

*Paper Laid*

*Monday, September 20, 1993*

**HOUSE OF REPRESENTATIVES**

*Monday, September 20, 1993*

The House met at 1.30 p.m.

**PRAYERS**

[MADAM SPEAKER *in the Chair*]

**PAPER LAID**

Report of the Auditor General on the Accounts of the Sport and Culture Fund for the year ended December 31, 1991. [*The Minister of Sport and Youth Affairs (Hon. Jean Pierre)*]

*To be referred to the Public Accounts Committee.*

**ADJOURNMENT (LEAVE REQUEST)**

**Air and Sea Links—Tobago**

**Miss Pamela Nicholson** (*Tobago East*): Madam Speaker, I communicated with you on a matter of urgent public business as it affects Trinidad and Tobago, that is, the total breakdown of sea and air transport between Trinidad and Tobago.

When you have a situation where the economy of Trinidad and Tobago is threatened by things of the kind, especially when they are not addressed by the state—I believe that the situation is urgent, definite and of public importance. There is a situation where the hotels cannot look after their clientele: that means a breakdown in tourism in Tobago. There is a situation where they do not pay salaries to workers and that means that the ferries cannot come to Tobago. There is one ferry at this time and when that does not come to Tobago, it means the wherewithal for Tobago—flour, sugar, rice, hardware, everything—cannot reach to Tobago. If we have a state called Trinidad and Tobago, that is something that should be addressed—

**Madam Speaker:** You are explaining to me why this is urgent and definite.

**Miss P. Nicholson:** I am saying that because of all of this, the matter is very urgent, and I feel that it is something that should be allowed to be debated today.

**Madam Speaker:** This problem is an ongoing one which has been raised in this House on several occasions. In the circumstances, I am of the view that it does not qualify for consideration as a definite matter of urgent public importance. I have already advised the Member how the matter can be brought before the House.

**FINANCE (NO. 2) BILL**

*Order for second reading read.*

**The Minister of Finance (Hon. Wendell Mottley):** Madam Speaker, I beg to move,

That a Bill to amend the Income Tax Act, the Corporation Tax Act, the Stamp Duty Act, the Council of Legal Education Act and the Old Age Pensions Act, be now read a second time.

This Bill has been pre-billed falsely, in the sense that it is being presented as a second budget, with all sorts of expectations arising therefrom, but the Bill has far narrower purposes than that.

Far from the grandiose purposes attributed to this Bill, its main purpose is twofold. Firstly and simply, it seeks to implement the measures announced by the hon. Prime Minister on May 6, 1992, to partially alleviate the hardships experienced as a result of the floating of the Trinidad and Tobago dollar.

Secondly, the Bill seeks to introduce an amendment to the Income Tax Act to permit withdrawal of contributions to pension plans for the first-time acquisition of homes.

In addition to these two main objectives, the Bill also proposes amendments to the Corporation Tax Act, the Council of Legal Education Act and the Old Age Pensions Act.

Clause 3 of the Bill seeks to amend the Old Age Pension Act by increasing the monthly food subsidy component to \$70.15, an increase of 15 per cent in that food portion of the Act.

Clause 10 of the Bill proposes that this increase should be effective June 1, 1993, in accordance with the previously announced implementation date. The 15 per cent increase in the food portion was arrived at on the basis of the projected increase in the cost of living as a result of the changes in value of the Trinidad and Tobago dollar. Since then, work done with the Central Statistical Office and our ministry shows that that increase is not likely to be exceeded.

Clause 4 of the Bill proposes an amendment to the Council of Legal Education Act to grant exemption from value added tax on goods and services provided to the Council of Legal Education, where, in the opinion of the Board of Inland Revenue, they are required for the purposes of the school. This is to bring the school in line with previous exemptions, for instance, the University of the

West Indies. It demonstrates that the Government is committed, wherever possible, to reducing the cost of education, but within the limited means available to it. In this instance, we felt, we could do something that would keep the cost of legal education down.

**1.40 p.m.**

Clauses 5 and 6 which constitute the largest part of the Bill and perhaps the most complex amendments, deal with proposed amendments to permit access to pension funds for deferred annuities for the purchase of first homes. This proposal was first announced in the 1992 Budget and thereafter occurred a series of assessments and discussions with the insurance industry as to how best to implement the measure.

You will remember, Madam Speaker, that in November, 1992, a Bill entitled "Income Tax (Amdt.) Bill" was published for public comment. Cabinet appointed a committee to consider the comments received on the Bill. The committee comprised representatives of the Ministry of Finance, including the Government actuary, as well as representatives of two major private firms of actuaries. The committee made a number of recommendations for amendments to the Bill based upon the comments received from the public. These recommendations were accepted by Cabinet and the provisions which were contained in the original Bill have been appropriately modified.

The proposals would allow members of pension fund plans or insured deferred annuity plans which have been approved by the Board of Inland Revenue, to withdraw an amount from the pension scheme or the annuity to assist the member in providing the down payment for a first-time home purchase. Our objective is to assist a number of young employees to purchase their first house, since many of them are new in employment and have not reached the stage where they have accumulated sufficient savings to pay down on a first house. This is in conformity with the experience of a number of other countries, notably Canada, which has experimented in so many ways to try to assist young home purchasers to get enough down payment so as to acquire a house.

Especially with the rate of escalation of property values—in Trinidad they have been rather stagnant as a result of recessionary conditions, but that is a false picture, and once the backlog in houses accumulated by foreclosures have cleared, the real price of new construction is going to become apparent, and that threatens

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to put pressure on house prices. As a result, it is unlikely that young purchasers' savings would be able to keep pace with the escalation in house prices so as to be able to make that first bite to acquire a house.

Normally, if you are in a situation where you own a house and you have locked-in equity in that house, you can trade-up and get a better and bigger house as time goes and as your income gets better and better. But that does not help the first-time house purchaser. It is these people we are trying to assist to make that first step up the ladder.

Where it may be argued that the withdrawal will deplete the long-term savings of the individual, it is our view that home ownership is part of retirement planning. The purpose of a pension plan or deferred annuity is to provide financial independence after retirement. Although the withdrawal will reduce the individual's long-term savings, these savings will be redirected into the provisions of a home, which is just another form of saving.

It should be understood that the amendments proposed do not automatically entitle any member of a pension plan or deferred annuity plan to access his accumulated savings to buy a house. They merely allow the trustees of pension fund plans or insurance companies to make amendments to their trust deeds and rules or annuity contracts to enable their members to enjoy this benefit without losing the tax advantages.

The decision as to whether or not the benefit should be made available to the contributors, would be made by the individual pension fund plans and insurance companies. I want that to be absolutely clear and I will repeat it: the decision as to whether or not the benefit should be made available to contributors would be made by the individual pension fund plans and insurance companies. There is no automaticity.

This is one of the main factors that emerged from the process of public discussion and discussions with the insurance companies and those who manage these funds. The maximum withdrawal permitted under the scheme is 10 per cent of the purchase price of a house for which the Deed of Conveyance is exempt from stamp duty. This would allow a withdrawal of up to \$30,000 at the present time and it is envisaged that as this exemption is increased in the future, there would be an automatic increase in the maximum permitted withdrawal. The rationale for arriving at this figure was an attempt to limit the amount withdrawn to roughly 25 per cent of the value of the pension that would be payable if the member continued in service to retirement age; in other words, the maximum cash

that would have been available at retirement, since it is this lump sum that a retiree without his own house would have used to purchase a house.

The 75 per cent balance which is a long term pension, therefore remains available as income to the retired person. An analysis done by one actuarial firm indicated that in the vast majority of cases a maximum withdrawal of \$30,000 would achieve this objective. In order to mitigate the potential erosion of the retirement income, the amount withdrawn may be repaid by way of additional voluntary contributions at any time during the life of the contributions of the contributor.

The proposed scheme is based upon the withdrawal of all or part of the actuarial reserve which is a reserve which will be provided if the member left the scheme. This ensures that if a member exercises the option of withdrawal and then immediately leaves the scheme, the scheme will not be financially affected, and this again is of paramount importance. The whole pension scheme is not affected; this is actuarially calculated.

In the case of an individual deferred annuity, the actuarial reserve would be the surrender value of the policy. The percentage of the actuarial reserve which is available for withdrawal is reduced by five per cent for each year of employees aged over 40 and to 25 per cent of the reserve for employees aged 55 and above.

There is still the fine print that now has to be considered to protect the pension funds and to protect the Inland Revenue Department in the administration of this project.

The definition of first-time acquisition on page 3 of the Bill encompasses both the purchase of a completed house or any share therein as well as the construction of a house by an individual who has not previously owned a house in Trinidad and Tobago. The intention here is to encourage and assist young employees to build their own houses. They will obtain a commitment from the trustees of the pension plan, but once construction is completed the withdrawal amount for which they are eligible will be released and bridging finance will be provided on the basis of this commitment. No more than two individuals may apply the proceeds from their respective pension schemes and deferred annuities to the joint purchase of the house. The withdrawal may not be used to purchase a house from one's spouse.

**1.50 p.m.**

As a means of further minimizing abuse, only one withdrawal of contributions and one withdrawal of premiums are allowed. But where for some legitimate

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reason the sale has fallen through and the sum withdrawn is returned to the fund within six months or such later date as the Board of Inland Revenue allows, the contributor is permitted one further withdrawal. It is estimated that prudence would determine that one further withdrawal should in normal circumstances see a closure.

The objective of the scheme is to enable people to own their own houses and not to finance profiteering. For this reason where the house is sold within five years of the withdrawal, the amount withdrawn would be taxed as income in the hands of the contributor unless he either acquires another house within four months or has obtained the prior approval of the Board of Inland Revenue to sell on grounds of financial hardship. Clearly, we are attempting to deal with abuse and calculated abuse; where hardship intervenes there is a loophole provision. Similarly, if the money is withdrawn and no house is acquired within six months, the individual would be taxed on the sum withdrawn.

Clause 6 of the Bill proposes that before the money is released to the contributor the trustee of the pension fund or the insurance company will be required to obtain a certificate from the Board of Inland Revenue indicating that no taxes, interests or penalties are due from the contributor; that the Board is satisfied that the money is to be used for the first-time acquisition of a residence and that no more than two persons are using their pension or annuities for this purpose. It is proposed that it would be an offence for a trustee or an insurance company to release funds without a certificate from the Board.

The Bill also seeks to create an offence where false information is knowingly or recklessly provided to the Board for the purpose of obtaining a certificate allowing the withdrawal of funds.

Clause 7 of the Bill seeks to implement another of the measures which were announced by the hon. Prime Minister following the floating of the TT dollar. It seeks to provide relief from income tax for all taxpayers whose annual chargeable income does not exceed \$16,000 by providing an additional tax credit of 15 per cent for every dollar of chargeable income above \$12,000.

In clause 10 it is proposed that this provision should take effect from January 1, 1993. To cover the entire year of income it is envisaged that once this provision becomes law, taxpayers in this bracket would be able to have their TD1 Forms adjusted immediately so that they would no longer be obliged to pay the higher rate every month.

Clause 8 of the Bill deals with the business levy. As you will remember, the business levy is a new tax which was introduced in the last budget. We have been tidying up since then because of its novelty, and certain provisions had not been anticipated. Hon. Members would recall that the Finance Act earlier this year included provisions in the Corporation Tax Act which impose a new tax called the "business levy." The sections of the Finance Act governing business levy include a provision exempting from business levy certain statutory bodies and public utilities under the jurisdiction of the Public Utilities Commission or exempted by Order of the President. However, no specific power was conferred on the President to exempt public utilities from the business levy. Clause 8(a) of the Bill seeks to clarify this.

Additionally, section 23A of the Finance Act provides that where a company's corporation tax liability exceeds its business levy liability, the company is entitled to a tax credit of its business levy liability against its corporation tax liability. The situation also applies in reverse, the intention being to impose on companies a maximum total tax liability of the higher of the two taxes. However, as a result of the language used in the relevant provisions, this intention has not been achieved and a company would be entitled to a tax credit for a liability rather than a payment. For example, a company with a corporation tax liability of \$10,000 and a business liability levy of \$5,000 is entitled to a credit of the \$5,000 against the \$10,000, thereby reducing its corporation tax liability to \$5,000 whether or not it has satisfied its business liability. This may lead in certain circumstances to the company being entitled to a refund of corporation tax where its business levy liability still remains outstanding. Clause 8(b) of the Bill seeks to make it clear that a tax credit will only be earned where a business levy or corporation tax payment has actually been made.

Madam Speaker, clause 8(c) of the Bill seeks to make the provisions of the Income Tax Act which relate to the administration, assessment and collection of corporation tax, applicable to business levy as well. These provisions were not made applicable to the business levy in the Finance Act and they do not automatically apply unless the legislation specifically provides for this. Therefore clause 8(c) seeks to include such as a provision. The relevant sections of the Income Tax Act are listed in a table at the end of clause 8.

It is proposed in clause 10 of the Bill that clause 8 should take effect retrospectively to coincide with the introduction of the business levy earlier this year.

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Finally, clause 9 of the Bill proposes an amendment to the Stamp Duty Act to exempt from stamp duty bonds issued by the Home Mortgage Bank. Hon. Members will recall that the Stamp Duty (Amdt) Bill which was enacted earlier this year, exempted banks and non-bank financial institutions from the payment of stamp duty on mortgage pass-through securities enabling them to raise funds more cheaply for this market. The Home Mortgage Bank raises most of its funds for the mortgage marketplace by the issue of bonds. It uses the funds to purchase mortgages on the secondary market thereby freeing funds in financial institutions to be re-utilized for mortgage lending at lower rates than would otherwise be possible.

In order to keep the prices offered by the Home Mortgage Bank attractive to financial institutions, we consider that bonds issued by the Bank should also be exempted in the same way from stamp duty. The Home Mortgage Bank has been performing an exemplary function and its work is now well recognized, not only in Trinidad and Tobago; it is being copied in the other Caribbean islands. We in the Ministry of Finance are satisfied with their performance and would want to give them every further encouragement. Therefore, our intention in proposing this exemption is to place the Home Mortgage Bank's bonds on a level playing field with the mortgage pass-through securities issued by banks and financial institutions.

Madam Speaker, this covers all of the details of the bill before us. As I said at the beginning, it is a series of tidying-up measures that we are proposing in this particular bill. I wish to cite one further amendment, that is in the first column of clause 5 (a)(ii), (ga) (ii) at page 4: delete the words "this Act", and substitute the words "the Finance Act, (No. 2), 1993". As it reads there, it refers to the specific Act being amended. Rather, what is intended is the whole Bill that is presently before you.

With these few words and that amendment, I beg to move.

*Question proposed.*

**2.00 p.m.**

**Mr. Trevor Sudama** (*Oropouche*): Madam Speaker, we have had a presentation here this afternoon from the Minister of Finance and, as usual, we have been told that this is merely a tidying-up measure which is in keeping with a promise made by the Prime Minister in May, 1993 in the wake of the devaluation of the Trinidad and Tobago dollar.

We have been regaled with many details and it seems that the Minister of Finance has mistaken the wood for the trees. Why is this measure necessary? What is the context in which we are operating? Why is relief being sought today for the very many people who have been adversely affected by the policies of the Government? This measure has been prompted by the devaluation of the Trinidad and Tobago dollar, the liberalization of the currency. But that is merely a part of the wider context in which this Government is operating and to which it has subjected the country. Therefore, if we do not look at that wider context, we are not at all going to analyze the merits or demerits, the adequacy or inadequacy of the measures before us today.

Where is this country today? After 32 years of PNM rule and five years or more of structural adjustment, the most strident of those policies of structural adjustment have come in the last two years under the new PNM regime. These policies of structural adjustment have brought untold hardship and suffering on the vast majority of the population, particularly those at the bottom of the income ladder. The propaganda is that these measures are designed to alleviate the suffering of these vast numbers of people by a so-called caring Government.

We are here today in the year of grace, 1993. After three decades of PNM incompetence, mismanagement, corruption and discrimination; after three decades of the most flagrant misuse of our resources by a regime of unbelievable profligacy, today they say they are coming to provide relief to thousands of our citizens. Where are we today; having had decades of governmental leadership without vision, integrity, or concern; putting self interest before all else, and advancing the partisan cause at the expense of the national good? We have a leadership that has sacrificed national progress and development for narrow, electoral advantage. This is where we are today in debating the consequences of structural adjustment in Trinidad and Tobago.

The Minister of Finance is right. We are not going forward; we are, in fact, regressing, going backward. He has said so just recently, September 15. "It was not so bad five years ago." We seem to be going backward instead of forward, Mottley said. Backward instead of forward. The choice of words, perhaps, ought to be amended—not "we seem to be", for we are actually regressing. We are regressing ineluctably into a veritable waste land—a waste land of grim despair for over half the population of this country—of grim despair and unrelenting penury. That is where we are regressing to; that is what we see as we review the Government's performance and policies in 1993 in the wake of structural adjustment.

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We are talking about waste land, and I am reminded of the poem by T.S. Eliot, *The Waste Land*. Permit me to quote one verse from that. In my view it describes what we have been reduced to in Trinidad and Tobago metaphorically. It says—

"A heap of broken images, ..."

Our lives

"where the sun beats,

And the dead tree gives no shelter,..."

The "dead tree" of Government gives no shelter.

"...the cricket no relief,

And the dry stone no sound of water."

This is the waste land of Trinidad and Tobago of which I speak, Madam Speaker, a waste land presided over by a regime whose legacy today is destitution compounded by destitution.

How have we come to this pass that today we are focussing such unprecedented attention on measures to bring relief to benefit a few in the short term? That is all it is. After the whirlwind of structural adjustment and liberalization, we are offering token sympathy to the casualties, those citizens devastated and disabled by the harsh, insensitive and uncaring pursuit of the received dogma of the virtues of unbridled market forces. That is what we really are discussing today. That is where we have reached.

What is of some concern to us is whether the Government is not locking us into a permanent state of temporary relief, applying palliatives to symptoms, while ignoring the disease itself. We are told that this disease from which the economy and society suffer, structural adjustment, will cure in its own time; that is why these measures must be presented to this Parliament. But that relief, that cure, is going to come in the dim, distant future. On the other side we have the proponents of structural adjustment, the propagandists, who are telling this country: "Wait, relief is at hand; the new kingdom is at hand, just wait." For the majority of people it appears that this kingdom is going to be, not a kingdom of relief, but one of despair and further penury.

**2.10 p.m.**

What is the extent of the problem we are faced with today, for which relief is being provided, or purportedly being provided, by the measures which we face?

We have to put the matter in context to understand the problems, and to understand what these limited measures are designed to achieve and for whom. As I say, he ignores the wood for the trees. You have these vast numbers, hundreds of thousands, being made to join the poverty line, and they come with a measure to increase the old age pension by 30 cents per day. This is the vision of this PNM Government to bring relief to our long-suffering people.

I want to take up the story, so to speak, of 1990, and to let you know what kind of relief people really need in this country; not a temporary relief; not a palliative, but how to use the resources of this country productively and get people participating in the economy; not these handouts and these temporary measures that have to do with trying to offer a sop to our suffering people.

The extent of poverty in this land for which relief ought to be provided is amazing. I want to read to you a report in the *Sunday Express* of October 28, 1990, a study done by Dr. Ralph Henry of the University of the West Indies, which noted in 1990 that 22 per cent of our population lived below the poverty line. It went on to explain what this poverty line is. I will read it to you:

"He drew the poverty line after calculating the cheapest sources of food, clothing and rent, and the cost of utilities. He allowed the absolute minimum: one change of clothing a year, one roll of toilet paper a week and one small tube of toothpaste a month for a family of four.

Henry thus estimated that a single person would need \$288.47 a month; a family of three, \$822.76; and a family of five \$1,303. People earning less than this were considered to be living below the poverty line."

So you understand the despair of our citizens. Today, in 1993, poverty has escalated from what it was in 1990, possibly doubled, because of these structural adjustment policies we have pursued with a vengeance in the last two years; and they come here, oblivious to the suffering and the hardships of, perhaps, 25 to 30 per cent of our population—this caring Government—

"Poverty levels today approach '72-'73 levels before the dramatic rise in oil prices. This means the oil boom failed to solve the problem of persistent poverty."

Why? The oil boom failed to solve it; will structural adjustment solve it in 1993? That is the question this country must ask. And an oil boom presided over by whom?

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The report further goes on to say—I want to emphasize the extent of the problem with which we are confronted—and they bring these little piddling measures here and talk about they are providing relief and they are caring. It shows the hypocrites that they are, particularly that Member for San Fernando East, but I will have to deal with him at length later. The article goes on:

" It was common to find eight or more people living in one-bedroom and two-bedroom houses and sleeping on crocus bags or on slabs of foam on the floor. Their usual diet was flour pap with a little sugar, bake and bush tea. The children often missed school because sometimes not even a diet so wretched was available, or because they had no shoes and school books.

Poverty was at once the cause and result of their problems, which included malnutrition, family breakdown, domestic violence, child abuse and neglect and illiteracy.

In many cases, people seem numb to these conditions, as if they'd been beaten so often and so long, they no longer felt the blows."

They were beaten so often and so long by these continuous policies of structural adjustment—

"What is called complacency or laziness is often a sense of powerlessness that overtakes the poor.

Self-reliance was not encouraged during the oil boom. Agriculture and manufacturing were neglected, and we imported what we needed."

And they are now trying to find out what the problem was.

"The PNM was considered a government of largesse, of subsidies and an extensive welfare system called DEWD."

Now this is not the Opposition writing this. This is an independent member of the journalistic profession who is making these comments on the performance of this Government. What we have today is a critical problem. Agriculture and manufacturing were neglected during the oil boom years and Government investment, in some cases, resulted in wasted resources.

I have given an indication of the extent of the problem. The solution has to be, not only a reorganization of our resources bringing into the mainstream of economic activity the thousands and thousands of people who have been thrown out, but empowering them, so that they may control and change their own destiny. In the light of this, what do we have from this present Government? Thirty cents

increase per day in old age pension. That is their solution to the impoverishment of so large a sector of our society.

I thought that I would, first of all, put this matter in some sort of context and on the basis of the destitution in the country and the need for relief, temporary as it may be, while looking at the problem in the larger context of how we bring relief to the people and not have them in a state of permanent dependency on temporary relief. That is the issue you have to address. They are telling us to wait five and six years and then the matter will deal with itself; that structural adjustment will cure everything.

The fundamental question is: For whom does this so-called caring Government care? The propaganda we have had day in and day out on the television and otherwise: "We are going down the road together." This is an invitation to go down the road together, presumably to hell. He wants company in hell. This is where we have reached. Today we have to address the pain and suffering of so many people in our country.

We have had a lot of debate as to the correctness of these policies which are being pursued which have caused the problems that we are facing today, and whose policies are being pursued. When one looks at what the Government is doing today, and what the World Bank experts have to say and what they have prescribed, one sees a closeness of fit between what they are doing today and what the World Bank has prescribed.

So the first thing I want to tell this House is that contrary to what the Government may say, they are the slavish implementers of the policies of the multilateral lending agencies. Slavishly, unabashedly, the structural adjustment wagon rolls; the casualties of this will be dealt with by giving poor people 30 cents more per day—PNM caring.

### **2.20 p.m.**

Madam Speaker, let me read to you from the *Express* of July 18, 1992. It says very clearly:

"Trinidad and Tobago is now implementing World Bank conditionalities to draw down on the second US \$40 million tranche of a structural adjustment loan.

The wide ranging World Bank document, described as highly confidential, called for the divestment of all state enterprises by the end of 1994 and for the elimination of all subsidies."

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Do you understand why they are in a hurry to sell everything lock, stock and barrel? Because they have a deadline to meet according to the World Bank prescription. Do you understand why they are determined to remove all subsidies regardless of the effects on these very poor people whom they profess to care about?. I continue:

"Government's removal of the air bridge subsidy two weeks ago resulted in a 60 per cent increase in return airfare to Tobago.

Other subsidies still in place include those to keep down prices for rice..."

That is due to go, if what we have been reading in the press is correct.

"...Flour, ..."

That is due to go.

"sugar, gasoline..."

That has already been amended so that we have had a 15 per cent increase in gasoline prices over the last few months.

"...Water and Sewerage,..."

My Friend the Member for Laventille West may have something more to tell us on that—the removal of subsidies to the Water and Sewerage Authority and the consequences for the people of Trinidad and Tobago.

"The World Bank's consultants also pointed to a divestment plan for the Water and Sewerage Authority (WASA) and the Trinidad and Tobago Electricity Commission (T&TEC)."

You can read in today's newspapers what Julien is saying. What is he called? The master salesman of PNM profligacy and corruption. He is saying we have to divest WASA and T&TEC. We are already asking for bids in America. It is all in the newspapers. This is what the World Bank has prescribed and this is what my good Friends on the other side are pursuing without regard to the consequences for our people.

"...the documents suggested that the Government 'fully or partially divest Fertrin...'"

That is coming. Methanol and Urea gone, and—

"in the next three years, possibly retaining a minority interest of between five and 10 per cent."

The report advises that:

"Government speed up the sale of the entire Hydrocarbon sector—Trintoc, Trintopex and National Gas Company.

"Government envisages that the divestiture programme for E&P (exploration and production), refining and petrochemical complexes will be completed by December 31, 1994. "

Do you understand the haste with which they went to Texaco to ask them to return to Trinidad and Tobago and to re-invest and to take over significant aspects of the petroleum sector? It is all there. But they are in charge. I will come to that a little later.

"Up to 60 per cent of each oil company is to be sold.

The role of the NGC should also be changed, the document urged "and its *de facto* monopoly deregulated by 1992 to 1993."

In other words, the National Gas Company will be subjected to competition and our resources of natural gas, which is the next item on which they are banking to bring a turnaround in Trinidad and Tobago, is now to be put into the hands of private foreign investors. This is where it has all come from. So that what we need—and perhaps if I have the time I would talk about it—is a new paradigm of development; not the ones which Government has pursued in the past and which have failed—and they are now onto a new thing, that is, a direct hot line on structural adjustment from Washington.

It requires a new paradigm if we are to save this country, and a development which takes due cognizance of the realities of the outside world—nobody is saying we should ignore that—but at the same time is conscious of our own internal potential possibilities and constraints as a small underdeveloped country. So that we need a strategy of development to address our own situation that we face in Trinidad and Tobago.

If we do that we would so re-organize the economy and the society that the need for relief measures would be minimal. That is where the debate should be joined; that is at the heart of the issue. Not to discuss these little specifics of this relief measure and the other little relief measure. It is how to so organize ourselves that indeed we have minimum need for the kind of relief that is offered to this House today for our approval.

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I do not know if it was a lapse on the part of the Prime Minister in his Independence Day message. He did allude to the fact where the promptings and where the dictations came from. In his speech on Independence Day, this is what he said:

"The international 'watch dogs' are ever present to compel us to balance our budgets and to spend the little which we have in ways that are acceptable to THEM. Never before has governance in the region been played out in the presence of more hostile audiences and against more impeccable opponents."

It is an attitude of surrender to these "hostile audiences and impeccable opponents."

When you read the other statement it states:

"In our current environment of externally stimulated despondency..."

Here is a man, leader of a government talking about current environment of 'externally stimulated despondency'. How can we expect leadership from such a person and such a Government. They have abdicated their responsibility. They are bankrupt of any new vision and of any new ideas as to how to lead this society again into progress and development. This was written before he visited Washington. What amazes me is that for some reason there is a glorification of poverty. We know that out of conditions of poverty there is creativity. But when you read what he says further on—and this is an Independence Day message:

"There is no doubt that great 'social pathologies' exist. For many, life is hard. For many, life has always been hard."

This is said by a Minister of 20-odd years standing in the government of a party which has been there for 32 years, glorifying poverty—"For many, life has always been hard"—as if they have no responsibility in alleviating the hardships of people of Trinidad and Tobago.

"And yet, as our OWN history has shown, poverty led some of us who had no instrument upon which we could make music to invent one."

So there is this connection between pain and poverty. Therefore, if you want to be creative, apparently, according to this logic, the poorer you are the more creative you will be. This is the logic of the Member for San Fernando East.

And while he talks about the international watch-dogs being ever present to compel us to balance our budget and to do all the things that they are doing willy-nilly today, he says in another paragraph:

"In this country we, the people of Trinidad and Tobago, are in charge together."

We are in charge, but we are only being compelled by the international lending agencies. The contradiction of the man! Some people perhaps think that he might be going off a bit because he does not seem to understand the contradictions in his own speech. I think it is causing some measure of concern to Members of his own Cabinet. I understand he speaks to God on an hourly basis and takes instructions as to what he ought to do—what policies and decisions he has to take—and confounded by this position that he has undertaken after having spoken to God, and after having made his decision, there can be no querying of that decision any more. The Member for San Fernando East has spoken and he has it straight from on High.

**2.30 p.m.**

**Mr. Manning:** Are you a Member of the Cabinet?

**Mr. T. Sudama:** No, but I get reports.

**Mr. Manning:** Perhaps you would like to tell us how long you lasted in any Cabinet.

**Mr. T. Sudama:** No, but I get reports. We would leave it at that.

Apart from identifying the glorious contradictions of the Member for San Fernando East in his public statement, let us go and look at the statement he made when he announced that these measures would be brought.

This is a statement which was carried in the *Trinidad Guardian* dated May 9, 1993, when the Prime Minister addressed the nation. He said:

"In the medium and long term this policy..."

That is the policy of structural adjustment, the policy of liberalization and the liberalization of the exchange rate and the devaluation of the Trinidad and Tobago dollar. He was speaking about that specifically.

"In the medium and long term this policy will have beneficial effects on the national economy and indeed the entire national community."

We are not told what is medium and long term. That is a secret of the Government.

"The major objective is to create a climate conducive to investment,..."

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We ought to ask ourselves whether a climate conducive to investment is being created in Trinidad and Tobago. The only investment we seem to be getting is that of giving concessionary terms for people to come and explore gas here. NUCOR is giving gas and the services of other infrastructure utilities at a lower than market cost.

It amazes me that the proponent of market and the free market, when it comes to the international investor, the market price does not operate any more, so gas has to be given to them below market price as well as rates for electricity and water. Where is the market regulator when it comes to dealing with the multinational companies?

"Resulting from this will be an upsurge in economic activity which will have the effect of generating employment opportunities which we so sorely need."

That was the rationale behind liberalization of the dollar.

"Additionally, it is anticipated that there will be a repatriation of substantial amounts of capital which left the country over the last decade or so."

This statement is amazing for what it contains. First of all, it contains rather empty promises, undiluted propaganda and blatant contradictions. The promise of the millennium in the long term is a totally empty promise. In what time frame would this millennium be achieved under the PNM? The Member for San Fernando East continued:

"My fellow citizens, we live in difficult economic circumstances which your government regards not as a temporary one."

One paragraph later he says:

"In recognition of the short term difficulties,..."

In one breath it is not a temporary economic difficulty that we face, but in the other he says that in recognition of the short term difficulties, the Government, precisely because it cares, would take certain measures, and that this is what is before us.

I do not know whom he thinks he is fooling. He says again:

"We have had to take some difficult but absolutely necessary decisions. They have all been taken in the long term national interest."

Are the IMF and the World Bank interested in his long term national interest? Are these decisions taken voluntarily or on dictation? Which one? It cannot be either, or; it has to be one or the other. It cannot be both. Why is he bent on misleading or fooling the population of Trinidad and Tobago? He is oblivious to the contradictions in his own statement as to the need for reform and the time frame in which we might see some benefit.

There is talk about repatriation of capital. When the Trinidad and Tobago dollar was devalued, the people who had US dollars had taken theirs out of the country; capital would return. In fact, if you believe the hon. Minister of Finance, millions and millions of dollars are already flowing into the banks. Capital flight is on its return to Trinidad and Tobago.

Now it amazes me that if capital is on its return and the inflow of US dollars is so phenomenal, how is it that the US/TT dollar rate has depreciated as regards the TT currency? While it was fixed at \$5.76 in April, last week it shot up to \$5.83.

He does not understand the market. I understand that if there is an excessive supply of an item then the price would drop. Therefore, in those circumstances the TT dollar ought to appreciate against the US dollar because we have excessive inflows of US dollars. Apparently this is a special market, the workings of which are known only to the hon. Member for St. Ann's East and the hon. Member for San Fernando East. Nobody else seems to know the peculiarities of this market where an excessive supply causes the price to rise.

I wanted to put a name to that kind of economy, but I could not define it. "Manningnomics" would not sound too good.

**Mr. Manning:** I wonder if the hon. Member would give way. I really do not wish to intervene in the contribution of the hon. Member, but I do not think I could sit and allow that remark to pass. The hon. Member is making what is considered to be a significant point, completely oblivious to the realities of the international oil price and its contribution to the foreign exchange position of Trinidad and Tobago.

**Mr. T. Sudama:** I am talking about the point of repatriation of capital. We are told that hundreds of millions of dollars have been repatriated to Trinidad and Tobago, but at the same time that this repatriation is taking place the TT dollar is depreciating *vis-a-vis* the US dollar. That is the point I am trying to make. It has been happening over a number of months. It is not a phenomenon happening only today.

**Mr. Manning:** Madam Speaker, do you understand the point I am making? It has not happened over a number of months. It happened last week.

**Mr. T. Sudama:** It happened only last week. Perhaps, you should make another address to the nation telling them why it happened last week.

Then we are told—the naivety is amazing, because they have reduced customs duties. He said:

"...an integral part of the trade reform measures which we are currently implementing is a comprehensive reduction in duties and tariffs over the next five years. This will have an extremely favourable effect on the price of goods for you the consumers."

This is his understanding of how the market operates.

"An item which was imported for \$100 in 1993 would have sold for \$190 this year. In 1994 it will sell for \$160."

How does he know that it would be sold at \$160? How does he know on what basis suppliers and retailers deal on the question of supply and demand of a commodity? He is telling us that whatever decrease in import prices is allowed would be automatically passed on to the consumer—in a situation where we do not know what market forces are operable at that particular point.

"In 1994 it will sell for \$160, \$130 in 1995, \$125 in 1997 and \$120 in 1998."

So the same goods that you are paying \$190 for now will be sold for \$120 in 1998.

**2.40 p.m.**

**Mr. Bereaux:** Madam Speaker, on a point of order. We are at this time, as I understand it, dealing with a Bill to amend the Income Tax Act and Stamp Duty Act, yet the Member has been rambling and dealing with a totally irrelevant matter. Whether you like it or not, I have raised the point.

**Mr. T. Sudama:** Have you read the Explanatory Note of this Bill? It says here:

"This Bill seeks to implement the measures contained in a Statement to the Nation by the Honourable the Prime Minister on May 6, 1993 to alleviate the hardships experienced as a result of the floating of the Trinidad and Tobago dollar."

I do not know if you can read. Can you read? If you can read, have a look at this again. It seems that you are a little deficient in that department.

We come to the question of decrease in prices. In this same statement, the Prime Minister said that prices have decreased in Trinidad and Tobago for the first three months of 1993. Let me tell you what has happened to prices under this PNM regime; under this so-called caring Government.

At the end of December, 1991, when this administration came into office, the food index of the General Index of Prices was at 338.3 points. At the end of 1992, it had jumped to 380.9. In other words, in the space of one year, under a caring Government, prices increased by 42.6 points, or 13 per cent; and that is for food.

Transportation at the end of December, 1991, was at 219.8 points; at the end of December, 1992, 244.9—a jump of 25.1 points or 12 per cent. Education—219.4 to 229, a jump of 9.6 points or 5 per cent. Medical goods and services in December, 1991, 175.4 to 184.7, a jump of 9.5 points or 6 per cent. Those increases have continued into the new year. Where did he get his information that prices of items are falling? I do not know, because it does not show up in the Index of Retail Prices.

**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.*

**Mr. T. Sudama:** Madam Speaker, this is one of the inaccuracies I am pointing out. This seems to me to be sheer propaganda; trying to sell this policy of liberalization of the Trinidad and Tobago currency as part of the wider programme of structural adjustment.

We are told that as part of the Unemployment Relief Programme, the provisions for unemployment relief have been increased. The only question I want to ask is: Unemployment relief for whom? Are there poverty, unemployment and destitution throughout Trinidad and Tobago, or, are these conditions experienced only in certain parts of the country?

My constituents tell me that when they go to the URP office in Fyzabad, they are asked to show their PNM party card to get a "10-days" in the Unemployment Relief Programme. There is one project in my constituency, which is on the main road, and it is a scandal. It is commented on by all and sundry, "Look who they employ!" Fourteen people employed! You see where the people come from? None of the people come from in or around the constituency of Oropouche. Scheme all over! This is the discrimination that I speak of.

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If you are talking about alleviating poverty, to whom are you addressing this? Are you doing this in order to increase your vote bank? Every "10-days" job under the URP increases your vote bank for the next election. This is what I meant, Madam Speaker, by "sacrificing nation building on the altar of partisan advantage." So we have URP relief because of their policy of structural adjustment. They have increased the numbers of the unemployed; therefore they need to provide some temporary relief for them. Relief for whom, is the question.

We come to the measure where people with chargeable incomes of \$16,000 and under will be subject to no taxation. A new credit will be put in place—I have no problem—as a short-term measure for some people to get some relief from taxation. The question, however, is that people with chargeable incomes of \$16,000 and under pay very little tax in the first place. Whatever relief is provided, in my view, is welcome. They pay precious little in taxation. We are not being told how much taxation is involved; how much tax will be forgone; how many people will be affected by this measure.

I want to make it absolutely clear that the question of forgoing taxes is one of distributive justice. In other words, you are taking from the provisions in the budget and giving benefits to some at the expense of a budgeted allocation and that is a matter of redistribution—a matter of distributive justice.

However, when it comes to giving people who are similarly affected in other circumstances—I shall say a few words later about relief for the devastated farmers of the Oropouche Lagoon; we are still on the basis of relief—their problem has not been caused by structural adjustment, or partially caused by structural adjustment, but by an unusual amount of rainfall, as well as the inability of the Works and Transport Division to do its work, and deal with its negligence.

For those in the Oropouche Lagoon, there is no compensation or relief whatever. They are not citizens; they belong to a certain ethnic group. Presumably, they do not support the Government, so that there is nothing for them. So, the question of distributive justice does not apply to them. They are outside the pale of the PNM's purpose and perspective. That is the Government that sits there today and talks about being a national Government of Trinidad and Tobago; that is the so-called Government. The Prime Minister did not have the courtesy to respond to letters to him dealing with the disaster situation.

As we are on that point, I want to make a case for people who are receiving old age pensions. We have this measly sum of \$9.15 per month, 30 cents per day being afforded to them and being made to them. What has happened is that an

income qualification ceiling is in place whereby, if a person is in receipt of \$5,000 or more per month from other sources of income, he or she does not qualify for old age pension. We feel that that ceiling is too low.

**2.50 p.m.**

If you are going to give relief to people earning \$15,000—and their gross income could be well in excess of \$15,000 per year, but their chargeable income is \$16,000—recognizing that there is great hardship being experienced, I want to ask this Government to move that qualifying income ceiling for old age pensioners from \$5,000 to \$12,000 per year. We are proposing that. There is a great deal of logic in that because the current rate of old age pension received, including the proposed increases, will be \$356.00 per month. You have the \$286.00 cash, you have the food component element of \$61.00 being increased to \$70.00. Under the proposed system, each old age pensioner will get \$356.00 per month. For the year that comes up to \$4,272.00.

We are saying that if you have other sources of income, including \$12,000 per month, you should still be entitled to your old age pension, which added to the \$4,000 will give you \$16,272.00 per year as a gross income. We feel that is fair, bearing in mind that our old age pensioners face unrelenting hardship to try to make ends meet. Not very many people are at the upper end of the scale, that is, earning \$12,000 or thereabouts. Most of them will be earning, perhaps, an income of \$5,000, \$6,000 or \$7,000 per year.

We feel that this relief, measure will cost Government much, but if you are sincere about providing relief then you should look at the whole spectrum of hardship being faced and provide relief accordingly. Money is available for many things in Trinidad and Tobago—to subsidize housing, for Chaguaramas, to travel abroad. We are asking that some money be set aside for the relief of old age pensioners who cross that income qualification ceiling of \$5,000 per year.

Madam Speaker, I have already dealt with the whole question of how long these economic difficulties are likely to persist. Prices will come down, but not now, in 1995! So a promise is being waived: hold on till 1995! Hold on until we get a little more money to splurge and then you will forget that prices will rise in 1995 or 1996. Spurious promises, empty promises. The Government is so desperate to tell the people something that it is telling them things that it knows are not true and possible.

On the question of the home mortgage loan I have a simple question to ask: Is the removal of stamp duty designed to stimulate the construction industry? What

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is the category of persons being addressed with respect to the Home Mortgage Bank? How many are involved? Where do their income scales really lie? Are they the people in desperate need of relief? Another question: How much stimulation will be provided to the construction sector? I should have thought that the same kind of information would have been supplied with respect to those people who can access their pension funds in order to purchase or make downpayments on the acquisition of a first house. How many are involved or are likely to be involved? What category of persons, in what income bracket, and how and to what extent is this likely to stimulate the construction sector?

The feeling is that these reliefs are so minuscule that they make no significant difference to the construction industry or provide relief to those who want to own their own houses. But we do not have the statistics and I had hoped that the Minister of Finance would have been generous enough to provide us with those so that we would have an idea of the context in which we are operating, or the target group that is being addressed and the likely effects on the regeneration of the economy.

In the few minutes left I want to raise one or two questions on the oil sector, on which the Government has pinned all its hopes for the stabilization and growth of the economy. To what extent is this likely to succeed? Here we are being told in the *Express* of September 10, 1993 that:

"Texaco have turned down an invitation by the Government to get back into oil refinery in this country."

So on the one hand the propaganda is, we are devaluing the Trinidad and Tobago currency to attract foreign investment, but on the other, one oil company has turned down any prospect of investment in the oil refinery sector. *[Interruption]* Where are you going to get the investment and what are you going to do with the oil refinery sector? I am coming to that. Hold on!

The *Express* goes on:

"US-owned multinational had agreed to the Government's request to look at the country's refinery's situation, but did not find the prospect a marketable one."

"Point Fortin refinery was basically a hydrocarbon skimming operation that did not produce the high-end products now in demand in the US."

My information is that the Point Fortin refinery has closed down. The service people are working there but nothing is being produced there. What will be the

impact on the accounts of Petrotrin is a question we must address. The gentleman's name is Bijur.

"Bijur said it was clear that there was already excess refining capacity in the world and Texaco did not require any additional refining capacity in the Western Hemisphere."

And I imagine what applies to Texaco would apply as well to all the major oil companies in the United States.

"Bijur said Texaco did not plan to expand its current Trinidad and Tobago operations beyond the natural gas joint venture signed yesterday with the Government and British Gas."

So that limited measure of investment in a specific industry is all that you are going to get from Texaco.

What is happening at Pointe-a-Pierre at the moment? Two crude refining units which were upgraded with money borrowed from the IDB are not operational. Where are you going to get the returns to repay this heavy loan of \$1.5 billion? Two of your units are non-functional; you cannot get anybody to come and invest in the refining process; you are in a state of desperation, but you are telling the country that when you devalue the money there will be much investment. There will be some investment. There will be some investment in natural gas.

**Mr. Manning:** Madam Speaker, if only for the record just let me point out that no crude processing unit at Pointe-a-Pierre was upgraded with IADB funds.

**Mr. T. Sudama:** Nothing was upgraded at Pointe-a-Pierre?

**Mr. Manning:** Yes, but not crude processing.

**Mr. T. Sudama:** Madam Speaker, we will get into that on another occasion; my time is running out. Here is what we have! They are pinning their hopes on a false premise, natural gas! The development of natural gas will be the new saviour of the economy of Trinidad and Tobago. I quote from a report in the *Guardian*:

"A US \$300 million natural gas exploration project off Trinidad East coast is scheduled to begin soon, the initial phase costing approximately, US \$160 million."

That will be in the initial phase. Do you know how many jobs it will create? Fifty to 100 jobs directly. But their devaluation of our dollar was supposed to generate

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employment, by increasing investment, both foreign and domestic. So you are spending US\$300 million to create between 50 and 100 jobs; you are banking on that to turn around the economy.

**3.00 p.m.**

You see this illusion that this Member for San Fernando East is creating and perpetuating on the long-suffering population of Trinidad and Tobago? The Government does not have a clue; it has done what it has done in the past, tried to befuddle this population, banking on heavy capital-intensive industry—a lot of which has come to nought—banking on the oil sector, which is in a precarious condition, now on natural gas. And then my good Friend the Minister of Finance says, elatedly—and I do not know when he learnt this, when this dawned on him: "Although Government was not neglecting the oil sector, we have no choice but to turn to other resources such as agriculture and tourism. We have to get the manufacturing sector going again."

This is a government of a party that has been in power for 32 years. It has suddenly discovered there is an agricultural sector, there is a tourism sector and it has to get manufacturing going again. Was the hon. Minister also getting visions as the Prime Minister? Was he speaking directly to God at certain times of the day and this is when he got this information that there are an agricultural sector, a tourism sector and a manufacturing sector?

When I talk about the bankruptcy of vision, the bankruptcy of ideas, inability to understand from one's own failures and experiences, bringing back Prof. Julien now as the rehabilitative Tsar for all of Point Lisas—he is also a Tsar of other things, you know, ask Lenny Saith if you do not know. You have brought him back, you have rehabilitated him and you are on this propaganda to the population that the turnaround in Trinidad and Tobago is at hand, just hold your horses, wait a minute, keep patience, have fortitude and the kingdom of Manning is at hand.

I want to read to you how the Member for San Fernando East has been on this programme of attempting to fool this population. In November of 1991 he had it all put down in a plan. Hear what he said:

"The PNM has done detailed work and is now in a position to say to the national community that the moment we are elected to office we will be in a position immediately to put into place the strategies developed for economic recovery and the creation of jobs on a scale that would make a significant impact upon the high unemployment rate. We are ready."

November 4, 1991. We are all ready. Where has this plan gone? Where is the recovery? Where is the serious dent in the unemployment rate that we now face? In fact, unemployment is galloping because you are having retrenchment. Government wants to reduce the numbers employed in the utilities, in the state enterprises, everywhere. The private sector is retrenching, it is down-sizing, it is slimming in order to make profits in very difficult times. Where is the plan for increasing employment? Is it DEWD? Is that their great creation, the change of name from DEWD to URP and therefore there is this grand design to create employment in Trinidad and Tobago? The strategy is already in place?

You see, what I am talking about, this illusion being perpetrated, the attempt to befuddle and hoodwink the long-suffering population of Trinidad and Tobago? If the Government had done this there would be no need for relief. If it was able to get its plan implemented for employment generation, then the need for relief would have been severely minimized. But here today it is coming with programmes for more and more relief in recognition of the fact that poverty and destitution in this land of Trinidad and Tobago has escalated.

In the *Express* of 22nd July, 1993, the Prime Minister says on the other hand:

"T&T's resources—a sleeping giant." I tell you, if the hon. Prime Minister has anything to do with those resources they would become atrophied, they would not only be sleeping.

"PM Patrick Manning on Tuesday described Trinidad and Tobago as 'a sleeping giant in its natural resources and the talents of the people'."

After 32 long years, 22 of which he was a Minister of government, he comes here to talk about a sleeping giant. How long did he know that there was a sleeping giant in the natural resources and the talents of the people of Trinidad and Tobago? And if so, what has he done about awakening this sleeping giant? Because the hon. Minister along with his Government, does not have a clue as to what to do about recovery, what to do about improving the economic situation of Trinidad and Tobago or alleviating the lot of the poor and the destitute and bringing them into the mainstream of economic activity. They do not have a clue now and they will never have a clue, because those who do not learn from the mistakes of history are bound to repeat them. That is the tragedy of the PNM Government.

Thank you, Madam Speaker.

**The Minister of Works and Transport (Hon. Colm Imbert):** Madam Speaker, I enter this debate to give my wholehearted support to the measures proposed by the hon. Minister of Finance. Let me return the debate to sanity and to the issues at hand.

The Bill before us deals with certain specific matters, most of which arise out of an Address to the Nation by the hon. Prime Minister and also out of certain issues and certain proposals in the People's National Movement's general election manifesto of 1991, a document of which I am extremely proud.

Let me deal specifically with the matters at hand. In particular, the Bill seeks to amend the Old Age Pensions Act by increasing the monthly food subsidy component by some 15 per cent. As the hon. Prime Minister said at the Annual Conference of the Women's League yesterday, not a tremendous amount of money, but a step in the right direction. Certainly I expect the Minister of Consumer Affairs and Social Services to elaborate on this point so I would not go into many details on that.

I was particularly interested, however, in clauses 5 and 6 of the Bill which the Member for Oropouche studiously avoided, and which deal with the proposed amendment to permit access to pension funds or deferred annuities for the purchase of a first house. I will refer the Member to this beautiful document, the People's National Movement Manifesto, page 8, where we outlined our economic vision, our economic policy, our basic strategy in particular. I am reading from the document:

"Insurance companies and pension funds will be allowed to invest a percentage of their statutory funds in economic activities approved by Government for developmental purposes. Specifically we will amend pension legislation to assist first-time homeowners in the purchase of their homes.

Promise kept.

### **3.10 p.m.**

Madam Speaker, during the period 1986—1991 we witnessed in this country a housing programme which had, as its thrust, the construction of no houses; and over that period, as we have said before, not a single house was constructed by the ministry responsible for housing. Strange policy! We in the PNM do not subscribe to this policy. We believe that a Ministry of Housing should get involved in the construction of houses. So, through a number of fiscal measures—

**Mr. Sudama:** Making of deals.

**Hon. C. Imbert:**—such as the measures announced in the 1993 Budget, residential properties built between January 1993 and December 1994 where the income on profits or sale of such properties would be exempt from tax.

We have seen, within the last eight months or so a tremendous stimulation of that sector of the construction industry. In Port of Spain, for example, two of the largest banks in the country are at present engaged in the construction of new head office buildings which involve investment of over \$50 million—both combined—a direct result of the policies implemented by this Government as announced by the Minister of Finance.

The growth continues in this sector. More and more investors and contractors are taking advantage of this incentive to get involved in the construction of residential and commercial properties and thereby stimulate growth in the construction industry. I will deal with that in due course. *[Interruption]* The Minister of Health has reminded me of the construction of Courts Megastore on the highway which, again, is an indication of growth in the economy.

If there was no confidence in the policies of this Government, this type of investment which we are seeing on a daily basis would not have occurred. So that puts the lie to the never-ending litany of woes that we hear, particularly, from the Member for Oropouche.

A few days ago I was reflecting on the three governments that this country has had, two PNM governments and another government. And we know what happened during the period 1986 to 1991. I am quite confident that the population, having learnt its lesson, will not repeat it. Every so often, I am reminded of the impact that the People's National Movement has had on this country and the inevitability of politics in this country.

I saw on the front page of one of our daily newspapers recently a certain political leader—the second leader of that party in less than two years, maybe there will be a third, who knows—in the "University of Woodford Square." It was the "Father of the Nation", the founder of the People's National Movement, Dr. Eric Williams, who established the "University of Woodford Square." What never seems to amaze me is the bankruptcy of ideas of the Members on the other side. Imagine another party having the temerity, the audacity, to attempt to emulate Dr. Eric Williams by going to the "University of Woodford Square." I do not know what this country is coming to!

**Mr. Palackdharrysingh:** Is that in the Finance Bill?

**Hon. C. Imbert:** There are certain "entry qualifications" to the "University of Woodford Square" and I must check to see if that individual has fulfilled those requirements. But, it is said that the sincerest form of flattery is imitation. I have no problem with that, but it just reminds me of the impact the PNM has had on this country.

Let me return to the amendments in clauses 5 and 6 of the Bill, which will allow first-time house-owners to access their pension fund. As the Minister of Finance has pointed out, many first-time house owners have difficulty in raising the initial lump sum payment which lending institutions require before a mortgage can be obtained. Through this Bill the Government is seeking to allow persons who are contributors to a pension scheme to use some of the long-term savings, up to a maximum of \$30,000, as a downpayment on the purchase of a house.

What has escaped the Member on the other side is the tremendous effect the stimulation of the construction sector has on the economy as a whole. The construction sector is the largest employer and it is an indicator of growth in most economies. For every job created directly in construction activity, up to five complementary jobs are created in the ancillary manufacturing sectors and service sectors which serve the direct construction industry. So that it has long been the policy of this Government to use the construction sector as a vehicle, an impetus, a catalyst, to stimulate the resurgence of growth and increase employment levels in this economy.

One would have seen that the economy was overheated in 1991 under the stewardship of the hon. Member for Tobago East, where nearly \$200 million was pumped into the economy simply in the LID Programme.

The growth measured in domestic product in the construction sector in 1991, with the electioneering and the profligacy, the election spending of the Member for Tobago East, was controlled and directed purposely by this Government. So even though we had come out of an election, the reserves of the Government were at an all-time low; the foreign debt had doubled in five years; there were a number of commitments that the Government had to honour—a number of very heavy liabilities that the former administration put us into—we were able to sustain the level of output in construction in 1992 and actually achieve some two per cent growth in 1992. This is without the injection of windfall profits from Saddam Hussein; this is without tremendous borrowing; without drawing down on the Central Bank reserves, and so forth. We did it with prudent fiscal management. It is through measures such as this, such as the provision to allow first-time house

owners to access their pension fund; the fiscal incentives for people to invest in the construction of residential and commercial properties within the two-year period. This is the Government on its course, continuing purposefully and steadily.

**Mr. Palackdharrysingh:** Down the road?

**Hon. C. Imbert:** One of the difficulties we had in 1992 and 1993 was to stabilize the economy which, as I have said, was left in an awful state by the former administration—runaway spending; runaway borrowing, with borrowing of short-term funds from the IMF that had to be repaid in three years, the repayments coming due, funnily enough, in 1992/1993; with the rescheduling of debt, all of which had to come in 1992/1993.

As I said before, it was clear that the former administration had no intention of being in government during the period 1991—1996, absolutely no intention, because all the debt is bunched and rescheduled to land smack in the 1992—1994 period, making it very difficult for the administration following. They had absolutely no intention of returning to power. They left it for us.

**3.20 p.m.**

That was what the country experienced with another political party. As I said, when I come to this House I often wonder what Trinidad and Tobago would be like under another administration. We have seen the administration of the Member for Tobago East. They brought this country to the brink of poverty. We have seen that. But when you hear the other side, the majority Opposition, all you get is criticism, negativism, no constructive proposals, the same speech over and over, particularly from the Member for Oropouche. I could recite his speech for him. "After 32 years of PNM Government, they have brought this country to bankruptcy and they have no ideas." He should turn on a tape recorder. He should not even bother to come.

I wonder what this country would be like under another administration. The problem is, underneath all the ole talk, the Members on the other side are fully aware that the measures they propose make no sense. They know that. They talk about the measures this Government is taking to stabilize the state enterprises, to rationalize transfers and subsidies to various sectors, and they give the impression that if they were in government it would be milk and honey; that transfers and subsidies would just flow—hundreds of millions of dollars. But this is not reality.

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I have in front of me a statement showing Revenue, Expenditure and Deficit Financing for the period 1981—1992 for the Port Authority, and I would like to hear the Member for Oropouche tell me how he is going to deal with this problem.

YEAR	REVENUE	EXPENDITURE	DEFICIT
1981	\$109 million	\$242 million	\$133 million
1983			\$201 ”
1985			\$150 ”
1987			\$112 ”
1989			\$86 ”
1992			\$115 ”

Total deficit over the 10-year period was \$1,598 million. For the Port Authority, in 10 years, the total losses were approximately \$1.6 billion. We are not talking subvention here; we are talking losses.

I should like to hear a concrete proposal from the other side—anybody on the other side. If I hear it, it would be for the first time, because I have not heard anything yet on how they would deal with a problem like this. How would they deal with the deficit of the Water and Sewerage Authority?

**Mr. Sudama:** Would the Member give way to a question? Could he tell this House who created the problems? I think he went back to 1981.

**Hon. C. Imbert:** Madam Speaker, this is just a typical example of the way they think. We are not dealing with the past; we are dealing with the present. We have a situation where in 1992/1993 the present Government must take certain measures to stabilize this economy. We must rationalize the heavy money losers in our economy. We cannot continue with the situation where our state enterprises, in particular, have annual losses upwards of \$100 million. We cannot continue, because the money simply does not exist.

Today the price of oil is somewhere between \$16 and \$17 per barrel; yet in 1981, 10 years ago, the price was twice that; it was \$35 or more. Today, the Government's revenue from the oil sector is less than half of what it was 10 years ago. So that we can no longer continue to hand over and hand out the Government's funds on an annual basis in sums of hundreds of millions of dollars to highly inefficient state enterprises. When we do that, for every \$100 million

that we give to WASA or T&TEC or the Port, we deprive the key sectors of this economy, and the poor people, of the goods and services to which they are entitled.

The Unemployment Relief Programme which they are so annoyed about—and one of the reasons for their annoyance is its tremendous performance; they cannot deal with it; that is the problem. They see it all around them and it disturbs them because it is evidence of a Government at work, and at work efficiently. When one considers that the annual allocation for the programme is \$120-130 million, and one considers that the loss of the Port Authority in 1992 was \$115 million, almost the same amount, when one considers that the programme was able to help nearly 100,000 persons in 1992, one sees where our priorities must lie.

When one considers the good that comes out of the School Feeding Programme, which I am advised is less than \$130 million; when one looks at the other sectors, the health sector, national security, one sees that we cannot continue like this any more.

But it is very convenient for the Members on the other side—and they trot out these words with parrot-like intensity: "Slaves of the multilateral institutions; direct line from Washington; puppets of structural adjustment." How many times in this debate am I going to hear those words? And what they refuse to concede is that if you go into this manifesto, you will see the measures that the People's National Movement outlined for the recovery of this economy.

On page 12 of our manifesto on our policy for state enterprises, we indicated that government shareholding in a number of industries will be reduced over time. These are strategic industries, but we indicated we would be reducing our shareholding in them, and those industries and enterprises which were not strategic, we intended to divest over time. It is all here in black and white. There is no argument. But they pretend they have never read this document, and that they have never seen it. It is there.

### **3.30 p.m.**

When one considers, as the Prime Minister has pointed out, that the Water and Sewerage Authority is on the brink of collapse; that every day they have to be scrambling for chlorine and alum to ensure a quality of potable water that the citizens deserve; when one considers that the infrastructure in the Trinidad and Tobago Electricity Commission is reaching the end of its useful life and, that the investment in a new generating plant is of the order of \$1 to \$2 billion—if this

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Government does not take steps now, two or three years down the road there would be a great deterioration in our electricity supply. These are all facts of life.

Madam Speaker, in local parlance, we must "put a hand" on our public utilities. We must ensure that future generations will receive the supply of water and electricity to which past generations have become accustomed. We therefore cannot be side-tracked by failed ideological positions, by empty statements like those that come from the Members on the other side and by unworkable suggestions. The Trinidad and Tobago Electricity Commission cannot afford on its own to provide a \$1 to \$2 billion investment in an electricity generation plant. They do not have the funds. This is a matter of public record.

**Mr. Sudama:** Would the Minister let me know whether he has now been assigned the role of Minister of Public Utilities and can make these statements on WASA and T&TEC?

**Madam Speaker:** Would you allow the Minister to continue his contribution.

**Hon. C. Imbert:** Madam Speaker, if the Member for Oropouche is going to continue to attempt to divert me from the substance of this debate, I would seek your protection and I would not give way. As I said, it is a matter of public record. The Prime Minister has stated it on many occasions; so has the Minister of Public Utilities—that it is necessary to seek significant investment to forestall the collapse of our public utilities.

I should like any Member on the other side to come up with another approach which is realistic, practical and achievable for the sustainable recovery and growth of the public utilities.

Madam Speaker, if one looks at our manifesto, we are implementing our own measures. We have put a lot of thought into these things.

During the five-year period, 1986—1991 we were not crying ourselves to sleep like little babies. We were in the office of the Leader of Opposition formulating policies for our return to government because we knew that it would come in 1991 or before.

We spent five years working and fleshing out all our policies and laying the groundwork for a coherent rational policy for the stabilization and recovery of the economy of this country.

**Mr. Sudama:** What is the meaning of stabilization?

**Hon. C. Imbert:** Stabilization has taken place in 1992 and is continuing in 1993. We have brought our current account into surplus from a deficit. We have brought the deficit down from 6 per cent of GDP in 1991 to 2 per cent of GDP in 1992. That is stabilization.

The Member for Oropouche referred to changes in the exchange rate. I have before me the Monthly Statistical Digest of August, 1993. On April 30, the selling rate of the US dollar to the TT dollar was \$5.78. In May it was \$5.76; in June it was \$5.73. On July 1, the exchange rate was \$5.75 to the US dollar. On July 20, 1993 it was \$5.72. On July 27 it was \$5.69. It went down as low as \$5.66. So that over a period of four months the exchange rate dropped from \$5.76 to \$5.66. The TT dollar strengthened; it appreciated in value.

In one week we saw a movement in the other direction. The Members opposite forgot the four months when the rates appreciated and brought two—and three-day statistics to make a case. It is absolutely ridiculous. I can understand why the Member for Tobago East had a problem with the Member for Oropouche. If the Member for Oropouche made a prediction based on probability using data from two days and ignoring data from four months or 120 days, then I can understand why the Member for Tobago East had a problem with him. The Member was able to spot the problem in one day. One hundred and twenty days passed and nothing happened; rate appreciated, but in one day he spotted the problem. It just goes to show the shallowness of the thinking on the other side. Let me return now to the Bill before us.

I consider this measure to allow first-time house-owners the ability to draw down on their pension funds, a real benefit to a large number of persons in this country. This is of tremendous benefit.

I remember my own position when I sought to raise a mortgage for construction of my own house. I had to raise a down payment of some \$30,000 myself. I remember the tremendous difficulty I had in securing those funds. If I had been allowed a benefit such as this, I would have been spared much pain and I would have been able to accelerate the construction of my own house to provide shelter for my family. This I consider to be a tremendous boon, a real benefit.

I am a member of a pension fund myself. I was a member of a pension fund at the university. Today, if I did not own my house, I know I could draw down and get a down-payment immediately for the purchase of my first house. I know that the vast majority of persons in this country will appreciate and recognize this for what it is; a stimulus to the construction industry and a benefit for a large number of first time house-owners, young families in this country.

Of course, you hear the parrot-like repetition on the other side: "What about the poor man?" But who gets involved in the construction of these houses? Who are the masons, the labourers and the carpenters involved? They are not rich people; they are poor people. This is why the construction sector is the largest employer in the world. It affords employment particularly at the low end of the spectrum, and it is labour-intensive.

**3.40 p.m.**

Construction of residential properties, housing construction, has two benefits. It provides shelter and employment for a large number of persons. One of the points that the Member for Oropouche always conveniently overlooks—and I am talking about the Unemployment Relief Programme—is the fact that about \$30 million to \$40 million of the \$100 million allocation is used for the purchase of construction materials, 95 per cent of which is manufactured locally, such as clay products, cement, steel products, wood products and electrical fittings.

I had the pleasure of opening a trade exhibition at San Fernando this morning, where the South Trinidad Chamber of Industry and Commerce took the initiative to host the first of a number of exhibitions in manufacturing—they started with construction because it is the largest employer of persons—where the local manufacturing sector in the construction industry had the opportunity to display their products, and it is a little known fact that Trinidad and Tobago is very advanced in the production of construction products and materials for the construction industry.

We have a wide range of products here. We manufacture paint and surface coatings. I saw the production of items as mundane as brushes being made from local lumber; the production of circuit breakers, pre-stressed concrete elements and roof coverings. It is a little known fact that more than 50 per cent—in some cases over 75 per cent—of the materials for residential construction in Trinidad and Tobago is manufactured here in Trinidad and Tobago, using largely local raw materials. Any stimulus that is provided for the construction industry generates economic activity and employment. The Members on the other side conveniently ignore these facts.

Another measure in this Bill before us is the exemption from income tax of persons with a chargeable income of \$16,000 or less. I am constantly amazed at the flip-flopping, upside-down approach, particularly by the Member for Oropouche. He spoke about distributive justice in the implementation of this measure to increase the limit of the exemption from taxation from \$12,000 per annum to \$16,000. We get the impression that he does not like it. He is.

complaining. This is the flip-flop approach, for he linked it to distributive justice in other sectors. He also spoke about flooding. He said there is distributive justice there; why is it not here? You get the impression that he is complaining.

This measure is intended to help poor people in this country; the increase in the limit for exemption from taxation from \$12,000 to \$16,000 is going to help poor people in this country, and significantly so. I invite the Member for Oropouche to work out the actual tax relief that people would get as a percentage of their disposable income. I can assure you, Madam Speaker, it is quite significant and one would anticipate that the Minister of Finance would address that.

When one considers that we are now drawing into the net of exemptions a large number of people at the lower end of the scale, one wonders wherefore and from, does the complaint arise. I understand, because the Member for Oropouche has problems with diction, elocution, syntax, grammar and pronunciation. I often sit over here on this side in awe at the destruction of the English language, at the new depths to which the Member for Oropouche sinks in destroying the English language.

One wonders where the complaints come from, when the PNM Government is seeking to help poor people by increasing the limit for exemption from taxation from \$12,000 to \$16,000. One really wonders. One gets the impression that if you abolish income tax in this country they would complain. They would get vexed and say you did that but you did not do this.

**Mr. Sudama:** You should be a lecturer at the university.

**Hon. C. Imbert:** Yes. I am very proud of that.

The Bill seeks to enact a commitment made by the Prime Minister to soften the effects of the flotation of the dollar on the lowest end of the scale. One would note that in clause 10 it is proposed that the provision to increase the exemption from tax on chargeable income to \$16,000 would take effect from January 1, 1993. It is retroactive. It is a recognition of the commitment of the Prime Minister.

**Hon. Member:** You are really talking English.

**Hon. C. Imbert:** You do not know what retroactivity means? It means that it would apply from some time before.

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The Minister of Finance made it quite clear that—

**Miss Bhaggan:** Who wrote that speech for you?

**Hon. C. Imbert:** They are always asking me that. I have no written text in front of me. I am speaking off the cuff, *ad lib*, extemporaneously. But I have here the speech of the Minister of Finance. I do not want to misquote him, as the Members on the other side would. I just want to be sure I am clear on what the Minister of Finance said, but this is not my speech; I am speaking off the cuff.

The Minister of Finance pointed out that taxpayers in this bracket should now be able to have their TD 1 forms adjusted immediately so that they would no longer have to continue to pay taxes each month. The retroactivity goes into effect immediately.

The Bill also deals with the Home Mortgage Bank. The Member for Oropouche was in the Ministry of Finance, truthfully for a short period, but he must have learnt something in the few months that he was there. So that for him to ask what is the reason for this measure to allow for bonds issued by the Home Mortgage Bank to be exempt from stamp duty, one wonders. If you exempt a bond from stamp duty, clearly the bond becomes less expensive; therefore, there would be a decrease in the cost of the bond and the institution that floats the bond can then offer an instrument such as a mortgage at a lower rate. The intention is clearly to offer mortgages at lower rates.

Let me read it for his benefit, since he was not listening. I am quoting the Minister of Finance.

"Our intention in proposing this exemption is to place the Home Mortgage Bank's bonds on a level playing field with the mortgage pass through securities issued by banks and financial institutions."

Is that clear? Do you understand? This means that the funds on the secondary market can be re-utilized for mortgage lending at lower rates than would otherwise be possible. "Lower rates" means that it is not as high as before. In so doing we would provide more flexibility in mortgage financing and greater accessibility to mortgage financing to people at the lower end of the scale.

It complements the instrument with regard to the use of pension funds for first-time house owners because that allows people to raise the funds for the downpayment without having to borrow it or use their savings. This other measure would allow mortgage financing overall to be offered at lower rates, so the two are complementary.

I am always amazed at the Member for Oropouche who I understand has some financial training. He would come here and talk about PNM having been there for 30 years and poor people, over and over, and he would not deal with the specifics. Why did he not address that aspect of the Bill instead of giving us his usual boring repetitious speech? This is the problem.

**3.50 p.m.**

What is bothering them is that they see that this Government is on track for terms of office which may equal the previous 30-year stretch of the People's National Movement. We are into our second 30-year period. I may not be around to see the end of the second 30 years in office because 30 years from now I would be 66 and—unlike the Member for Tobago East, I have no interest in being in this honourable House for 35 years. I believe that one should make one's contribution and then depart the scene gracefully. But then, different strokes from different folks.

This PNM Government, in the last 20 months, has stabilized the economy [*Interruption*]. You want the statistics? No problem. If you go into the statistics—

**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. K. Jurai*]

*Question put and agreed to.*

**Hon. C. Imbert:** I thank hon. Members and particularly the Member for Nariva for allowing me an extension of my speaking time, but I am a bit fearful that birds of the air may descend upon me. The Member for Nariva is often associated with birds of the air and from time to time would come to this House and complain—

**Madam Speaker:** I think the Minister should get on with the Bill.

**Hon. C. Imbert:** Over the last 20 months this Government has demonstrated its competence; the Minister of Finance, in particular. On other occasions I have had to refer to the fact that we were able to turn the current account deficit left to us by the former administration in 1991 into a current account surplus in 1992. They would prefer that these facts do not become known.

I have also been able to report that the balance of payments deficit has improved significantly. In 1992, it dropped to 2.3 per cent of GDP, compared to 6

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per cent of GDP in 1991. That is an indicator of the stability of the economy. We cannot run away from it. It is a fact.

The point I made was that in listening to the other side, again we would hear about slaves of the multi-national and neo-colonial and neo-liberal, depending on which Member speaks. If it is the Member for St. Augustine, we are slaves to the multi-lateral institutions. If it is the Member for Chaguanas, we are slaves to the neo-colonial, neo-liberal economic ideology of the right-wing parties of the world. If the Member for Oropouche speaks, we are a product of PNM bankruptcy. I can talk for them, you know. The fact of the matter is, we live in the real world and the measures that the Government is taking at this time are necessary and we believe they are the correct measures and, in fact, the only way forward. We must have tight monetary policy to deal with the profligacy of the Member for Tobago East.

When one considers that because of the irresponsible fiscal and monetary policies of the former administration, this Government was saddled with a foreign debt—

**Mr. Mohammed:** Madam Speaker, we have been generous in collaborating with an extension of time to the hon. Minister and we have heard tremendous comment on all aspects of the economy of this country, save and except things relating to flooding—the devastation of the farmers. Would the hon. Member consider telling us, in the few minutes he has left, something about the flooding and destruction of the homes of farmers?

**Hon. C. Imbert:** Actually, I have about 25 minutes. I was coming to that. The point is we must face reality. We are in a situation now where wages and salaries account for over 60 per cent of income from oil revenues. The reason I must repeat this is that they do not seem to understand or remember this. They believe that there is some pot of gold lying in the Twin Towers, that if by some accident—God forbid!—they manage to move in there, they would just dip their hands into the pot of gold and throw it all over the country. One gets the impression that is what they believe, so I must come back to home truths. There are no magic solutions. You cannot get up in the morning and wave a magic wand and say, "Hey, presto! Everybody will be happy now," which is the impression they seek to create ad infinitum.

**4.00 p.m.**

Let me deal now with some of the efforts of my own ministry to stimulate growth in the construction sector. Within the last week or so, the ministry has

been able to award several contracts under the IDB-financed, Rural Access Road and Bridges Programme. In addition, we are presently negotiating a loan programme, which has already been approved by the European Economic Community, of some TT \$110 million for road rehabilitation throughout the country. We have passed the feasibility stage and we are now going into final designs. We expect that these designs will be completed in 1994 so that tenders may be invited for construction, consultants may be appointed to supervise, and that early in 1995, we can commence a road rehabilitation programme, utilizing approximately \$110 million of funds from the European Economic Community.

And for the benefit of hon. Members, the roads that have been selected range from north to south Trinidad, the Solomon Hochoy Highway, for example, which passes through many of the constituencies of Members on the other side. Yet, when work is done on this road, Madam Speaker, one would be forgiven for believing that it belongs somewhere in Diego Martin.

We also intend to upgrade the Rivulet Road to Point Lisas, the major access link between Point Lisas and the Solomon Hochoy Highway. I believe that is a Couva constituency—I am not sure, Couva North or South—but certainly not a constituency now under the control of the People's National Movement.

This demonstrates the approach of this Government. You hear a lot of idle talk from the Member for Oropouche about the way we direct and focus resources in this country; that it is based on certain considerations that are not in the national interest; always bleating about that. But then why would my ministry embark on a programme of—we are spending \$110 million and out of that we intend to spend about \$15 million—upgrading the major link road to Point Lisas which is in a constituency not controlled by the PNM? Why would my ministry do that if we followed the logic of the Member for Oropouche?

What they do not understand is that this Government has the interest of all of the people of this country at heart, and that is what is bothering them [*Interruption*] that is what they cannot deal with. [*Interruption*] I will come to flooding in due course; you hold on. The ministry has completed the first phase of a programme being undertaken by consultants to determine the condition of every single main road and highway in Trinidad and Tobago. I want to repeat that: Every single main road and highway in Trinidad and Tobago, no matter where it is and in what constituency it falls.

We have completed this first phase of determining the condition of all of these roads. The consultants are now preparing a loan application with the Inter-

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American Development Bank for funding of the order of some US \$100 million or in excess of TT \$500 million for rehabilitating in excess of 200 kilometers of the most critical roads in this country.

And I can give the assurance to this House that the IDB and the ministry will select the roads that will be rehabilitated on the basis of sound economic principles, on the basis of cost benefit analyses, on the basis of the economic returns that will flow from the upgrading of these roads, the economic benefits to the wider community and not on partisan concerns, as the Member for Oropouche would have us believe. We expect construction to begin again in 1995.

My ministry has also initiated the first phase of a national drainage development programme. When I entered the Ministry of Works and Transport in January 1992, it became apparent that while there were a number of programmes in the pipeline for—and I will give credit where credit is due—accessing funding from multilateral institutions for road rehabilitation improvement and upgrading—programmes were in the pipelines, and what I am doing is seeking to expedite the execution of these programmes—there was nothing in place for major drainage improvement and development. I have therefore initiated such a programme. The Minister of Planning and Development will be going—if he has not gone already—to Washington this month to meet with the Inter-American Development Bank, the World Bank and other institutions—slave masters I think the Member on the other side calls them, but I do not see them in that context.

When one considers that you can access funding from these agencies at concessionary rates, very low, 3 and 4 per cent, long repayment periods, 25 to 30 years, where else is this country going to get \$500 or \$600 million to upgrade the road and drainage system? Certainly not from the oil sector, certainly not for quite a while. This is what I mean about being realistic, and this is why I have to keep returning to the harsh reality that 60 per cent of the income from oil goes to pay wages and salaries in the public sector in this country. It is an important statistic.

The funds for capital development are simply not there from local sources. When this Government has returned this economy to growth, when the plans in the energy sector—in my contribution I will touch on those areas as well—when the plans and programmes being put in place in the energy sector bear fruit, when we see the resurgence of the manufacturing sector—and we are already seeing it; there are some significant gains in export led growth in the manufacturing sector—when these begin to bear fruit, then the Government will begin to utilize local revenue sources for capital development. But for now, Madam Speaker, you

know the old adage “While the grass is growing, the horse is starving”, we cannot wait for that; we must access funding from international, multilateral financial institutions.

We hear a lot of talk about conditionalities and about all the onerous conditions, but in many cases, many of the conditions are quite practical, and I will give you an example. In the Rural Access Road Programme, one of the conditionalities, and in fact, the only significant one is that the ministries involved in maintenance of agricultural access roads, rural access roads, and bridges in this country, must put in place a sustainable maintenance programme. That is the conditionality. Not that we must privatize WASA or sell T&TEC or sell the refinery—those are not the conditionalities. The conditionality is that in order to access funding, you must put in place a sustainable road maintenance programme, and I consider that to be an eminently desirable objective.

So that when you hear talk from the other side about a direct line from Washington—if I can access \$200 million from the IDB to upgrade access roads in this country and the only conditionality that I have to put in place is that I maintain them afterwards, I would surely do it, and I would surely recommend to my Government that we continue to access funding from such institutions.

#### **4.10 p.m.**

Let me return to the drainage development programme. A preliminary assessment from the records of the ministry and from the work done by consultants over the years, indicates that the drainage infrastructure in this country is in need of investment of the order of \$600 million, and that is just the first phase. You will recall that I spoke about highway development—road rehabilitation from EEC—\$100 million; from the IDB—\$500 million; that is \$600 million; the access road is \$200 million, that is \$700 million, and there is a trunk road expansion programme as well which we are negotiating for the upgrading of the Sir Solomon Hochoy Highway, hopefully continuing the dualling past San Fernando. We are looking at the intersection of the Uriah Butler and the Churchill-Roosevelt Highways. That, again, is in the pipeline. Again you are talking about funding of \$100 million. You are talking about funding of \$800-\$900 million in the pipeline for upgrading the road system in this country.

When one looks at the drainage, one must come to terms with the fact that equal expenditure is required for the drainage systems in this country. The Caparo River, about which the Member for Caroni East speaks to me from time to time *[Interruption]* Yes, we speak about the Caparo River.

**Hon. Member:** Not from time to time, all the time.

**Hon. C. Imbert:** Okay, all the time. The records of my ministry and preliminary indications show expenditure for retention basins, for widening, for dredging, for sluice gates and pumps of the order of \$100 million. Those are the preliminary estimates. It is not ten cents we are talking about. That is the Caparo River alone. The Caroni River, the installation of pumps, the Madam Espanol River [*Interruption*] Madam Speaker, I was a student of Spanish at secondary school and I believe my pronunciation of Spanish is a bit better than that of the Member for Caroni East. However, I would not go into that. The Madam Espanol River [*Interruption*] Oh, I got it, thank you! We are looking there at salt water intrusion which has caused serious damage to agricultural holdings in that region, in the Chaguanas area, in the Caroni Basin. We are talking about rehabilitation, construction of several kilometers of embankment in the Caroni Basin. We are talking about complete rehabilitation of a major sluice gate; we are talking about installation of significant pumping equipment. Not five cents, it is \$10 million and \$20 million we are talking about.

The Oropouche Lagoon—hundreds of millions of dollars, Madam Speaker. I visited the Oropouche area a few weeks ago with the Minister of Agriculture, Land and Marine Resources, and some representatives of the Trinidad Islandwide Rice Growers Association, and what struck me was that the embankment on the Trinidad River, the New Cut Channel—there are the water courses in that area. The embankment is six or seven feet high and the cultivated areas are six feet below, and you realize, in your discussions with the farmers and my engineers, that the water reaches the top of the embankment sometimes. Perhaps you can visualize it, Madam Speaker—there is a channel with embankments on either side and the water in the channel in times of flood is six feet above the water in the agricultural areas immediately adjacent to the channel. You can imagine what happens when that embankment is breached. Six feet of flood water coming down the road.

This is the extent of the problem we are dealing with. We are dealing with a vast acreage where significant lands are below sea level and are five to six feet below the natural flood levels. You will recognize that in the event of a serious storm, such as the heavy precipitation that followed tropical storm Bret—and what happened, was not the storm itself but considerable cloud activity, water-laden clouds were following the storm, as it were, and this cloud centre passed over the southern part of Trinidad and caused heavy rainfall. In fact, the rainfall measured in the Oropouche to Penal area was 147 mm on the day after the storm,

whereas normal rainfall during a high intensity storm in that area is 30 mm. So that in a heavy downpour you normally have 30 mm of rain, but on the day after tropical storm Bret there was 147 mm. It subsided very quickly after that.

The following day it went down some 25 to 27 mm, right down, but it was at high peak intensity for one day. I am describing a low basin surrounded by embankments with rivers flowing above the basin, that when there is heavy, high intensity rainfall in this basin, the water cannot get out. If the water in the river is higher than the land, the water in the lagoon itself cannot flow out because the levels at the points to which it is flowing must be lower. There is no drainage path, and since the natural pathway for flood water is from a higher point to a lower point, the only solution is to pump it out. It cannot flow by natural means. I am sure the Members on the other side are aware of this and that they know we are talking about \$2 to \$3 million to deal with this. But any time there is a problem, they demand that the Ministry of Works and Transport, with an annual allocation of \$2 to \$3 million for clearing watercourses, deal immediately with this \$200 million problem. It is a total fantasy; they are not dealing with reality.

As a result, we have initiated a request to the multilateral lending agencies for a drainage development programme of the order of US\$100 million. That is the only way we can deal with that. There is a process and a procedure—before you get funding from these agencies you must have a feasibility study. They know that; some of them were in government but they pretend that it is not so. After the feasibility study is done and it demonstrates that the expenditure of \$200 million and \$300 million will yield the economic benefits, you then make a loan application. The loan application is processed, you then invite tenders, you appoint consultants and you start construction. You are talking about three years. You do not wave a magic wand or snap your fingers and flooding problems in the Oropouche Lagoon or the Caparo Basin or the East/West Corridor are solved; for example, to deal with the flooding problems of Port of Spain ten years ago the estimated cost was \$300 million. And piecemeal solutions will not do.

I want to tell this honourable House that my ministry, in its mission to serve the population of this country, to serve the national interest, to serve all our citizens, is laying the foundation for significant capital upgrading of the infrastructure in this country, which, because of the decline in the economy over the last ten years has suffered from a lack of maintenance. These are facts. There is no point in the Member for Oropouche telling me the infrastructure has deteriorated because of a lack of maintenance. I know that. I live here. I drive on

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the roads, too. The fact of the matter is that piecemeal solutions are not appropriate.

A comprehensive, global, coherent approach is necessary, and this, is our approach to government. I am certain that if another administration, comprising the Members on the Front Benches on the other side came into office, we would see hyperinflation, rapid depreciation of our currency, spiralling unemployment, printing of money, social chaos and all the ills of society.

**4.20 p.m.**

The Minister of Finance has sought today to honour the commitment of the hon. Prime Minister by increasing the limit for exemption from taxation from \$12,000 to \$16,000 per annum. He is seeking to implement a promise in the PNM manifesto to go side by side with all the other commitments that the PNM made to this country and that we continue to implement, sometimes without any fanfare. What he has sought to do is to implement measures that will allow young families—I wish when I was building my house as I have said, that I had access to a measure such as this because I would have utilized it.

**Madam Speaker:** The Member has two minutes to wind-up.

**Hon. C. Imbert:** Thank you. He has sought to allow young families the opportunity to build their first house, an opportunity which they might not otherwise have, by allowing them to access their pension funds for the downpayment on a first house. He has sought to amend the financial provision and now allow the Home Mortgage Bank to offer mortgage loans at lower rates, again, facilitating the first time house owner.

He has sought to continue the stimulation of the construction sector which was started in 1992, continued in 1993 and, particularly, in the 1993 Budget he has sought to continue our efforts to stimulate the construction of residential and commercial properties. He has again honoured the commitment of the Prime Minister by increasing the monthly food subsidy component of old age pension which, as I said, is a step in the right direction. So this demonstrates the seriousness of this Government.

While there is grinding and gnashing of teeth all around us, Madam Speaker, we continue purposefully and steadily to our destination which is a brighter Trinidad and Tobago.

Thank you, Madam Speaker.

**Mr. A.N.R. Robinson** (*Tobago East*): Madam Speaker, may I elaborate slightly on and correct the last quotation by the hon. Member for Diego Martin East. The correct quotation is "weeping and wailing and gnashing of teeth," and that fully describes the situation in which our unfortunate country is today.

The Minister of Finance in introducing the Bill said it was quite a simple measure, but I am sure that from all that has emerged in the course of the debate so far, hon. Members and visitors must be quite convinced that it is not a simple matter at all. What we are dealing with this afternoon is a matter with very wide implications. It is a pity, having regard to the fact that the Bill is described in the Explanatory Note as designed to "alleviate the hardships experienced as a result of the floating of the Trinidad and Tobago dollar" and also to implement measures announced in a statement by the Prime Minister.

Firstly, the statement by the Prime Minister is not circulated to this House. I think simple courtesy should have required that hon. Members be supplied with a copy of that statement.

Secondly, one would have expected if we were dealing with proposals to alleviate hardships caused by measures adopted by the Government that we should have some assessment of those hardships. Indeed when the Prime Minister made his statement in the month of May, he could only prognosticate; he was in no position to assess. But certainly, four months later, he should be in a much better position to assess the hardships which were caused by the devaluation of the Trinidad and Tobago dollar, not the floating of the dollar.

Hardships have not been caused by the floating of the dollar: they have been caused by the devaluation of the dollar by some 35 per cent. I think it is very important that this point be made because there was a massive attempt to hoodwink the population regarding, firstly, the nature, and, secondly, the effect of the monetary policy of this Government, and particularly, its use of the exchange rate—exchange rate manipulation. In fact, when on a previous occasion I pointed out that what you were talking about was not flotation but devaluation, I was wrongly criticized. The international analysts are now making it clear from their point of view that what took place in Trinidad and Tobago on April 13 of this year was a devaluation.

I have in my possession a publication which is used by all the major investors in the Caribbean and Latin America—*Latin America Monitor*—and I want to quote from that publication September 1993 page 1198 starting from the centre of the page:

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"The Bank report—  
referring to the Central Bank report—

"also revealed the pressures on the external accounts which had forced the devaluation of the Trinidad and Tobago dollar in April. The external reserve position had deteriorated sharply during the first quarter of 1993, with net reserves falling by \$51.5 mn to minus \$76.2 mn at the end of March and the Central Bank's net reserve position deteriorating by \$89.8 mn to minus \$161.6 mn."

Madam Speaker, these figures represent US currency. This is the largest deterioration in the history of the country and the most serious foreign reserves deficit this country has ever had, amounting to almost TT \$1 billion.

Those are the bare facts and those facts are borne out by the most recent publication of the Central Bank, the *Monthly Statistical Digest* of August 1993 where the figures are quite clearly shown from a reserve position of US\$123.4 million, net official reserves positive in 1990; and a bare minus US \$30.5 million in 1991. The figure of the official reserves in February this year was minus US \$184.1 million; and in March minus US \$152.7 million.

**4.30 p.m.:** *Sitting suspended.*

**5.03 p.m.:** *Sitting resumed.*

**Mr. A.N.R. Robinson:** Madam Speaker, before the House adjourned for the tea break, I was seeking to put in proper perspective the nature of the currency management that we had earlier this year, and emphasizing that in order to deal with a question of the adequacy or otherwise, of measures designed to alleviate the hardships caused by that currency management, we should have had an assessment of the situation, the consequences of the currency management. I pointed out where what was put over to the country as a float of the currency was, in fact, a devaluation which has been accepted even by international analysts at the present time. I quoted from the *Latin America Monitor* and I sought to substantiate and support that view also with statistics from the August *Monthly Statistical Digest* of the Central Bank.

I think it is very important to understand the extent of the hardships of the measures taken in the last two years on the population before attempting to deal

with the measures which would be adequate to alleviate those hardships, and I am absolutely sure that the Government are aware of this need, because earlier this year they had discussions with the international financial institutions, which used to be the devil incarnate a few years ago, and they engaged in negotiations for a social sector loan designed to devise what is described as a safety net, in order to seek to relieve the hardships on the poorer sectors of the population. That social safety net would touch quite a number of aspects of the life of people in this community.

But it is important to note that they are borrowing money for the purpose, and such expenditures are usually consumption expenditures. They are not investment in the classical connotation of the term. So let us go back a bit and see what has happened, the real consequence of this currency management earlier this year. When this Government assumed office in December of 1991, the inflation rate had been reduced to 2.3 per cent, which, from all the information I have, was the lowest in the Western hemisphere. Along with a reduction of the inflation rate to 2.3 per cent there was a growth rate of 2.7 per cent, real growth by 2.7 per cent. In other societies that would be regarded as a bit of a miracle.

The hon. Member for Diego Martin East talked about overheating the economy. It is quite clear he has no comprehension whatever of what overheating an economy means. Overheating an economy results from seeking to stimulate economic growth by fast investment. So you overheat the engine of growth with resulting shortages and consequently increased prices. So when you overheat you have inflation. You cannot overheat and at the same time contain inflation to 2.3 per cent. That is a model that is unknown to the economic world.

While they inherited an inflation rate of 2.3 per cent, in 1992 the inflation rate was 8 per cent, and this year the analysts forecast that we are going to have an inflation rate of from 15 to 20 per cent. So that over a two-year period we can have an inflation rate of anything from 25 to 30 per cent. The forecast for 1994 is an inflation rate of 10 per cent. So that over the three-year period, it could be up to 40 per cent. That means incomes disappearing. That is what an inflation does: It eats up incomes.

So this pitiable—I almost said, ‘contemptuous’ reference to alleviating hardships caused by the management of the currency and the monetary and economic policies of the Government, will never do. This is just a political gimmick. Let us get that absolutely clear. What we have before us today is a political gimmick, and it is a pity that it should take four months to come—just a bare bagatelle.

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What we are going to have in the budget to come when the Government gets its social sector loan, is something which would be much more extensive than this and which would justify the programmes that were introduced by the last government. For example, what has happened to the School Feeding Programme? We heard nothing about it. The schools have just reopened. This is very important. This is something that touches every poor family in the country and every fixed income earner.

**5.10 p.m.**

When the previous Government assumed office, the programme had been stopped in May, 1986, leaving a debt of \$26 million. They are talking about debt. I do not want to go into any details in debt because that is not the substantive matter before us. We are dealing with this question of alleviation of hardships. Not only had the programme been stopped, but the School Nutrition Company had a debt of \$26 million which had to be paid out. Over 150 primary schools did not benefit from that programme. By 1991, 58,000 children in 468 primary schools were receiving three hot meals a week. From nothing and a debt of \$26 million, 58,000 children in 468 primary schools were receiving three hot meals a week. That is what is called overheating the economy, I suppose. It is important to understand how this was geared to production. It was not only alleviating hardships, it was not only having a social sector programme; it was gearing it towards generating production output and jobs.

In the agricultural sector the School Feeding Programme consumed 1,340,000 pounds of chicken; 400,000 pounds of fish (farmers, fishermen); 210,000 pounds of cabbage; 125,000 pounds of cucumber; 118,000 pounds of tomatoes; 40,000 pounds of sweet peppers; 500,000 pounds of pumpkins; 220,000 pounds of plantains, 820,000 pounds of water melons; 1,050,000 pounds of ripe bananas.

So this was not frittering away money or seeking for political purposes to spend willy nilly. This was a carefully structured programme designed to alleviate hardships as well as to stimulate production in the agricultural sector. Now we are hearing some belated recognition of the importance of agriculture and tourism.

The Youth Training and Employment Partnership Programme (YTEPP) is now a model that the World Bank has accepted and financed not only for developing countries, but also for other countries with similar situations, such as we have.

What has happened to the Youth Enterprise Support System catered to provide for 6,400 youths after the YTEPP stage as a beginning? Small Business Development Company; Youth Apprenticeship Programme; National Training

Service; Industrial Cottages Programme; rehabilitation of industrial estates; all of these also geared to productive purposes—output as well as alleviation of hardships, generating a spirit of self-help, self-reliance and enterprise. Are we hearing anything about them today? Self-help, self-reliance, enterprise.

I know the hon. Members opposite think that this country cannot be built for the future on any other foundation than the philosophy of the previous government: Accountability, self-help self-reliance, enterprise, creativity. These were the pillars of the philosophy of the previous government, reflected in a network of programmes which were continuously evolving. But what happened?

The year 1991 came and in 1992, it was consumption expenditure. The hon. Member talked about \$200 million on the Unemployment Relief Programme. The sum of \$600 million—what was that for in 1991? Consumption expenditure increased by \$600 million; inflation, drainage of foreign exchange, clamping on investment through monetary policy in the private sector, cutting capital expenditure in the public sector. That is where we are today. We have to understand it. That is why so many people have to be dismissed from their jobs, so much retrenchment, why there is fire-sale of the state enterprises, why there is a devaluation of 25 to 35 per cent. We have to understand it very clearly so that these mistakes are not repeated in the future.

Madam Speaker, I quote from a famous document, the source of which I will give at the end of the quotation. I have had the permission of the author to quote. It states:

"There is no question about it, Trinidad and Tobago is in serious trouble."

We know it.

"Gradually the workers of this country are being pushed against a wall by an unconscionable...government."

I have omitted the description of the government.

"Very soon, the workers' patience will run thin and they are going to respond. I fear that the outcome may have far reaching social and economic complications for the entire society.

It is not a situation that any patriotic Trinidadian or Tobagonian would encourage. However, it appears that the Government is deliberately setting the stage for such action and they are to be deplored for not seeing that their draconian measures are likely to bring about this unpleasant development.

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The current situation of the Water and Sewerage Authority (WASA), for example, is no doubt very instructive. On Monday last, thirty-seven (37) more workers were dismissed, making a total of 198 workers who, up to the time of writing have, unceremoniously received the pink slip from the Authority (WASA)."

It goes on:

"...this callous and irresponsible decision does not take into account the far reaching social and economic cost to the workers, their families and, indeed, to the society as a whole.

The fact that about 150,000 people are already unemployed seems absolutely irrelevant and unimportant to the...administration.

Absolutely no thought, no caring for the plight of the people they were mandated to represent. Hunger, starvation, unemployment, crime are of no consequence. Run the dollars and the suffering workers of the country take the hindmost.

By now, the country shall have no difficulty in understanding that regardless of the consequences, the regime..., wittingly, has become a tool and satellite of foreign lending institutions and has sold the country's birthright and its sovereignty for a few more dollars. ISCOTT, BWIA, TELCO, TEXTILE...,"

WASA too!

"are but some of the examples of this national sell-out of our patrimony."

That is the inflammatory language and this is what is in print, let alone what was not printable. Do you see why I have to be here, Member for Diego Martin East? I am very proud to represent my constituency. I represent people in a very real sense and we have a happy relationship. And so long as they continue to elect me, I shall feel honoured to sit here in this House and represent the people who have honoured me. Somewhat ironic.

**5.20 p.m.**

**Madam Speaker:** You said you were going to give the author. You did not.

**Mr. A.N.R. Robinson:** Thank you, Madam Speaker. I am grateful to you for reminding me. I saw everyone looking at a particular person. The document is *Setting The Stage For Social Unrest* by Morris E. Marshall. How can he sit there? In the name of all that is holy; in the name of Laventille East; in all honesty; in the name of all that is of good report, how can that hon. Member sit there?

I do not want to be too harsh with the hon. Member because the hon. Member for Diego Martin East would emphasize that I should not be here. I should have taken my exit; but how could I take my exit when I have this kind of contribution to make?

On a more serious note, there is a crisis of integrity and morality in this country. At the bottom and the heart of all our problems, it is a crisis of ethics, integrity and morality. Make no mistake about it. Unless we can deal with that crisis, we are not going to deal with the crisis of crime out there, because we would never be able to mobilize the population on the basis of principle, ethics, morality, something uplifting and a common ideal. Crime, we would always have; it will always be with us; but a crisis in crime is also in this country, a crisis in ethics and morality.

I shall go into that aspect of the matter at another date and in another debate, because I shall emphasize the importance of example at the highest level. That is why I am here and will continue to be here for a long time to come whether hon. Members opposite like it or not. I can predict that.

The point that I was making is that the measures—which did not go as far as they are going now, not nearly as far—were being denounced, disparaged, denigrated, vilified in the most extravagant language, and yet, the very people who were doing it are now exceeding anything that was done in the past which resulted regretfully in some hardship, infinitely more hardship is now being caused since then. Think of the thousands of workers who have been retrenched, the massive taxation, devaluation and the policy of complete liquidation of the public sector, including the sale of the public utilities, T&TEC and WASA.

How in all decency can you have a government carrying through those measures today, which was in Opposition and behaved as it did in the previous five years? It is very sad for the country. That is why I have to be here.

What we need today is a proper assessment. I take it that that is coming in the budget debate, though usually there is not sufficient time. This should have afforded a wonderful, pre-budget opportunity, now that we are dealing with the social sector, to have had a debate on the social conditions in the country and the measures within our capability. I am not suggesting that this country has unlimited resources to deal with the measures, but I am saying that it is recognized that these policies are doing untold damage to the country. We think totally unjustifiable, if the proper policies had been pursued subsequent to 1991,

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but nevertheless, the situation exists. It is extremely important now to assess what that situation is in order to deal with the problem.

We should also know what is the nature of the commitment made to the Inter-American Development Bank. The hon. Member for Diego Martin East talked about a loan of \$200 million with no strings attached. He is wrong. There is one string attached, maintenance.

**Mr. Imbert:** Madam Speaker on a point of order. I did not say that. I said there was a specific conditionality attached which related to maintenance.

**Mr. A.N.R. Robinson:** I am sorry. Only maintenance attached. That is the only condition. Again, he is wrong. I do not know whether discussions on these matters are not held in the Cabinet, because that loan negotiated with the Inter-American Development Bank would never be extended except within the context of the overall structural adjustment policies.

**Mr. Imbert:** Madam Speaker, on a point of order. The loan was negotiated by the former administration.

**Mr. A.N.R. Robinson:** Why did he not say so? Why did he seek to get the credit for the loan? He is not saying who got it for him.

**Mr. Imbert:** Madam Speaker, on a point of order. I distinctly said that I was giving credit where credit is due. When I came into the ministry I found several programmes in place and I was merely seeking to expedite their execution. I gave credit where credit is due. The Member is misleading the House, as usual.

**Mr. A.N.R. Robinson:** As usual? If that is so, I regret it, but I was misled and so I am sure were all the Members on this side. We did not understand it that way at all.

Anyway the record is straight that he was the beneficiary of a \$200 million loan negotiated with the Inter-American Development Bank. This is extraordinary. They are criticizing the then Government for this debt. Why did he not refuse the loan? Why has he added to the debt stock of the country? They came in here saying that the previous government had left them with this debt; that it had no right to incur so much debt, only for us to find them quick to seize the money that was not even drawn down.

I find the hon. Member's contribution entertaining and that is one of the reasons why I enjoy being in this House. Why should I be deprived of a little comic relief at this stage of my life? I did not see the hon. Member at midnight climbing to the top of this building, but when I see him in the full flight of his

oratory, I see a reflection of the creature that he has installed up there, with similar consequences.

**5.30 p.m.**

Madam Speaker, I should like to deal with an area that I thought the hon. Minister would have had the consideration to touch upon, and that is, the consequence of his activities on the island community my colleague and I have the honour to represent.

It has taken a long time, and, I suppose, will take even more time, for many people to understand the position of the small island separated by sea from the larger island which contains almost all the services, whether education or otherwise.

In Tobago the intake in the secondary schools is 30 per cent of the percentage in Trinidad. There is no provision for technical education or higher education. To work at Point Lisas, one has to leave Tobago and live in Trinidad. At night, when the boat leaves or the last flight departs at 8.15 p.m. or 8.30 p.m., there is complete separation from hospital and other services.

One does not understand that situation: That Tobago, through policies pursued in the past, has been left almost totally dependent on the Government, with about 15 per cent of the economy accounted for by the tourism sector and almost 80 per cent of employment by the Tobago House of Assembly. This is not appreciated.

It is not appreciated that when a Lube oil plant, or Fertrin or Textel or Iscott is put up, or when the oil companies are drilling or refining and billions of dollars are spent on the petroleum sector, not one penny is spent in Tobago. The investment is in Trinidad. The consequence today is that Tobago is the most underdeveloped island in the whole Caribbean, except possibly Haiti, when everybody knows about the potential that exists.

For example, what potential do Antigua, Grenada and Montserrat have for tourism development that Tobago does not have? There are possibilities for agriculture and light industry, hydrocarbons around the island, natural gas. It must never be forgotten that when one is talking about an exclusive economic zone—countries are now talking about an exclusive economic zone of 200 miles—the Minister of External Affairs will understand what I mean—the vast portion of that economic zone is brought to the union by Tobago. Cut off Tobago from the union tomorrow, and Trinidad is left with a narrow corridor.

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So Tobago brings resources to the union and it must not be treated like a community which does not matter. And it is not prepared any more to be treated like a community which does not matter. I want to make that absolutely clear to this House. I thought it was clear. I thought some impact was made on the founder of that party and first Prime Minister of this country. I did not think that the battle would have to be fought all over again, but if it has to be fought all over again, so be it. Tobago will not tolerate it.

The constituency of Tobago East is a desert area. No development projects are taking place, and that is more than two-thirds of the island. Tobago is in a state of ferment. The tourism industry is virtually disrupted, and not a single word from the hon. Minister on measures to alleviate the increase in fares. Does he know what that increase from \$125 to \$230 means to the traveller who has to come to Trinidad? It is not a question of a Trinidadian going to Tobago for a vacation or a week-end. Tobagonians have to travel to Trinidad daily because the structure has made it so. The whole political and economic structure forces the Tobagonian to come to Trinidad, and unless that is understood, there will be serious problems. There will be. If because you are small you are going to be treated with contempt, or forgotten, then you have to make your presence felt.

In Tobago today the politicians are not talking: it is the ordinary people who never thought they would be on public platforms, people who are losing their jobs.

**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.*

**Mr. A.N.R. Robinson:** Madam Speaker, I wish to thank you and hon. Members for the extension of time. I want to emphasize that the people who are speaking on public platforms today in Tobago are not politicians; they are people running the risk of being victimized and who are in fear of being victimized, yet they find it necessary to speak out—a very significant development.

**Madam Speaker:** I do not mind the hon. Member bringing Tobago into this debate, but I wish him to bring Tobago in the context of this Bill—old age pension contributions, home mortgage, because the Member has been speaking for almost 45 minutes and is still on a tangent. Can the Member get back to the debate.

**Mr. A.N.R. Robinson:** Thank you very much, Madam Speaker. I was trying to point out the hardships that are not dealt with in this Bill. The Bill talks about alleviating hardships. I am pointing out that the fare between Trinidad and Tobago has gone up. I know that it is difficult for people in Trinidad to understand these matters, but they strike at the heart of the livelihood of ordinary people in Tobago, and unless we speak, people will never know and understand. The time has come when there has to be understanding. I have been jailed twice and I am prepared to be jailed again because I feel the pain and the suffering of the people I represent. If I can transmit some of that feeling to hon. Members and if they are sufficiently sensitive and responsive, then that will be in the interest of the country. If not, what is the point in having a country?

I hope that in the upcoming budget we shall hear much more of the measures to alleviate these hardships, and in the case of Tobago, that measures will be taken immediately because the situation has reached boiling point.

**5.40 p.m.**

I wish to thank hon. Members. I do not think I need say anything more at this stage, except to ask that the document concerning the social sector programme which has been signed with the Inter-American Development Bank and the letter which has been signed by the Minister of Planning and Development, be laid in this House so that we can see the commitment made to the Inter-American Development Bank. I am talking about the Social Sector Programme, among other matters. And I would also ask, in relation to the fare and the service between Trinidad and Tobago which impact so harshly on the people of Tobago, that the contract with Air Caribbean Limited be laid in this House so that the whole country would know under what conditions we travel between Trinidad and Tobago and pay this fare of \$230 return.

I hope, if not the Minister, one of his colleagues, will take the necessary steps to enlighten us on this matter and let us have the document laid in the House. I thank hon. Members for the opportunity to raise some of these matters; there will be other opportunities to raise other matters. I thank you, Madam Speaker.

**Mr. Shamsuddin Mohammed** (*Caroni East*): I think the hon. Member for Diego Martin East has made a contribution here this afternoon which ought not to be allowed to go by without some comment. If he has indicated to this honourable House that it is not his desire to remain in this House for any length of time, one can readily discern the reasons for his feeling in that regard. I hope he will take into account the response of the hon. Member for Tobago East. He must

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remember that being a Member of this honourable House, you are here at, and by, the will of the people, and if you so allow your thoughts and actions to be guided you would come to the inevitable conclusion that as long as the people want you, you will be here.

My Friend the Member for Diego Martin East apparently does not truly understand the function of this Parliament and the function of a parliamentary representative. Imagine him saying that the Member for Oropouche comes week after week with a litany of woes. Why must the Member for Oropouche come to this House week after week with a litany of woes? Because a litany of woes exists in his constituency and in Trinidad and Tobago.

If all was well and good, there would have been no need for him to come to this honourable House with that litany. Why must he complain about that? Because it is the same litany of woes I would have or any other honourable elected Member would have, as indeed his colleague from Port of Spain enunciated at his constituency conference just a few days ago.

This Parliament represents the sovereign will of the people. That must be clearly understood. We represent the will of the electorate and we must be guided by that; even though we do not like certain things we must temper our actions with regard to the feelings of our constituents and the population at large. I ask my Friend the Member for Diego Martin East to take note of that.

My Friend talked about the economy being overheated in 1991, and he was corrected by the hon. Member for Tobago East. But if it were a sum of \$200 million, here in his own admission and according to the budgetary allocation, we have a \$130 million for the Unemployment Relief Programme. What kind of overheating is that? He complained that the Member for Tobago East was electioneering. The \$130 million is what? One must take that into account. So there is an allocation under the Unemployment Relief Programme, and that is going on. How it is going on is a different matter.

The Unemployment Relief Programme is cause for much concern in various parts of this country. In our constituencies the people are not happy. They are not happy with the manner in which that programme is operated. Not only that; the hon. Member for Diego Martin East roamed all over Trinidad and Tobago, pontificating on issues relating to WASA and T&TEC and the Port. That is not his portfolio! If I did not interject at a certain stage that he should say something about his ministry and about flooding, maybe we would not have heard anything.

He was talking for the Minister of Public Utilities. I wonder if he is being side-tracked. I wonder whether that is the reason he was sent to Cyprus and the electricity rates went up. *[Interruption]* I have repeatedly told my Friend, the Member for Laventille West, he has to give some deep study to his position, bearing in mind what the Member for Tobago East quoted—a publication by the hon. Member—and every time we come to this House those words will haunt him. Haunt him! And will haunt him until he extricates himself from that amalgam. *[Interruption]* I know that he will do that, for what we are seeing now is completely contrary to the ideals, philosophies and actions that he has propounded and practised over the years. He is a totally different man. I know that he is uncomfortable! Free yourself, as others have freed themselves. *[Interruption]*

**Mr. Bereaux:** You are talking about yourself, Sham.

**Mr. S. Mohammed:** Yes, *[Interruption]* Well said, it applies to you, too. *[Interruption]* The hon. Member said he could repeat the speech of the Member for Oropouche. I do not know what he has with the Member for Oropouche, with him or about him. What I do know is that the Member for Oropouche makes quality presentations—sober, calculative and objective presentations in this honourable House. No flimflam business! You make speeches *ex improviso*, speaking off the cuff, but your contribution was symbolic of an off the cuff speech. *[Interruption]* I am reminded that his pronunciation was off the cuff too.

My colleague the Member for Chaguanas arranged a tour of his constituency. Having certain common interests I went along on the tour. We went to the ministry's office in Chaguanas, and there I was told that two ministers were coming, the Minister of Agriculture, Land and Marine Resources and the Minister of Works and Transport, to tour areas that were subject to flooding. I waited at the Ministry of Agriculture, Land and Marine Resources. Lo and behold, there emerged from a large air-conditioned vehicle, one tall gentleman—I have been to Mexico but I have never seen a broad Mexican hat as he wore; suede shoes, and another gentlemen coming out with a long tie, jacket tie. What came to my mind, there it was, "Mutt and Jeff". *[Interruption]*

**Hon. Member:** Who was Mutt and who was Jeff?

**Mr. S. Mohammed:** Mutt is absent, Jeff is present. Madam Speaker, we did go—

**Madam Speaker:** Maybe we could get back to the debate.

**Mr. S. Mohammed:** This is very relevant! My old age pensioners are involved here! When there is a flood they cannot cross the road. Yes, I am relating it, Madam Speaker, because we are talking about agriculture—

**Madam Speaker:** I wish you would, because you are really off on a tangent.

**Mr. S. Mohammed:** Madam Speaker, in my respectful submission, I took five pages of notes of the contribution of the hon. Member for Diego Martin East. I cannot allow him to get away with what he has said here today, because it is very important for my constituency and the other constituencies. He cannot flimflam, off the cuff or otherwise, Mutt or Jeff, or both.

**5.50 p.m.**

Madam Speaker, I am very grateful to the two Ministers for coming along on this visit to the Felicity area. The Minister made mention of this earlier in his presentation, and it was shocking. You would have cried if you knew that place before. The sluice gate, the whole dam system in Felicity is completely gone. The roadway leading to that dam, once a wide road, is now just a few feet. The Minister saw it. The Cunupia River, which was just a few feet in width is now over 100 feet; everything is gone. The Madam Espanol River, which leads to the sea, is a thousand feet away from where we were, yet when there is a tide the full brunt of the salt water comes into that area. And what happens?

The whole of the lower Felicity area, thousands of acres which were under cultivation years ago, has been decimated, destroyed as a consequence of a lack of maintenance in that particular area. We saw it. As we proceeded, I think it was the first time that the hon. Minister realized that this river, which my colleague the Member for Caroni Central and I have complained about habitually in this House and elsewhere, the Caparo River, ends up in the Felicity area into the Cunupia River before going into the sea.

We have spoken about that Caparo River *ad nauseam*. My colleague and I made a politician's walk to highlight the problem of flooding in Central Trinidad. That Caparo River ends in a narrow channel which leads into the Cunupia River, which has not been attended to for several years. If that were properly attended to, there would be no flooding in Longdenville, Montrose, Caparo—that whole area there. The hon. Minister comes here today and talks about \$600 million to do the works. But we do not need to spend \$600 million to do it.

That answer by the hon. Minister in the House today offers no hope for the people, absolutely none. Why do the Government not divert funds from URP into

more productive areas? Do they not know that \$5 million to \$10 million would clean that channel so that there would be a proper outflow? Why must there be another feasibility study? That hon. Minister should properly be designated the 'Minister of Feasibility Studies.' Every time we come to this House and raise an issue falling within his portfolio, it is a question of feasibility.

So what is happening? That whole area in Central is being decimated, destroyed, cannot be rehabilitated and we have to wait for a feasibility study to be done to negotiate a loan. When is that going to take place? What is going to happen in the meantime? I am suggesting to the hon. Minister that that URP that he is so proud of—and that we are not so proud of—he should seek to take some little thing from that, use some of the same gangs to clear the channels and do some minimal work. Your allocation is \$130 million; use it in more productive and more deserving areas. That is what needs to be done, rather than telling the country to wait on a feasibility study, wait on a loan for \$600 million. We do not know when that would happen.

It is not Felicity alone. Within recent times flooding has affected several areas in south Trinidad, including the areas represented by the Members for Oropouche and Siparia. Devastating floods have occurred in those areas. What was done in that situation? Again, a tour was made and more figures were given, there was talk about a feasibility study and how much it would cost and that a loan had to be negotiated. What happens in the meantime? You tell the farmers they are to blame, that they contributed to that situation. You tell the farmers there is no cash to compensate them; killing their hopes again. Nothing is offered. It is excuses and palliatives. That is what you are going to tell the people? What is going to happen to them? How are they going to start over? What facilities do they have? They do not know what is going to happen to them when the next flood comes.

The Oropouche Lagoon was a productive agricultural area years ago, but just as the lack of attention to the Felicity area has destroyed thousands of acres, so too in the Oropouche area. They have cut a channel—New Cut Channel, I think it is called—inside the Oropouche Swamp. As a consequence of that, the salt water comes in very easily to that swamp. So a whole area of production has “gone with the wind.” Oropouche near the Trinidad River [*Interruption*] What is relevant and important is where I am now. The question here, is that there is no hope for those rice producers in south Trinidad. What is happening in this country is that people have lost hope. Yet the Minister comes here to make excuse after excuse.

My old age pensioners in Longdenville, Enterprise, Chin Chin Road, Kelly Village, Caparo, this Government is giving them a paltry increase in the food

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component of their allowances. I do not know how many of the hon. Members here know what happens in the Caparo area when the rain falls, how difficult it is to come out of Longdenville into Montrose. The entire place is flooded, people cannot get to their homes, they have to take other routes or sleep at friends. I think the Member for La Brea has a faint acquaintance with that area, he came from that area yet he does not even support the people of that area; I will tell them. So it is a very serious situation.

The hon. Minister quotes from the manifesto and gives a lot of prescriptions of what is to be done and what is not to be done. In fact, this Bill arose from a statement made by the hon. Prime Minister on September, 6, which statement—as we were told earlier—was never circulated to hon. Members here; it is a newspaper clipping to which hon. Members are referring—touched on various items including a school feeding programme and agriculture, and that is why we are here today to deal with these measures. It is important to note that while there is talk about generating employment—the Minister quoted from the manifesto and several references were made to generating employment and boosting agriculture—we do not have the evidence that that is in fact taking place.

Now the contribution of agriculture to our gross domestic product over the last five or six years was more or less constant. But I need to draw to the attention of the House that in the first and second quarters of this year there was, in fact, negative growth—for the first quarter it was minus 7.1, for the second quarter minus 3.3—and that is something we need to note. While we are quoting manifesto and talking about policies and programmes, instead of things improving, things are getting from bad to worse. That is a fact. What dent has been made in the unemployment situation to date? To what extent has unemployment decreased in the country? These are official figures.

Then there was talk about expanding agriculture, but again—the source I am quoting is the *Labour Force Bulletin* for the First Quarter of 1993—there has been a contraction. It states here that where previously there was a labour force of 35,300 in agriculture, that has now dropped to 31,900. And we need to take note of that.

Again, it is not all that is written and all that is said that will produce the results. In the *Medium Term Policy Framework*, again mention is made of agriculture:

"...the agricultural sector will also generate increased job opportunities. The State accepts responsibility for the creation of an environment that will foster development of a vibrant and competitive agricultural sector."

**6.00 p.m.**

"Reduction in the current levels of dependence on imported foods; increased private sector investment in agriculture; land use and distribution; improving agricultural marketing and agro processing. "

These are things that were mentioned in this *Medium Term Policy Framework* which was presented here.

Not only that, we had a statement made to this honourable House by the Prime Minister on January 4, 1993 and in that statement, again, he identified three areas in terms of agriculture where attention would be given and action taken. We are yet to see the positive results. If there have been any results this House is certainly not aware, as we have not been informed about them. He talked about the land distribution policy. We know a paper was presented. He talked about the access road programme, IADB. We heard the Minister of Works and Transport make mention of that, but not one road has been fixed yet.

**Mr. Palackdharrysingh:** Not in Central!

**Mr. S. Mohammed:** And, of course, he talked about Caroni (1975) Limited. All these well-written, well-delivered, just like the manifesto—well-written, well-delivered—but what is the action? Is the country the recipient of any positive action having regard to the fact that we are now in the month of September? Two years and nine months has gone. What is the response, what is the action?

It is critically important for us to bear in mind that for a nation to be truly independent—we always talk about independent Trinidad and Tobago. That is constitutional independence. But one of the barometers to really assess an independent nation is, to what extent its food supply comes from local or foreign sources. If you are heavily dominated by foreign sources for your food supply, then there is need for you to take stock. So as it stands today, we cannot say, in the context of independence in its total sense, that our country is truly independent. We have to depend on those imports of food and the question is whether we need to go that way or whether we can take steps to ensure that we can be more independent as we are in the constitutional sense.

**Miss Nicholson:** And they say they are subsidizing poor people.

**Mr. S. Mohammed:** It is important to know that. In fact that proposition was enunciated by Mr. William Demas of the Caribbean Development Bank some years ago. It is contained in the 1987 Annual Report that was prepared by the

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Bank. That was a Caribbean perspective about independence and the importance of food.

We are talking about the food component of the old age pension provision. It is important to know that the allocation is already so small, and it is an opportunity to look at the food supply to our nation and see to what extent we are moving in the right direction as far as that is concerned.

We need to do that because other countries—my colleague passed a publication to me a while ago which I think is very informative. It is entitled *India Perspectives*. We are talking about a very large country, not 1.2 million. They are virtually a billion now. We are talking about a country where, I could remember, in student days, they had farming programmes to raise funds. It was a destitute society, one that was ravaged by floods and dependent on imports to subsist and exist. But they entered an era which came to be known as "The Green Revolution" and the idea was to produce more food. Let me take the opportunity to quote something from this book, *India Perspectives*. The headline says: "Indian Agriculture: A Success Story Worth Emulating":

"The Indian agriculture has done the country proud by rising to the occasion to feed its burgeoning population. It has not only effectively met the challenge of casting off the shackles of dependence on food imports but has transformed the country into a potential exporter.

There was a time when western observers were predicting that India would meet its ruins and its people would go hungry by the middle of the 1980s. The green revolution of the mid-1960s proved these observers wrong. Indeed, the middle of the 1980s was the period when India virtually had 'mountains of foodgrains' and was, for the first time, exploring the international market for exporting its surplus grain.

Despite the doubling of the population from 359 million in 1950/51 to 754 million in 1985/86, the country has achieved self-sufficiency in foodgrains. The significance of a buffer stock of 23 million tonnes was not realized till the century's worst drought of 1987 because we had become used to surpluses despite drought and flood. The irrigated areas have gone up from 22.6 million hectares to 57.8 million hectares.

The year 1993 marks the 25th anniversary of the green revolution. In 1968, Indian farmers produced about 16.6 million tonnes of wheat. The previous record was about 12.3 million tonnes achieved in 1965. This year, the wheat output is expected to be around 58 million tonnes. The quantum

jump in wheat production as well as the promise of a similar leap in rice opened up by the semi-dwarf high-yielding varieties made the western farm experts concede that it was nothing but a revolution taking place in the farmers' fields in India."

That is food security. That is independence. That is food for the nation, food for the people. We have to give serious consideration to a like position in Trinidad and Tobago.

I am sure many of my colleagues here would recall the days when no one bought a pound of rice. In our district almost every home had a big box. You planted some rice and when you beat the rice, after the intricacies involved, you stored it in that big box. There were rice mills. You would take the rice from your box periodically, go to the rice mill and you have your supply there. Put a few *baigan* plants and a few *damadole* plants. You know that, you are from Central. Tell Desmond what '*damadole*' is. You had these things growing in your yard and, of course, chicken was a luxury but you had it. Madam Speaker, even the old age pensioners.

We talk in this Bill about financing for home mortgage. In my respectful view the Government could well consider giving some kind of incentive to people to have backyard gardens, whether it is a tax concession or some other thing, a backyard garden. I went to Canada and stayed at a private home a few years ago. I went to the back and when I looked up as far as my eyes could see, everybody had a backyard under cultivation.

What happened here? You do not need \$600 million or a feasibility study as is the wont of the Member for Diego Martin East to continually propound in this House. Feasibility. We know you must have studies. The Member for San Fernando East was absent when I made the point. Perhaps it is a good idea to put the Member for Diego Martin East as Minister of Feasibility Studies. Madam Speaker, the point I am making is that we should concern ourselves with the question of food security and encouraging people to grow things at minimum cost.

With the greatest deference to the Minister of Finance, I happen to have visited his floral enterprise some years ago and enjoyed the beauty of his cultivation; and I know that earns some foreign exchange.

**Miss Nicholson:** Making millions, man!

**Mr. S. Mohammed:** We seek to earn foreign exchange, but it would be a good idea if we could educate the public about growing some more food. If they put five roots of roses, put two roots of something to eat. The Minister of Agriculture is absent.

**6.10 p.m.**

I should have thought that the first thing they would have had in this House would have been a comprehensive statement by the Minister of Agriculture, Land and Marine Resources. He always had plans. They are the ones who are supposed to go out to the farmers and to meet the people.

When we had our tour in central Trinidad, we put forward a memorandum asking that the officers of the Ministry of Agriculture, Land and Marine Resources visit the areas that were affected and make some kind of assessment to see what could be done. They are the people who are best positioned to do that. They have calculations as to the cost of a tomato plant or any other plant that might be damaged. They have it. We have no statement from the Government up to this time telling the farmers of this country and the people who have suffered losses, what it proposes to do. These people got washed out, totally, and there is nothing you can tell them?

We are in a critical position in this country. The psychological factors—some months ago a group of experts came out with a report that said what is affecting the farmers most in this country is the mind. Do you know why? Some of them cannot even sleep properly at night. Some of them take tranquillizers. They have to pay mortgages to the ADB. When they sell their produce—if they have chickens to sell to the contractor—the returns cannot even compensate for their labour, their electricity and whatnot. These are people who are living in fear and worry. They have wives, and they have children to send to school. There is no hope.

The Minister has a very offensive attitude towards most of the farmers. I say that categorically in this House. I can call cogent and credible witnesses and bring evidence to support my submission in this regard.

I am saying there is depression. Look at what is happening in our society. Everybody has to be concerned. We see many manifestations of what people are thinking, coming out, either in chopping or hanging, or what have you; shooting and all the heinous and violent crimes that you can think about, we are seeing occurring in our society today.

The Member for San Fernando West is an actor. Those things which were acted out have become reality now. His acting stage has gone onto the stage of

Trinidad and Tobago where all this type of violence is being perpetrated. It comes from here. Our society is in a very critical position. People cannot manage their debts. They cannot deal with their problems. They cannot afford to buy clothes for their children and send them to school. There is a constriction of that liquidity. They cannot pay their mortgages. The farmers are very seriously affected in this regard.

The Government needs to look at this. The Minister of Health and the Minister of Consumer Affairs and Social Services should be looking at the mental problems afflicting the society. What measures do they have to deal with the stress that is afflicting the society? That does not need \$600 million or a feasibility study. It is a reality. Almost every week you have a murder/suicide incident occurring in this country. Who is doing anything to help in this situation? What consultations are we having with the religious groups in our country to act as leaders in the vanguard of getting these groups and institutions motivated? Call a national forum! Call a national consultation! Now is the time to do that, because the mind of man is terrified at this point. What is the Government doing? Every measure it brings before this honourable House—

**Madam Speaker:** May I remind the hon. Member that what we are debating is a Bill to amend the Income Tax Act, the Corporation Tax Act, the Stamp Duty Act, the Council of Legal Education Act and the Old Age Pensions Act. Will the Member return to the debate.

**Mr. S. Mohammed:** Madam Speaker, I thought I was still there and I never went away. To implement any measure in any Bill calls for a sound mind and stable condition. Apart from that, we are dealing with food security, with the food component of the old age pension. Thirty cents per day? That is what we are dealing with! That amounts to nothing! Two dollars-plus a day for an old person to survive! That is what the Bill is talking about!

**Madam Speaker:** The Member has had the training of a disciplined mind, a disciplined profession, and I think that he ought to stick to the Bill. Relevance is a very important part of his profession. Will the Member stick to the relevant matters, please.

**Mr. S. Mohammed:** Madam Speaker, with the greatest deference, and I have the greatest respect—

**Madam Speaker:** All I am asking the Member to do is to stick to the debate at hand. We have given him a lot of latitude. Please return to the debate.

**Mr. S. Mohammed:** Madam Speaker, having regard to the indulgence of the Chair in allowing the Member for Diego Martin East to roam on every ministry in the Government, I am forced into a situation. For the benefit of this side, I need to respond to what he said. That is precisely what I am doing. I have five pages of notes and I can tell you every subject matter he dealt with. The whole budget is covered here.

**6.20 p.m.**

Madam Speaker, I am dealing with the context in which the Government needs to do something. If we are talking about home mortgage, as provided in this Bill—you are going to give loans to young people and take their pension funds for deposits; sooner or later they could get into trouble with the repayment of their mortgage. They must learn to handle the problems when that time comes.

I make reference to an important point. Very often we hear about this question of subsidy. People are not getting subsidies for food. Little do we realize that subsidy plays a major role in the regimes of the developed countries while, in our country, agriculture, in terms of the gross domestic product, does not play a major role. We are what? About 3 per cent. In the United States of America it is 3 per cent. That is the contribution of agriculture to the GDP there. In Canada it is 6 per cent; France, 4 per cent; Australia, 4 per cent; Brazil, 10 per cent and, New Zealand 9 per cent. That is the contribution of agriculture to the GDP of those countries. What is the position with regard to subsidies that are paid to farmers in those countries? This is a fundamental point that we must take into account.

In the United States of America the subsidy for rice is 49 per cent; milk subsidy in Canada is 79 per cent; in the EEC, 69 per cent; in the United States of America, 62 per cent. Poultry subsidy in New Zealand, 57 per cent; sugar subsidy in the EEC is 57 per cent; in the United States of America, 47 per cent. Beef subsidy in the EEC is 54 per cent; and there are stringent tariff measures in those countries. What do we have in Trinidad and Tobago for subsidy and tariff protection? That is what we need to consider when we think about the whole question of food security as one part of our agriculture, and as mentioned in the old age pension, the food component. That is what we are dealing with.

So we have this situation where we have to be careful with those food components which we import. Let it be known that they are heavily subsidized by their countries. What subsidies do we get here in respect of our commodities, and in what quantum and in what areas? We need to look at that. We need to monitor what comes in because there is competition.

The Member for San Fernando East mentioned the School Feeding Programme. This is the background to what we are dealing with today, so that we would have our 80,000 meals with the use of local commodities. Very noble, very good, but we must bear in mind what is coming from outside and the competition that is being given. All sectors of our agricultural economy in one way or the other are receiving competition from outside. What mechanism do we have for testing the quality of the goods or food that comes in competing with our people? We cannot produce beef in Trinidad and Tobago to compete with the beef we purchase from abroad. No way! How do we look at that and how do we deal with that?

Budget time we will go into details of the various sectors of the agricultural economy but, I am dealing specifically with the question of food because the Bill says “food component,” whether it is three cents or 30 cents. The Member for Ortoire/Mayaro fully understands the import of my contribution.

Having regard to all this foreign competition we need to have a monitoring system. We do not even see the Member—he is not a Member of this House in any case. He belongs to the lofty place, but he holds a very important portfolio. It was the Minister of Trade, Industry and Tourism who made a statement and we have not had a retraction by any Member on that side. And we are dealing with food security. He made a statement at the beginning of last year when he said that we do not need to have an agricultural sector; we could import our food. That was reported in the newspapers and it was never denied. So we have to look at that in terms of our food supply in our country—if we are to have a food supply.

I mentioned one or two problems. I mentioned the flooding and the competition, but there are other areas that affect the food supply, and we need to know that because we want to help the old people and everybody. We should have a motto and a policy, from Speaker to Member of Parliament, to plant food crops. Not only flowers, though they are very beautiful.

On the question of praedial larceny. We have spoken about that, time and again, as we saw the problems that needed to be dealt with. Do you know what is happening with food production in our country? We have reached such a critical stage that in order to survive, cattle that are slaughtered to sell as meat now come from the dairy herd? In other words, animals that you rear for milk, farmers have to slaughter them to get money to survive. It has reached that stage.

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

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

*Question put and agreed to.*

**Mr. S. Mohammed:** With respect to the food supply, when a farmer has to take capital stock and sell it in order to survive, that signals that we have reached a very serious stage in our country. That farmer is in deep trouble if he has to take his milch herd and slaughter them in order to get funds to run his business. Something is seriously wrong. If a farmer has to take a tractor or other equipment and sell that to get money to run his business, something is fundamentally wrong.

I submit to this honourable House that that is taking place in our country now. Our farmers feel insecure because of the bandits; they are very frightened. I know one farmer at Carlsen Field who was robbed and his wife beaten. The man has to close his enterprise. These are the kinds of problems that we are having. It is the sort of thing that we ask the Government to look at. It is important—the whole effect of the impact of the trade liberalization programme on agriculture. What assessment has been done? We do not know. You do not need \$600 million for that.

What technical advice and help are being given to the farmers? You do not need \$600 million for that. We have a cadre of officers who could be mobilized with the people to see what could be done. What happened to the subsidies to the dairy farmers and the coconut industry? What is happening there? People need to know that. They cannot go much further.

The rivers and drains need to be cleared. You do not need \$600 million for that. Divert some of the funds from URP or take the same people and embark on a national clean-up programme. Put them to clear the drains. You do not need \$600 million for that. There are urgent matters. People come to me from Kelly Village, Herrera Trace, Satnarine Trace—six to eight feet of water; The children cannot go to school. Nobody cleans. Old age pensioners live there. They cannot even go to draw their pension, to their doctor or for medication.

**6.30 p.m.**

Madam Speaker, I think that the Government needs to look at the question of what is happening with food security in the nation. I do not think any proper study or monitoring is being done in that area. I urge the Government to look at the plight of the farmers, even if they have to call them together. There are many other areas that we can go to. This is not the occasion for it. They are bawling for

help and they are frustrated. I ask the Government to try to see what can be done in order to assist in that regard.

I thank hon. Members for their indulgence. I hope the Member for Diego Martin East would not think I was too hard on him, but I think it was equitable having regard to all that was said and done.

Thank you very much.

**The Minister of Finance (Hon. Wendell Mottley):** Madam Speaker, not very much was said on the matters directly related to the Bill. I can understand that after a long vacation, Members wanted the freedom to roam over a number of subjects far and wide and get practice for budget which is later on. That is what they have done.

The fact is that much of what was said about this Bill mirrors the concerns of the Members on the other side about hardships that are being experienced in the land. The fact is that many Members were expressing concerns about the needs of the population; and there are real needs. The Government recognize that and within the tight resources that are available to us, we have attempted, where possible, to meet some of those needs.

There is a vast difference as in personal life, family life and in the life of a country, between needs and resources. That is a fundamental point that needs to be understood. It does not matter how a person's needs cry out, the only real help that you can give is when you are able to address real resources to those needs.

For instance, we have attempted to move up the food portion of the old age pension a bit. It is true that it is not a large increase. We have been progressively, and over the last budget prior to this increase, increasing the old age pension again and again, and it must be seen in that progression. One must never forget that the old age pension is an entitlement programme. That is as long as you qualify—you are a citizen; you have reached a certain age; you do not have more than a certain amount of income. You come on the roll and you are there until you die. If 50 more people come on board one year, the state has to meet it. If 5,000 people come on board the next year, the state has to meet it.

That is the problem of entitlement programmes that was the subject of such excited debate in the American Congress. Because they say that kind of entitlement programme is what has caused the United States to be bankrupt; entitlement programmes where needs bear no relation to resources available. We have to be very careful about how we structure programmes in this country that bear no relationship to resources.

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I see an amendment being circulated in the name of the hon. Member for Oropouche, who fails to appreciate that very problem. When you have a programme that allows so many thousands to qualify at a \$4,000 income cut off, imagine what would happen if you raise the cut off income to \$12,000. At this stage I have to tell the House that the old age pension is about \$100 million in overdraft and we cannot find the resources within the very tight economic situation to deal with it. That is how overdraft at the Central Bank builds up.

The Member for Oropouche is extremely critical, and correctly so, when he comes here and says that the Minister of Finance is allowing overdraft at the Central Bank to build up. He gets up and he is very self-righteous, but then he moves an amendment that has the consequence, although he may not have understood it, of promoting just that.

Therefore, I urge caution; for everyone must understand that the state is not limitless. What we have done, in the amendments that are before us, in terms of the old age pensions, the income tax amendment and the additional assistance we are providing by way of school feeding, is to present a carefully thought out programme that assists and is directed. All over the world they are now talking about assistance that is directed and not just an entitlement programme. This is where we have targeted most of our assistance during this period of acknowledged hardship being suffered by the population, as we go about rebuilding this economy. That is what we are doing; we are rebuilding the economy of Trinidad and Tobago.

We have not been fortunate to have rapid increases in oil prices. We are in a situation in which Members opposite are only too well aware that oil prices are plummeting. We have to rapidly increase the production that is coming from manufacturing, from agriculture, as the Member for Caroni East said, from tourism and other areas. I would come back to the process of rebuilding in a minute because Members on the other side spent much time properly addressing that aspect. Until we rebuild the economy that brings in resources, it is ill-advised to concentrate on how we spend resources that we do not have.

The Member for Tobago East sought to make odious comparison between what is happening now and during the tenure of the last government with respect to several matters in the economy. That is his privilege, but I would draw to the attention of this House certain very significant details, one of which is, you can beggar your neighbour, or you can mortgage your children and live better today, at the price of tomorrow. In rescheduling debts, that is such a price.

We are now paying back heaving IMF borrowings and a whole sleuth of other borrowings, but more especially debt rescheduled that was shovelled into 1992, 1993 and part of 1994. It would be 1995 before we can get—the Americans talk about peace dividend—that Trinidad and Tobago would be able to expect a debt dividend as a result of those reschedulings that have so heavily mortgaged the economy over these few years.

More than that, the hon. Member spoke about growth in the economy and build-up of reserves in his time. That was entirely, totally and absolutely the Saddam Hussein effect. Oil prices that are \$15 per barrel today, during "Saddam" were well over US \$30 per barrel. That was during the Gulf War in 1990 when there was the much trumpeted build-up of reserves. Those are facts.

Clearly, there were tremendous increases in oil prices and even during the tenure of the last government when the Saddam Hussein effect started to wear off early in 1991, one could have seen the effect on the economy even then. We saw then the radical depletion of foreign exchange reserves that began in 1991, a subject that was spoken about during the election campaign.

They cannot hide from that fact. Once the price of oil came back down, after the Sadaam Hussein effect wore off, we came back to a normal situation with which we in Trinidad and Tobago are grappling today. These are facts.

**6.40 p.m.**

The hon. Gentleman also spoke about other matters. For instance, about undue pressure being brought on Tobago with the airfare. I do not know how this could be spoken about, especially since all the details with the contractor running the airline today were not started under this Government. The fare was \$200. True, during the term of this Government it went to \$230 as a result of the change in the value of the TT dollar, but I do not think we are arguing the change from \$200 to \$230. This was all done during the term of the last government when it was clearly stated in the tender document that no subsidy was to be provided. This Government merely continued that particular practice.

Further to that, there was discussion about what the Member for Tobago East considered the callous restructuring of the utilities. Again, because this Government is attempting to live within its own resources and not postpone burdens, or shelve them on to generations to come, it has to deal with the utilities.

The current talk is about the port. The last government allowed the port to borrow to the point where it could not service its bonds. This Government has had to take over and guarantee the bond obligations of the port. All sorts of things

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went on. For instance, a bond issue was raised to deal with severance pay on the port and, instead, the proceeds of that bond were used to build a huge \$16 million building that most of you would not see because it is almost on the waterfront. This Government now takes \$167 million on board from the port.

These are some of the facts. We can borrow too, and do all of these things and postpone until 1996, but we know that we shall be here again and have to take it up.

The hon. Member for Caroni East spoke lengthily about India and its remarkable progress, which we on this side acknowledge. India has made remarkable progress with her economy—her agriculture and her industry. India, like Trinidad and Tobago, recognizes the need to become fully integrated in the world trading economy. India used to be one of the most sheltered countries, hiding behind very bureaucratic practices—high rates of duty and controls over capital.

I reported to this House that India preceded us with the floating of the rupee, but it goes even deeper than that. The Indian government has acknowledged that it is going through massive structural adjustment. The Indian government has China, a most powerful economy that will reshape most of world trading on its doorsteps. If India does not get its act together, it would be in great trouble, so it is pressured—and correctly so—to take the steps required to right itself now.

Only last week I had the opportunity, right here at the Hilton Hotel, to hear, not second hand but first hand, from the Indian Minister of State for Steel, Mr. Dev, talk about all the steps that the Indian government is taking as regards trade reform, radically down-sizing wage payments to the extended public service and privatizing Indian electricity generation. I believe, Madam Speaker, you heard them yourself. You were present. I heard all of these things and I saw much discomfort in the Trinidad audience as he was speaking. In fact, this Government needs to use such opportunities to greater effect so that Trinidadians and Tobagonians would have a better idea of what is going on in the wider world and not feel that we are selected for some peculiar form of punishment here in Trinidad and Tobago. We, like India, have no choice.

We have always said that oil is our main drive and we must fix that first, but that does not preclude dealing with the rest of the economy. We have attempted, at great expense to fiscal revenues, to deal with the oil sector. We have sacrificed revenues. We are seeing the benefits. There is now in Trinidad and Tobago a degree of exploration activity unprecedented in the 100-year history of the oil

industry. There is right now in Trinidad and Tobago oil exploration activity, including right on the hon. Member's doorstep in Penal—*[Interruption]* There is a certain television advertisement that says, "to reap the corn, you must first plant the seed." I thought you would have understood that. Certainly, the Member for Caroni East understands that, but you are accustomed to ratoon alone. We have done the deed, the exploration activity is in train and we are optimistic. It is bearing fruit already. A lot of money is generated in the economy.

For the first time there is much activity in the South. Oil services are going up and ultimately we hope that it will bear fruit, but we do not live for the oil bonanza. That was something we had to do for the country, and we have done it. We are proceeding apace with the non-oil sector in removing all the constraints that may be holding it back. I want to report that we are having a considerable increase in non-oil exports, especially so since the float.

We need to know something as well because many people are saying that all these policies are not working. The first point is that economic activity is not a light switch that you can turn on and off. There is a delay between taking corrective action and achieving the results. We are already seeing sufficient, so that we can move forward confident that we are on the right path.

The published economic data is clearly showing that although we are still having negative growth, the non-oil sector is growing apace. What is happening is that the oil sector, especially price, over which we have no control, is bringing down the whole economy. But the non-oil sector, especially manufacturing, is growing apace and accelerating.

### **6.50 p.m.**

Let me now turn to tourism. We place great emphasis on a new dynamic tourism industry in Trinidad and Tobago, and we are carefully laying the plans to achieve this. We are implementing a number of programmes which will be more obvious in the budget in which infrastructure will be addressed, in which the taxation regime will be addressed and promotion money will be addressed. Apart from that, we will be targeting investments in hotel rooms, quite apart from the programmes we are pushing, namely, the festival activity and the calendar of events.

Let me state that only last week I was in Tobago on the much delayed Crown Reef programme that we took from the last government and I am trying to bring that to fruition, as well as a number of new initiatives at three sites—I do not want

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to prematurely disclose them; this is the responsibility of the Minister of Trade, Industry and Tourism—but we have active investors for three sites for which we are pushing for construction start in Tobago next year, in addition to an additional 100 rooms at Grafton. We are seeing a very significant increase in hotel-room construction in Tobago, which is the obvious flagship.

**Miss Nicholson:** Madam Speaker, there is one point I want to raise and would be happy to hear from the Minister. Is he postulating that they will be putting in the infrastructure for hundreds of rooms and other things? I should like to know where the infrastructure is to cope with what he is putting down there. Where are the air and sea transport services to cope with tourism? Where is the water to cope with tourism? You cannot deal with tourism unless you deal with those.

**Hon. W. Mottley:** The Member for Tobago West is correct in principle. We held discussions with the Tobago House of Assembly on their immediate water programme *vis-a-vis*, the south-western area of Tobago and what is taking place there right now. Then, the Richmond programme, and how we accelerate that to deal with the water requirements three years hence, and the hon. Prime Minister has given certain assurances about that project. *[Interruption]* This is not a Tobago matter; this is a Trinidad and Tobago matter, because Trinidad is counting on Tobago to lead that tourist thrust. *[Interruption]*

I thought that the Member for Diego Martin East had said enough on the airline. Frankly, I am not briefed to deal with the airline at this stage. All I can say is, the last trip I took to Tobago was on Friday; I went there on an 8 o'clock flight and returned on an 11 o'clock flight. There were quite a few people on the plane, but there were vacant seats. In case I had missed the 11 o'clock flight, there were other flights later on that day. There are spaces on the plane. If the hon. Member is referring to reservations systems and so forth, I know that BWIA was given a Cabinet direction and I am not aware of further details on that at this time.

The hon. Member for Caroni East dealt with food security and pointed out, correctly, that a number of developed countries have very high levels of subsidy for their agriculture and that we in Trinidad and Tobago are counting on growth in agriculture, but we have to carefully position our agriculture. We have to be aware in this country. I will give you some examples: Our rice farmers get paid 89 cents per pound for paddy. It takes two pounds of paddy to make a pound of rice, so virtually, you are up to \$1.80 cost, raw materials only for a pound of rice. Even if you acknowledge the subsidy, rice is landed here—parboiled rice and so forth

for much less than \$1.00, with all profit and freight and everything else, but you say that has a subsidy.

What this country has to be very aware of—because there can be no protection against it—is that Guyanese farmers are growing rice for between 20 and 25 cents a pound for paddy. There is no subsidy in that. Therefore, we have to be very careful how we position our rice industry.

**Mr. Sudama:** Is the Minister aware of what the wages are on the Guyanese farms? Because we are talking about a cross-price structure related to our economy. If you want to reduce wages of agricultural labour to what the Guyanese receive, then, we could grow rice competitively. What will you do with the resources so released? What would the farmers do otherwise? And what other use are you going to put to the land involved? It is this kind of economics that has us today in a pauperized situation.

**Hon. W. Mottley:** Madam Speaker, what we are saying is, we have to be aware of what the Guyanese are doing; we have to be aware that we are in an economic common market with Guyana, that President Jaggan was here. And why was President Jaggan talking about Flour Mills being exclusive buyers of rice?

Because President Jaggan is well aware that that monopoly purchase right of Flour Mills is intended so that Flour Mills can hold the purse on any profits gleaned from rice imports to deal with paying 89 cents per pound for paddy from our farmers. It is not that the Government plans to shut down our rice farmers, but we have to be very aware of what it is costing and what an expansion of the domestic rice industry will do; and what lurking in the wings of the Guyanese rice production is capable of.

There is a project in Guyana, approved by the IDB, for one rice farm in Guyana by an indigenous Guyanese, virtually the size of the whole Caroni Swamp and the whole Oropouche Lagoon doubled or three-times over—one project. Therefore, if you think 20 cents a pound is high, when that gets going *[Interruption]* They are in an economic common market with us. Are you suggesting that the Treasury continue to be blind to what is going on around us?

**7.00 p.m.**

Why I raise this is that we have to be cognizant of these facts. We want a strong agricultural sector; it is not that the Government are saying no to agriculture. We are saying, however, what is the best for our agriculture. We have

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sugar, we have to make it more efficient, we have to stay with it; rice is here, we have to make it more efficient; we have to get production more efficient, conform to standards and so forth so as to keep a semblance of a rice industry, otherwise we are going to get wiped out. But the real growth for our agriculture, when we get tourism going and domestic consumption [*Laughter*] No, Madam Speaker, that is not a joke.

**Mr. Maharaj:** I wonder if the hon. Minister would give way. When do the Government expect to get tourism going? In the meantime, how would they prevent starvation and how would they provide jobs?

**Hon. W. Mottley:** Madam Speaker, tourism in Jamaica redounds so much to agricultural benefit. Trinidad and Tobago is a country in which we could get a very high percentage of the tourist dollar, not only because of our manufacturing capability, but also because of our agricultural capability. In other words, our strength in agriculture is in the areas best known to the Member for Caroni East. It is in fruit and vegetable production and not in staples where we do not have the resources to compete with the Guyanese, namely, the vast acreage and the much lower wage rates; it is in the skills of the farmers here on crops that need much skill and input—it is in those areas, where, on the strength of our domestic market, augmented when we get tourism really going, that we can push. It is those areas, until that time, we move into.

We have a major land distribution programme ahead of us. It is in areas like that with export crops—peppers, vegetables, etc.—that Trinidad and Tobago has a real long-term chance of success while we continue to try to hold together some of the basic staples, the old copra industry, coffee, sugar. It is in these areas that we see a chance for survival of a Trinidad and Tobago agricultural sector, and indeed, a thriving agriculture. We have to be different. We cannot beat the Guyanese at their own game; we cannot beat the Belizeans at their own game.

Madam Speaker, I think that I have covered most of the objections and alarms raised about the general direction of the economy. We are going through a difficult time, there is no gainsaying that; it is a worrying matter. Neither I nor this Government can shield the population from the several hundred million dollar consequence of much lower oil prices than we had bargained for. These are factors out of our control, but it does not mean that we abandoned the plan; it means, in fact, that we have to accelerate the new directions in which we have to go, because standing still is a certain recipe for disaster.

Madam Speaker, I beg to move.

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*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

*Clauses 1 and 2 ordered to stand part of the Bill.*

*Clause 3.*

*Question proposed, That clause 3 stand part of the Bill.*

**Mr. Sudama:** Madam Chairman, I beg to move that clause 3 be amended as follows:

"That the Old Age Pensions Act, chap. 32:02 section 3(1) be amended by deleting the words "four thousand five hundred" appearing in the second line and substituting therefor the words "twelve thousand" between the words 'of' and 'a'."

In effect this is to raise the income qualification ceiling for entitlement to old age pension. As it is, those who have other sources of income, \$4,500 and above, are not entitled to the ordinary old age pension simply because it is deemed that they have sufficient resources otherwise and should not access old age pension.

I am submitting, first of all, that this is a necessity and will bring about much relief to many people. I am arguing—and I am aware that in thousands of households the only income that is received—because people are unemployed, there are children, older persons unemployed—is that of the old age pensioner. That income has to stretch to meet the needs of the whole family because of the very, very high level of unemployment.

Therefore, if this income qualification is raised it would bring great relief to thousands of families who cannot access old age pension which at this point amounts to only \$4,272 for the year, inclusive of the minimal increase now being implemented. If this ceiling is not raised, it means that you are confined to your other sources of income, and if that exceeds \$4,500, you cannot access old age pension, and that is creating a lot of distress.

When we look at the poverty level that I referred to earlier, the poverty line is drawn at a point where we are talking about one change of clothing a year; one roll of toilet paper a week; one tube of toothpaste for the month; we are talking about the cheapest and the minimal acquisition of food and clothing and rent.

**7.10 p.m.**

In the last few years prices have so dramatically escalated that the poverty line today cannot be drawn where it was drawn three years ago. The poverty income line, so to speak, has gone up because of the dramatic increase in prices, inclusive of the devaluation of the currency, the increase in gasoline prices, the liquidation of subsidies. Therefore, this measure is designed to extend relief to a group of people who are really in need of it.

When I look at the Index of Retail Prices, for which I have the figures, and see what has happened between March and June, 1993—remember the dollar was devalued in April—the food element of the All Items Index showed a dramatic increase from 383.7 points to 437 points over a period of three months. And that is where the poor people spend most of their money.

My proposal will bring relief with respect to the food item. Then there is fuel and light which went up in March 1993 from 348.7 percentage points to 354.8. Housing has gone up, and look at what has happened to medical goods and services. The two areas that pensioners are particularly concerned about are food, in which there has been a dramatic increase, and medical goods and services, which has moved from 184.3 at the end of March, 1993 to 193 at the end of June.

The other point I wish to address, Madam Chairman, is this whole question of where they are going to find the money, of which the Minister made heavy weather.

**Madam Chairman:** No, at this point we are dealing with the amendment.

**Mr. Sudama:** Yes, with the amendment. Where are they going to find the money? Because this will involve a charge on the resources of the Treasury, and they are saying that the money for pensions is obviously in overdraft; they do not have the money. Where do the Government place their priority?

**Madam Chairman:** The Member is generalizing at this point. He is not really going into specifics. I do not think that kind of argument is permissible on an amendment. It should have been done in the debate.

**Mr. Sudama:** You see, Madam Chairman, I am anticipating that the Minister is going to say that the money is not there. Where have they found the money for URP?

**Madam Chairman:** I do not think I will allow this kind of argument.

**Mr. Sudama:** Where have they found the money for all these other things? Where do they place relief for old age pensioners in that list of priorities?

**Madam Chairman:** I call upon the Minister at this point to respond.

**Mr. Mottley:** Madam Chairman, as I did say, the aim of the Government has been, with these measures, if you look at the Income Tax measure it is put at the lowest level. It is not that we are arguing that other people are not having difficulty. But we are attempting to be specific and direct, putting the limited resources we have where it is hurting the most—at the base of the society. Certainly, somebody who has an income of less than \$4,500 needs more help in the present circumstances than somebody who has under \$12,000. Since we do not have the money to deal with all the needs that have been put forward by Members on the other side, we have been attempting to put the resources at the base where the needs are greatest.

Furthermore, I am given to understand that at present there are 60,000 recipients of old age pension and that if we take this up to \$12,000, more than 75—80,000 people will be brought on—

**Miss Nicholson:** But if they are in need—

**Mr. Sudama:** Madam Chairman, I want to respond to two points. The first is, how do you determine that a person who is earning \$16,000 as chargeable income is in greater need of relief? You are depriving the Treasury of money by saying that such a person would be exempted from income tax. Therefore, there is no money coming in there. In fact, you are just giving back these people something they would have paid otherwise. How do you determine that the need for relief of people earning chargeable income of \$16,000, which would mean gross income probably of the order of \$25,000 or so, is greater than the need of the old age pensioner who is getting up to \$4,500.00?

**Mr. Mottley:** Those are two entirely different circumstances. One is receiving a benefit; one is giving up income through tax.

**Mr. Sudama:** But, we are looking at the whole priority listing of Government disbursement—Government giving money; either forgoing money, or making provision.

**Mr. Mottley:** No, if I carry your argument to the extreme, then that would serve as a basis for confiscatory tax on anybody who has income such as we receive—totally confiscatory tax.

**Mr. Sudama:** No, no, no. A budget determines priorities of where you are going to spend money on the basis of certain criteria. One is the criterion of need; and you were just telling me that you are focussing on \$16,000 chargeable income

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because there is need there. I am asking how you distinguish between that need as being greater than that of somebody who is over 65 and earning less than \$4,500?

**Mr. Mottley:** There is a difference. It is their money.

**Mr. Sudama:** Could I ask you another question? What happens if somebody earns \$4,501—they are disqualified. If you earn \$4,501 could you not have an income qualification which is scaled so that if you feel that people should get an additional—that they will get a reduced pension if their earnings—

**Mr. Manning:** At what point you come to zero?

**Mr. Sudama:** At \$12,000.

**Mr. Manning:** What about \$12,001?

**Mr. Sudama:** You are dealing with a certain range.

**Madam Chairman:** I think the respective sides have stated their positions. I will intervene at this stage.

Hon. Members, the Member for Oropouche has suggested an amendment to clause 3 as follows:

"That the Old Age Pensions Act Chap.32:02 section 3(1) be amended by deleting the words 'four thousand five hundred' appearing in the second line, and substituting therefor the words 'twelve thousand' between the words "of" and "a"."

*Question put.*

**7.20 p.m.**

*The committee divided:* Ayes 13, Noes 19

**AYES**

Maharaj, R. L.

Humphrey, J.

Sudama, T.

Palackdharrysingh, R.

Bhaggan, Miss H.

Mohammed, S.

Singh, Dr. C.

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Panday, S.

Jurai, K.

Sharma, C.

Hanif, M.

Hosein, S.

Nicholson, Miss P.

**NOES**

Ramrekersingh, Hon. A.

Manning, Hon. P.

Sobion, Hon. K.

Mottley, Hon. W.

Eckstein, Hon. J.

Marshall, Hon. M.

Maraj, Hon. R.

Griffith, Dr. The Hon. R.

Baboolal, Hon. L.

Collis, Hon. K.

Imbert, Hon. C.

Lasse, Hon. V.

Pierre, Hon. J.

Casimire, A.

Narine, J.

Hart, E.

Allum, D.

Bereaux, H.

Rajaram, C.

*Amendment negatived.*

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*Clause 3 ordered to stand part of the Bill.*

*Clause 4 ordered to stand part of the Bill.*

Clause 5.

*Question proposed, That clause 5 stand part of the Bill.*

**Mr. Mottley:** Madam Speaker, I beg to move the following amendment to clause 5(a)(ii) of the Bill:

"In paragraph (ga) (ii) at page 4 delete the words 'this Act' and substitute therefor 'the Finance (No. 2) Act, 1993'."

*Question put and agreed to.*

*Clause 5, as amended, ordered to stand part of the Bill.*

*Clauses 6 to 10 ordered to stand part of the Bill.*

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

*House resumed.*

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

#### ADJOURNMENT

**The Minister of Education (Hon. Augustus Ramrekersingh):** Madam Speaker, I beg to move that this House do now adjourn to Monday, September 27, 1993 at 1.30 p.m.

I wish to inform hon. Members that the Customs Order, 1993 will be taken on that day.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 7.25 p.m.*