobago or Tobago, but to market Trinidad. The Prime Minister spoke in England, and I heard him a number of times in Trinidad making this statement. He said—I think it is next year, if I remember rightly—that he wants to push that off four times; at carnival; he wants something at Easter; steelband development and for the fourth one, he wanted to get all the ethnic groupings together—

Mr. Manning: Madam Speaker, just so my good Friend will not make yet another error, the fourth event is a cultural one that reflects the cultural diversity that is Trinidad and Tobago.

Miss P. Nicholson: Cultural diversity or all the groupings coming together—same thing. He has not said anything new.

7.05 p.m.

You wanted to know if this was the Prime Minister of Trinidad and Tobago talking about tourism. You did not hear Tobago identified at any one time in his discourse. Tobago has a beautiful programme which will be starting next week, the Tobago Heritage Festival. It is one of the most beautiful programmes that one could find throughout the year in Trinidad and Tobago over the last five or seven years. If he wants a programme for the tourism season, he could have asked that that programme be shifted from July/August to September/October and immediately he would have a wonderful programme to kick off the tourism season, at the centerpiece of tourism in Trinidad and Tobago, which is Tobago.

If he wants something for Easter—I am giving him one. All of Trinidad knows about it, because they are in Tobago for Easter. We have goat and crab races. I tell you that hon. Prime Minister. Mister Prime Minister on Easter Monday, we have the new satellite services with the games at Mt. Pleasant and on the Tuesday, activities take place at Buccoo. So you could have two programmes from Tobago and two from Trinidad. Therefore, it must not be Trinidad with a spin-off to Tobago. Let it be Tobago with a spin-off to Trinidad. There is where you have the real resources. If you are coming from an eco/tourism perspective

again, you cannot stop Tobago. Anywhere you go. So where your resources are, make use of them.

Energy is in Trinidad. I see nothing wrong with that. What is your problem? Communicate with the Tobago House of Assembly. Do your home lessons before you speak. You also have Minister Kuei Tung doing the same thing.

With due respect, if tourism is to be given any serious consideration, attention must be properly paid to sea and air transport. This is very critical because you cannot have expensive costs in that area and expect endless tourists to come to your place. We cannot have the prices going up regularly. The people who have paid already will be able to come in, but if the price is raised—the Minister said that it has not been raised, but he did not say it will not be—that was a fundamental and very distinct and very clear point when he made his statement. The Minister said it has not, and he also pointed out that was an error that was made by the group. He did not say that he is making a statement on behalf of the Government and it will not be raised.

Within one or two years it was raised from $125 to $200 and, in a matter of a year or six months it is now moving from $200 to $250. It is not only the Tobagonian who will be affected. They are destroying Tobago and they are sending the whole situation—probably it is that you want. But the Tobagonian is not saying that. The Trinidadian will not be able to benefit from the beauties of Tobago.

People who are working in Trinidad are complaining already about the cost, when they heard $250—persons who have to travel backwards and forwards every week. This is an area that the Prime Minister's team must look at. If money is spent in that direction, you are spending it in a very important area if it is properly addressed. We must have proper consultants and advisers and it must be marketed properly.

Most of the tourists come from Europe. In recent years most of them come from Germany and Switzerland and a few from England. But the market of Canada, the United States of America, even France, I do not believe that Tobago is really sold in the way that it should be sold. In Japan and those places it has not been sold. If you are going to sell it, you must sit down and address what you want to do, and the Tobago representatives must have a say in that because we know.

If you want to raise the limit from $6 billion to $9 billion, you must think about spending the money in a very positive way that could be advantageous to

Trinidad and Tobago and that could bring really great benefits. Unemployment is rising and young people are being sent home. Even though people are being sent home on voluntary retirement and you may receive $50,000—$60,000, before you look around that money is finished. No employment is created. People can be retrained and can benefit in that way. From the tourism perspective, the bed and breakfast area is developing in Tobago, but it needs guidance and monitoring. That means money. When you look at it the people of the island are really benefiting from that.

I heard a statement made by my hon. Friend the Member for Diego Martin West. There is a road that carries you into Charlotteville. I am from Charlotteville. I can talk because of the little experience we have there. There are some buildings right in the heart of the village. We refurbished some of them and we are doing something like that. The only thing is we are not looking. We give them all the stock that they need so that they can function. I can tell you, for the last two years, even during the off season—and most times the buildings have foreign tourists in them. Other people from the village have been benefiting in the same way, but they need guidance and assistance. They need money to bring it to a certain level.

There are two to three restaurants developing in the area. Some of the people need help. The lady at Speyside has a beautiful restaurant because she worked in a hotel for several years. As soon as the tourists get into that place, they might want beer so they go to nearby pubs or business places. If they want stock to cook, they go to the grocery. If they have children they might want somebody to assist them. This is helping employment in the area. So you see, immediately three, four, five, sometimes eight persons can get assistance because of that. It is out of that little experience that I am suggesting.

This is one of the things that I have spoken to my group about. I always tell them about it. I believe that idea should be sold and Tobago East should not be allowed to—I do not want to say it "spoil." I believe that if the people are guided in the proper way, that is the way to go for Tobago East. The people like to be quiet. They already feel that Tobago West is noisy—the Crown Point area. Many of the tourists believe so too. Sometimes they come and spend the first day there and then they look for Speyside, Charlotteville and those areas. When I speak I know where I am coming from. It will benefit the people and they will get something to do. The farmers could now do their farming in a serious way, for the guest houses; for the people with bed and breakfast accommodation and for the hotels.

7.15 p.m.

I hope that with this kind of limited improvement that tourism would really be given the kind of attention that it needs, because the people want something to do. The workers and the unions have been destroyed. They are crying in the wilderness. I want to know if my hon. Prime Minister—Chief, are you not ashamed? The leaders hugged you and today they are crying. I saw Mr. Mungroo of the docks with tears in his eyes, crying because you have sold them out. Mr. Selwyn John hides. He is always in Geneva, Barbados or Guyana hiding. The workers are complaining, but they are weak.

If they had strong leadership at the middle management, they would have cleaned them out already. They are dishonest people. They have sold them out; organized with them in SOPO and these groups. Today thousands are crying.

They said we were harsh. I remember when I read some of words of the *Hansard,* Madam Speaker, up to last night—

Madam Speaker: I am glad that you are now addressing the Chair.

Miss P. Nicholson: Was I leaving you out, Madam Speaker? I always address you. I am not worrying about him. Do not be afraid.

Madam Speaker, with due respect, when I read some of the words of *Hansard* last night—it was the Member for San Fernando East who said the NAR was a wicked, vindictive government, hateful government, clean them out. They are against you, the union. Clean them out! They are here to destroy the union.

The Member for Laventille West, my lieutenant Friend—

Mr. Marshall: Leave me out of your business.

Miss P. Nicholson: I do not want to do it, but I have to do it because it is the truth. Sometimes I wonder how comfortable he is. He cannot be comfortable. I know his conscience. He is somebody like Sister Pam, and I know he is totally uncomfortable sitting with that group. He cannot be comfortable. The lieutenant hugged up SOPO and everybody was saying that the NAR are wicked. They want to kill the union. They have come to destroy you with their voluntary plan.

Madam Speaker: The Member has six more minutes.

Miss P. Nicholson: Yes, Madam Speaker. That is enough. I can wind up on that, but I would catch them another day.

They said that. Who has destroyed them, Madam Speaker? Who has sent home PTSC and Mr. Aberdeen? Who has sent home Mr. Mungroo and the Port

workers? The present Government have sent home the workers, and the next day they employed others to do the same jobs that those people were doing. The permanent workers have all lost their security. Nobody feels secure. The public servants are afraid.

I can speak. Many are afraid. They tell you in your ears, do not talk. They are trembling. Mr. Mc Leod, the man who used to control labour—and who played cards with Prime Minister—is crying in the background now because workers from oil and T&TEC should be going home.

He used NATUC. He is lucky that Tobago is not a bigger place for they would have been taught straight manners. These leaders are dishonest people. I feel unhappy and sad for the worker. Not a man must go they said, but thousands are going, and the unions for which our mothers and fathers laboured for the welfare of the people are destroyed.

I urge the hon. Minister of Finance and the Government that when they increase the limit from $6 billion to $9 billion, those areas that have been mentioned, they would be seriously considered, and we would see something for the welfare of the people.

I am here for the people. I am not coming from a personality perspective. I am here fighting for the people because I want my Friend the Member for Laventille to feel comfortable.

Thank you.

The Prime Minister (Hon. Patrick Manning): Madam Speaker, indeed, our strategy on this side did not involve an intervention by the Member for San Fernando East. That has become necessary only because of the contribution of my good Friend the Member for Tobago West.

I feel a little cheated that she did not make reference—(*Miss Nicholson leaves her seat*) Hit and run, Madam Speaker. What to do.

Miss Nicholson: I am coming back.

Hon. P. Manning: I feel a little cheated that the hon. Member for Tobago West did not do what she threatened to do and that is to quote from the *Hansard* reports of 1990 of a debate on a motion similar to the one that is before the House today, to increase the limit of borrowing, authorized by law.

It is quite clear that what people understand when they read or hear, is dictated to a very large extent, certainly in the case of my hon. Friend the Member for

Tobago West, by their own predisposition to what they are hearing or what they might be reading. Now, had the Member quoted from the debate in 1990, it would have given me an opportunity, to explain at some length some subtleties and differences in policies between the current Government and the government of which she was a part, and which apparently, continue to elude her. As I said, there would be more times and I assure you that I wait with bated breath.

I believe that Members of Parliament have a responsibility to inform themselves, not only before they speak in Parliament, but before they speak generally. Members of Parliament hold a privileged position in this society and are viewed by the population at large as exemplars and persons whose words they could accept. But if Members of Parliament are themselves misinformed, they go out and articulate a certain point of view that bears no relation to the facts; and we can easily end up with sections of the population which themselves could be labouring under a misconception, unfortunately implanted in their minds by those to whom they look up, by those on whom they depend for information and by those they consider exemplars.

Before I begin to deal comprehensively with the contribution of the hon. Member for Tobago West, permit me to make one other point. I make it for the benefit of those in the Parliament who may be new and who may not be familiar with some of the subtleties and skills that are required in parliamentary debates. If it is that hon. Members opposite, in making their contributions on any particular matter, seek to import other issues into the debate, all they do is provide the Government with an opportunity to explain its policies at length.

The strategy in debating, and I give you it gratuitously, is to stick to the issue before the House, so that the Government must deal with the issue that is at hand. It was only towards the end of her contribution that the hon. Member for Tobago West apparently remembered the matter that was being debated was not Tobago, but was indeed, the ability of the Government to borrow.

7.25 p.m.

The Motion before the House today to increase the limit of borrowings allowed to the Government, is a matter that has been dealt with already, substantively, by several Members, and I have no doubt that the Minister of Finance, when he rises to close the debate, will deal with all the issues that may not have been properly addressed, and I do not think that those issues are many.

For the time being, I crave your indulgence and that of hon. Members to deal with some of the other issues, and some of them have, to me, been very startling revelations.

For the hon. Member for Tobago West to say that she objected to the Government of Trinidad and Tobago, in 1992, spending $500 million in satisfaction, in part, of its liabilities to its employees, is a revelation that is quite new to me and something that, certainly, I did not understand to form either a part of her thinking or that of the government and party of which she was a part and of which, I believe, she still forms a part.

When arguments are being advanced to the population at this time that the Government should re-order its priorities and accord a higher priority to its liability to its employees, voices on the other side in support of that point of view are very loud indeed. Not only do we hear them in the Parliament, but those sentiments are echoed all across the country. That is what you hear on the outside. That is what we heard in previous debates. We are hearing this evening that the Government had no right—in fact, the Member objected and from the vehemence of her contribution, she objected with feeling, to the fact that the Government of the PNM, in 1992, in satisfaction of a manifesto pledge on which it was voted into office, took the decision in the very first budget that it presented to the population, to pursue a course of action that would have prevented the liabilities of the state to its employees from continuing to accrue, in other words, to stop the clock.

Miss Nicholson: On a point of order. The point I made was the point of the workers—that they were satisfied and would not have been on the streets now looking for jobs and at home, if he did not interfere.

Hon. P. Manning: They say that facts are stubborn things. They do not go away and that however much one may wish to gloss over what has been said, it has already been said and forms a part of the official record of the Parliament, and the responsibility devolves on my shoulders and those of us on this side to put the facts squarely before the Parliament. If the hon. Members opposite—certainly if the hon. Member opposite does not wish to hear, I have no doubt in the years to come, as students research the history of the country during this period, and the position that the hon. Member for Tobago West took on behalf of the political party of which she is a part will be exposed to them. The facts are quite clear.

They talk about international agencies. I must tell you that in adopting the point of view that the state should not have allocated approximately $500 million in 1992 to stop the clock from running, to prevent the liabilities from continuing

to accrue, she shared a position that was put out by the International Monetary Fund. It was an IMF position, Madam Speaker, and we were not happy with it at all. The hon. Member for Tobago West realizes that she finds herself in the same bed with an international agency that has been the subject of much condemnation and vilification by her good self and her colleagues opposite as they made contributions in this honourable House.

We took a different view. We took the humanitarian view. We took the view that involved the caring for which we are well known and which formed the basis of our position that we advanced to the national community. We took the view that step number one was to stop the liability from accruing. If we did not do that, we could easily have found ourselves in a position where the liability continues to accrue and a point would be reached where the Government would be unable to pay. That is the difference between the position that the PNM has espoused and the position that has been espoused by the government that we replaced and of which the distinguished Member for Tobago West was an integral part.

NIC, what did it say? It never addressed the question, as my good Friend the Member for Diego Martin Central has made clear. It never addressed the question of stopping the liability from accruing. What it was saying was this: That in satisfaction of the outstanding liability, they would make shares available without taking any steps to stop that liability from accruing, so that, at the end of a five-year period, even if we had succeeded in wiping off the liability that faced us when we came into government five years before, we would still be faced with a liability of equal proportion as we faced our second five-year term. In short, we would be running fast, but standing on the same spot.

That was the position that they advanced and that is why we took the position that it could not work. It was fundamentally flawed. It gave absolutely no chance of solving the problem that was before the national community and the workers.

It is the hon. Member from Tobago West who accuses us of the destruction of the trade union movement. We have met difficult economic circumstances. It is not as if we are in the 1970s when oil prices were high, oil production was high and, therefore, oil revenues were high. We are in the 1990s when oil prices are half what they were in 1981; where oil production is 100,000 barrels per day less than they were in 1978 and oil revenues, as a consequence, are considerably reduced.

We have been hit twice: once by production and, secondly, by prices.

The financial resources of the state today are not what they used to be and therefore we have to make adjustments. The country cannot continue to live above its means. It fell on the shoulders of this Government to make those adjustments in such a way, that while we recognize that there is a certain amount of hardship that will devolve on the population as a consequence of those actions, if they are not made there may be a complete collapse of economic activity and chaos and confusion and anarchy in Trinidad and Tobago. As we make the adjustments, we make a sacrifice today in the hope of a brighter tomorrow. Hence the argument, "Let us go down the road together." It is a partnership. We invite them to come down with us.

The destruction of the trade union movement cannot properly be laid at the doorstep of the PNM. Was it a PNM government, early in 1987, when the foreign exchange reserves of the country stood at $1,200 million, that used and capitalized on a captive community, its employees, by unilaterally—discussion, illegally and unconstitutionally removing the cost of living allowance from public servants? The PNM did not do that. And we told the then government that they were not going to make the money from it as they believed, because as they took that cost of living allowance, what in fact they did was curtail the disposable income of the population and they would see it reflected in lower receipts in non-oil taxation. And that has come to pass. Some people do not understand. It is like "stick break in their ears".

They are talking about whom the trade union movement supported. The fact that the trade union movement, in 1987, may have made some noise, but did not take it further, should be a lesson to all of us as to who supported whom, when. Two years later, the then government, once again, in pickpocket fashion, dipped its hands deep into the pockets of its employees to cut, unilaterally, their salaries by 10 per cent.

The trade union movement now takes strong objection to it. The matter was taken to court and while the matter was before a learned judge, the Government of which the Member for Tobago West was a distinguished part, came to this House and introduced legislation with retroactive effect, using their 33/3 majority.

7.35 p.m.

While the case was being argued in the courts in San Fernando—and I have no doubt that you know of what I speak—they introduced legislation in this Parliament with retroactive effect to legitimize the illegitimate act. Ten per cent, for two years! Was it a PNM Government that did that? We did no such thing and

the hon. Member for Tobago West accuses us of being anti-worker, anti-trade union movement. We did no such thing.

That is what they did as opposed to what the PNM did, and that is, against the wishes of a number of very powerful agencies, we gave effect to our manifesto pledge, stopping the clock from running, allocating in 1992, $500 million to make the salaries of public servants current and to recognize that in circumstances where they had not had an increase in salary for some considerable time, they could have benefited from it. More than that, what we did was to implement the award of the court of law which hon. Members opposite—all of them, when they were 33/3, ring on finger embedded together—refused to satisfy.

I listened patiently to all of them. There was a little banter, which as you know, is traditional in the parliamentary system, Madam Speaker, and if we do not have a little banter from time to time the tension tends to rise, and we are trying to avoid that. But we are dealing with serious issues. *[Interruption]* For some reasons, Madam Speaker—and I am very fond of the Member for Tobago West, but I do not know why she is so inconsistent in her contributions inside and outside of the Parliament. She accuses us of changing our position. Changing our position on what? Our allegations against the government, of which she was a part, that they were selling the national patrimony? What the Member is saying, Madam Speaker, is that we accused that Government of selling the national patrimony and yet we have come into Government and we have implemented a policy of divestment.

To put it in that way, is to completely misunderstand the point that we were making, and we made it consistently, from 1987—1991, when the population saw the wisdom of the argument and decided to make an alternative arrangement. They sold TCL. It was the hon. Member for St. Augustine this afternoon who spoke about the Trinidad Cement Limited position. It is not that they just privatized the company; in selling the company to private owners they wrote off $96 million of the assets of the people of Trinidad and Tobago. That is giving away the patrimony, that is the point we were making. We were not by any means saying that you do not divest TCL; we were objecting in the strongest possible manner to the terms and conditions under which it was done.

And that was not the end of it. I was in London recently and all I will say is that the terms and conditions under which TSTT was divested are now becoming clear to the Government of Trinidad and Tobago. I am not going into it any further, do you know why? Because we have partners here in the company and

we intend to be proper partners. All I would say is that the PNM's position in 1987 and 1988 was that that company should have been divested on the local market. Because that company represented the highest level of telephone technology that was available in any part of the world. That the capital injection in that company, in the years in which we had some financial resources, was so significant that the company was absolutely valuable.

I could go into more details; the facts, I have, Madam Speaker, but I do not believe that it is in the country's interest to go any further. Suffice it to say that on count No. 2, I hold the Government, of which the Member for Tobago West was a part, guilty. No. 3, Ispatt, Iscott; it is not that we were saying that you should not divest Iscott; we did not say that! We said, "terms and conditions." Do you know what the attitude was? It was that this was an idea of the PNM that was of no use; they said it all through the election campaign, wasting money! We want somebody to take it, give it away! *[Interruption]* But I now have the agreement; I did not have it then. I doubt the hon. Member for Tobago West ever saw it. Or even if she saw it, Madam Speaker, I doubt whether she understood it.

Miss Nicholson: I am a very bright person.

Hon. P. Manning: You could have fooled me. I am sorry. Madam Speaker, all I am saying to you is that a careful scrutiny of that agreement will show where the foreign company makes its money and how it is done. I will further say, that had it been the PNM, no such agreement would have subsisted today. We consider that agreement as giving away the national patrimony.

And that is not all. I think it was the Member for St. Augustine who spoke about BWIA. Do you know what they did? They sold BWIA's aircraft. One may argue, that there was nothing wrong with that. One may argue as others have argued, that the trend in the industry today is not to purchase aircraft; it is to lease. But the value of the aircraft constituted the assets and savings of the country. They sold the aircraft and applied the proceeds to recurrent expenditure. That, is giving away the national patrimony. That is the problem. When they could not pay salaries, what they decided to do was to sell BWIA aircraft to pay those salaries.

It is fundamentally in conflict with any good principle of fiscal prudence. Assets should not be sold to meet recurrent expenditure. Banks do not lend money to pay salaries. International agencies do not do it; internal adjustments have to be made. When we took the position, and in fact, an address to the Convention was entitled, "From Ownership to Tenancy—Loss of the National Patrimony." That

was the Convention, 1989. That was the title of the address to the Convention. We were not objecting to divestment. We were objecting to the irresponsible way in which the Government went about dealing with the assets of the people of Trinidad and Tobago. *[Interruption]*

Inconsistent? We have been very, very consistent indeed. Unlike them, in 1988, while we were in the wilderness, and while very few believed that the PNM could have won any election, we took the position that we had a responsibility to do certain things. It was a vision adopted by the 1987 Convention and then it was policy in the context of that vision of the 1988 Convention, Madam Speaker, economic policy, divestment policy.

7.45 p.m.

In the reply to the Budget of 1989, more policy in economics; in the 1989 Convention address, more policy, and we consistently took advantage of the opportunity of addresses to the Annual Convention of the PNM and responses to the annual budget to articulate policies to the national community over the entire spectrum of governmental activity. Today you could look at it. We are going to publish it very shortly.

This document, this manifesto is a distillation of the policy positions we had articulated in the five-year period when, with the will of the people and the will of God, we found ourselves in a position, far from being inconsistent. We have been entirely consistent and responsible in keeping faith with the population on the basis of the positions we advanced to them when we sought their franchise.

Mr. Humphrey: Everything gone through the window. What is the position with job creation?

Hon. P. Manning: I am coming to that. If you rush the brush you will get daubed. The hon. Member for Tobago West is very uncomfortable over gas pricing arrangements involving Nucor, but advises this Parliament that her discomfort stems from what she reads in the newspapers. In other words, without doing any further research, she read an article in the newspapers written by an individual and she accepts that as law. She did not accept it as the point of view of the individual, which requires careful scrutiny to decide whether it accords with our view, or whether it could stand scrutiny. But she accepted it as law, merely because it articulates a point that is anti-government. I draw your attention to page 8 of the manifesto, under Foreign Exchange—"The PNM will encourage further investment in the non-oil export sector by:..."

a,b,c,d, etc. and the last one—

"- adopting a developmental approach to domestic energy pricing"

I repeat it for the benefit of those who did not hear it:

"The PNM will encourage further investment in the non-oil export sector by....adopting a developmental approach to domestic energy pricing."

How was that policy given effect in the Nucor arrangement, Madam Speaker?

Mr. Humphrey: Tell us.

Hon. P. Manning: In the Nucor arrangement, gas pricing arrangement is two-tiered. One aspect of it is a direct contribution for gas that is sold. The second aspect represents an investment by the National Gas Company in a new technology in iron and steel manufacture, a technology that promises to manufacture steel at a price of $60 per ton cheaper than the cheapest mechanism by which steel could be manufactured today. Do you understand the implication of it? That is to say, if that process is commercialized, as it will be in one year's time, the rules of the game in steel manufacture will change.

Already, there are other companies that are coming in and seeking to have access to the technology on the basis of a licensing arrangement because they too can see what the implications are and they realize that if Nucor is able to steal a march on them, it has implications, not only for cost of manufacture but, also for market share and profitability. The NGC saw it. In the manifesto, Madam Speaker, we made it clear that we will stimulate by way of our policy of research and development in Trinidad and Tobago and that, especially for new investors who are coming in for the first time, the Government went as far as saying that it is prepared to take a participating interest in the enterprise, so that we could neutralize what is called the country risk against which some investors are not prepared to come in.

BUSINESS OF THE HOUSE

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House continue sitting until completion of the matter under consideration.

Question put and agreed to.

DEVELOPMENT LOANS

Hon. P. Manning: Madam Speaker, I do not want it to appear as though I am seeking to take advantage of my good Friend the Member for Tobago West.

Miss Nicholson: You cannot do that. Speak!

Hon. P. Manning: I have your permission to speak?

Miss Nicholson: Sure, man!

Hon. P. Manning: Thank you very much. She talks about CARIFESTA, Madam Speaker. Do you know what we met when we came in? We met a position where they had committed themselves to CARIFESTA at a cost of $50 million.

Miss Nicholson: That is not the argument.

Hon. P. Manning: Well you had your chance, you know; you want to talk again?

Miss Nicholson: Well you always interfere with me when I am talking, so I could trouble you. Are you worried?

Hon. P. Manning: No, I am not worried, please speak.

Miss Nicholson: Press on!

Hon. P. Manning: Thank you very much.

Miss Nicholson: But I am going to trouble you while you speak.

Hon. P. Manning: The sum of $50 million, Madam Speaker. Let the hon. Member trouble as much as she wants. I trouble easily—$50 million. And more than that, we met a very complex bureaucracy that was being set up to implement CARIFESTA at a very high price. More than that, we met an organization in which there were a number of people, some of whom were known to be close supporters of the party, who were working at salaries as high as $8,000 per month. That is what we found!

In the context of the financial circumstances of the time, we felt we could not go along with that and, therefore, we reported to Heads of Government that CARIFESTA, as conceived, cannot now take place. We did that at the inter-sessional meeting. It could not take place. We put an alternative proposal to the Heads of Government, which they accepted.

It is a credit to the Government and people of Trinidad and Tobago, and particularly our artistes that, with less than six months to go, we were able to mount CARIFESTA V for the first time in 11 years, when every country in the Caribbean was running away from it because of the cost of running it. It was so successful, that artistes all over the Caribbean, and beyond, continue to talk about CARIFESTA V in Trinidad and Tobago.

It is an appropriate time, for me to compliment the Minister who was responsible, the Minister of Community Development, Culture and Women's Affairs. I want to report in the Parliament the achievement of that Minister in respect of CARIFESTA V. They do not know how to compliment people. They only know how to pull down and destroy, never to compliment and encourage. We take the positive approach every time we talk here in Parliament. We told the Heads of Government that we wanted to try out a new approach.

Mr. Humphrey: Why do you not compliment me on cleaning the drains?

Hon. P. Manning: Madam Speaker, since he has begged for it, I compliment my good Friend the Member for St. Augustine for cleaning some of the drains in Port of Spain.

Mr. Humphrey: What about the rest of the country?

Hon. P. Manning: And the rest of the country. Did I miss out anywhere else? Using Trinity dollars, Madam Speaker.

Mr. Humphrey: I prevented flooding for that year.

Hon. P. Manning: Madam Speaker, we introduced a new approach, and while there is much to commend in the new approach and it shows tremendous promise, because of the short time that was before us, we were not able to properly refine the approach in the way that we wanted, to introduce it to CARIFESTA so that we could commend it to our colleagues in the Caribbean.

7.55 p.m.

That is why, in reporting to the Heads of Government in Nassau at the Fourteenth Conference of Heads that has just been concluded in the Bahamas, I indicated to my colleagues that since the approach has not yet been refined, Trinidad and Tobago wanted to refine the approach before making it available to our colleagues in the Caribbean. Therefore, we offered, and the offer was accepted, to host CARIFESTA VI. So CARIFESTA VI will be hosted in Trinidad and Tobago in 1995.

Miss Nicholson: Electioneering!

Hon. P. Manning: I am going to say something else just now. You see, they say election in 1995. I am going to say something just now that will cause them to say election in 1996. And if they want, I am going to say something else that will cause them to say, election in 1994. What I am saying to all of them, is that I wish them all well.

What was the cost of CARIFESTA? Because that was important. Their proposal was $50 million. In Trinidad and Tobago, we ran CARIFESTA together with the Year Of The Arts. Both of them together, cost $6.5 million. But I will tell you something else, that CARIFESTA VI is going to be far more cost-effective as a consequence of what we were able to learn in organizing CARIFESTA V. The artistes of the Caribbean can depend on Trinidad and Tobago to recognize the role of culture in the integration of our peoples. The objective is Caribbean regional integration.

You think that point is understood by my good Friend the Member for Tobago West, Madam Speaker?

Hon. Member: No way!

Hon. P. Manning: Because, you see, nobody has written that in the newspapers, and that is where she gets her information. She talks about 1996 as the "Best of T&T" year.

Recently, we unveiled a new approach towards tourism development.

Miss Nicholson: You have to be very detailed.

Hon. P. Manning: I will be, my lady, with your kind co-operation.

Mr. Mohammed: Like you all have something personal going on here?

Hon. P. Manning: We do. We do.

A study has been commissioned by the IADB to identify the main elements that lend themselves to tourism development in Trinidad and Tobago. The first phase of that study was concluded recently. It was conducted by a distinguished national of Trinidad and Tobago living abroad. Her name does not matter. It is a lady. The second phase of that study is now underway and is expected to identify infrastructural projects that will qualify Trinidad and Tobago to access a line of credit of $50 million from the IADB for tourism development.

But even in advance of the completion of those two studies, two developments—one last year and one this year—caused us to move in a particular direction. The one last year was CARIFESTA V. The one this year was the successful telecasting of Carnival to international audiences. Those two, together, tell us that Trinidad and Tobago has an opportunity to develop its tourism along certain lines. In short, the Cabinet's decision, "Events Tourism".

Next year, there will be four events. Carnival, a major international sporting event at Easter—not a goat race.

Miss Nicholson: Goat race is something to be proud of; do not be 'dotish'.

Hon. P. Manning: I am not decrying anything. I am saying it is a major— *[Interruption]* I am doing no such thing.

Hon. Member: How about a crab race?

Hon. P. Manning: Well, not a crab race, either, if that is what you want.

I make the point, because I was just trying to show you the difference in the scale of thinking of the hon. Member and those of us on this side. Clearly, not understanding the world in which we live, that unless you can come up to a certain standard, then the international community has no interest in what you are doing. That is a fact.

It is a major international sporting event at Easter. In August, it is a major pan festival with pan in all its manifestations—calypso, classic, jazz. Towards the end of the year, in October/November, as the tourist season is beginning, a major cultural festival that will encompass the diversity of culture that is Trinidad and Tobago. It includes elements of the Tobago Heritage Festival, for the benefit of my good Friend.

Miss Nicholson: No. No. It has to be in Tobago.

Mr. Palackdharrysingh: Is Divali in it?

Hon. P. Manning: Yes, Divali is in it. In fact, we also argued that once you can attract tourists to Trinidad and Tobago by way of these festivals, while they are here, you can then begin to expose them to other aspects of our culture with specific reference to Indian culture. We can do it.

Mr. S. Mohammed: Thank you very much.

Hon. P. Manning: So that is how we conceive the thing—you bring them here for this, but they are not going to be seeing that alone. Trinidad and Tobago has much more to offer than that. We have Buccoo Reef in Tobago. We have the peace and tranquillity of Tobago for people to relax after hectic festivals in Trinidad.

Miss Nicholson: The spin off. It is the spin off.

Hon. P. Manning: A tour operator told me recently that if you land three jumbo jets in Tobago, that is it—hotel full, beach full, everything full. What you have to realize, is that as we take this approach, we find ourselves in a chicken and egg situation, that if tourists come, then you do not have hotels to

accommodate them. If, on the other hand, you build hotel rooms before the tourists come, you may have surplus hotel rooms. So that we are in a difficult position for the next few years.

As we develop "Events Tourism", our intention is not just to leave it at those four, you know, but to start with those four and expand it to five, six—Trinidad and Tobago, different parts of the country—but doing it in such a way that we do not destroy the basis of the attraction of Tobago—its peace and tranquillity—which is what attracts people across there.

Far from discriminating against Tobagonians, as my good Friend would have us believe, we are proceeding in such a way as to preserve Tobago. There are other elements to the package that I do not want to go into at this time. There will be more times to do it.

The hon. Member for Tobago West mentioned 1996. The year 1996 will be designated by the Government as the "Best of T&T" year. We view Trinidad and Tobago as a country with nationals residing inside of it and outside of it. Wherever you go around the world, there are communities of Trinidadians and Tobagonians to be found.

In 1988, I was travelling through New England and I heard for the first time in my life about a most unlikely city called Hartford in Connecticut. As I entered Hartford, I was contacted by the president of the Trinidad and Tobago Association to go and address a group of Trinidadians and Tobagonians that was far more significant in size than I expected it could ever have been. We have them all over the world. What we do know is that many of our nationals have gone abroad and distinguished themselves in so many ways. What we would be saying in 1996 is, "everybody return home." That is what we would be doing. We would be calling our people home in 1996. There are no considerations of race; there are no considerations of class; there are no considerations of colour.

Mr. Humphrey: Will they be able to vote?

Hon. P. Manning: They cannot vote. They have no vote. We are inviting everybody back home—come back to Trinidad and Tobago, the land of your birth. And those who have distinguished themselves, we will expose to the national community in a variety of ways, not excluding radio and television. National pride, that is how you build a nation.

You think my good Friend the Member for Tobago West will understand that? You do not have that in the newspapers. Nobody wrote that in the newspapers

and, therefore, I can understand the difficulty of my good Friend opposite in comprehending that position.

8.05 p.m.

Madam Speaker, by now I am sure you would have come to the conclusion that the way we conceive things as between those of us on this side and those of us on that side, marks the difference between those who aspire and those who achieve.

Miss Nicholson: I did not use that word.

Hon. P. Manning: You did not use it in so many words. In effect, that is what you were saying. The hon. Member for Tobago West does not have to sit and grumble all evening. I will give way if there is a point—

Miss Nicholson: The Prime Minister has the right to grumble and disturb me, but I have no right. I am surprised. I thought he would not have heard me, because I was not hearing him.

Hon. P. Manning: Madam Speaker, I do not grumble, but I hear grumbling.

Madam Speaker: The beautiful thing about it is that it is two experienced parliamentarians grumbling at each other, so it should not be too much of a problem.

Hon. P. Manning: Madam Speaker, the regrettable aspect of the EEC arrangement is that the hon. Member for Tobago West was a Member of the Cabinet, and in the normal course one would assume that the Members of the Cabinet pay some attention to the arrangements by which we access funding from international agencies.

In the case of the EEC under the Lomé agreements, what happens is, that there is agreement between the Government and the EEC about the areas that are considered for priority attention. First of all, you agree on the areas.

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

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

Question put and agreed to.

Hon. P. Manning: Madam Speaker, I am grateful to you and to hon. Members for the time extension.

First of all, the Government and the EEC agree on the areas to be given priority. When that is done, the Government will nominate projects to be considered under those areas. The EEC has to accept those projects for consideration. What is meant by that is that before any funding is made available, the projects have to be the subject of a feasibility study. It is only if the feasibility of the project is positive, that the EEC then agrees to fund the project.

What happened in the case of the L'Anse Fourmi/Charlotteville Road, is that the Government misled the Tobago House of Assembly. The Government, headed by the Member for Tobago East, and of which the Member for Tobago West was an integral part, misled the Tobago House of Assembly, and in the context of the squabbles that have broken out in Tobago among them, one asks oneself whether the misleading was deliberate or accidental. Not only that, but they are now seeking to mislead all the people in Tobago.

First of all, when the NAR came into office in l987, they met certain priorities for allocation of funding as identified by the PNM. They changed the priorities. Did you hear that, Madam Speaker? They changed the priorities in l987, as they are entitled to do. They were the government of the day. Nobody quarrelled. In changing the priorities, do you know what they did? They went and put one project to take 95 per cent of the grant funds that were available for Trinidad and Tobago, under Tourism.

Madam Speaker, is that fair? I ask you the question. You do not have to answer. The sum of $113 million out of $120 million—they established the priorities in such a way that one project in the constituency of the hon. Prime Minister, who was dealing with the EEC, was the project that was given priority. That is what they did. Secondly, when the EEC indicated—as they know is the case—that a feasibility study is required before the project could be accepted, they pulled out a feasibility study of l984. The EEC said, "no, no, no, that study is outdated. Not only that, the study does not qualify on two grounds, both of which are environmental in nature. The EEC told the Government that a new feasibility study would have to be done. In l990, the government of the NAR commissioned a new feasibility study, so that they understood that an acceptable feasibility study was a prerequisite to the approval of any project for financing under any EEC arrangements.

Did they tell that to the House of Assembly? The answer is, "no." Instead, they held meetings with the House of Assembly and worked out time schedules for implementation of the project, in circumstances where the project had no financial approval.

We have spoken time and time again in this Parliament and outside, about the responsibilities of politicians, the need for honesty, for basic integrity in the conduct of public affairs. But when things happen in a certain way, they go all over Tobago and tell the people there that Trinidadians do not like them. That is what they are doing, ably abetted by the Member for Tobago West.

Miss Nicholson: Madam Speaker, on a point of order. This representative is not an individual who is "ably abetting certain things" as described by the Prime Minister. I ask that he withdraws that comment, as I was asked to withdraw a statement.

Hon. P. Manning: Madam Speaker, I defer to my hon. Friend the Member for Tobago West, and while I know I have committed no felony, I withdraw out of deference to her. That is the way I treat ladies.

So you understand the problem. I will tell you something else. The Prime Minister, on behalf of the Government, in satisfaction of his portfolio in respect of Tobago, met with the Chairman and some members of the House of Assembly, early in the game in l992, and we agreed on the priorities for development in Tobago. We agreed. I did not sit down and pull it out of a hat. I asked the House of Assembly, recognizing that they are the duly elected persons of Tobago, what are the priorities as they saw them. We agreed on priorities in the following order: First of all, the Richmond water project; priority No. 2, a new hospital for Tobago at Signal Hill, and priority No. 3 was an extension of the Claude Noel Highway, eastwards, as far as Studley Park. That was the agreement.

But when we were talking, we had a different understanding—both of us—of what we were talking about. Do you know why that was so? Because the Tobago House of Assembly was misled by the Government from which it came. They thought that the L'Anse Fourmi/Charlotteville Road was already agreed to, and therefore out of the way, whereas we knew that that road had not been agreed to, and therefore that was taken into account by us as we were discussing the priorities to be established.

The Tobago House of Assembly came to see me recently and I explained it to them. They were absolutely flabbergasted. They could not believe that the Member for Tobago East, ably abetted by the Member for Tobago West—sorry, I take it back. She does not abet. She neither aids nor abets—assisted by the Member for Tobago West.*[Laughter]*

It is not a joke. Do you know why it is not a joke? Because the unsuspecting people of Tobago believe what they are told by their representatives. They hold

them in high regard, as people should hold their representatives and they believe what they say; they trust them.

8.15 p.m.

When the members of the Tobago House of Assembly came to see me, and they realized what had happened, they asked us whether we are prepared to change the priority? We said, "Yes, we would change the priority. What new priority do you want to establish?" They have now put back L'Anse Fourmi/Charlotteville Road as priority No. 3, putting the extension of the Claude Noel Highway as priority No. 4.

However, the results of the feasibility study came into the Government's possession in May of 1993. Do you know what the study says? The study does not agree with a road that will cost $113 million. Instead, it suggests an alignment that will cost between $12 and $17 million. Do you now understand why the EEC did not approve it? In fact, it could not, and every project is subject to feasibility.

When the hon. Member for Tobago West was talking about the priorities of the Richmond water project, and the Scarborough Hospital on the basis of EEC funding, what she did not fully realize is that those two projects too, would be the subject of feasibility studies. And having taken the political decision that we are going with those two projects, we are now looking around for financing that does not delay the projects, but which would bring those projects on stream in the shortest possible time.

I ask the question: Who is for Tobago and who is against it? That is what we are doing. It is unfortunate that the *Tobago News* is just misleading all over the place. The hon. Member for Diego Martin West made reference to it, "Robinson: Manning treating people with utter contempt"; that is on the front page; "Tobagonians are not slaves". Page 4, "Who sets Tobago's priorities", the editorial. From what I have just said, you know who did it? The Tobago House of Assembly; the duly elected representatives of Tobago. In the editorial, "Licks like fire". That is not the end of it. *[Interruption]* No, my good Friend believes it, so I cannot afford to ignore it.

"Tobago's assets of nature". There is another article somewhere in here. Why? Because those representatives, having misled their own colleagues in the House of Assembly, are not to continue to compound the felony, by going all over Tobago and suggesting that it is a wicked PNM Government that has Tobago in that position.

Miss Nicholson: On a point of order, Madam Speaker. I ask the Member for San Fernando East to withdraw that statement. I know nothing about the *Tobago News*; I do not buy the *Tobago News.* That is a newspaper I have not bought for ages.

Hon. P. Manning: She does not have to buy it, Madam Speaker; there are suggestions that she writes to it.

Miss Nicholson: Madam Speaker, I would like the Member to withdraw because he is making a wrong statement about the Member for Tobago West.

Madam Speaker: What is the statement?

Miss Nicholson: He is imputing improper motives and that I go all over Tobago making certain kinds of statements.

Madam Speaker: The impression I got is that the Prime Minister is saying that there are articles in the *Tobago News* espousing a certain position that is not correct. I do not think he was referring to you.

Hon. P. Manning: Madam Speaker, as you know, if my good Friend feels offended, I apologize and I withdraw the statement. Even though I know I have done nothing wrong, but out of deference to my good lady Friend.

If the relationship between Trinidad and Tobago deteriorates, we have nobody to blame but the Members of the National Alliance for Reconstruction who are the representatives in Tobago. We have nobody to blame but them. Put it straight at their doorstep. That is all they do.

Mr. Palackdharrysingh: That is a serious statement you are making there.

Hon. P. Manning: I will make it again.

Do you know what has now happened? Do you know what the people of Tobago are trying to do? And all of it is in the interest of politics. I could say much more, but I am going to temper justice with mercy. I am leaving that matter. The unsuspecting Tobagonians are trusting in persons for whom they have some regard and who they believe will behave responsibly, but who are behaving in a manner that is totally divisive and if they are given the chance would bring about the separation of Tobago from Trinidad. Let the record show that the PNM will have no part of that.

In seeking to rebut what my good Friend the Member for Tobago West said this afternoon, you will notice that I have not uttered one word on the Motion

before the House. I did not have to. The contributions that I heard from the other side were largely irrelevant to the serious issue at hand. We agree that the country is in a difficult circumstance, and we could argue from now until doomsday who put the country in that position.

My submission is that recession is not something that hit Trinidad and Tobago alone. Recession took place in developed countries, which by and large are the markets for the output of domestic industry of one kind or the other. The minute demand goes down in the metropolitan countries you get the effects of it here. So as oil prices and production rose in the 1970s there was a cutting back in those countries, and a recession ensued on two occasions because of those prices and their effects. Now fallen prices and production here have put us in a position where the country has to go through structural adjustment.

More than that, as long as developed countries take the point of view that if we want access to their markets they must have access to ours, then what, in fact, they are saying is that the terms of trade must change and Trinidad and Tobago, as like many other developing countries around the world, must go through structural adjustment so that we can survive as we move into the 21st century and be in a position in due course to provide the standard of living to which the population aspires.

I submit that Trinidad and Tobago is on the right track. What you are seeing is the beginning of the economic turnaround and as we all go down the road together looking neither to the left nor to the right, as we work together for the benefit of Trinidad and Tobago, I give you the assurance that better days are coming.

Mr. Ramesh L. Maharaj *(Couva South)***:** Madam Speaker, this afternoon I did not intend to speak in this debate, but when I see the political hypocrisy of this Government and the Prime Minister of this country, I think that I must go on record as saying that if anybody is responsible for division in this society, it is the PNM and the Prime Minister of Trinidad and Tobago.

8.25 p.m.

He has asked about complimenting the PNM. For what? What has the PNM done in Trinidad and Tobago since it got into office, to improve the lot of this middle economic grouping in the country? Nothing! The Prime Minister says that 'better days are coming.' That is not the true.

When one looks at the *Medium Term Plan*, one sees one of the objectives of the plan is employment. Can this Government say what it has done about

employment in this country? Nothing! He boasts about paying public servants COLA. But he gave them with one hand and took it away with the other. Inflation has increased public servants' cost of living.

The purchasing power of their dollar has been reduced. Consumer prices have gone up. Grocery bills are prohibitive and as they sit down they can beat their chest, clap and applaud themselves and say, they care for people. This is the greatest hypocrisy that anybody will see in Trinidad and Tobago.

As a matter of fact, whilst people are starving, whilst an education is denied children, whilst poverty is on the increase, while destitution is rampant, the Prime Minister goes and turns the sod to beautify the city. Over $1.6 million—and we will deal with the organization for that next week—and a contract awarded to Antoine Engineering Limited. He is talking about transparency in Government.

I ask him today, who is Antoine Engineering Limited? It is a company which does not exist. It is a company that has been struck off the Companies Register. Who are the people behind it? You do not want transparency in Government. You got up today and told this House that, people must not rely on information from the newspapers. They are irresponsible. But you have no means whereby parliamentarians can get their information.

As a matter of fact, as the Member of Parliament for Couva South, I wrote to the Prime Minister a letter on June 23, 1993 and another on June 29, 1993. I told him that the police service was given 25 vehicles by the American government. People are suffering. The police do not have the vehicles. As a Member of Parliament, I represent people. He has not even responded. That is the contempt and arrogance with which he treats the people of Trinidad and Tobago and, he talks about contempt to the people of Tobago. He is guilty of treating the people of Tobago with contempt. He is harassing them. As a matter of fact, what the Prime Minister has said today has illustrated quite convincingly that there is need for better accountability in Trinidad and Tobago. He is saying one thing and the Member on the other side is saying something else. Where would they get that information? Must you employ a research officer to investigate it? Where would she get it?

The Member for Tobago West said that on April 12, 1991 representatives of the Government of the Republic of Trinidad and Tobago and the Commission of European Community signed a Lome´ lV National Indicative Programme which states that the focal area of co-operation on which the Community's support would be applied is tourism and that 95 per cent of the programmable resources—

that is, $16.1 million—ECUs—TT $113.2 million—should be devoted to the construction of a link road, and the remainder of the resources. $0.9 million was earmarked for complementary structural adjustment support. Now if you are saying something else, is it not your duty, as the Prime Minister of Trinidad and Tobago, if you are committed to accountability to the people so that they would see who is speaking the truth, to lay the documents in Parliament, to have some sort of machinery so that the people would be able to know what is going on? No, you do not want transparency.

We on this side of the House represent more people than you represent and we have got up on this side of the House and said that we want some form of machinery so that the people would know that there would not be wastage, corruption and nepotism and you get up and say those are irrelevant matters. In one breath you say, yes, we will talk to you and in another breath you are saying it is irrelevant. That is the hypocrisy and contempt you hold for the people of Trinidad and Tobago.

As the Prime Minister and as those Members sit there, I feel sorry for some of them. I am confident that one day their human dignity would not tolerate what the PNM is doing to them. I feel confident about it. Do you know why? Because the People's National Movement is no longer people, it is no longer national and it is no longer a movement. They do not want you to even talk in this House. That is the contempt they have for Parliament and for the people. They introduced a Motion and threatened to go all night and all morning. They did not want the population to hear. They had the press. The press left the building at 2 o'clock in the morning. Like a thief in the night they want to have it done. No way!

The basis of the PNM was in *The People's Charter*. I know sometimes it is very unpleasant to hear it but at page 6 it states:

> "A comprehensive social security programme is fundamentally a political matter."

That was, in effect, the basis of the PNM. What has the PNM done? Health care is no longer being given by the Government. What is being given? You cannot get drugs. Can an ordinary poor man go to Mt. Hope? I understand you made a lot of noise when the statement was made. Do you know what is happening? The resources of the Port of Spain Hospital are being sent to Mt. Hope and much of the money is being spent on administration and not on health care. And you say you care.

On July, 7 1993 the *Express* stated:

"Central Bank: Unemployment rose in '92.

The Rate of unemployment rose to 19.7 per cent in 1992 from 18.5 per cent in 1991 as labour market conditions tightened, the Central Bank reported in its 1992 annual economic survey.

The increase followed two consecutive years of decline in unemployment. According to the Central Bank, the increase primarily reflected the job losses as well as an increase in the labour force as the number of unemployed persons rose by 9.5 per cent to almost 100,000. Notwithstanding this, the size of the labour force grew by 2.8 per cent to 505,800 persons.

Unemployment continued...most severe among the young population, when compared to the national average, the Central Bank said. In the 15-19 age group, the unemployment rate measured approximately 44 per cent while the corresponding rate for 20 to 24 year olds was 30.4 per cent.

Although the gender differential gap did narrow in 1992, the incidence of unemployment was relatively higher among females. The rate for women was 24.3 per cent, compared with 17 per cent for men."

Is the Hon. Member for San Fernando East, the Hon. Prime Minister, happy with that? What has he done with his policies for the year and a half about unemployment? What progress has he made? This is a very hypocritical government. I will read only one of the passages I wanted to read. I would not read the passage for the hon. Member for Laventille West, because I am convinced that his heart is in the right place. I am totally convinced about that. I am convinced also that if the Government continues with this policy some of its Members would not stay with the Government.

It is an insult to a Member, like the Member for Diego Martin West, that he is sitting so far down the road and not nearer to the Prime Minister. It is an insult to him to have a nominated Member as a Deputy Prime Minister of this country. A man of such great ability. Look at the Member for Laventille West, a man whose heart and conscience are with the people. Totally committed people's man. And you have to put a nominated man to be the Deputy Prime Minister. That is an insult to the country and to the electorate.

There is a publication *In Defence of the People's Interest* "The right of the people to self determination—a cornerstone of PNM philosophy—and the IMF option. Ken Valley, Hon. Member for Diego Martin Central, Jan., 1988." Tell me

if the hon. Member agrees with this, because, his policy is not in agreement with this at all. It is totally opposite. I have no doubt in my mind.

The Minister of Finance, I feel sorry for him too. It takes a lot for him to have to undergo what he is undergoing but I pray for the Prime Minister and for the people of Trinidad and Tobago.

8.35 p.m.

Mr. Manning: Thank you very much for your prayers. Let me assure you that I pray for you too. I pray for your soul.

Mr. Humphrey: To lose the next election.

Mr. R. L. Maharaj: In the book *In Defence of the People's Interest* page 22 is stated:

> "The basic objective of economic development is the elimination of poverty and the provision of social and economic justice. Our rising unemployment is a cause for concern as it exposes the country and its citizens to the dangerous and debilitating social consequences of unemployment. If growth does not promote social justice; if it fails to utilize to the fullest extent, the people of the country, our most important resource, if it does not reduce the concentration of economic power, one cannot say that real development occurs."

Is real development occurring in Trinidad and Tobago? Who is benefitting? This loan that the Government is going to take, where is the development? What has the Government told us about development? What about the human resource, the social services—what is the Government going to do with this money? Is the Government going to tell us that it expects the yen to alter its value, therefore it may want the money and wants us to approve it? Does the Government want us to approve cat in bag? Is that how Parliament operates?

As I understand it—unless it has changed; probably it has changed under the PNM—the Executive comes to Parliament to get approval for money because the control over the purse is the heart of parliamentary democracy. When it comes, it must say what are the measures it intends to adopt. It cannot come and say, we lost $.4 billion and we may need to use this money, we do not want to come back again, so we want to approve this at once. The whole purpose of the law is to prevent abuse and misuse of the powers. Whether the Government have to come back three or four times, they must come back in order to account to the population.

When the Government brought us here on Gloria Saturday to debate the floating exchange, as they call it, did it not realize then that these consequences would flow? Could it not tell us then? Does that not illustrate that it made a very reckless decision, that it did not consider the consequences? When the Government brought us here on Gloria Saturday out of our homes, it did not tell us anything about the consequences of these matters. Was it not its duty as the Government to tell the people of the country on what basis it made its decision?

Here again, the Government comes *ad hoc*. I think we need $4.4 billion now. I want the Government to tell us if it has any other plans for that money? How would we know that it has any other plans for the money? I want the Government to tell us if it intends to rent offices in San Fernando. Does it intend to buy a building in San Fernando for $30 million? I want to know because we do not know what it wants to do with the money. That is the whole purpose of Parliament, otherwise we are just spinning top in mud by being here.

This book goes on:

> "Emphasis on growth, and the achievement of foreign exchange balance, without ensuring that there are institutions and mechanisms which promote social justice, will fail to achieve real development."

Are we having that in Trinidad and Tobago, or are the people going into the valley of death, injustice and suffering?

> "Without social and economic justice, as many examples in the world indicate, there will be social and political instability."

What is the Government doing? Is it promoting stability? Does the Government have its ears outside to the people? Does it have a pulse of what is happening?

Mr. Valley: The Member noted that that was written in January, 1988. It foresaw 1990, perhaps.

Mr. R. L. Maharaj: I would not answer that.

"The policies of the PNM have always been geared to this end—"

What an untruth. In Opposition is one thing and in Government is another thing. Power is a disease. It transforms the brain.

The Member for San Fernando East was such a humane person, Madam Speaker. I had the pleasure of talking to him before the election. He was such a humane person; a man who appeared to be so committed to transformation of the

society. The people of Trinidad and Tobago put so much confidence in him. Look at what has happened. I feel sorry for him and my country.

I am making an appeal to him to get back to what he was before the election. Take out the power from his head and brain and get back to what the People's National Movement is really about.

> "...That people are the most important factor of production and are the ones for whose benefit development is pursued, has always been the basic philosophy of the PNM. Our people orientation that people matter is rapidly being seen as the critical difference between us and them."

People matter? What am I talking about? We are not talking about Trinidad and the PNM? Some other country.

> "The quest for economic growth, economic independence and self reliance cannot be achieved if, in the process, the distribution of burdens and benefits is not seen to be equitably distributed."

This is not the PNM of 1993. This is the PNM of 1988. This is a different PNM. I really hope that there would be a transformation of the PNM so that the people of this country would benefit. The people that matter would benefit and not a clique or a group of people.

The hon. Prime Minister criticized the Member for Tobago West for getting her information about Nucor from a newspaper. He said that parliamentarians must be very careful. They must not misinform themselves; they must ensure that they get the correct information. If that is what the hon. Prime Minister thinks a Member of Parliament should be—and I agree with him—then, obviously, what he has seen here today is what can happen if Members of Parliament are misled. People can be misled by articles in the newspapers.

The Prime Minister got up and was reading from a newspaper article. He could have been misled; the hon. Member for Tobago West could have been misled. What is the way of solving that problem, of improving the situation? The only way is to make the Government open, to remove the secrecy of Government, and let us see that it really has a commitment to open government. Agree to lay in this Parliament all the documents relating to this Tobago transaction. The Government must lay in Parliament all the documents relating to Nucor.

The Member for Tobago East has made a very serious allegation, that natural gas is being sold at a price which is detrimental to the people of Trinidad and Tobago. That is not a personal matter for the PNM or for a group of the people in

the PNM. It is a matter of national concern for the public benefit. It does not belong to the PNM, the Prime Minister or the Cabinet. Therefore, the Government has a duty to lay that in Parliament. It is totally wrong for the Prime Minister to get up and say that the Member of Parliament must not take her information from a newspaper.

Where else would she get it? As a matter of fact, in Britain, from whom we take all parliamentary traditions, the Prime Minister opens himself to questions on a certain date in Parliament in order to have accountability. But we want to maintain this secrecy in government.

8.45 p.m.

If a government cannot provide resources for a police service, a simple thing like that, even where it has vehicles, and they have them and because the vehicles are in the possession of certain state officers or of the 25 vehicles, 15 have been damaged—personal use by state officers—and the police service has been denied them and are getting a bad reputation, and the Government cannot administer that, can it administer the country? Is it administering the country? It is just taking instructions from outside.

Telco. It was very unfair to say: I do not want to say anything now and I would leave it there. What is the matter? If you get information which is detrimental to the people of Trinidad and Tobago, it is your duty to lay it in the House, not to cover it up. How would the population know whether what you are saying is the truth? How would the population know if you are making that up? If you do not want select committees, then lay the documents in the House so that people could see them.

Just as you are saying that Telco was a bad deal for Trinidad and Tobago, could the population not say that the selling of Farrell House (1975) Limited was a bad deal for Trinidad and Tobago? *[Interruption]* How could they explain if they do not have the facts? What they do have is a company comprising PNM people. That is what they do have. Could they not say that Fertrin or Urea was a bad deal for Trinidad and Tobago? Could they not say that Trinidad and Tobago Printing and Packaging Company—if people are interested in buying these companies, then obviously they can make money. If they can make money, why can these companies not be organized with proper management to make money? Why is the Government selling out the country? Why is Government selling the companies, and the money is going out of the country? The Government is selling the state.

Mr. Valley: Madam Speaker, what does the Member mean when he says that we sold Farrell House (1975) Limited and Trinidad and Tobago Printing and Packaging Company and that the money is going out of the country?

Mr. R. L. Maharaj: When you sell the companies to private individuals and they make a profit from it, do they keep the money in Trinidad and Tobago? Do you have any mechanism for them to keep the money in Trinidad and Tobago?

Mr. Valley: Madam Speaker, both Farrell House and Printing and Packaging Company were sold to Trinidad nationals.

Mr. R. L. Maharaj: I know, Madam Speaker. Were Fertrin and Urea sold to local people? Whether it is Farrell House or Fertrin and Urea, if the Government owned it and it was making money, or the Government could have had managers or a system for it to make money—that is what you put a Government in power for, to have vision, to create. If the Government were making money, they would, I hope, not have sent the money out of the country. The money would have remained in Trinidad and Tobago.

Mr. Valley: The fact of the situation is that those companies were operating at a loss. To the extent that they start making a profit, the Government would get 40 per cent by way of tax, so that it is automatically 40 per cent shareholder in those companies.

Mr. R. L. Maharaj: I cannot believe this. So that everybody who is paying tax, Government owns a share in them. I am paying tax, so the Government owns a share in me. What a poor and lame excuse.

The fact of the matter is that this Government was not interested in keeping to any manifesto. The Government knew that if it had transparency in Farrell House, it may be that certain people would not have got that. It knew that with Fertrin/Urea other things would have come out. Why is it that the Government should object to that?

Mr. Valley: For the record, every one of those transactions came to the House and a complete report was laid.

Mr. R. L. Maharaj: It is an affront to the intelligence of the people of Trinidad and Tobago to think that after you sell, a report is prepared and laid in Parliament and that is sufficient. You have already sold.

Mr. Valley: Before the sale we come to the House and state our intention to sell and the bidding process. We do that on every occasion and will continue to do that.

Mr. R. L. Maharaj: That brings us to the point, that the public did not know who the agent was, what the price was or if the price could have been higher. There was no mechanism for them to check the price to see whether it was good or bad. It does not belong to you. It belongs to the people. That is why the Leader of the Opposition was saying that there should be committees to investigate these matters. Do you know why the Government does not want these committees? The Government wants to maintain that secrecy, and it is known that secrecy promotes governmental corruption and the misuse and abuse of power. It promotes official corruption.

In 1991, when the PNM went to the population, they knew of all the measures they had here for accountability but they were not satisfied that that accountability was sufficient and they promised the population that if they were voted into office, there would be accountability at all levels. When the PNM wrote that in their manifesto, they knew there was the Public Accounts (Enterprises) Committee. They knew there was the Public Accounts Committee. They knew there were questions in Parliament. They knew there were all other mechanisms that they are now giving excuses about. But they wrote that because they were saying that the NAR was not accountable and that if they were voted into power, they were going to make themselves accountable to the people. Again, that is political hypocrisy.

Yes, we the people of Trinidad and Tobago are prepared to hold the Government's hand, to go forward to battle the problem, but we cannot do so if it is oppressing the people; if it has declared war on the people; if it has declared war on the trade union movement; if it has declared war on the housewife. We cannot hold the Government's hand to go forward because in going forward, we would be taking the people down a precipice. And we are not prepared to do the people of Trinidad and Tobago that.

What has happened in Tobago and in the country in recent times is vivid evidence for the people of Tobago to feel that they are not treated fairly and equitably. Just as the people of Tobago are now feeling the pressure, it is the Government's duty to ensure that they feel that justice is being done to them, and you cannot do it in the way you are doing it here—attacking their representatives. You had a duty to, at least, consult them—not have just one meeting with the Tobago House of Assembly, but speak with the population, explain the facts, give them an opportunity.

Whether it was called a decision, an agreement or an understanding, but a Cabinet of a country agreed on certain matters with a foreign agency and whilst a

question was pending in Parliament, negotiations were conducted to reverse that understanding? That is not the way things are done. That does not breed confidence in institutions. That destroys confidence in institutions.

I regret that things do not look very bright with the attitude of this Government. I sympathize with our people. I am afraid I do not see the commitment and a genuine desire to mobilize the human resources of this country; to get people together; to promote cohesion in the society. If different people and groups are pulling apart, whether it be economic, social or ethnic, there is no way this country can succeed. This country can only succeed if all the forces get together and go forward.

Thank you very much, Madam Speaker.

8.55 p.m.

Mr. Raymond Palackdharrysingh *(Caroni Central):* Madam Speaker, I cannot believe what I heard tonight coming from the Member for San Fernando East, and it is so shocking, that one wonders, really, what is the state of the union of Trinidad and Tobago.

[MR. DEPUTY SPEAKER *in the Chair]*

Mr. R. Palackdharrysingh: Mr. Deputy Speaker, for a Prime Minister to come to a Parliament and declare that the relationship between Trinidad and Tobago, if it deteriorates, he is not responsible, would show that he has no caring whatsoever for the unity of these two entities. There are many small nation states throughout the world and right in the Caribbean, with populations, even less than the population of Tobago, and if the PNM and the Prime Minister are not careful, I believe, that they are going to force Tobago to a point of alienation where, perhaps, that population could be mobilized to the extent of asking for their own independence.

The other political party, the NAR, has no commanding say in Tobago in terms of representation. I would fear the day that in order to hold Tobago, you have to use the heavy hand of the security forces of the state. I wish, for the national good, that the Prime Minister clarify what he means by that statement and in case—that he did it in haste, he give assurance that Tobago will not, in any way, be terrorized by the PNM. Bring about reconciliation.

I heard the Prime Minister indicate that he consulted Tobago on their priorities and, again, one has to ask what is the meaning of consultation. Is it merely a meeting for a *tête-a-tête?* Or is it a meeting in which discussions are held and

there is, what you call, bargaining in such a way in the final analysis that consensus is arrived at and things worked out.

More than that, Mr. Deputy Speaker, whatever is happening in Trinidad and Tobago—I know for myself I have never been consulted on anything in Caroni Central. As matter of fact, I wrote the Prime Minister two letters, concerning the critical state of affairs, particularly, in the Enterprise area of Central and the need for urgent action in that community. I brought them to the Parliament, laid them on his desk, and he never even paid me the courtesy of an acknowledgement of those letters. It is no wonder that when things go amiss all sorts of arguments come up. I have copies of those letters and, if he denies it, I will bring them one day and tell him exactly what I told him in those letters.

The Prime Minister has come here and talked about integrity in public affairs as though he just took some vehicle and landed from Heaven. I should like to know if he is aware of a programme called URP, and all that goes on in that programme. That is integrity in public affairs. When there are no mechanisms whatsoever for distributing the state resources and assets and no mechanism to be put in place, I say without fear of contradiction, it is merely a mechanism for PNM patronage.

I can understand why the Member for Laventille West would say something like, he hoped a programme like that would not really have been. Because it really has not created anything in terms of substance for people. It has created, more than anything else, their underdevelopment, and the dependency syndrome on a small amount of hand-outs.

Where is the development? More strangely, tonight, I could not understand how the Prime Minister could describe the contributions made as irrelevant and spend most of his time responding to matters he branded irrelevant. I cannot understand that logic at all. I thought that the Prime Minister would have got up here and said something of substance and something reassuring that would give the Parliament and the people a lift to move forward. I am extremely disappointed in his approach and the manner in which he handled himself tonight.

> "*And whereas* it is necessary to borrow further sums of money for the purpose of financing general development in Trinidad and Tobago.
>
> *Be it resolved* that for the purpose of financing general development in Trinidad and Tobago, the Minister on behalf of the Government is hereby authorized to borrow money externally in the further sums not exceeding in

the aggregate the equivalent of three billion Trinidad and Tobago dollars in any foreign currency"

9.05 p.m.

It is nice to say that this is a simple Motion in terms of coming here and saying, yes, this has been the practice, let us give our blessings to that.

What about when we have a situation in which the Parliament rubber stamps the measure here, and when we do not have the capacity nor the wherewithal to meet our obligations? If we look at what has happened in the past, just to reiterate, the initial Act—$50 million; resolution in 1972, $25 million; resolution in 1973, $50 million; resolution in 1977, $875 million; resolution in 1978, $4 billion; resolution in 1979 $1 billion—a total of $6 billion. The Government is now proposing to raise the ceiling by 50 per cent to permit borrowing up to TT $9 billion abroad.

You see, Mr. Deputy Speaker, this is where it begins to become most evident that this is not a simple matter, especially couched in terms of financing general development, as opposed to repaying foreign loans. I cannot help but ask, apart from what has been mentioned in passing, why are we not provided with a comprehensive list of projections that the Government might have?

It is very instructive to know that the Member for San Fernando East when speaking in the 1989 debate on a similar resolution, indicated that under the previous PNM regime when the Parliament was asked to approve raising the external loans ceiling, the Government had indications and plans regarding how they were going to repay. Now it was always based on funds generated by the oil industry. The Member said that in 1972 and 1973 new oilfields were being developed; oil exports were increasing; in 1977 production was sufficiently high to indicate the ability to pay higher debt service; in 1979 war between Iran and Iraq had pushed oil prices. But no such conditions exist at present.

One wonders, then, how additional loans, secured as a result of the higher ceiling, will be repaid, especially, for example, with the sale of the Methanol Plant and the significant generation of foreign exchange. And then, as a quote from *Hansard* June 6, 1989, the Member for San Fernando East said:

"It may be well that we are aware of the implications of that (meaning increased borrowing). Therefore they are carefully preparing a bed of thorns for the next government who will not be themselves."

So, Mr. Deputy Speaker, he said that in 1989. He smiles now. What is so different now? Again, I refer to what was being said some time ago. PNM borrowing then was conditioned on the need to establish a good credit rating and this PNM philosophy was even contained in the 1977 Budget Speech which said—

> "The need to create the most favourable conditions for borrowing that will be required in future suggests that, precisely because of the present unsound financial state of the government, it may be advantageous to broaden our international financial relationship and credit standing."

So, you see where all this is going. But immediately he moved from those Benches, to the other side, the same policies of the ousted side are followed, lock, stock and barrel. Even this matter tonight being debated here is not accidental, because there has been a plan which is being followed to the letter.

Mr. Deputy Speaker, I want to make a protest because all along I have been reading in the bright light and suddenly the light is being flicked out and it will cause—

Mr. Humphrey: That bright light is giving everybody a headache.

Mr. R. Palackdharrysingh: Mr. Deputy Speaker, I merely want to indicate that in the *Express* of Monday, May 21, 1990 *[Interruption]* Mr. Deputy Speaker, I am more comfortable at this point with this intensity of light. *[Interruption]* It has been so all the time; it is only when I am speaking they are suffering.

Mr. Humphrey: It is not from you Palack, it is from the light.

Mr. R. Palackdharrysingh: Mr. Deputy Speaker, the point I am making is this. Recently we saw what the PNM termed was the floating of the dollar. I consider that to be a devaluation.

Hon. Member: It was a devaluation.

Mr. R. Palackdharrysingh: In that devaluation we have to understand what is taking place in the whole economic scenario in the Caribbean. I make reference to an article in the *Express* of Monday, May 21, 1990 on page 13 in which Prof. Kari Levitt talked about the power of devaluation. She indicated that:

> "Devaluation is the single most powerful instrument in the adjustment programmes of small open economies. When the Government is also highly indebted, the combined effects of devaluation, demand management and liberalization result in:

a reduction of the government's role in the economy;"

and, as has now come to pass, Mr. Deputy Speaker,

"partial internationalization of the price structure;"

Again, that has been fulfilled.

"a redistribution of incomes in favour of the 'internationalized' elites (with bank accounts abroad); and

a deterioration in living standards of the general population."

9.15 p.m.

Mr. Deputy Speaker, you see what is happening today. All the measures that come before us are part and parcel of the internationalizing of the economy that will put the greater part of the economy in the hands of those who own the capital resources and, at the same time, a continuous marginalization of the majority of the population of the Caribbean, including Trinidad and Tobago.

That has been the case and now we are seeing how vulnerable our farmers are in this society. What is happening to agriculture? What is happening because of these policies that we are carrying out? We are still importing $800 million in food. No food security in this country and yet, we are saying that we are making progress. Where is that progress that the Prime Minister speaks about?

[MADAM SPEAKER *in the Chair*]

Mr. R. Palackdharrysingh: Madam Speaker, I am making the point that all that has been happening here tonight is part and parcel of a plan instituted by the international monetary agencies and it has dire consequences for us, particularly as we speak about general development and we are not seeing development in any sense in certain sectors of the economy.

I am making the point that the agricultural sector, today, in Trinidad, is at a standstill and that we are still importing as much as $800 million a year in foodstuff. How can we justify that we are having development? Whatever the Government seeks to do with the additional finances that they borrow, must be subjected to the scrutiny of all our people and let us see how it relates to development.

Can one feel comfortable that in this nation today, we have so many people who are undernourished and malnourished? Would anybody deny that? On the one hand, you are trying to balance budgets, you are trying to have growth in the

economy, you are trying to have investments, but, on the other hand there is such a distortion with respect to human development that people in their own country, in spite of development taking place, are pauperized and marginalized. Therefore, we come to the classical economic thinking, that while there may be growth, if there is any at all, there may not be development and there may not even be welfare. That has to be shown.

In terms of employment, it is pointed out that we have approximately 19 to 20 per cent unemployed. More and more, what is happening is that when people are sent home, they are unemployed. There are no training programmes, for example, for them to acquire new skills as to make them useful in other occupations. This is a very critical thing, because, you see, while we sit here and talk about general development, while we talk about bringing in a utopia, because we are putting certain things in place, I wonder whether—though they say they are—they are aware of the problems in the society.

I make no pretensions and I am not exaggerating. I have pointed out before, that in my own constituency there is a level of deprivation that makes you really tremble. I have tried to point it out to the Government and Government Ministers but they seem to lack the political will to do anything about it. I do not know who controls them.

Why must I come and support a measure like this when I have, in my constituency more than 5,000 persons who are living in some of the most despicable conditions in the Enterprise area in Bhadase Lands where squatting is rampant and there is no organization of the human being for socialization, education and production. I appeal but nothing happens. For example, I have drawn this to the attention of the Minister of Housing and Settlements. He visited with me and the fact is, because the Government is not dealing with squatting on private lands, the matter seems to have died a natural death.

Beyond that legalistic approach, there is no will whatsoever for them to do anything to move beyond that point and I am not surprised that when you have disturbances as we have had in areas like that, it is a fallout from the practices and policies of this Government because of their caring nature.

Why must I come and support a measure like this for general development to the tune of $3 billion when in my own constituency sporting facilities for the people in that constituency are lacking. Madam Speaker, I was made aware of the fact that there ought to have been something of a mini-stadium many years ago and when I raise the matter, all sorts of spurious arguments keep coming up. What

they want to do is to put down some developmental plans from Lomé that would not touch the lives of those people.

Why must I support it when these questions cannot be fundamentally answered? Is it that we are witnessing that in spite of growth and development, there is a distortion in the distribution of resources, so that the majority of our people today will be marginalized and become poorer and poorer?

Look at crime. Crime is all about, and while my own position is that we have to deal with the criminals as they appear on an equal footing; if there were policies by this Government to take control of some of the deprivation and suffering of our people, those positions would not have emanated.

9.25 p.m.

Madam Speaker, these are some of the things I want to bring to your attention. I have taken the Member for Diego Martin East to my constituency to look at the problem of flooding. More than nine months now he cannot bring a plan. He always has a feasibility study. Drains cannot be cleaned; water courses cannot be cleaned and there is flooding all along—no wonder I am not seeing him here—and they are telling us about general programmes of development? Where is this general development? I want to know before I say, yes, to something like this. Because if I cannot envisage the fruits of this, and I say, yes, I, too, would have participated in the robbery of the heritage of those people.

We talk about caring I want to suggest to the Minister of Education that I have a problem in the Chaguanas area with respect to school places. I have not really discussed it fully with him, I must give him credit. One of the other Ministers that always treat well with me is the Member for Laventille West. He listens to me and tries his best. I have to give him credit for that, because he seems to be a human being first and foremost. He seems to be a man whom you can trust, and I say publicly that over the years I have known the Minister, we have had a good relationship.

Mr. Mohammed: What about the co-author of the book? You do not have a good relationship with him also?

Mr. R. Palackdharrysingh: The only thing is that the writing of the book was so untimely because it is now an indictment against him. Sooner than later he would have to make the break, because philosophically he is not grounded in what is happening today.

Madam Speaker, in this newspaper here, under "BUSINESS" we see:

"Govt seeks US $100 million to boost budget spending."

Do you see how we get the information? I want to read from the *Sunday Express*, November 15, l992, page 25:

> "Part of the financing for the l993 budget which will be announced on Friday is US $100 million loan which Government is presently negotiating with the Inter-American Development Bank (IDB). ..
>
> Described as a policy loan, Saith explained that the loan was being extended on the condition of certain reforms being undertaken to make the country's investment climate more attractive. This would in the long term, increase Government's revenues and improve its ability to service the loan, he said.
>
> Overall, Government planned to borrow more than US$1 billion over the next four years to help finance its medium-term macroeconomic development plan, he added.
>
> The Central Bank will exchange the US dollars..."

I want to come to a section here where he says:

> "Reiterating that the loan was 'basically to improve conditions relating to how investment takes place and stimulate private sector investment in an efficient manner', Saith said these impediments to investment were identified by a study the IDB had done last year and another done by Price Waterhouse.
>
> One area earmarked for reform is the financial system. This partly involved amending and strengthening legislation such as the Central Bank Act, the Banking Act, the Companies Ordinance and the Insurance Act in order to give investors confidence in the financial sector, he said."

Madam Speaker, it is also clear to me from statements such as these, that when these loans are obtained, they are going to be used for building, to a large measure, infrastructure for the private sector and maybe those foreign investors. I am of the view that general development, as perceived by the PNM is development to put down certain amenities to strengthen the capability production of investors, and hopefully, they think that the trickle down effect of what is happening would redound to the benefit of the citizens by and large.

That is what I want to alert this Parliament to, that in the final analysis the wealth of this country will not be shared by the vast majority of people. That is

why I believe that parts of the social sectors today, like education and health, are really being strangled. I simply want to ask if we are concerned about general development, will that not include human development? If general development includes human development, what is happening to those students who have not been placed in the Common Entrance Examinations? What would be their future in terms of continued education, as from now?

I know a response to that might possibly be that we have the comprehensive plan, and what not, but I do not think that what is happening really captures the reality in the society. More and more you are beginning to see that we are having street children, and that number is growing, as more and more parents are laid off from their jobs, as more and more the rural and even the urban poverty exacerbates. We are going to see more and more children moving along the street, some doing very menial jobs, some begging and some foraging in some rubbish heap somewhere in order to live. Is that the development they are talking about in terms of general development? Madam Speaker, I want to draw your attention to that.

The Prime Minister tried to explain a while ago what was his plan for tourism. We have heard all sorts of grandiose plans in the past but nothing substantial has ever happened. I wait to see it, because the proof of the pudding is in the eating.

Mr. Manning: You do not have to get on so.

Mr. R. Palackdharrysingh: Why do I not have to get on so? You got up and "gallery" yourself just now. Madam Speaker, when I am here, I am not in a hurry. I am on the people's business. I have had longer sessions here than many of them. If tonight I cut short my speech, it is at the insistence of my own colleagues, and not theirs.

9.35 p.m.

Madam Speaker, the point I want to make is that of transparency that has been raised over and over again. An article on page 2 of the *Trinidad Guardian* of Thursday, February 11, 1993 talks about an organization called "'Transparency International' to fight corruption", 'US$10 m to bribe the head of a Third World nation'.

I would quote some pertinent parts of this article:

"'Transparency International,' being set up to fight international corruption...

Spotlighting the problem, a recently retired executive of an international corporation involved with the project said it costs at least $10 million to bribe the head of a Third World country.

He estimated that getting the serious attention of a head of state can add 5 percent to a $200 million deal, while 5 percent of $20 million - $1 million - is real money for a Cabinet Minister and his key staff.

'Five percent used to be typical, but recently figures like 10 percent and 15 percent are often heard, he said."

The point I am making is that when we do not have the details of all that is transpiring in the Cabinet and the Government, these are likely consequences. *[Interruption]*. You have a good track record of it. That is the situation.

The article went on to cite several examples of what actually happened. For the benefit of the Member for San Fernando East...*[Interruption]* He has it at home. Well, let me refresh his memory because I did not see him walk with it.

"In a recent case of the type the group would deal with, Sheik Kamal Adham, former head of Saudi Arabia's intelligence service, paid $13 million in civil penalties to the US Federal Reserve System to compensate for taking illicit loans. The loans came from the Bank of Credit and Commerce..."

There are three or four more here. *[Interruption]* I have them underlined. If he wants to see the newspaper, I could pass it to him. I do not know what happens to him sometimes. He loses his cool. *[Interruption]* I will do the favour, as I said, I am beginning to have mercy, even for the Member for San Fernando East.

I end my contribution with a reference to the Book of Saint Luke—Chap.16, verses 19—25 which states that there was a rich man who was clothed in purple and fine linen and who fared sumptuously every day. At his gate lay a poor man named Lazarus, full of sores who desired to be fed with what fell from the rich man's table; moreover, the dogs came and licked his sores. The poor man died and was carried by the angels to Abraham's bossom; the rich man also died—strangely—and was buried. Being in torment, he lifted his eyes and saw Abraham far off and Lazarus in his bossom. He called to him, "Father Abraham, have mercy upon me and send Lazarus to dip the end of his finger in water and cool my tongue, for I am in anguish in this flame. But Abraham said, "Son, remember you, in your lifetime, received your good things, and Lazarus, in like manner, received evil things, but now he is comforted and you are in anguish.

Members of the Government should be careful in 1996 when they go to ask the Lazaruses to dip their fingers in that ink for them.

Thank you very much, Madam Speaker.

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, if I can bring this debate back into some perspective, the matter really seeks to set a loan ceiling of $9 billion, an increase from the present $6 million. We had explained that we are doing so partially, because of the effect that the depreciation in the rate has had on the ceiling. Also, because, a fair amount of our debt is in Japanese yen which continues to appreciate and, finally, to give the Government some element of flexibility.

In setting up the ceiling it does not necessarily commit the Government to a specific borrowing, and I think that point needs to be understood. At this stage, as part of Government's general programme, and as outlined in the budget—we had outlined last year, that we would have gone to the market for about US $100 million. This year, we are looking—and it is outlined in the budget—for somewhere around US $85 million as part of the general programme of borrowing. This is happening at a time, however, when the country, on its external side is paying back both interest and capital of over US $650 million.

Therefore, in response to some of the specific queries, especially from the Member for Couva North, about what details and specificity there are about the particular borrowing programme in relation to the $3 billion, there is no definite nexus at this stage. We can only say at this stage that we propose in the course of 1993 to go to market for about US $85 million and that, as last year, we gave this House advance warning that we had proposed to do so and during the course of the year, gave progress reports on our approach to market. If Members will remember that at a certain time when market conditions were appropriate, we moved swiftly and closed the deal on the US $100 million issue that was done through First Boston. This year we have not yet come to that degree of certainty as to rate and timing.

We are also—and we can give notice to the House on this—looking as part of that $85 million package, at a much smaller package that we would try to raise in US dollars in the developing Caribbean market. We do so, specifically, because we want to develop that market because at future times when the general international market may be closed to us for whatever reason, we may, if we develop the Caribbean market, have access to borrowings on the Caribbean market.

The international market may, in fact, be closed for all varieties of reasons not specifically related to Trinidad and Tobago. I remember last year very well, when we were trying to go to market and there were adverse developments in Brazil, it affected the market and we were not, at that time, able to enter the market.

The Government's policy initiatives in the course of 1993, in which this matter of borrowings has a locus, have been fast flowing and several. There have been policy initiatives in trade reform; the much talked about reductions in tariffs and the removal of the negative list; the opening of our trade to international competition and the forcing of standards and better ways of management of our industry as a result.

There has been the legislative programme of which only last Friday we concluded one part, that is, the banking legislation with other parts of that legislative programme to come before this House.

9.45 p.m.

There has been reform of the customs service as an initial arm of the trade reform package. There has been the initiative in the construction industry, some of which was marked out in the budget. There has been the reform of the utilities so that there will be a necessary and efficient backup for our drive for international competitiveness of our industry.

There has been the fiscal discipline which the Government has been exercising to ensure that spending does not crowd out the private sector while, at the same time, Government spending is brought under control so that the galloping trend towards more and more borrowing, such as had been experienced over the last several years is gradually contained.

Reduction and elimination of deficit. Our plan this year is zero deficit and the forecast, as we had outlined in the *Medium-term Plan,* is to go into surplus next year.

The removal of constraints on business. There were several measures announced in the course of the year to remove constraints on business. One such measure is the removal of the irritations on 30-day work permits.

Finally, a major item, the floating of the currency and the removal of foreign exchange restrictions. All of these measures are part of a Government programme that is moving the economy rapidly in a certain direction. It has moved the economy into a period of stabilization and despite some of the numbers that have been spoken about in this House, we are seeing the economy moving into growth.

There has been much talk about real GDP growth being negative last year and, yes, the Central Bank's statistics show that there might have been minus point 3 per cent growth last year. Mind you, that is contradicted by figures from the CSO which show some very small real positive growth. Whatever, I am not going to make a big song and dance about small shades of negative or positive growth. The fact is what we want to stress is that the rest of the economy, the non-oil sector, continued to grow in 1992 and continues to grow in 1993.

Our problems have been the very sharp declines in the major energy or petroleum sector. There was minus 6 per cent or 7 per cent growth in the petroleum sector in 1992 and, because it is such a large sector in our economy, it made the whole picture negative, despite the very real growth in the construction industry and in agriculture. That negative growth in the petroleum sector, we have done our best to deal with by stimulating the petroleum industry, by making initiatives in reductions of taxes to cause that increase in exploration activity which we are beginning to see this year. We are hopeful that in time we will turn around that negative position in the all important petroleum sector.

We do not control, however, the price of oil and that is the main reason why we are driving so hard among all of these measures that I have outlined to move the other sectors of the economy into real growth and thereby diversify the economy so that even when the petroleum sector, through fall in oil prices is in retreat, the rest of the economy will still have the steam to drive Trinidad and Tobago forward.

I tell you these things because we have to put this borrowing programme in context. We are, in fact, mobilizing idle resources; the resources that we have under control. There has been growth in the non-oil sector in 1992 and that continues in 1993. We have a programme of judicious borrowing to assist that process, judicious borrowing on the domestic market and judicious borrowing on the external market, since this is the focus of this Motion before us. In this period of very heavy debt service, we do require some assistance in foreign borrowings, otherwise, the extent of the burden that we would have to carry in making those repayments would so drag down the rest of the economy that there would not even have been that growth that we did, in fact, realize in 1992 in the non-oil sector. That is how we are managing the economy despite all the hullabaloo.

I ask this House and the population at large to take their eyes away from the overall growth in GDP and focus for a minute on the non-oil growth in where we are achieving results. In that matter of inflows of resources—and it was the

Member for Diego Martin Central who pointed out to this House that we do not save nearly as much as we should be saving. We are saving only about 18 per cent and it should be as high as 25 or even 30 per cent. So that we are dependent on inflows.

We are dependent on inflows through the divestment process. We are dependent on inflows from private capital, equity and we have been actively out there promoting those inflows. We have talked much about what is happening with Nucor, Enron, Helm, Ferrostaal, Arcadian. These are important equity inflows into Trinidad and Tobago.

The debt inflows are what we are focussing on in this specific Motion. But there are other inflows that are equally important and we need to understand how all of the Government's elements of policy flow together. When we had the float it was designed to attack another inflow—the inflows of resources, capital perhaps, owned by Trinidadians and Tobagonians which have been stashed outside and bringing them inside. The float has been successful in that many businesses, with our interest rates being what they are, finding that moneys they may have outside are drawing only three per cent are replacing domestic overdraft by bringing inflows of capital back into the country.

The bankers will testify to the fact that those flows, since we liberalized, have been reversed. The moneys are coming in and it is not as we can now see, a one-off effect of money just removed from the mattress and put into the commercial banks. Those flows would have dried up by now. We are continuing to see flows of US dollars back into the economy that clearly signify that we are tapping major sources abroad, and not just mattress money. We want to solidify that process and I want to let the national community know that we will be taking steps to strengthen these flows even further over the next few weeks and months.

So that as we have the inflows from debt reinforced by the inflows from divestment, reinforced by the inflows from private capital and now totally reinforced by the inflows of Trinidadians and Tobagonians overseas, capital coming back into this country, we, by all of these methods, will have so wrought our circumstances as pchjutttyyto have a solid base for the accumulation of foreign reserves in this country, which will be the most important factor in signifying the return of confidence in the economy of Trinidad and Tobago on which the growth path can then be steadily built.

9.55 p.m.

Madam Speaker, I say all of these things to put what we are doing in some perspective, and to let Members understand that we know what we are about and we are achieving our ends and purposes. Trinidad and Tobago, despite the problems and little upsets that may intrude sometimes, the path is clearly upward. Members of this House and the community can take confidence in that there is not only stabilization now, but also much renewed hope in the vigour of the economy.

Finally, I want to comment on only one matter which was raised by a Member on the other side that caused me some concern; I found it most regrettable. The hon. Member for Couva North made the point that he was, unless certain conditions were met, making a clear statement that he was going to repudiate any debt incurred by the Government if he and his party came to power.

Mr. Humphrey: Madam Speaker, on a point of order. He did not say that. The Leader of the Opposition said that unless the Government is accountable to the country via this Parliament; that we would not hold ourselves responsible for debt incurred, if in fact it is found that such debt is related to corruption or any questionable—

Hon. Members: Oh no!

Hon. W. Mottley: Madam Speaker, the record is there. I got up to ask a question just because sometimes, either because of the heat of the debate or who knows, Members could be under the "affluence of incohol" or anything like that. Therefore, I got up to clarify to give him an opportunity to cool down.

Mr. Maharaj: Madam Speaker I do not understand. "Under the affluence of alcohol," what is the insinuation?

Hon. Members: He never said that.

Hon. W. Mottley: Madam Speaker, the Member was very clear and made it plain on my intervention what he said. Therefore, it was a most regrettable statement because I guarantee—fortunately, we understand that under no circumstances would the situation arise in which that threat would come to book. Nevertheless, it is a most unfortunate remark.

I wish to conclude by stating—

Mr. Humphrey: Answer my question. Why is it necessary to support the issue of TT? Why can you not use it to settle part of the debt.

Hon. W. Mottley: That is why I have attempted to show how we are garnering the resources and seeking to build our reserves, on which basis we can have a solid platform for growth on which we can then mobilize not all, but an increasing amount of the idle resources in Trinidad and Tobago that would not peak and then run out of steam because of demands being made on non-existent foreign exchange.

As I have said in this House before, this community is a sophisticated one and demands a standard of living that can be supported only on the basis of international resources, knowledge, technology and so on. Therefore, any economic strategy has to be based on having a hold on resources, net international reserve that makes a claim on the resources of the outside international community. That is the strategy that we have evolved and we are well on track for doing so. This particular measure I commend to this House.

Question put and agreed to.

Resolved:

That for the purpose of financing general development in Trinidad and Tobago the Minister on behalf of the Government is hereby authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of three billion Trinidad and Tobago dollars in any foreign currency.

ADJOURNMENT

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, in moving the adjournment this evening, I invite my colleagues to have some pizza; it came a bit late. I am asking everyone of you to join us, please.

I beg to move that the House do now adjourn to Friday, July 16, 1993 at 1.30 p.m.

I take the opportunity to inform the Opposition formally that on Friday we shall be debating the Taking of Hostages Bill.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 10.05 p.m.