

*Leave of Absence**Tuesday, April 14, 1998***HOUSE OF REPRESENTATIVES***Tuesday, April 14, 1998*

The House met at 10.05 a.m.

PRAYERS[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Mr. Speaker: Hon. Members, I wish to advise that I have received communication from the Member for Port of Spain North/St. Ann's West, who is out of the jurisdiction and who has asked to be excused from sittings of this honourable House up to May 5, 1998. The leave has been granted.

PAPERS LAID

1. Report of the Auditor General on the accounts and Financial Statements of the Primary Education Programme for the year ended December 31, 1995 as required by Loan Contracts 796/SF-TT and 215/IC-TT between the Government of the Republic of Trinidad and the Inter-American Development Bank. [*The Attorney General (Hon. Ramesh L. Maharaj)*]
2. Report of the Auditor General on the accounts and Financial Statements of the Primary Education Programme for the year ended December 31, 1996 as required by Loan Contracts 796/SF-TT and 215/IC-TT between the Government of the Republic of Trinidad and the Inter-American Development Bank. [*Hon. R. L. Maharaj*]

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

FINANCE COMMITTEE REPORT**(SECOND)****Presentation**

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. Speaker, I beg to present the following report:

Second Report (1997—1998 Session) of the Finance Committee of the House of Representatives of Trinidad and Tobago on proposals for the expenditure from Public Revenue which were not included in the Annual Estimates, 1998, and to indicate that a motion for the adoption of the report would be taken at a later stage.

ORAL ANSWERS TO QUESTIONS

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I wish to indicate to the honourable House that the Government would be able to answer questions Nos. 47 and 48 and in respect of questions Nos. 46, 59, 60 and 61, we ask for a deferral of two weeks.

The following questions stood on the Order Paper:

**Oil Exploration
(Cash Bonuses)**

- 46.** Could the hon. Minister of Energy and Energy Industries state:
- (a) How much money the Government of Trinidad and Tobago has to date received as signature cash bonuses from leases of oil exploration acreages in 1998?
 - (b) What was the sum anticipated in the 1998 budget? *[Mr. P. Manning]*

**Continental Industrial Supply Corporation
(Tenders)**

- 59.** (a) Would the Minister of Public Utilities inform this honourable House whether the firm, Continental Industrial Supply Corporation, had tendered to supply any product and/or services to the Water and Sewerage Authority (WASA) over the period 1996 to 1998?
- (b) If the answer is in the affirmative, could the Minister indicate the date(s) of the tender(s) and what product and/or services were offered? *[Mr. E. Williams]*

**Continental Industrial Supply Corporation
(Contracts)**

- 60.** (a) Would the Minister of Public Utilities indicate whether or not the Water and Sewerage Authority (WASA) has awarded any contract(s) to the firm, Continental Industrial Supply Corporation?
- (b) If the answer is in the affirmative, could the Minister indicate:
- i. how many contracts were awarded by WASA to this firm?
 - ii. the value of each contract?
 - iii. the services and products involved with respect to each contract?

- (c) Could the Minister state whether other companies tendered for the supply of the products and/or services involved, and if so, could he:
- i. give the names of each such company?
 - ii. indicate how each company was ranked? [*Mr. E. Williams*]

**Continental Industrial Supply Corporation
(Board Member's Interest in)**

- 61.** (a) Would the Minister of Public Utilities inform this honourable House whether or not any member of the Board of the Water and Sewerage Authority (WASA) ever declared an interest in Continental Industrial Supply Corporation?
- (b) If the answer is in the affirmative, could he state the name of the Board member and what is the nature of his/her interest? [*Mr. E. Williams*]

Questions, by leave, deferred.

Mr. Valley: Mr. Speaker, I just want it to be noted that one-third of the questions on the Order Paper are being answered today.

**Value Added Tax
(Anticipated Revenues)**

- 47. Mr. Kenneth Valley** on behalf of Mr. Patrick Manning asked the hon. Minister of Finance:

Could the Minister:

- (a) give the anticipated figure for revenues from Value Added Tax (VAT) as projected in the 1998 budget?
- (b) state whether those figures have been revised in light of the changed economic circumstances of the country, and if so, what revenue is now expected?

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. Speaker, the anticipated figure for revenue from Value Added Tax projected in the 1998 budget, is \$1,640,232,000.

In reply to Part (b), estimates of revenue from Value Added Tax are officially revised at mid-year. However, in the light of the possible reduction in revenue collection resulting from lower than budgeted oil prices and reduced ammonia and methanol prices, a recalculation of revenues from taxes including VAT, has been

done. The recalculation which was based on actual collections for 1997, and the growth expected in 1998 through a renewed and vigorous collection drive, indicates that the target for VAT for 1998 will be met.

Thank you.

Electricity
(Proposed New Rates)

48. Mr. Kenneth Valley on behalf of Mr. Patrick Manning asked the hon. Minister of Public Utilities:

- (a) Could the Minister state whether the Government proposes to raise electricity rates in 1998 or 1999?
- (b) If so, could the Minister indicate what the new rates are expected to be?

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Speaker, the hon. Leader of the Opposition should know that the rates and charges of public utilities, including the electricity rates, are fixed by the Public Utilities Commission.

At present, there is a claim by T&TEC for an increase in rates. This claim is applicable only to industrial customers. The tribunal of the Public Utilities Commission completed public hearing into this application on February 14, 1998, and it is expected that a decision would be made shortly.

With respect to part (b), the decision on new rates is a matter for the Public Utilities Commission. This Minister does not intend to interfere in what is rightfully the role and function of the PUC.

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, before we proceed to the next item, I wish to advise I have just received a fax from the office of the Leader of the Opposition, indicating that the Member for San Fernando East is unable to attend today's sitting being out of the country, and he has asked to be excused. This leave is granted.

I have only just got it, after we have passed that item.

ARRANGEMENT OF BUSINESS

Mr. Speaker: Hon. Members, I have been advised that there is a statement to be made by the hon. Minister of National Security, and that statement is indeed,

now being finalized. I would indicate that one would return to this item at a later stage of today's proceedings.

Agreed to.

FINANCE (SUPPLEMENTARY APPROPRIATION) (1997) BILL

Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the year ending 31st December, 1997, [*The Minister of Planning and Development*]; read the first time.

Motion made, That the next stage of the Bill be taken at a later stage of the proceedings. [*Hon. T. Sudama*]

Question put and agreed to.

**FINANCE COMMITTEE REPORT
(SECOND)**

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. Speaker, I beg to move the following Motion:

Be it resolved that the House adopt the Second Report (1997—1998 Session) of the Finance Committee of the House of Representatives of Trinidad and Tobago on Proposals for the expenditure from Public Revenue which were not included in the Annual Estimates, 1998.

Mr. Speaker, the Finance Committee of the House of Representatives met on Wednesday April 8, 1998 and agreed to an increase of \$698,211,989 in the 1997 appropriation and noted the transfer of funds totalling \$111,452,599 between subheads under the same Head of Expenditure. Given the increase of \$698,211,989, the 1997 appropriation will now be \$13,275,539,659.

Mr. Speaker, during the Finance Committee meeting, various issues were raised by Members. The Chairman responded during the meeting to some of the issues raised, while he promised to supply responses to others. I am pleased to report, Mr. Speaker, that the promised responses have, in fact, been circulated to Members of this House.

Mr. Speaker, the increase in the appropriation that is being proposed is in respect of four Heads of Expenditure. The Heads are as follows:

The President	-	\$200,000
Ministry of Finance	-	\$594,940,302
Charges on account of the public debt	-	\$58,485,687

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Head 25:

Ministry of Agriculture, Land and Marine Resources	-	\$44,586,000
TOTAL		\$698,211,989

10.20 a.m.

Mr. Speaker, the details of the reasons for increase in the various Heads are outlined in the report which has been circulated to Members. I am not going to go into any great detail into that and I merely wish to indicate that funds were not provided in the 1997 Appropriation for these items and, therefore, these items have now to be brought to account.

The items of transfer between subheads under the same Heads of Expenditure have been outlined and are also before Members of the House to the tune of \$111,452,599. It should be noted that transfers are approved by the Minister of Finance and Minister of Tourism based on notes to the hon. Minister of Finance and Minister of Tourism from the respective Ministers requesting transfers between subheads. These transfers are requested to reflect changed circumstances in Ministries and departments and a consequent reordering of priorities.

It is to be noted that the explanations as to the reasons for the transfers have been provided to Members of this honourable House. The information, in some significant detail, is now before Members of this honourable House, and I now beg to move that the report of the Finance Committee of the House of Representatives held on Wednesday, April 8, 1998 be now adopted.

Thank you.

Question proposed.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Speaker, it is very difficult to avoid a conclusion that the current Minister of Finance and Minister of Tourism is the most incompetent Minister of Finance that this country has seen. [*Desk thumping*]

This is Tuesday, a day on which the Senate would normally sit and the Lower House is meeting to debate a matter that falls within the portfolio of the Minister of Finance and Minister of Tourism; a matter that is an annual affair. In other words, the closing of the accounts for the Republic of Trinidad and Tobago must be done by April 13 and that is known. It has been so from thy kingdom come as far as I am concerned.

One would assume that a competent Minister of Finance would have been seized of that information and would have so arranged his affairs that he would have been in the country to close the accounts. He is not here today. But more than that, one saw that there was a rush as though one forgot that the accounts for the year 1997 had to be closed and I really wonder how my good Friend, the Leader of the House feels, when at the last minute the Minister of Finance comes rushing to tell him he is sorry, but we have to go to the Parliament to close the accounts, the embarrassment through which he is put from time to time.

Mr. Speaker, you would recall that in December 1997 when the Parliament was also called into Finance Committee—I think it was December 8—the Parliament was adjourned to December 12, 1997 for the budget but you, Mr. Speaker, had to call the Parliament hurriedly in an emergency session again to satisfy the whims of the Minister of Finance because he had forgotten he had to do some tidying up, some house work before the budget.

Mr. Speaker, you would remember the letter Members received dated December 4, 1997 to all Members of the House signed by the Clerk which reads:

“I have been directed by the Speaker of the House of Representatives to inform you that following upon representation made to him, he is satisfied that there is urgent necessity for the House to meet upon the day earlier than Friday, December 12, 1997.”

The matter was the Finance Committee:

“In the circumstances, you are hereby given notice that a special meeting of the House of Representatives...”

What is supposed to be a routine matter, becomes an emergency under the present Minister of Finance.

I saw somewhere in the newspapers that he is meeting with the IMF. God knows for what. However, I had advised him to meet on a particular matter and he has assured me that he would not meet on that. But, there is more to it.

When we come to the closing of accounts, it is really in the business world, not an Annual General Meeting, where the Government, in fact, has spent more than was appropriated by the Parliament and is coming to seek parliamentary approval for that excess in order to close the books for the year in question. If one is to give that approval then one must be comfortable that the Government would cure the errors of its ways. In other words, while we may want to give approval for

whatever excess expenditure we are talking about today, we would want to feel assured that for the new year, we would avoid some of the errors made in the prior year necessitating these extra budgetary approvals. So that for me, this gives the country an opportunity to see what has been happening since this Government took office since 1996.

In 1996, the first year of this Government, the Minister of Finance and Minister of Tourism informed us when he presented the budget that he was expecting an overall surplus of some \$16.1 million. That can be found from an analysis from the information contained in the Revenue Estimates supplied at that time. When one looks at the actual overrun for 1996, one sees that there was a deficit of some \$208.6 million.

One has to remember when that budget was presented we counselled the Minister that his expectations were way off. In that year the Minister of Finance and Minister of Tourism increased expenditure by some 12 per cent, whereas the actual expenditure for 1995 was some \$7.7 billion. In 1996 the Minister took that to \$8.7 billion. Even though in 1996 the Gods smiled on Trinidad and Tobago through oil windfalls from the Middle East providing an additional sum of some \$1 billion in revenue, we see that the Government ended its fiscal account for 1996 with a deficit of some \$208.6 million. For 1997, the Minister presented his budget and again he told us that there would be an overall surplus of some \$154.5 million. As a matter of fact, the original budget estimated a surplus of some \$213.5 million. It is the revised budget. In other words, after the Supplementary Appropriation of July 31, 1997, plus the Appropriation of December 8, the revised surplus was estimated at \$154.5 million and given what we have before us today, the adjustment that was seen at the Finance Committee, that is the subject of debate today, the end result would be an overall deficit of some \$543.7 million. That is how we are ending 1997. One sees it from the revised estimates. If one looks at the 1998 document, the revised estimate shows a current revenue of \$9,248.1 million, a current expenditure of \$8,565.5 million.

10.30 a.m.

To the current expenditure, one has to add \$487.5 million, coming out of the approval from the Finance Committee, which takes the current expenditure to \$9,057 million. Of course, as in the document we have just seen, there is no change in the revenues. Therefore, the current surplus, which was estimated as late as December 1997, to be approximately \$678.6 million, is now reduced to \$191.1 million. When one adds the expectation with respect to capital revenues of \$776.2

million, one sees that the funds available to finance the Capital Expenditure Programme is \$967 million. The Capital Expenditure Programme has now increased from \$210.7 million to \$1.5 billion, so that there is an overall deficit of \$543.7 million. That is real cause for concern to us in Trinidad and Tobago.

Over the period 1992—1995, a difficult period, we provided an environment for growth and buoyancy in revenues. However, what has been happening over the last three years is that we have been living on borrowed funds. We have been borrowing as though it is going out of style.

Let me give some examples. In 1996, borrowing totalled \$2.1 billion. *[Interruption]* The 1995 borrowing figure was higher, but one has to look also at the repayment. In 1997, the borrowing figure was \$2,477.5 million—almost \$2.5 billion. That is increased, because of the loan they bring into account now, to \$2,688.2 million. For 1998, the plan is to borrow \$3,157.2 million.

One has to look at the net borrowing—the amount that is repaid within the particular year—to get an idea of what is happening. In 1996, the repayment was \$1,355.3 million; in 1997, \$2,452.4 billion and for 1998, the plan is to repay \$1,738.7 million. The net result of all this is that over the three-year period, between 1996 and the end of 1998, this Government would have borrowed in excess of \$10,423.1 million and repaid \$5,546.4 million. There would, therefore, be a net increase of almost \$5 billion. That gives an average annual net increase in the public debt of \$1,625 million.

When one looks at what happened over the period 1992—1995, a period which everyone would agree was economically difficult—

Mr. Sudama: Would the Member indicate from which official report he is quoting?

Mr. K. Valley: In the draft estimates, there is a line “Financing” that is borrowing. There is also a line “Capital Repayment and Sinking Fund Contributions”, which is, of course, the repayments and the sinking fund arrangements. The Member simply has to deduct one from the other to determine net borrowing for the year in question. With a little familiarity with the documents, one knows where to look for different things.

I was making the point that if one were to do a similar analysis for the 1992—1995, a period of economic difficulty when the Trinidad and Tobago dollar was devalued—we moved from TT \$4.25/US \$1.00 to TT 5.25 and so forth—the net borrowing over the period totalled \$4,268.3 million. That is a four-year period

against a three-year period. This gave an average of slightly more than \$1,067 million for the year. While the period 1992—1995 was one of economic difficulty, given what we met, the borrowing was lower than \$1,100 million per annum.

For the three-year period 1996—1998, the plan is that the borrowing would be over \$1,600 million. That means that, on average, we are borrowing \$500 million more per annum.

Mr. Sudama: Please quote similar figures so that we can compare. Sometimes the Member is going into hundreds of millions and sometimes into billions.

Mr. K. Valley: I hope I am quoting standard figures. I said that on average the net increase in borrowing per annum is \$500 million. If the Member wishes me to say \$.5 billion, that is fine.

When we look at 1998, we have to be extremely concerned. Mr. Speaker, you would recall that a few months ago the Minister of Finance came to this House to inform us of the effects of the reduction in oil prices on Government finances. The Minister told us that at the very best there would be a shortfall of \$550 million in revenues. I said “at very best”, Mr. Speaker, because you would recall that there were a number of conditions that had to be met to hold it at \$550 million.

If we take that figure, one sees that his current revenue projection of \$9,810.6 million is now reduced to about \$9,260 million. When we look at the current expenditure figure, we know as of now that there would be an increase because at the Finance Committee meeting the Minister informed us that in the 1998 budget they forgot to include the capitalized interest on debt service of approximately \$59 million, so that is \$60 million he has to add.

10.40 a.m.

He also told us that they had forgotten to make an appropriation for the balance which the public servants would get in 1998. For 1997 it was \$384 million, so that we know that there would be a reduction in revenues of \$550 million based on what the Minister told us and we can expect additional expenditure to be brought to account of roughly \$450 million. The net effect of which would be to change what was supposed to be a surplus of some \$439.4 million to a deficit as of now, to \$560.8 million. That is our concern, the double speaking.

The Minister promised us in 1996 a surplus of \$213 million and we ended up with a deficit of \$208.6 million. In 1997, the surplus, again, was supposed to be a large one, and as a matter of fact, in 1996 the revised surplus was supposed to be

\$238.5 million as at December of 1996. When one looks at the December 1996 figures preparing for the 1997 budget and giving what is supposed to be the best estimate, one would think that in December 1996, they would have had a good appreciation of what had happened in the year, but even at that time, the Minister projected a surplus of \$238.5 million for the year and ended the year with a deficit of \$208.6 million. So one has to conclude that there was sleight of hand, and that it is really unlikely in December of 1996 for one to make that type of error. A situation where at that time the year is complete, he was making a projection for the year that had gone by and he was wrong by some \$400 million. A projected surplus of \$238.5 million and ended with a deficit of \$208 million, that is \$448 million he was wrong by. It is unlikely that one would be so far off.

There is a continuing trend in 1997 and the projection for 1998 is no different. Again, we have to ask ourselves very seriously where we are going. I have made the point that as long as the Government is performing well, I certainly do not have any difficulties, but it must perform well.

The public relations and the double speaking must stop and in this context I comment on a few issues which are having an effect on confidence in our economy in which there is a direct correlation, to my mind, between the level of confidence in our economy and the performance in terms of Government revenues and so forth. I want to comment on some of these issues, the first two or these might be minor.

The first one relates to an advertisement which I saw in the newspapers. It appears to be a press release from the Government relating to some supposedly new benefit to Members of Parliament, stating that they would now be getting some new benefit relating to the purchase of vehicles in the conduct of their affairs. When one reads the article, one sees exactly what has been there for the past 10—15 years is being repeated and it is put out as though it is something new this Government is doing for Members of Parliament. I want to tell the national community today that there is nothing new with respect to those allowances to Members of Parliament. Those are the benefits which have been in place for the last 15 years or so. I tell the national community also, Mr. Speaker, that as a Member of the House Committee, I am aware that representation was made with respect to providing additional benefits to Members of Parliament and obviously, the Cabinet has rejected that, which is their right, and no one has a problem with that, but having rejected that, and then boldly attempting to get some public relations from the issue does not help the credibility of the Government. I do not know whether they expected us to sit back and say nothing, I do not know who

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they are trying to fool. It is on every newspaper and on the radio stations. Please, I want to tell the media that is one hoax. There is nothing new with respect to the matter.

The next matter is the issue I see on the newspaper relating to the host of the *Morning Edition* programme. Mr. Speaker, I read it and it has to be a bureaucratic error. It has to be, because let us face it, you were in the Chair when the Free Movement of Skills legislation was passed by the Minister of Foreign Affairs. We championed that at Caricom. We say we want to position Trinidad and Tobago in a particular way and the fact that the Government may not have crossed every "t" and dotted every "i" of the legislation, does not mean we are not bound by the spirit of the legislation. That is simple.

Mr. Speaker: I hate to disturb you in full flight, but you may well have an excellent point for a particular debate, but I do not think that relates to the matter we are discussing.

Mr. K. Valley: Mr. Speaker, I have shown that we are in difficulties as we have seen in spite of promises, there have been deficits every year, 1996, 1997 and 1998 and the point I am making is that we need to do certain things and look at what we do because there is a correlation between confidence in the Government and the revenue position. [*Desk thumping*] It sends a message, it is what we call the "soft data", and the point I am making is that we have to look at the things we do and correct them if we want to get our house in order. That is the point I am making.

There are some other issues which we need to put on the table because unless we deal with them we are in trouble. [*Desk thumping*] All I am saying is that we cannot go to the Caricom forum and agree that this is where we are going and the first time we are put to the test we are found wanting. It has to be a bureaucratic error because I hate to believe what the newspaper is saying.

Mr. Speaker: I would ask the hon. Member to save his comments on the host of *Morning Edition* for another debate, because I honestly do not see the relevance with respect to what we are discussing.

Mr. K. Valley: I am sure the Government does not see the relevance either, Mr. Speaker. I am going to move on because we can continue playing games in the Parliament and failing to realize some critical undertones that are taking place.

Mr. Speaker, I guess that I would be able to convince you that the fact that we have a Minister of Finance who seems unable to deal with the issues at hand, would be relevant to this debate. I made the point some time ago that the Minister

came to the Parliament and provided a document, "Statement by the Minister of Finance, Implications of the 1998 Budget As A Result Of The Falling International Oil Prices". I am aware that we are dealing with some extra budgetary items and seeking approval for them in order to close the accounts for 1997. I am making the basic point that in giving support to the Motion, one must feel reasonably comfortable that one could avoid this situation in 1998 and beyond and we would be able to put our house in order to achieve that because we cannot continue to survive on borrowed funds as we have been doing in the past. We cannot be running overall deficits every year with impunity. I am saying that when one looks at this statement delivered by the Minister of Finance, we see a level of double speak and inability to deal with the issue, and that, to us on this side, is extremely frightening.

Mr. Speaker, the revenue loss was stated at \$550 million and that is a very optimistic projection because the Minister informs us of a number of administrative actions which would have to be instituted to contain the loss to \$550 million. He spoke of the increased vigilance in tax collection, policing of state companies to ensure dividend payments are on time and a number of things. He told us that the revenue loss would require cuts in recurrent expenditure but at no time did the Minister indicate where those cuts would be in the recurrent expenditure. At no time did he indicate where he would cut. All we were told is that the Ministry would continue to monitor expenditure with a view to making necessary adjustments. That was all. We are none the wiser.

The point I am making is when a message goes out, then the business community forms an opinion and that translates into fewer jobs, lower levels of investments and we are faced with a level of current revenue and if we do not understand the system, then we are in difficulty. If we do not understand the nexus of what happens at CCN and so forth, we are in real difficulties. He tells us about discretionary cuts. In any ministry, the discretionary cuts are no more than about 2 per cent and that is not going to solve the issue, so nothing has happened there.

10.55 a.m.

We are still faced with that shortfall of \$550 million. When I spoke on the last occasion, I advised the Minister that the IMF has a compensatory financing facility, which is now being called a compensatory and contingency financing facility. The name has since been changed but it is the same thing, Mr. Speaker. That facility is quite different from the standby arrangement that the IMF has. The compensatory facility talks about providing a sort of buffer when a country experiences loss on a major export such as, in our case, oil.

After I made that comment I saw a former Minister of Finance, my good friend Mr. Selby Wilson, commenting that he does not understand how we could be talking to the IMF now, while we were opposed to it in 1987/1988. Mr. Speaker, like so many people he had his story all wrong. In 1987/1988 we were counselling the Government to go to the IMF under the Compensatory Financing Facility. We told them that unless there was timely action—the same thing we are saying now—we would end up in a standby facility with all the conditionalities, constraints and hardships that that involves. I simply want to be on record once more advising this Government to take timely action to start talking with the IMF with respect to the compensatory and contingency financing facility. I want to put the Government on notice that a problem appears to be developing.

The experts are saying that the long-term oil price figure is supposed to be more between \$14 and \$15. If that is happening, obviously, we would need some assistance to be able to put our house in order, to adjust to that lower oil price figure. If we had been operating with an oil price figure of around \$18 or \$19, and if, in fact, the new long-term trend for oil prices is between \$14 and \$15, an adjustment is required. However, that adjustment cannot take place in three, four or six months. What one needs, therefore, is some type of buffer, some line of credit available, so that the Government could make the adjustment. However, even if that is being done, Mr. Speaker, the Government would need to have a new Minister of Finance. The present Minister of Finance has shown an inability to deal with those situations. I counsel them once more to look at that.

Mr. Speaker, I hope one would also see the relevance of what is happening in the state enterprises sector to the business before us. Again, if there is no confidence, if we could see what is happening at the National Flour Mills, at the National Petroleum Marketing Company Limited or even at Caroni (1975) Limited and if these things could continue—I know that is the subject of tomorrow's debate, so I shall not go into that very much—without a government taking action, without a government saying, “stop”, then one has to understand what it does to confidence in the economy. One has to understand what it does to the credibility of the Government. One has to understand what it does with respect to investments, to jobs and so forth.

On the issue of the minimum wage, I think all of us would agree that the worker is entitled to his hire. We on this side hope that the Government knows what it is doing with respect to that minimum wage. In fact, it is hoped that the Government has done its homework, because given what is coming out in the

newspapers, we are concerned. We have to trust the Government because it has the information. Our hope is that it has done its homework with respect to the minimum wage.

Mr. Speaker, given the information available to us and our analysis, we are becoming more and more concerned about, not simply the finances, but the economic well-being of our country. We are seeing that from day one there has been a deficit, there has been increased borrowings and we are concerned about the overall economy; about what is happening in the body politic. Our hope is that the Government, even at this time, would take action to correct those negative effects on the economy. We have no choice at this time, because the money has already gone. It was an error of significance that the Minister did not take into consideration the \$384 million with respect to the bond issue. It was an error of significance that the Minister did not take into consideration the fact that he had an expenditure of \$59 million with respect to charges on account of the public debt.

Even if one is unaware of the drawdowns that would have been triggered under the Petrotrin facility, the other two were obvious and should have been provided for. However, obviously if they were provided for in the initial stages then the budget position would have been quite different, so that it was, in effect, an attempt to hide the truth, Mr. Speaker.

At the time of the budget some things are left out and one paints a rosy picture that there would be a surplus, but when the truth be told, when the accountants with their lead pencils on their ear go through the books, and say, "Friend, no, what you really end the year with is a deficit," that is generally lost. Mr. Speaker, come December when the new budget is made there is no concentration on that fact. Therefore, one attempts to "confoffle", to hide, to conceal the truth from the national community. Let it be known that for every year since this Government is in office that it has run an overall deficit in the accounts of Trinidad and Tobago.

I thank you, Mr. Speaker.

The Minister of Tobago Affairs (Dr. The Hon. Morgan Job): Mr. Speaker, it gives me great pleasure to comment on this measure concerning the Second Report of the Finance Committee of the House of Representatives.

Indeed, we are in new times, trying times and in different times. Once upon a time there were persons who were spending money, saying money was no problem. They were saying that we should not go to the IMF, that money was no problem. Those were those times, Mr. Speaker.

11.05 a.m.

There was a regime of expenditure that suggested a misunderstanding of the role of fiscal policy, a misunderstanding of the role of monetary policy, ignorance about investment in people and social infrastructure. Then, we had billions of dollars and at the end of it, we did not know where the money was, and we have come this morning to hear about \$500 million in deficit. They are complaining about \$500 million in deficit as though this is some extremely grave tragedy, not understanding that in the real world in which we live, one has to invest in people, in infrastructure, and borrow money.

Mr. Speaker, the question concerning this repeated focus on \$500 million in deficit has to do with getting the public to understand that it is never a problem to borrow money; the problem is what one does with the money borrowed. Some people think money is only to spend and borrow. This is why we have a problem. This Government has been increasing old age pension. Ask the old people and they know they are getting more. I remember saying to one of my colleagues that I think this Government has done a great disservice to old people. When it increases the pension that way, bandits are going to get them because the pension cheque has now become attractive.

One has to go back and start off with this issue of why a Government may promise to end up with a surplus and end up with a deficit. We have to say that to the people so they might understand it is not some deliberate mischievous intention to engage in squandermania. That is not the point. In the real world in which we live, there is a word that some people understand. It is "risk, uncertainty". It is uneven flow of revenues and expenditures. No one plans to get a heart attack. No one plans for an earthquake or hurricane. There are always circumstances in the economic environment that will introduce shocks, and one responds to these shocks. A government will respond to shocks by borrowing more or borrowing less, changing the portfolio of debt. That is what a government does. No government comes into office to say that it is set in stone, written in the Constitution that it should not borrow. El Niño! Who was planning for that? Who was planning for the dry weather we have this year? Who was planning for the price of oil to fall? There are so many circumstances.

When I hear the Member talk about over an average period, the PNM borrowed \$1 billion, and over the same average three-year period, this Government is borrowing \$500 million more, we are not in the same time. We are not in the same set of circumstances. We do not have the same challenges. We have a different

idea of managing the country's business and spending the people's money, and the moneys are being seen to be spent all over the place. Drive around Trinidad and they will see where it is being spent. Maybe they do not drive, or maybe they fly abroad and do not see what is going on here. They do not talk to old people, either.

Schools are being repaired. Mr. Nanan will tell you that. There are so many things happening, and we have to concentrate on focussing the minds of children on a consistency in a policy that is about monetary prudence, not increasing the money supply beyond that necessary to keep a stable exchange rate. All of these things are linked, Mr. Speaker. When one talks about foreign direct investment, current account and capital account, most people do not understand what these words mean, and some of them might even be in the Parliament Chamber.

They do not understand that when one says, "Go to the International Monetary Fund (IMF), and get a line of credit from the International Monetary Fund," this is the recommendation. They are saying it as if when one goes to the International Monetary Fund to get a line of credit, the word "conditionality" ceases to exist. One is not going to go to any banker in Trinidad, Barbados, or to the International Monetary Fund and get a line of credit without conditionality. It is impossible. It does not make sense to say that there is an imperative that one must go and get a line of credit. The point of the Trinidad and Tobago Government is to manage its economy in such a prudent manner that conditionalities become a thing of the past. This is not to say that one might not go back there, but one does not have to hurry and get the population excited that one wants to get into a new set of conditionalities. This is what they are recommending, and trying to belittle the former Minister of Finance, Mr. Wilson's criticism which is justified, that they were the people who were forever berating the people and haranguing them that they should not go to the IMF. Going to the IMF is a bad thing. The worst thing they could do was go to the IMF.

Mr. Speaker, we on this side are not about precipitately hurrying the people of this country back into another set of IMF conditionalities. This is why we need for people to understand expenditures in investment and in the social infrastructure, while at the same time endeavouring and engaging the mind of the people on fiscal prudence. What I mean by fiscal prudence is how one spends one's revenues and borrowings, not to subsidize conspicuous consumption, not to subsidize particular partisan projects of a grandiose nature, but rather to spend it in such a way that one is investing in the future, encouraging people to change their perceptions, their perspectives, their necessities, so that government spending would now bear fruit in the future. That is what we have to do.

With respect to the long-run expectation of the oil price to be \$14 or \$15 per barrel, every Thursday morning some of us on this side have a Cabinet meeting and—on sundry occasions, the Minister of Finance might care to go into more details—we have been talking about what our strategies, short-term and long-term, may have to be in consideration of this fact. This is not new knowledge. This Cabinet is a responsible Cabinet, and I dare say that the issues that have to do with the long-run expectations of a lower level of oil prices is something that the Cabinet, as a responsible Cabinet, has been dealing with. We do not need to be excited and get the public excited about some great disaster that is coming because the Cabinet is not dealing with the prognostications concerning oil prices. That is what Governments do; adjust to these things.

On heightening the sensitivity of the population with respect to how we are going to create unemployment, there is no country on the planet earth that does not have a certain level of unemployment. For the benefit of the children of this country, I want to explain to them that different economies have different levels of long-run unemployment, of what they call full employment/unemployment. For example, in a country like Haiti, the long-run average unemployment might very well be, in terms of that economy, 50 per cent of the 17 year-olds who do not have jobs. It would not be the same thing in Japan, Germany, Korea or Switzerland.

The level of long-run permanent unemployment, or what one might want to call structural unemployment, is a function of the level of development, the complexity and modernity of a particular economy. What our mission is in this country is to get us away from the long-run unemployment trap that has been bequeathed to us by the PNM Government. We have to understand that we had opportunities to restructure this economy and the education system to get us more into the kind of mode like some countries in the Far East. When I say that, be mindful that someone might misconstrue what is going on in the Far East and suggest that we have nothing to learn therefrom. Nothing could be further from the truth, because as I speak to you here, I do not know that the unemployment rate in Singapore is anything as it is in Trinidad and Tobago.

In 1956, they were just a set of little coolies on a little island off the tip of Malaya. They have converted that into a full-employment economy which has the highest level of income in Asia, and one of the ten richest countries in the world. This is what the fiscal policy of this country has to be about. The fiscal policy of this country has to be about restructuring the economy so that long-run unemployment is at a level that will not leave so many young boys and girls without jobs.

11.15 a.m.

Mr. Speaker: Please, I believe I heard the use of a word which I think could be differently put. I know that it is to be found in the dictionary with a certain meaning, but I think that we would exchange that word for a more acceptable one.

Dr. The Hon. M. Job: Mr. Speaker, there was no malicious intent.

Mr. Speaker: I know there was not and that is why I did not say this, but just for the sake of the record I think that we would exchange it for a more acceptable one.

Dr. The Hon. M. Job: Sorry, Mr. Speaker. The point I was making is that the reason why we are here in Parliament today is not a trivial reason. It is not merely about berating the Government for repeated promises to give a surplus and at the end of the day we ended up with a deficit. The Minister of Finance is not God, the Prime Minister is not God, this Cabinet a not God either. We need to stop focussing on the mere fact of a deficit and come to terms with how we arrive, after the fact, expost, at this deficit.

You started off saying you have a surplus and you were trying to do the best, but not being God you do not manage revenue flows. You have some control over expenditure flows but even then, you did not plan for the earthquake in Tobago; you had to go and set up a \$10 million fund for that. There are so many things that you need to do and set up in Tobago. The people in Tobago are saying that they are not getting enough money for infrastructural development. If more money was allocated, perhaps there would have been a greater deficit. Maybe there was a need for a greater deficit in terms of allocating resources to fix the roads in Tobago so that they are less dangerous, so they can accommodate more tourists.

I understand that next year in Tobago, from Germany alone, there is going to be some 20,000 more tourists. We are getting the same amount from Caledonia and British Airways coming into Tobago. Like I said, when you think in terms of the consequence of that massive influx of people in Tobago, it means that you need a whole lot of infrastructure works in terms of water development, sewerage development, environmental protection. It needs investment; it needs expense, and this is not expense that a private person can incur. This is for the Government to do; it means more expense.

So that I am saying, Mr. Speaker, focussing on a \$550 million deficit, without substantially coming into the Parliament in a state of preparedness is absolutely devious, to mislead the public to believe that the issue that we are here about today is merely to regale the Government on having arrived at a deficit without trying to

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engage the mind of the public as to the nuances, the substance, the details, the sense of thinking that cause this deficit. Mr. Speaker, I want to remind the House concerning the question of a deficit not merely being a consequence of Government's prescience or action, but also, of course, a consequence of events that no government can be held to account for; events outside the control of Government.

Mr. Speaker, I want people to appreciate that the question of managing an economy has to do with the same issue they raised. They said in the PNM time they devalued from \$4.25 to \$4.75. Was it? Am I right?

Hon. Member: \$5.75.

Dr. The Hon. M. Job: To \$5.75 the PNM devalued. This is what the Member said. The PNM between 1992 and 1995, devalued from \$4.25 to \$5.75. There is a regime in place managed by the Central Bank—they are the ones who are the monetary authority in this country and they are concerned with that—The public needs to understand that the exchange rate—this PNM devaluation—was very much a consequence of mismanagement and lack of fiscal prudence; of a lack of understanding of how monetary aggregates affect the exchange rate. That kind of ignorance translated into negative action puts people into severe jeopardy because when the exchange rate manifests or reflects that fiscal imprudence, that lack of understanding of monetary policy, the poor people who have to buy medicine, accoutrements and services from abroad are thereby put into jeopardy.

This Government, Mr. Speaker, is concerned with having a handle, a hold on its fiscal expenditure in such a way as not to put in extreme hazard, the exchange rate. By saying that I am linking in the mind, the deficit, the exchange rate, the monetary policy, the revenue gathering policy, the tax policy of the Government; they are all linked inextricably, systematically entwined. People come into this Parliament, the highest debating body in the land, to talk about a \$550 million deficit as if that is the issue; the only issue that brings us here.

Mr. Speaker, I will not sit until I use my time to explain to the public that irresponsibility which manifests itself at that level of lack of preparation, to come to debate and make comments on this measure without any substance, waffling, waffling garrulously—15 minutes, 20 minutes—prolegomenon, after prolegomenon; nothing of substance concerning the whys or the wherefors of this deficit that is the focus of our attention.

Mr. Speaker, International Monetary Fund (IMF) and the compensating facility—again, we have to let the public know this. Every year Trinidad and

Tobago maintains its membership in the IMF which sends a team here and they do what is called a country report. If you have a computer you can go on the internet and call up the IMF web site and read out all the country reports and send to IMF and get the last one and the one before about Trinidad and Tobago. So the IMF is always in consultation with the Government of Trinidad and Tobago. If they have not been here for the year as yet, they will be here shortly.

So when the Member for Diego Martin Central comes in here to gallery, in a form, as if you have to be some kind of gnome, some kind of fairy, some kind of erudite scholar in recondite themes having to do with the IMF, if he came here to do that, he is coming to mislead the people because the IMF and their compensating facilities and all these standby arrangements, everybody in the Central Bank knows about them; people in the Ministry of Finance are public servants; they understand these things. I used to teach about them at the University of the West Indies. People know what they mean, what they are for, so the public needs to appreciate that with respect to the IMF and the call for the IMF, there is absolutely no necessity. That is otiose, superfluous, unnecessary, perhaps even unbecoming because it leaves people to look at this Government as a band of irresponsible, should I say, dilettantes, who cannot understand that the IMF is there to come and save us from ourselves!

Mr. Speaker, I do not want to spend too much time on the IMF because we are getting a sense that when the Member is talking about confidence in the economy—I have it written down here; he says confidence affects the economy—and if the people in Trinidad and the people abroad are getting a sense that the people in Trinidad are just there waiting in the line, running to go and beg for a set of IMF conditionalities, what would that do to confidence in our economy, when you have people in the Opposition instigating people from the media and people who do not understand anything about IMF and compensating facilities, to believe that the salvation of Trinidad and Tobago at this juncture in time, is to run headlong, madly, into a set of IMF conditionalities.

After such a long time of independence, Mr. Speaker, we ought to have more maturity, a greater sense of responsibility, we ought to be leading the minds of children, the minds of the unemployed to understand that when we were granted independence, we pulled down the British flag and put up a Trinidad and Tobago flag. It said that we thought we had the right to manage our economy, to manage our affairs, to make those rules, to develop those institutions, to plan those kinds of ideas, to teach them at schools, to have the press collaborate with the

Government of the day; to deal with that kind of issue. Therefore, I am very distraught, Mr. Speaker, to hear coming from the Opposition, that consistent refrain concerning the IMF at the same time that you are talking about confidence in the economy. Nothing can be calculated to better undermine confidence in the economy than to spread far and wide that we are in such a parlous state, such a state of distress, on the edge of such a precipice that we need to run to the IMF and beg them like little children, "Please come and save us." We do not want that.

On the question of benefits for Members of Parliament, I am advised that while it is true that these benefits were all there, I do not want to hazard myself, some other speaker might deal with that, but I am advised that, indeed, this was not just chicanery on the part the Government; it was not just some kind of mischief, there was some added benefits that were publicised and I hope somebody else deals with that.

Mr. Speaker, if you will permit me, under the same heading of confidence in the economy and, indeed, in a global economy, none of us can gainsay the fact that we are in a global economy. When people talk about the global village they are talking about a reality that has bypassed many people. So that anything that is said on *Morning Edition*, anything that is said on the evening edition; the issues dead or *The Issues Live*, they will in some small measure affect the economy of Trinidad and Tobago. So I am in perfect agreement with the Member for Diego Martin Central. I congratulate him for trying to edify the public concerning the importance of the media and the freedom of press as it affects the economy. I thank you, Sir, for your effort to help me on that great course.

Mr. Speaker, some of us have, indeed, very short memories. I want to say again, as a preface to reinforcing the truism and the perspicacious observation of the Member for Diego Martin Central concerning that issue of freedom of speech, freedom of the press and how it can affect the economy, I want to remind many of them that I used to have a radio programme which was closed down, using the Unit Trust and the executive power of the state. Everybody knows that; that is not a secret. We need to make statements about the effect of freedom of speech and freedom of the press.

Mr. Speaker: Rightly or wrongly, I have ruled that the question of the *Morning Edition* and the permit and the like is not relevant to this debate. So that if it was not relevant for the Member for Diego Martin Central, your agreeing with him that it was relevant still makes it irrelevant as far as I am concerned. I ask you, please, to step off that course.

Dr. The Hon. M. Job: Thanks for your guidance, Mr. Speaker. I do concur that the matter before the House today does not seem to be directly connected to that, but I was just thinking in terms of the question of confidence and how those kinds of issues affect confidence in the country.

Mr. Speaker, I had alluded to this before, but if you travel throughout the length and breadth of Trinidad—and I say Tobago too, because Government money is being spent in Tobago and the expenditure of Tobago, in some form or fashion, will be reflected in the overall expenditures which would have led to this deficit which the Member is focussing on.

I want to remind the country that anywhere you go—I have heard somebody from Wallerfield mention that in all their years they never thought that anybody was responsible for the roads in Wallerfield. I heard that said by a farmer who is a resident there, that they thought that some private person was responsible for the roads there, because in the last 30 years he has been living there, nobody ever fixed the road. Mr. Dhanraj Singh or somebody has gone in there and fixed the roads; not all of them by any means. It is like chalk and cheese to what it was before.

Mr. Speaker, that is representing expenditure for and on behalf of rural people, poor people. All over there are these local government roads that are being paved and drains are being fixed so that the water would not go under the road and get them to buckle, pot holes develop and things like that. The last time I think I could remember we were dealing with something like \$40 million to fix the roads. There is going to be more expansion like that this year.

11.30 a.m.

So that, much of the expenditure that turns up as a deficit, quite apart from those unforeseen circumstances, are targeted at benefiting poor people, rural people, and people who, before time, felt that they were—to use a word I think the Prime Minister used to like to use—alienated. There were people who felt they did not belong to this country; people in Coromandel, Cedros and all about. I am saying that the expenditures were justifiable in the sense that the Government was dedicated to meeting the needs of the people and therefore, allocated expenditures in those areas of need where the people were crying out for some kind of benefit.

Mr. Speaker, my difficulty in responding here has to do with, as I said, the lack of preparation of the hon. Member. I like a challenge. I wish that he had challenged me. I wish that he had said things that would cause my adrenaline to flow, tickle my mind. There is nothing! Just this \$500 million deficit. I am looking, there is

nothing! He talks about the influence of state enterprises, I do not want to deal with that issue, there are other people who might deal with that. I heard him talking about the minimum wage. I did not stay to listen to all he was saying, so I cannot rebut as I do not know the substance of what he said. Apart from those issues, there is nothing.

Before I give another speaker a chance, I think I want to go back to where I started. We have a problem in this country with respect to Government expenditure, fiscal and monetary policies. There is not a sufficient understanding of what they are about, what they mean and how these things tie into, or help to explain things like the cost of living, the exchange rate, the rate of inflation. I think we need to do that. Because, when the Minister of Finance spoke about trying to get a surplus, he was sending a message, he was trying to create expectations in the minds of buyers, consumers and of business people, that this Government is about spending money in such a way that one pays for produced goods and services. One does not spend money to create friends, cabals and constituencies. One expends money so that expenditure is in the nature of an investment, where it is in the nature of social welfare like old age pension, like when one spends on the prisons and poor relief; these expenditures are in the nature of reinforcing our conviction that we live in a civilized society.

So, we need to get the people to understand that when the Government raises revenues, or borrows money, it ought to be concerned, first and foremost, with how those expenditures are invested so that one might earn a return on that investment at some time in the future. Those expenditures must never be spent in such a way as to increase the money supply in the domestic economy, because the way we have structured or inherited the economy—I should stick with structuring it because we are, in fact, an inheritor of the circumstances concerning conspicuous consumption, a preference for foreign things, a preference for, not so much investing ourselves with that will to export, the export thrust that has come to be since the NAR Government tried to redirect the way we use our resources and the way we behave in this country; we took a beating for it. All that has to do with the fiscal policy, which is what this \$550 million is all about. It is about getting the country to understand that one wants to spend money; not to create subsidies, not to subsidize inefficiency or consumption, but to subsidize production and, in particular, the production that will earn this country foreign exchange.

That links again, to the \$14 or \$15 oil price that they are talking about. There are many countries in the world which have no oil, they do not export any oil. I do

not know that Korea is an exporter of oil. Japan is not an exporter of oil, it is a resource-poor country. Singapore, indeed, is also an importer of oil. All these countries are power houses in the international economy. So, when the Member for Diego Martin Central was again raising this question of oil and focussing the minds of children onto the oil price and what we have to do with the oil price, without, at the same time, bringing in a qualifier to suggest that what we need to do is to unburden ourselves from that crippling link with the price of oil—If the price of oil goes up, one has problems; if the price of oil goes down we have more problems. The oil price is a problem in this country because the shocks of the oil market that we have no control of, determine our exchange rates, the level of inflation and the level of national reserves in a serious kind of way, in ways which we have no control over. So, a prudent fiscal policy in this country, which helps to direct the mind of people away from that unnecessary and burdensome dependence on the oil price is something to be applauded.

I did not hear that from the Member for Diego Martin Central. What he was doing was reinforcing that age-old slavery to the oil price that this economy has grown up with. I think that we, on both sides of the House—I say we on both sides of this House, because indeed, when one is in Parliament, one ought to have the responsibility to manage the country and the economy as if some day they might come back on this side. I do not know if that is something foreboding for the near future or the long term. Many people would say it is something they would never see again. I am not so lacking in a gratuitous nature, for I might think that at some time they might come back here, but a long time yet.

Mr. Speaker, what I am saying is that the oil price is an important thing to talk about, but again, not in the way the Opposition Member for Diego Martin Central raised it. On the issue before the House, “BE IT RESOLVED that this House adopt the Second Report (1997-1998 Session) of the Finance Committee of the House of Representatives...”...The Member went on to spend all his time talking about a \$500 million deficit and, in that discussion, talking about the oil price. I am saying that the issue with respect to the oil price here ought to be the way the oil price is telling us that we need to manage the economy, so that it does not become such an important issue anymore, just as it is not a problem for Singapore. When the oil price falls in Singapore or Korea, it is a good thing for them. It means they have to use less foreign exchange to buy oil.

In our sense, when it should be a blessing, in the days when we had the oil boom, it became a curse, because so many of our revenues were flooded out of the country that the poorer classes of people were worsened by it. We created a whole

underclass of poor people, primarily because we had a large rise in oil prices. So that a large rise in oil prices would almost automatically mean for many people in this country greater impoverishment. This is the reason why I said if the oil price goes up, we have problems; it goes down, we have more problems yet.

So this is what I wanted to hear from over there. I wanted to hear that kind of discourse, that kind of understanding, that kind of focus of the mind that would lead people to appreciate that when we are talking about budget deficits, we are talking about spending money prudently so that we might remove, unhang, unhinge ourselves from this incubus of having to depend on the fluctuations, the gyrations and the capricious nature of the oil market. That is the issue that should have come in there. When one is talking about adjustments that are required—He said that! Those were his words! The adjustment that he thinks is required is that we should go and beg the International Monetary Fund (IMF) to come and intervene in the economy. What kind of craziness is that, Mr. Speaker? That is not the adjustment we need! We need an adjustment in our attitude and in the way we do business.

If there is any comment he should have made, it should have been about the issue of the minimum wage. My constituency in Tobago, I was over there for the weekend. I do not think this is a criticism of anybody. Some of those who have hotels are complaining that they do not understand what is going on, because in a hotel business Saturday is a working day. I do not know if the Member had mentioned that in his delivery. Did he? That is the issue he should raise. It is a legitimate issue, especially in a place like Tobago. That is the only major industry in Tobago. He should talk about that, so he probably wants to adjust that. Adjustment is an important word. One always has to adjust. When one cannot adjust, one becomes like a dinosaur. Dinosaurs are not around, perhaps not through their own fault, perhaps because the millennia of evolution that equipped them to be the master species at a particular point in time, also equipped them with a fatal flaw; that they could not adjust in time to the changes that took place in the world, and they died, they perished. When one cannot adjust, one perishes. This is the reason why, in Trinidad and Tobago, we have so many problems. The people were not prepared to adjust.

Mr. Speaker, in that sense, it is important for us to understand, while you may think it does not relate, I hope you grant me permission to explain that the question which Father Pantin raised is linked to this thing. Because there is a question of culture and attitude. I have always been saying that! When one talks

about adjustment, one is talking about culture and attitude and the attitude to work. There are many people in this country who cannot understand—even if you berate them from morning till noon, to night, again and again—that going to work means going to work on time. You cannot get them to understand that going to work means giving an eight hour productive effort. These things are what affect a country! If we were a harder working people—I do not say this because I want anybody to feel I am against that. I am sure that we are not as productive as the Japanese are. Maybe we are as productive as the Japanese are in some sections of our economy, but I would like us to be as productive as the Koreans, the Singaporeans and the Japanese are in all sections of the economy. If we become so productive, we will have less problems with running up deficits, with worrying about inflation and worries about the exchange rate.

When he was speaking about adjustment, I am sure in my own mind that he was making a lot of sense, even if he does not understand that. It is not just a matter of adjusting to a \$14 or \$15 long-term average for the price of oil, it is a matter of adjusting your whole idea and your whole culture, so that this economy becomes more competitive and productive in the overall global economy and therefore, this question of a \$14 or \$15 long-term average oil price becomes less of an issue for Trinidad and Tobago. That is the kind of adjustment I want to hear spoken about in this House from the Opposition. We in this country have to understand that we have to adjust away from the kind of culture that we call the PNM culture. The kind of culture that led people to believe that the purpose of Government spending was to feed hungry people. That is a dangerous kind of thing that we did, we need to adjust away from that.

If one were to adopt that kind of policy or continue it—I remember when the NAR Government was in power—by trying to tell people that that is not on—I remember some quotations from the former Prime Minister which said, "The Government cannot continue to be everybody's nanny or grandmother" or something like that—one has to adjust away from those things, so that the budget deficit does not represent subsidies. Subsidies nearly killed this country! That is what fiscal policy should be about; adjusting away from subsidies, from subsidizing inefficient industries, from subsidizing the kind of consumption which is not poor relief. One needs to target the poor, old people need help, you cannot let them die with cardboard in their stomachs, one has to give them enough money to buy food and medicine. There are people who are in need. There are orphans outside there, who are orphans through no fault of their own—father dead, mother has gone away. A whole lot of tragedies outside there and those little children need help. So

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one has to help them. One has to target and focus one's expenditure on those who are in need. Not what the PNM used to do! They have a problem which manifest what I am talking about.

This question of the Unemployment Relief Programme (URP), that is about fiscal policy, because that money that is spent on URP comes out of the Consolidated Fund. You take it out of the Consolidated Fund and put aside \$100 million and you say you want to create employment, you call it the Unemployment Relief Programme. Well, what is it about the Unemployment Relief Programme run by people with guns in their pockets? What is that? What kind of Unemployment Relief Programme is that? You take a lot of derelicts out of the prison—I do not say that you should not do that, you need reform programmes, you need to give people a chance. I heard the former Prime Minister, when he was Prime Minister said, "You know some of these people have records as long as my arm; not academic records, criminal records". They took those kinds of people and put them on the block to be role models for generations of young people.

That is the kind of fiscal expenditure this country does not need. It has created too many tragedies. It has provided the incentive for disaster upon disaster, and we are seeing the chickens coming to roost. There is a Spanish proverb which says, "*Criá cuervos te sacarán los ojos*", which means, "When you keep corbeaux as pets, they will come and pluck out your eyes". That is what is happening here. That is about misdirected fiscal expenditure. It is about not knowing. It is about the irresponsibility of taking the people's money as taxes, as revenue, and spending it as if it was their own to buy a covey of friendships, a cabal, a vote-bank that has nothing to do with productive investment that will create revenues in the long run, that has nothing to do with training the mind, with developing a culture; that is a culture which is about productivity, which is about earning more revenues, which means that the Government will have more tax revenues to spend on investments, on roads, bridges, better education and schools.

11.45 a.m.

Mr. Speaker, the biggest section of the budget is education. This has been so since the PNM time. Education is something that is bubbling up and boiling over. A lot of this \$500 million deficit is to be explained by the allocations to education; to fix schools, to pay teachers and bureaucrats. We have to do that.

One of the tragedies of this country is that the fiscal expenditure on education, which is turning up as a \$500 million deficit, has been the most wasteful expenditure in the history of this country. This country is in the throes of a

magnificent disaster. I say “magnificent disaster” deliberately because unless the public comes to understand that it is in the school-room one creates leadership—it was Wordsworth, I think, who said “The child is the father of the man.” A profound philosophical insight, “The child is father of the man.” The child is at school and we have a school system where we are spending \$1.5 billion or \$1.2 billion a year and we cannot see what we get for most of that money.

That kind of misdirected expenditure is what this Government is not about. I wanted to hear the Member for Diego Martin Central talk about all that. How does the expenditure from education turn up in a deficit of \$500 million and is this expenditure valuable for this country? I am saying that judging from the evidence that I have before me and this country has before it, the way the PNM spent money on education was not only a disaster and a wasteful expenditure, it was positively dangerous. It created that kind of consensus of an “under caste”, I would say, from which we get all that kind of social deviance through no fault of their own. I do not know if people understand.

I was reading the Dole Chadee case. Huggins, Ramiah, Chadee, Carol Ramcharan all went to the Curepe Junior Secondary School. There is a tale in that, Mr. Speaker. The tale in that is that the expenditures in this country that we never focussed on is what you were doing when you were wasting money on education to create an “under caste” that is now a burden on this country. This Government is about changing that. That is what adjustment is all about. We want to adjust the mind of the country away from that kind of mischievous expenditure so that we might end up spending more money on education. We might have a greater deficit than \$500 million but it will be an expenditure that has a benefit to come down the road for this country. Not merely spending money to come in Parliament to talk about \$500 million. I have to keep saying it every two sentences because that is the mischief that they are coming here to do, to force the minds of the people outside there to think that this Government is about squandermania and wasting and promising a budget surplus and ending up with a budget deficit. There must be a budget deficit once in a while.

I am on education, Mr. Speaker, deliberately because in terms of reducing budget deficit the thing that explains Germany, Japan and a productive economy in the modern world and, in fact, in our time, was the expenditure on education. Expenditure on education is the most useful expenditure in terms of making a country productive. This Government is on the right track in aiming to spend not only an equal amount that they inherited, but to spend more money to create a

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higher quality labour force and a better country so that in future times we not only will have to deal with budget deficits of \$500 million but we will also have to deal with productive people from whom we will earn revenue.

Mr. Speaker, I think I have done the best job I could in terms of explicating to this honourable House that the contribution of the Member for Diego Martin Central was a non-issue. It is not my fault that I have to keep saying over and over again \$500 million deficit because that is all he talked about. They are over there trying to make fun of me to suggest that I ought not to have focussed my attention on that simplistic and insubstantial statement having to do with \$500 million. They do not understand, Mr. Speaker, this question of a deficit of \$500 million, I am going to keep on talking about it just to punish him; just to “bad mind” him.

Mr. Speaker: Except that once the hon. Member appreciates that talking about something and repeating it is in contravention of the Standing Order. [*Desk thumping*]

Dr. The Hon. M. Job: Mr. Speaker, I did not mean it in that way that I will continue to say it.

Mr. Speaker: I said it in the sense of the threat you were making.

Dr. The Hon. M. Job: Mr. Speaker, I am not usually in a mood to engage in jocularities with Members opposite. The Bible says there is a time and season for everything; a time to love and a time to hate, a time to kill and a time to heal. Maybe this morning is my time to have a pleasant face and smile with those people over there.

I will not necessarily repeat all that I have said. There are some other points that I need to raise in the context of what is going on. We are talking about budget deficit and how it came about.

Mr. Speaker: Hon. Members, the speaking time of the Member for Tobago East has expired.

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

Question put and agreed to.

Hon. R. L. Maharaj: [*Inaudible*]

Mr. Speaker: We will revert to the item on the agenda, Statements by Ministers and I invite the hon. Minister of National Security.

LAW ENFORCEMENT OFFICERS (CREDIT)

Sen. The Hon. Brig. Joseph Theodore: [*Desk thumping*] Mr. Speaker, the statement I am about to deliver deals with credit due to law enforcement officers for their demonstrated and measurable success in the fight against crime.

Although the frequency and treatment of media reports of crime might not reflect it, current law enforcement strategies are proving to be highly successful in the fight against crime.

Despite the continued assault on the society from agents of the drug cartel and other criminals, our law enforcement officers deserve full credit for their demonstrated effectiveness in containing and reducing the incidence of serious crimes.

The country was given an indication of the effectiveness of current crime fighting strategies when the hon. Prime Minister reported to Parliament last month on the first 100 days of Operation LEAP. Among the results reported by the hon. Prime Minister was a 64 per cent drop in armed robberies to mid-March this year; while all robberies fell by 32 per cent compared to the same period for 1997.

Overall, serious crimes had fallen by 25 per cent for the same period, and significantly, murders were down by 50 per cent, with the use of firearms in the commission of crimes declining by roughly the same 50 per cent rate.

The cooperation of the public has contributed significantly to the effectiveness of our law enforcement agencies in solving and in preventing crimes, and the security services are indebted to the many people who have supplied information leading to the apprehension and prosecution of criminals. Related to this, arrangements are being put in place for meaningful cash rewards to go to such sources in the future.

While such public support is critical to the success of our law enforcement agencies, any form of vigilante action is dangerous, possibly illegal, and can frustrate and subvert our crime detection efforts. In view of this, private citizens are cautioned that they should never attempt to take the law into their own hands. That is what the leadership of the Jamaat Al Muslimeen recently claimed to have done, and appeared to have done, in picking up and taking to a police station, two men whom they alleged were part of a kidnapping conspiracy. The police found no basis for such an action and allegation, and found no basis for charging the two Jamaat captives.

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The Jamaat action may itself be held to constitute the crimes of assault, illegal imprisonment and kidnapping and this is a matter which requires the most serious attention. The summary effect of that action was to seriously distract the police in their investigation. It is to be stressed that the Jamaat leader's claims that he had been working in close collaboration with the police in the same matter are utterly spurious. Such interference, as he claimed to have been guilty of, would be unwelcome by any investigating team in any police matter.

The fact is our law enforcement agencies are succeeding in the fight against criminals, including those involved in the drug trade, because they are better equipped and better trained, highly motivated professionals, and because of the response and support coming from the law-abiding people of our country. I am personally gratified at the many expressions of approval and gratitude that countless people in various areas of the society are directing at the fine men and women who are responsible for law enforcement in our country. I am proud of these officers and, like the majority of the population, I believe that they deserve full credit for their effectiveness in protecting and serving law-abiding people in the Republic of Trinidad and Tobago.

Despite our successes, the Government considers the level and nature of crimes being perpetrated against law-abiding people in this society to be unacceptably high. Our goal is to make our homes, our streets and our schools safe for every law-abiding person in this country and, with the continued cooperation of the public, our efforts to this end will continue to be productive.

I thank you, Mr. Speaker. [*Desk thumping*]

**FINANCE COMMITTEE REPORT
(SECOND)**

Dr. The Hon. M. Job: Mr. Speaker, my continued explanation for the deficit has to do with the way government spends money. Indeed, Mr. Speaker, every citizen of the country today has to be honest that those increased expenditures on the Attorney General's office, judiciary and on the police have borne fruit and are bearing fruit and will continue to bear fruit in the future. Those expenditures, if they were to be made public, will certainly warm the hearts of people in this country who pay taxes because when the police or the members of the army are going on training courses there is a heightened sense of the need for capability in crime fighting.

I did say recently at a meeting in Sangre Grande that fighting crime and national security can never be a question of providing guns and bullets for the

police and of putting an E999 vehicle on every street corner. We need to understand that fighting crime has to do with dealing with the international environment where criminal empires have as resources the latest in computer technology and forensic accounting; they can hire these people. Therefore, this government has to be mindful of what the competition is doing and that the competition is ruthless. Therefore, we have to spend a lot of money, not only on police equipment but spend money on training and a lot of training is going on that people are not aware of. We cannot say that we have sent Mr. X and call his name so that he becomes a target.

But there is a lot of training going on; there is a lot of upgrading going on; which is turning up in some people's minds, as an unwarranted deficit. Nothing could be more warranted, if you think that you need national security in this country, than to spend money on the infrastructure that would allow the people of Trinidad and Tobago to feel safer.

12.00 noon

Mr. Speaker, in Tobago, I was over there when they started the E999 operation. They have to buy gas for these vehicles; they have to go to a gas station and use vouchers or whatever arrangement it is, but it will turn up as expenditure. It will turn up, perhaps as expenditure for which you did not budget. It will turn up as maybe appurtenances for those officers who have to deal with that kind of new circumstance in Tobago. There is a whole lot of things going on in Tobago that I cannot talk about, that cries out for increased expenditure, more than what we are having now.

So that the question of the budget and the budget deficit can never be a simple matter of toting up the averages and saying that between 1992 and 1995, the PNM borrowed an average of \$1 billion per year and now this Government is borrowing \$1.5 billion per year. What were you borrowing money to do? How is the citizen to understand that increased borrowing is either a reflection of increased subsidies, of increased Government particular expenditure on keeping communal vote banks together? How is the citizen to understand to what the borrowing is allocated?

I am saying we need to ensure that children in this country understand that we are living in an international environment and when the Member over there is talking about going to the International Monetary Fund, I am aware if he is not aware, that part of the mandate of the International Monetary Fund is to see that all its member countries, of which Trinidad and Tobago is one, adhere to the

International Monetary Fund programme with respect to internationally accepted best practices in fiscal spending, in banking practice, because banking practice—you know we have a man at the Central Bank called the Supervisor of Banks; he is there to see that the banks in Trinidad and Tobago work properly and, because under the PNM regime, they did not do their job properly, we have the banking fiasco where certain banks failed. All that is under the rubric of the International Monetary Fund.

Mr. Valley: No, Mr. Speaker. That was under the NAR, not under the PNM.

Dr. The Hon. M. Job: Mr. Speaker, the banking failure then into the consolidation of all these banks in the First Citizens Bank did not start under the NAR. The issues that gave rise to that failure, started because of mismanagement of the banks long before, and I am saying that in the context of fiscal policy, because when you are going to the International Monetary Fund, you are going to an institution that, as part of its day-to-day business, is to help to advise you with how you are going to get all these internationally accepted best practices in respect of transparency; with respect to best practices in auditing; in information. How does this country inform its citizens about the running of a country? All that is what we are talking about, Mr. Speaker.

So that we cannot just sit here and be regaled about going to the International Monetary Fund without getting people to understand that is an insubstantial positioning of the mind in terms of budgeting policy; in terms of fiscal policy; in terms of national expenditure; without understanding that this Government, as part of its ongoing relationships with the International Monetary Fund, has to report to them what it is doing in terms of managing its fiscal assets so that it does not put the exchange rate in jeopardy and it does not go out of line with what they think is best practice with respect to those activities.

The question of revenue gathering, broadening the revenue base by making sure that people pay VAT, all that has to do with budget deficit, because the deficit, as he has quite rightly said, we are talking about net deficit, net borrowing. We want to know that you borrowed money, you earned revenue at the end of the day. How do you net it out? Where do you come out at the end of the day? All those things are things that this Government has to, of necessity, by virtue of being a member of the International Monetary Fund, be in constant discussion with the International Monetary Fund.

The question of structural reform—I am not aware that many people especially in the media, are sufficiently energetic. I am not saying that they do not do it, but I

am saying that I am not aware that they are sufficiently energetic that when they are talking about the question of deficit and when they are talking about the question of promising a surplus, they need to position that discussion in the mind of the evolving consensus in the world concerning the role of government, and what government should do and what government should not do. All that is the discussion. I did not hear it from over there, that there is this evolving consensus that has passed where the PNM had left this country believing that government should be nanny and granny.

So that you are in a situation now where you are appreciating that anyone who is put in a position to spend other people's money on yet other people, is more likely, almost 100 per cent certainty, to spend that money wastefully. Government failure is as much a disaster in the world, is as much an explanation to the failure of countries in the world, as it is what they call market failure. The Government creates its own kinds of disasters as government failure, worst than any market failure which is properly managed and if you create the right environment, the right legal infrastructure, provide the correct sets of information, you would not get as much market failures as you do get.

So that when they are talking about deficits and when they are positioning the minds of people in this country and leading people to believe that there is some kind of slackness on this side, there is some kind of unnecessary and unmindful devotion to spending money without responsibility, nothing could be further from the truth.

Just to remind you where I am coming from, I am saying that part of our ongoing relationship with the Fund is that even if it is not a written down conditionality—because we are out of those conditionalities now—we are in a situation where we are being monitored and every year a Bank team comes here to see how we are doing; to give advice on what we might do better and what we might not do better. And the question of keeping your monetary aggregates in line and doing that because of your fiscal expenditures is something that is going on all the time.

When I say your monetary aggregates in line, might I explain what I mean, because, that again is linked to the question of budgets. People are not aware that when governments borrow money in US dollars, and bring it to Trinidad and Tobago, and you cannot spend US dollars in Trinidad and Tobago—well you can, but we do not do it. Government spends TT dollars. When you bring that money in here and you spend it, it adds to the cash balances in people's pockets; it adds to

deposits in their bank accounts. The banks are also able to go and create loans, to create current accounts for people to go and borrow money; so that the money supply in the country increases, and when it increases because you borrow money and you did not spend it wisely and you spread it around in that way, that creates inflationary pressures.

That chain of causality goes like this. You start off either by open market operations, or by borrowing money, whatever you do; if you give people money, it is going to cause an expansion in the money supply and, that now, is going to cause an increased demand for goods, both local and foreign; and the trade off or the elasticity of demand for local and foreign goods is not the same and people have their own preferences.

You would find now they are going to put pressure both on the local and the foreign and there are two effects to be had. You get a loss in foreign exchange, which is going to put pressure on your current account, which is going to reflect itself in your foreign exchange rate and the exchange rate plus the demand for local goods is going to put pressure on your price level, which is where your inflation rate is going to come about.

All these things I am not hearing them talk about. Do you think this question of managing an economy is just about going on the hustings, campaigning and talking a set of ethnic talk, getting into power and then go there and spend money? No, Mr. Speaker. We have to be sure that we have the public educated sufficiently to understand these subtle connections so that when a government is denying people the role as nanny and granny, they will thereby understand that it is in their best interest; that the Government is doing that not unmindful of their necessities, not unmindful of their pain, but doing it in such a way that they themselves will understand that those expenditures, in the long run will benefit them, because it is not a question of subsidizing an attitude and a way of life that has caused many of us to come into grief.

So, Mr. Speaker, the expenditures that I say we spend on schools; we spend on police; all these things are judicious expenditures targeted to particular activities that will help the country to run better. The Attorney General has been spending a lot of money hiring top class lawyers to fight cases, to give him advice on what he is doing and stuff like that. You want an environment in this country that will allow business to take place so we earn more revenues.

One of the purposes of the International Monetary Fund is to develop the kind of regulatory and legal framework that will allow business to take place without

much prejudice to best practices. That is an area that people do not understand. It is the business of the Government to ensure that we have a legal framework and we have the institutional framework that will allow business to be done with some kind of predictability, with some kind of understanding of the fact that what we are doing is considered the best of practices and that takes money.

We are probably not spending nearly enough money on these kinds of activities. So that, to come here and only talk about \$500 million without detailing where there is a suspicion and an understanding that this money was not in the nature of an investment into practices, into activities, that it will benefit this country in the long run, I think that is a rather unfortunate circumstance.

It is an invidious set of statements that were flooding the House before I stood this morning, with no other purpose, but to mislead, to direct, to canalize anger and to canalize misunderstanding to the particular purpose of winning political, partisan profit without any regard to edification, to education or to the upliftment of the population of Trinidad and Tobago. That is my purpose.

I am here and every time I get up to speak, whether I am prepared to speak or not, I deliberately make a concerted effort—

Mrs. Robinson-Regis: Like today!

Dr. The Hon. M. Job: I make a concerted effort to make a contribution so that when it is put in the record, somebody can go and read it and learn something they did not know before. I always try to do that.

Mr. Valley: From this contribution?

Dr. The Hon. M. Job: So that at the end of the day, they will understand that we do not talk about budget deficit merely as a number, \$500 million. I talk about it in the context of all the implications, all the ramifications, all the connections that might help to bring the mind to an understanding from where this budget deficit came.

I dare say, with no apology to anyone, that I think this is one of my best contributions—

Mrs. Robinson-Regis: What?

Dr. The Hon. M. Job: —given the fact that I have had an opportunity for the first time to deal with some issues that have been part of my life's work, getting people to understand. I used to teach these things at university. Get them to understand that unless you change your ideas; unless you change your culture;

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unless you understand the relationship between ideas and productivity; unless you understand the relationship between culture and productivity; unless you understand the relationship between ideas and work; you cannot develop a productive country; you cannot spend money wisely.

These things are so obvious and so brilliantly clear to anyone who is not blind and will not see, but these things have to do with what we are talking about today. We cannot just keep leading people into ignorance; we have to lead them out of ignorance. We have to lead them to understanding and the light; lead them to reason; rather than putting corbeau on the Red House to lead them back into the dungeon of prejudice—that dungeon of obeah, from where there is no understanding of what budget deficit means, no understanding, no clarity—where you can keep a mind into that kind of bondage to douens, gnomes and fairies and talking about budget deficit. Budget deficits are things of a different order; it is a thing that requires clarity of mind and objective understanding; it is a thing that requires clear thought and a sense of responsibility.

Discipline—it needs that. As the words of the founding father, discipline production and tolerance, but you must not tolerate ignorance—never tolerate that. Never tolerate indiscipline in thinking. Never tolerate the kind of indiscipline that leads people to come into the Parliament unprepared and only talking and rambling for half an hour about \$500 million deficit. No, Mr. Speaker. We need that kind of productive engagement of the mind.

Mr. Speaker, I am on the point of asserting that a budget deficit and the debate concerning this measure, this report of the Finance Committee, is a very profound thing. It is an occasion for the Member—and I hope they take a cue from what I am saying—and others to focus on the merits of the kind of fiscal policy in which this Government has been engaged. It is an occasion for them to get to the bottom of that, rather than to flippantly mislead people into believing that a \$500 million deficit is a great disaster, requiring a bending of the knee and a crawling, therefore, to the doors of the International Monetary Fund to come and say, “Save me.”

12.15 p.m.

It is nothing like that; it does not require that anyway. But the greater danger, as I have been at pains to repeat, is that it avoids coming to terms with the kinds of revolutionary or different ideas, some of which I would dare say started in the NAR days between 1986—1991 when the structural adjustment came into being. One of the cornerstones of structural adjustment is how you manage your budget deficit. For the first time in the history of this country people had come face to face with

the necessity to use the budget deficit as an instrument of macro-economic management. Before that, money was no problem. When the oil money came, it was spent. There were billions of dollars in reserves; there were all these special accounts with billions of dollars in them, but when 1986 came, there was no money. There was only money to buy food for weeks, and things like that.

Structural adjustment is about the budget deficit. The kinds of budget deficit that the Minister of Finance on this side has been promising is a direct consequence of those experiences, whereby the country came to understand that it was the business of government to use the budget deficit, not as an instrument of winning favours and keeping constituencies, but an instrument of macro-economic management so that those aggregates and those variables that would lead to a better long-term outcome of full employment; of a stable exchange rate; of low inflation, would respond in the kind of ways that would lead the future generations to expect and to hope for a better life. That is what the budget deficit is all about.

I did not hear them talk about that. I did not hear him, I should say, because he is the only one who spoke so far. I want to hear that kind of talk because it would help everybody in this country; not just the Cabinet; not just the Government, to be part of that national process of restructuring, of structural adjustment of the mind, which is the most important kind of structural adjustment. If you do not adjust your minds structurally, change those ideas, you thereby will not be afforded that opportunity, that capability to implement those policies as measures, be they monetary, fiscal or whatever, which would lead the economy to end up better off than it is, usually.

So that structural adjustment—and he did use the word, “adjustment”—are very important words. They are so powerfully linked to the budget, because this is what the IMF people would tell you. I have no doubt that what I am saying here is substantially necessary to be said. If it was not said before, that is not my fault. But a budget deficit in the portals of the IMF, in the portals of international commerce—when one looks at the Korean situation, you all know about the tragedy of Korea, Thailand and Indonesia. If I might make a comment on that—the president of the IMF, Camdessus, was there some time in January, saying that contrary to what people are thinking, the Korean and Thailand economies are seeing the light at the end of the tunnel because they are managing their budget deficits, because they are foreclosing all those banks which were corruptly manipulating foreign capital inflows.

All these things are about budget deficit. They cannot be separated. The people in Korea are going through trying times. The economy is going to grow: expected,

best estimates is one per cent this year. A worst scenario would be negative growth. In Thailand there is the same problem, because those countries were in the habit of not paying attention to their budget deficit and their capital inflows, and the relationship between those two things and the massive amount of floating assets that were coming in and out of the economy.

When we talk about budget deficit, we had better be careful to understand that the financial sector, that financial management, that transparency in the financial sector which is allowing the particular cabals to take over the financial sector and manipulate the monetary resource of a country for their own benefit, all that is what a better deficit is about. Indeed, we have to learn, not only from our own particular experience in the oil boom days that left us poorer than we are—when this Government came to power, there were statistics saying that 30 per cent of the people of Trinidad and Tobago lived below the poverty line. Indeed, when we look out on the streets—I lived in this country for most of my life, except the times when I was abroad—I never saw more vagrancy than in these last decades or so. It is not a consequence of the wickedness of Mr. Robinson when he was Prime Minister; it is not a consequence of the wickedness of Mr. Manning either, and, indeed, after two and a half years, you cannot blame Mr. Panday or his Government for the fact that there is this monumental number of homeless children and so forth.

All these things are manifestations of budgetary policies which flowered this economy and that in the long run are still having their backwash effects on what we are seeing. So that a budget deficit, if I might sound strident; if I might sound as if I feel that all we need to be talking about is a budget deficit, is not the case. The case is that the way the issue is raised has prejudiced a great opportunity to lead this country into better understanding. That is why I referred to Korea, Indonesia, Thailand and Trinidad and Tobago. Look at the disaster in Guyana. In Jamaica, when Mr. Manley was there, he did the same thing; ignored the importance of a budget deficit. There were economists in the Caribbean region who were saying, budget deficit is no problem; print money. They are talking about forced savings. They never did the theory; they never understood where the idea came from. Forced savings is about the government borrowing your money and then inflating the economy so that your money becomes less valuable. So when the Government has to repay, instead of repaying in a dollar that is worth a dollar, they pay in a dollar that is worth 30 cents. That is what forced savings is about.

How can an economist with any reason or any judgment or any prescience of any care for the poor people in this country, advocate forced savings as a

methodology to develop this country? But you see, that was the orthodoxy then. That is what they were doing in Jamaica; Burnham in Guyana. Throughout the Caribbean region there was this lack of understanding of the fundamental role of a budget deficit in securing a stable country, in reducing inflation and in ensuring that those productive activities, those productive individuals and sectors, become the engine of growth.

They could not do it in Trinidad and Tobago because their idea—if you read *From Columbus to Castro*—was that we are going to take over the economy and run it. It is on page 512 or somewhere around there. Their idea was to take over everything; buy out everybody and run the country as a Stalinist empire. So that a budget deficit did not loom large. This is why we ended up with Caroni (1975) Limited, Ispat, BWIA, all of them creaming off billions of dollars, because a budget deficit was no problem.

That is a matter of fact. People tend to forget these things. It seems that we have to keep reminding, and reminding and reminding, so that the children might remember when they hear, that a budget deficit is not a trivial matter. It is an important matter, because it is at the kernel; it is at the core. When I say, core, I do not mean a piece of soil. There is a concept in economics called the Core of the Economy. I am saying that the budget deficit is at the core of the understanding of how one must run a country so that in the long run one will thereby create a more productive economy.

These people come here, totally unprepared, to *mauvais langue* and to get on in a kind of way as if they are in a rum shop, to talk about borrowing so many billions and you end up with \$500 million. That is not the issue. That is a most insubstantial, a most defective, a way that manifests the lack of understanding, lack of knowledge, lack of awareness, and more than anything, a mischievous attempt to mislead the people to focus on something that is peripheral, that is trivial, that is of no consequence and substance to the fundamental understandings about the way this Government is using the budget deficit and the prognostications of a surplus in a way to lead the mind and to lead the economy to greater prosperity, to greater productivity.

12.25 p.m.

Mrs. Robinson-Regis: Mr. Speaker, on a point of order, Standing Order 36(1).

Mr. Speaker: Standing Order 36(1) reads:

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“Subject to the provisions of Standing Order No. 12...debate upon any motion, Bill or amendment shall be relevant to such motion, Bill or amendment, and a Member shall confine his observations to the subject under discussion.”

Overruled.

I think that what he is saying could be interpreted as being relevant to the issue at hand. Please continue.

Dr. The Hon. M. Job: Thanks, Mr. Speaker. That is a manifestation, and a good demonstration of lack of understanding because I am saying that throughout the Caribbean, in the Jamaican period, the Guyanese period, one of the major explanations for those disasters was the way they did not understand the importance of a budget deficit, and somebody stands to tell me I am being irrelevant. Do you understand? Budget deficit was the key thing to understand those disasters and it is the key thing to understand why the Trinidad and Tobago economy is still in the throes of the distress that it is because we are trying to move it away now. One of the instruments to do that is to focus the mind on the budget deficit so that you do not go out there promising people to spend money in order to make everybody happy. In other words, there is a book called *In Search of the People's Business* or *In Quest of the People's Business*, something like that.

Mr. Valley: Did you pay for it?

Dr. The Hon. M. Job: Anyhow you know the book. And in that book—

Mr. Valley: Did you pay for the book?

Dr. The Hon. M. Job: What is the name of the book, Sir? Could you please tell me?

Hon. Member: *In Defence of the People's Interest.*

Dr. The Hon. M. Job: *In Defence of the People's Interest.* Mr. Speaker, there is the greatest misunderstanding that you will ever read anywhere of the importance of budget deficits in terms of running a managed, efficiently run economy. That is why they do not understand. That is why I have to spend my time here. I hope I never have to talk about it again because I hope they take a cue from me and go and try to ask somebody who knows.

What is this beast they call a budget deficit and why is it necessary that this Government and any to come after—just like those who had the sense before, they

would not need anybody from the IMF or Bank of England, or anywhere to come and explain to them. Why is it important not to deliberately *a priori*, target, programme a budget deficit thereby to win popularity to get people to figure “you spending money on we”? This question of “we care”, you can care to spend money on people but those same people—you know the thing about “what sweet in the goat mouth”; I would not say the rest. When you do not understand the nature of a budget deficit and you go and spend money that way that is why you end up with all those kinds of problems.

Mr. Speaker, I am looking at the clock and I think that I am coming to the end of my time. At this point in time I would just care to say that I would leave the Minister of Finance in his summing up, to deal with those queries about budget deficit and I hope that the Members opposite would have understood that they need to take a different line from the Member for Diego Martin Central. Take a different line, use the opportunity of Parliament this morning to edify, to go back into our understanding of Government, of monetary policy, of fiscal policy and to put the budget deficit in a central position so that if they want to attack the Government, they would attack the Government for lack of understanding of the crucial role of managing the budget and managing the budget deficit so that it does not create inflationary pressures, so that it does not create pressures in the capital account or current account that would cause exchange to go out of balance. We want internal balance, we want external balance, we want this thing to be linked in such a way that the economy moves on a smooth track, given the inheritance of certain kinds of structural features which none of us are responsible for. I am not blaming them for that. All of us have our roles to play in these things. If you do not understand the crucial role of the deficit in terms of moving away from those disadvantageous structural features, we would all be lost.

Mr. Speaker, I want to say and recommend to the honourable House, that the matters that I have raised are in substance with the position of the Government with respect to what we need to be talking about today and that the deficits that we have run up which are, as a matter of fact, nothing nearly as dangerous as it is made out to be and there is no necessity to go from there, going to the IMF and creating these prophecies of doom and gloom.

Thank you, Mr. Speaker.

Mr. Speaker: Hon. Members, the sitting of the House is suspended for 1 hour and lunch is, in fact, provided for Members in the dining room.

We will resume at 1.30 p.m.

12:30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Mr. Colm Imbert (*Diego Martin East*): Mr. Speaker, once again it is not my pleasure to join the debate following the Member for Tobago East, who clearly was not prepared to speak here today but who rambled about a budget deficit for his full 75 minutes.

Because of his lack of preparedness, the contribution of the Member for Tobago East was a mass of contradictions and confusion. I will seek to demonstrate that before I deal with the substantive issue, which is the deceit and the trickery of this UNC administration and the absolute incompetence of the Minister of Finance and, for that matter, the Minister of Planning and Development.

In an effort to take up all of the time allotted before the lunch break, we heard amazing and totally irresponsible statements from the Member for Tobago East. For example, he said that one should not project a budget deficit to make people feel that one is spending money on them. The corollary is, of course, that instead one should mislead the country, lie to the Parliament, project an imaginary surplus that one is well aware one cannot achieve and then, when one's incompetence, trickery and deceit catches up at the close of the fiscal accounts in the following year, one can then say that it was an "act of God". That is what we heard from the Member for Tobago East: "It is an act of God—El Niño", and all sorts of foolishness about oil prices.

The levels of error here were \$500 million and \$600 million mistakes. Is that prudent management? Is a \$600 million mistake two years in a row what this administration wants the country to swallow?

We look at the hypocrisy, vain boasts and nonsense in their budget statements, which they know they can never adhere to or achieve. Mr. Speaker, listen to the arrant nonsense from the Minister of Finance on page 8 of their budget statement 1998:

"Over the years, Trinidad and Tobago has repeatedly squandered its chance to become the 'Economic Tiger of Latin America and the Caribbean'.

However, Mr. Speaker, it has become abundantly clear that what this country urgently needed, was the new and aggressive business acumen which the Panday Administration has brought to the Government."

What rubbish! In the same document, the same Minister speaks about budget savings in 1996 and 1997 in excess of \$1 billion. Well, my colleague from Diego Martin Central has shown that not only were there not budget savings in excess of

\$1 billion as deceitfully boasted about in this document, but in fact budget losses of \$700 million.

One can tell, when the Acting Minister of Finance presented this Motion which is now before the House, that he was ashamed, because he said that the documents were self-explanatory; we could read them; that all the explanations were contained in the pages before us. He spoke for a few minutes and sat down. He refused to go into the figures. The Member for Oropouche knows that this is a sham. He knows that the Minister of Finance is a political trickster.

Mr. Speaker: Let us not use language that is insulting and in contravention of the rules!

Mr. C. Imbert: I thank you, Mr. Speaker.

He also knows that the Minister of Finance is incompetent and that he came into this Parliament on three occasions and boasted about the prudent fiscal and monetary management of the Panday Administration: how they achieved all these surpluses; how foreign exchange resources are burgeoning, which is simply not true.

What the Minister of Finance has done is projected imaginary figures. I will go right back to 1996. Look at the situation with value added tax. The Minister of Finance told this Parliament that they would collect \$1.77 billion in VAT in 1996. We on this side said that was impossible; that there were declining collections in VAT; that VAT had peaked; that the Minister was misleading the Parliament and that it could not be done. The Minister beat his chest and carried on; said something to the effect that we on this side were geologists and that he was a Chartered Accountant and that we ought not to speak to him about finance.

What is the reality? The revised estimate, for 1996, for VAT was \$1.4 billion, a deficit of over \$340 million in collections from VAT—a 20 per cent shortfall. Such was the level of error.

The Member for Tobago East should not come here and talk about “El Niño” and “act of God” and say that nobody can see into the future and that we cannot predict anything. Of course we can! Look at Ministers of Finance over the last 10 years! Even under the NAR administration, the margin of error was nothing like this. It was not more than five per cent or 10 per cent off. How can Ministers of Finance do it for 10 years and this new UNC Minister of Finance be off by 20—40 per cent in his predictions? It is political hypocrisy and trickery! They practise it well.

When I look at the minutes of the Finance Committee meeting held in April of this year, prior to this Motion before the House today, the hon. Member for Diego Martin Central noted on page 4, that:

“The Tobago House of Assembly will be receiving an increase of approximately \$86.7 million, most of which was being transferred from the Ministry of Works and Transport.”

In response, the hon. Member for Oropouche advised that he would provide the rationale for the transfer during the debate. He has done no such thing. I listened to what he had to say very carefully. He got up. He said that the Motion was on the Order Paper; everything that we wanted to know was in the document, and sat down. Is that the provision of rationale for an \$86 million transfer? *[Interruption]* I am talking about today's debate. I would like him to tell us today why he has transferred these funds. I would like him to provide that rationale because he did not provide us with an appropriate rationale during that debate.

I am going way back into time because the Member for Tobago East said that he has to talk about things that happen in this country. I am talking about what happened in 1996, 1997 and 1998. I am talking about the fact that this Government is unwilling to provide the rationale for anything it is doing. I do not accept what was given to us on a previous occasion and I would like to know now exactly what is being done with the public funds.

1.40 p.m

Look at the schedule before us today and the answers given to us in responses. I understand when asked a question, the Minister of Finance took a long time to respond to a query relating to the \$384 million payment or allocation for bonds to the public servants. The Member for Diego Martin Central asked what effect this would have on the budget surplus, and I understand that the Minister took a long time to respond and here we have it in writing today that there will be a reduced fiscal surplus. This is the problem which I am having.

When the budget is presented and they carry on and rant about opportunities for all, and helping poor persons and all this nonsense which I heard from the Member for Tobago East, and then we find out they have made a \$400 million mistake and have no intention of helping poor persons, they only intend to help themselves and their supporters and I would demonstrate that in this debate. A \$584 million error was made in the calculation for expenditure for 1997. A \$200 million mistake with regard to the Petrotrin refinery upgrade so that is \$384 million

plus \$200 million which gives us a \$584 million mistake and this is what is responsible for this budget deficit. It has nothing to do with the points which the Member for Tobago East raised.

The Member tried to tell us because he had not read the Bill, he did not know what were the items which were being discussed. He has absolutely no knowledge of what are in these minutes of meetings and schedules and so forth. He told us it had to do with education, national security and all kinds of foolishness. It has nothing to do with that. It has to do with the fact that the Minister of Finance is not managing the country's affairs properly. That is the problem.

I agree with the Member for Tobago East that they are a band of irresponsible dilettantes, to use his language. Imagine coming to this Parliament and actually supporting a budget deficit when all the known economic theories for the last 10 years have discounted budget deficits as an economic option. Every known economist of note in the world has discounted budget deficits as an economic initiative. All the world's monetary institutions, the IMF, the World Bank and so forth, have forced countries to declare a surplus. For the last ten years in Trinidad and Tobago, they have been seeking to reduce the deficit down to zero, and to achieve a surplus because it is recognized that one must manage one's economy within one's means. That old, tired idea which the Member for Tobago East is throwing out, I am sure we can find one of his articles in that collection of speeches where he accused the PNM administration of using deficit spending as a budgetary tool. That is why I refer to the Members on the other side as political hypocrites because no responsible government in the world budgets for a deficit. This is why we say it is trickery and deceit.

When these figures are given to us, and the Government talks about petroleum revenue, value added tax, collection of taxes from individuals and companies, they know exactly what they are doing, as I have said before. They know that they cannot balance the accounts but they are into populace politics in its most naked form so they say they are increasing old age pension and doing this and that, knowing full well they do not have the money to pay for it. That is why in 1998, we find ourselves with no money in the treasury. That is why public servants cannot get their salaries on time and they do not want us to say these things. That is why there is a long line for foreign exchange in the banks, and one has to wait for two weeks if one wants \$5,000. That is what is going on in Trinidad and Tobago today because of the fiscal irresponsibility of that administration. The money just is not there, it simply is not there.

If a responsible person, an educated man, can come into this Parliament and talk about shocks in the system being responsible for deficits instead of surpluses and he is talking about a situation in 1996 where there was an unbudgeted increase in the price of oil and the government got an additional \$1 billion extra in revenue still there was a deficit, what would have happened if they did not get this \$1 billion? The deficit might have reached \$2 billion, and this is the shock to the system about which the Member for Tobago East spoke. This is why he could talk foolishness about if oil prices go up there would be a problem. Which country in the world has a problem when oil prices goes up? Which oil producing country whose income increases when oil price increases has a problem when oil price goes up? What arrant nonsense! If there was a problem we should give back that \$1 billion which we got in 1996. It is the convoluted logic, it is a mass of contradictions, absolute financial confusion coming from the other side.

Mr. Speaker, in my opinion, the Member for Tobago East stands for nothing and that is why he can get up here where one day he can be right-wing, the next day he could be left-wing, and the next day liberal because he stands for nothing, he is just self-serving. That is why he can come here and say things which he does not believe. The Member for Tobago East does not believe that the Government should run a fiscal deficit. I am sure when he was teaching in the university, he taught his students to manage their expenditure within the income. I am sure if you look in his books, you will see all the talk about squandermania and how one must be prudent and so forth. He does not believe what he is saying.

There was an interesting speech from the Member for Couva North about how people would sell their birthright for a mess of pottage and a jacket and tie, and that is what we are seeing on the other side. [*Desk thumping*] As a matter of fact, there are three of them in front of me. They would sell their principles, eschew their principles because they have no interest in this country. What they are interesting in is having a good time while it lasts.

Look at the situation where the Minister of Finance came to this Parliament two years ago and told us that the Panday Administration had abolished licence fees. He said there would be no more long lines at the Licensing Office, people have been relieved of this burden of taxation and we told him that we knew there was an underhand, deceitful and surreptitious plot to replace licence fees with an inspection fee. They laughed and carried on. When I opened the newspaper over the weekend, I see as of today, it is now mandatory for all persons with private vehicles which are over five years old to go to some garage—we do not know how

they were chosen, we do not know if they are all UNC—and pay \$165.00 to get one's vehicle inspected. The line is shifted from the licensing office to the garage, and the corruption from the licensing office is shifted to the garage. The same Minister who told us, "No new taxes." So what is this? When liquefied petroleum gas goes up is that not a tax? When one has to pay inspection fee which one never had to pay before, is that not a tax? It is subterfuge of the worst kind.

We have the acting Minister of Finance telling us that expenditure in 1997 is now projected at \$13.275 billion. When one goes into the budget document for this year, we see the 1997 revised estimate which was laid in this Parliament just three or four months ago was \$12.5 billion. Now the acting Minister of Finance is telling us it is \$13.275 billion which means that \$700 million has gone somewhere. Why are they bothering to waste our time in this Parliament? Why do they print these documents and give us figures which are absolutely bogus?

The Member for Tobago East is saying it is all right to borrow money. It is all right that the UNC has borrowed \$10 billion since coming into office, or by the end of this year they would have borrowed \$10 billion and it is all right they would have squandered over \$30 billion. They are always talking about the PNM and \$60 billion, that took 30 years; they squandered \$30 billion in three years. It is not even three years and \$30 billion is down the drain from that administration. What really gets my goat is when I hear the Member for Tobago East saying that this deficit and borrowing and so forth is to help the poor people, and that this UNC administration is not for any cabal, and does not want to create any special interest group, nor help its friends and so forth, but when one looks at the pattern of expenditure and what this \$13.275 billion was spent on, I am ashamed that \$100 million was spent on dirt at Piarco to help their friends.

The Member for Tobago East would tell us that they are not about that. I am talking about the \$100 million item that was contained in the budget document and millions of that were spent on earth fill. Of that, \$8 million was given to persons just to watch people moving dirt. When we asked on what was the \$8 million spent, it took months to get the answer. An embarrassing question was asked and it was delayed for two to three months and when we got the answer, there was no substance in it, but we got a response. They said of the \$100 million spent, \$43 million went to a company called Birk Hillman and some other \$30-odd million for moving dirt, \$8 million for this and \$5 million for that. When one goes into the numbers, one sees under the heading "Construction Management" \$8 million was

paid to Birk Hillman in 1997 out of the \$13.275 billion for which they are seeking approval today.

1.55 p.m.

Mr. Speaker, the Government paid \$8 million to watch Seereeram Bros. Limited move dirt and I doubt there were more than two persons checking the truck loads; one truckload, two truckloads, three truckloads. A foreign company was paid \$8 million to count trucks going into Piarco. The Government cannot tell us it was for anything else, because all that was done up there was to move dirt. Construction Management means to manage construction. The Government cannot tell me it is for future things, they are getting more money for that.

As a matter of fact, in one of the responses we got recently, we heard that Birk Hillman was to be given another \$55 million. Government has admitted that. It is in the face of the contract for the Piarco Airport expansion, we are asking why there is a budget deficit. It is because of that \$100 million spent at Piarco. That is what caused that deficit; not education, national security, the poor and so forth. That is absolute nonsense, Mr. Speaker. It is the rank corruption taking place under this administration. *[Desk thumping]* Thirty million dollars in losses in the National Flour Mills for rotten rice, that is what caused the budget deficit. That is the problem, Mr. Speaker.

Mrs. Robinson-Regis: The boat is lost.

Mr. C. Imbert: The boat is lost? It probably sank at sea. Imagine that, from Brazil to Trinidad and Tobago another \$15 million is lost. The Minister of National Security came here to waste our time today to tell us some foolishness about the problem he has with the way persons operate in this country. However, a boat is lost and he cannot find it. Mr. Speaker, \$15 million of taxpayers' money on that boat and he cannot find it.

In any event let us get back to the point. When I look at that scandalous airport contract, I see there is a termination clause in Birk Hillman's contract. Mr. Speaker, all the deceit and dishonesty is revealed, but they do not care. There is a termination clause in the Birk Hillman consultancy contract which says that it could be terminated with one month's notice. There is no financial penalty and it would simply be compensated for the work done up to the time of termination.

Mr. Speaker, the day after the Prime Minister came to this Parliament and laid the Deyalsingh Report, he could have terminated the Birk Hillman contract. *[Desk thumping]* He could have saved this country \$100 million in 1997. We have no

idea how much the Government is going to squander in 1998 and 1999, but this country could have saved hundreds of millions of dollars, and that deficit could have been turned into a surplus. Mark my words, Mr. Speaker, that \$100 million to be spent on the airport would go up. It goes up every year. It is like an exponential equation. It starts off at \$400 million, by the time one turns around, it is \$600 million; one looks left, it is \$800 million, and next year it is going to be \$1,000 million. Mr. Speaker, \$1,000 million of taxpayers' money.

What gets me, Mr. Speaker, is that they come to this Parliament today and tell us we must not talk about that, we must not talk about budget deficits, we must not expose the Government's dishonesty, we must not talk about the fact that we ask questions in this Parliament about conflict of interests relating to finance and to public funds, and that the answer we would get is that there is no conflict of interest. Then one sees the same individual dealing with public funds, funded by taxpayers' money out of the estimates of expenditure, parading on the television saying, "This airport is too small, we need a bigger one." Maybe it would be \$2,000 million by the time they finish with it, Mr. Speaker. The same individual who made a presentation to the Airports Authority in 1992/1993 on behalf of an interested party, yet there is no conflict of interest. The same individual who provides a 100 per cent performance bond to Northern Construction—never heard of in the history of Trinidad and Tobago—and based on that 100 per cent performance bond another group of persons selected Northern Construction ahead of everybody else to get an airport construction contract for which it is not qualified.

We asked the Minister of Finance what the Government was doing about the conflict of interest, but he would not answer because his partners are involved. He puts the Minister of Social Development to answer, who got up and said, "I have been advised that there is no conflict of interest" and he sat. Just like the Member for Oropouche who said the documents are here, read them and he sat. That is what is going on in this country today, Mr. Speaker. We, in the PNM, must sound the alarm. We must let people know what is going on. Nobody who sells-out for a jacket and tie could make us stop talking, Mr. Speaker. [*Desk thumping*] [*Interruption*]

Dr. Rowley: You have nothing to sell. Get a jacket and tie. A bag of straw.

Mr. C. Imbert: It is true. Mr. Speaker, when I look at how the Government spends money in this country it is little wonder that there is a budget deficit. I heard the Member for Tobago East say they are paving the roads in Wallerfield. He has a farm in Wallerfield, or he used to, so he must be happy about that.

Dr. Rowley: Oh yes? He had a piece of land in San Raphael.

Mr. C. Imbert: Wherever. Up there, on that side. Mr. Speaker, when people have cocoa in the sun, or when they are living in glass houses—to use the expression of the Member for Tobago East, the one he likes to use so often—they have to be careful. One is talking about a man who is involved in agriculture and he is happy because the road leading to his farm has been paved. He is congratulating the Government for that.

I do not understand some of the Members of this Parliament. Someone spoke about the PNM squandering money on education. Yes, it did! It gave that gentleman a student revolving loan. [*Desk thumping*] The PNM wasted money because he never repaid the loan. This is the problem I am having. He spoke about people in this country having to understand that coming to work means coming to work on time. That same individual, the Member for Tobago East, did not go to work in the Ministry of Agriculture for two years. Let him get up and deny it, Mr. Speaker. [*Desk thumping*] He collected salaries under false pretences. He did not pay his student revolving loan. However, he comes to this Parliament pontificating and carrying on with high sounding principles. That is why I have a problem, Mr. Speaker. You see by their deeds you shall know them.

The Member boasted about some road that was paved in Wallerfield and gave credence to the emerging fact that this UNC administration believes they have a licence to mash up the place. When I look at the \$67 million expenditure collected on the road fund in 1997 and of that sum, \$63 million was spent either in UNC constituencies or to pave a road in front of somebody's farm—somebody who has connection with the UNC—and the remainder of \$4 million was allocated for the 17 constituencies which voted for the PNM in 1995, I see that the Member for Tobago East is trying to justify a certain pattern of expenditure. Mr. Speaker, he is trying to justify a pattern of expenditure so that the roads in the country which have the most vehicles, which are most heavily used, which have the most economic benefit to Trinidad and Tobago, shall not be repaired.

2.05 p.m.

The roads that shall be repaired are roads with one car passing per day, leading to nowhere, achieving nothing, but the whole point is some activist is living at the end of that road. That is what is going on today. When I look at the expenditure in just one constituency—Oropouche—\$3.2 million spent on the La Fortune Pluck Road in one year. One road! More than all the PNM constituencies put together for 1997.

[MR. DEPUTY SPEAKER *in the Chair*]

The devious technique, Mr. Deputy Speaker, is to say, “Nothing was ever done in these areas for the last 30 years. Is we time now, so we could take all the people money and spend it in our areas.” [*Desk thumping*] That is the devious propaganda. Over 250,000 people voted for the PNM, but they shall get nothing.

On my way to Parliament today, I was listening to a call-in programme and hearing somebody complaining at a village meeting about this precise problem; that they are taking all of the money in the country and spending it in the UNC areas. All of the funds we have to vote for today, this supplementary allocation—I, in my balisier tie, must sit in this seat and vote for them to take taxpayers’ money and spend it in their areas alone. Not even five cents for PNM areas.

Look at the issue with the water trucks. They cannot answer. Out of the 176 water trucks coming out of the Ministry of Local Government, 160 are going into UNC areas and 16 to the PNM areas. [*Interruption*] Hear the “ole” talk! Mr. Deputy Speaker, I want the same people who are talking this foolishness to come into my constituency and tell the people of Paramin why they have not had water for two years under this UNC administration. Tell the people in River Estate, Cascade, St. Ann's and Toco why they have no water. I would like them to justify their actions, but they cannot.

Out of 176 water trucks, 160 are for the UNC areas, and we hear the nonsense coming from the Minister of Public Utilities that the other WASA trucks are going to the PNM areas. What arrant nonsense! We should check the log and see exactly what went on there. Everything they do is a give-away. The day after the Minister of Public Utilities pretended in this Parliament to try to deal with this water problem, the next thing we heard was that the co-ordination centre is in Couva. The co-ordination centre to deliver water to Maraval is in Couva. What absolute nonsense! The co-ordination centre for UNC constituencies is in Couva, because out of all the trucks, 90 per cent is going into UNC areas. This is what they are doing with our money, taking the public funds and using them for their own benefit.

Just to mention the situation I read in the *Independent* newspaper just over the weekend about the Huggins building. The Minister of Finance, who has a tendency to come into this Parliament and utter inaccurate, misleading and untrue statements, came into this Parliament about a year ago, and when questioned about the Huggins building—when asked if the Government or any arm of the Government is going to acquire the Huggins building from friends of the Minister

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of Finance—the same Minister of Finance, in his usual denial mode, said he knew nothing about that and it was scandalous mischief.

I read in the *Independent* that the Chairman of Nipdec was almost fired over that fiasco where an arm of state acquired the Huggins building at a fantastic price and they still have to spend another \$6 million to renovate it. We know who bought it just before that. We know the little group that got together, the business associates and friends of the Minister of Finance. Ish, Brian and Steve got together with their other friends, put somebody to front, purchased the Huggins building, sold it back to Nipdec for three times the price they paid for it, and then rented it to the Ministry of Legal Affairs. That is what they are doing in this country. Buying a 40-year-old building with public funds at three times the price—a group of UNC friends, a cabal, as the Member for Tobago East would describe them, headed by the Minister of Finance. They bought a building for \$4 million, sold it for \$12 million and rented it back to the Government. That is what is going on in this country. That is why we have to keep rubbing it in. We have to let people know what is going on in Trinidad and Tobago.

Look at the situation in the Ministry of Agriculture, Land and Marine Resources, misleading the Parliament, misleading the Cabinet, or maybe the Cabinet knew and was involved in the whole thing, putting allocations for Caroni (1975) Limited with the full knowledge that this was not an accurate representation of the facts. So, what do we see in these documents before us today, Mr. Deputy Speaker? That Cabinet agreed in 1997 to advance \$30 million to Caroni(1975) Limited. Political dishonesty! That is how they are managing the country's affairs. They would not deal with the problem. They would not deal with the fact that Caroni (1975) Limited is bankrupt. They would not deal with the fact that Petrotrin is bankrupt.

Imagine coming here to tell us that Petrotrin is servicing that refinery up-grade loan. Another piece of dishonesty. Where is Petrotrin getting the money from to service that refinery upgrade loan? Over \$2 billion. Where is Petrotrin going to find in excess of \$1 billion to service that refinery upgrade loan? They are not. They are going to put their hand out to the Treasury, and the Minister of Finance will give them the money, but the money will come from somewhere. This is one of the matters before the Parliament today—that \$210 million lapse in memory of the Minister of Finance. How could one forget \$210 million? How could one forget \$384 million?

Look at the situation with the way they are renovating certain items of certain Government buildings. Look at what was going on with Whitehall. It is a complex

where one feels that one has to be master of all one surveys. The Prime Minister feels he must put his stamp on Trinidad and Tobago. He is taking \$20 million from taxpayers' funds to renovate Whitehall. Why? Because Eric Williams ran the Government from Whitehall, so Panday must run the Government from Whitehall. They have pushed a project that was originally budgeted at \$5 million by the Cabinet of the PNM administration of 1992—1995 to \$20 million. We do not even know if that is the final figure. Approximately \$20 million to buy Persian carpet for the Member for Couva North, to buy expensive furniture from the Far East.

Twenty million dollars, Mr. Deputy Speaker, and it has nothing to do with helping poor people; spending \$20 million on the most ornate metal work and stained glass in Whitehall. That is helping poor people, spending \$20 million there?

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

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Dr. Keith Rowley*]

Question put and agreed to.

2.15 p.m.

Mr. C. Imbert: Mr. Deputy Speaker, I remember when we came into office and spent \$1 million refurbishing the Prime Minister's official residence, a building that was not attended to for years, which was neglected under the administration of the Member for Tobago West; public outrage, bacchanal, confusion for four years, fuelled by the irresponsibility of the Members on that side. What happens now? We ask how much money is spent on renovating the Prime Minister's residence since the Member for Couva North has taken occupation; they would not answer. It is more than \$1 million. And on what?

When you completely refurbish a building and change everything inside, there is nothing left to be done unless you want to change the colour of the carpet; the carpet is brown, you want blue; you see white tiles in the bathroom but want grey; you go in the bedroom and do not like off-white, you want cream. That is what is going on in Trinidad and Tobago today. That is prudent fiscal management on the part of the UNC—taking poor people's money.

Look at this housing allowance; that caused the deficit too. Four thousand dollars a head for about 20 of them; \$80,000 a month by 12 is \$1 million. [*Desk thumping*] In an attempt to deflect public outrage against that \$4,000 unethical and immoral increase they got, there was some article in the newspaper about how

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Cabinet has suddenly approved benefits for Members of Parliament which we had for the last 15 years. Look at this. It says:

“Parliamentarians get tax free cars.

Cabinet has fully agreed to exempt all Members of the Senate and House of Representatives from motor vehicle taxes.

Any Member of the Senate or the House of Representatives purchasing an imported car to be used in the performance of his duties, will now be granted full exemption from either Customs Duty, Motor Vehicle Tax (MVT) or Value Added Tax (VAT).”

Mr. Deputy Speaker, when I was elected in 1991, I was sent a little document which had terms and conditions of Members of Parliament and it had this in it.

Mr. Deputy Speaker: Order!

Mr. C. Imbert: I will read again for the benefit of the unlearned on the other side.

“Cabinet has fully agreed to exempt all Members of the Senate and House of Representatives from motor vehicle taxes.

Any Member of the Senate or the House of Representatives purchasing an imported car to be used in the performance of his duties, will now be granted full exemption from either Customs Duty, Motor Vehicle Tax (MVT) or Value Added Tax (VAT).”

Mr. Deputy Speaker, I have been enjoying that benefit for the last 7 years as a Member of Parliament. If a Member of Parliament buys a locally assembled car, he is entitled to exemption from motor vehicle tax. If a Member of Parliament buys an imported vehicle, he is entitled to exemption from customs duty.

Mr. Deputy Speaker, it is a tragedy that as a Member of Parliament you were misled by your colleagues for all these years. My colleague from Diego Martin West—

Mr. Maharaj: Mr. Deputy Speaker, on a point of correction. I think the Member has made a genuine error.

Mr. C. Imbert: Read the whole thing.

Mr. Maharaj: I would be prepared to lay the document on the table.

Mr. C. Imbert: No, read it.

Mr. Maharaj: Transport, maximum loan of \$100,000 at a rate of interest of six per cent per annum to facilitate the purchase of a locally assembled motor vehicle with full exemption from motor vehicle tax and Value Added Tax; on an imported vehicle with full exemption from customs duty.

Mr. C. Imbert: I rest my case, Mr. Deputy Speaker.

Mr. Maharaj: Customs duty.

Mr. C. Imbert: That is what I just said.

Mr. Maharaj: No, no, no. You said—

Mr. C. Imbert: Mr. Deputy Speaker, you did not know.

Mr. Deputy Speaker: Order, Order!

Dr. Rowley: Mr. Deputy Speaker, could the Member who seeks the clarification tell me what is the new benefit that I am entitled to?

Mr. Maharaj: The new benefit is full exemption from one of these. At the present time it is only customs duty. You cannot get exempted from motor vehicle tax or Value Added Tax. You can now get exemption from one—customs duty, motor vehicle tax or Value Added Tax.

Hon. Member: On an imported car?

Mr. Maharaj: On an imported car. So if the motor vehicle tax or Value Added Tax is more, you would be entitled to get that off.

Mr. C. Imbert: Mr. Deputy Speaker, I am glad that you have now discovered that your colleagues have been misleading you and depriving you of the opportunity to get an exemption.

Mr. Deputy Speaker: Do not draw me into the debate.

Mr. C. Imbert: But it is a fact. I saw your shock, Mr. Deputy Speaker. Let us move on.

Mr. Deputy Speaker, they think they can fool everybody all of the time. [*Desk thumping*] They have given us no significant benefit.

Mrs. Robinson-Regis: None at all. None.

Mr. C. Imbert: Mr. Deputy Speaker— [*Cross talk*]

Mr. Deputy Speaker: Order! Member for La Brea.

Mr. Bereaux: Yes, Sir. Thank you, Sir.

Mr. Deputy Speaker: Member for La Brea, Member for Arima.

Dr. Griffith: My apologies, Mr. Deputy Speaker.

Mr. Deputy Speaker: Member for Diego Martin East.

Mr. C. Imbert: Thank you, Mr. Deputy Speaker. As in the case of certain vehicles where motor vehicle tax is \$40,000, customs duty is \$40,000, Value Added Tax is \$40,000. Each of them is \$40,000; I could now choose which one. If it is 20, 20, 20, I could choose which one. What arrant nonsense! All they have given me is a choice; I could get an exemption at 20 here or exemption of 20 there.

Mr. Deputy Speaker, the point is, it is the sleight-of-hand when they are taking a \$4,000 salary increase in the guise of a housing allowance, costing this country an additional million dollars a year, and then trying to confuse the issue with this kind of foolishness. That and nothing is the same thing. Mr. Deputy Speaker, I understand why the Minister of Finance is not here today. He did his mischief and skipped the country. As the Member for Diego Martin Central pointed out, the Minister of Finance is the most incompetent Minister of Finance this country has ever had. There has been no other Minister of Finance who has predicted a budget surplus two years in a row which turned into a budget deficit two years in a row. No other Minister of Finance has done that or made statements in this Parliament which has been proven to be patently false, like no new taxes; no long lines at the licensing office anymore; you do not have to pay licence fees anymore. As the Member for Diego Martin Central pointed out, the closing of accounts is an annual event which has to be done by the end of April. Everybody knows that; every Member of every Cabinet is supposed to know that; every Minister of Finance is supposed to know that.

Mr. Deputy Speaker, the Minister of Finance is too concerned with extracurricular activities. Somebody was telling me the other night, they went to one restaurant only to encounter the Minister of Finance with his entourage. Champagne was flowing and all sorts of things; about 13 teenagers in tow. The person had foreign guests and decided to carry them out the following night to another restaurant. Do you know they “bounce them up” there too? Thirteen teenagers in tow again; champagne flowing again. It happened three nights in a row, and this is just two weeks ago I am talking about.

When the Minister of Finance is feteing and having a good time, drinking champagne at some of the most exclusive restaurants in Trinidad and Tobago,

when he should be doing the people's business; when he is down in the base every Friday knocking about with teeny-boppers and teenagers, going through some mid-life crisis, you understand why we are here today; why the Minister had to run off to Washington. It is because he is too busy with extracurricular activities. That is why the Minister has the Member for Oropouche dancing on the table in Parliament today, who could not give us any rational explanation for the matters which we are debating.

Mr. Deputy Speaker, I understand there is an additional allocation for Tobago, of \$100-odd million for the Minister Extraordinaire or something like that. This is what we would expect the Member for Tobago East to come and talk about today, but the Member is too interested in goat race in Tobago. I would expect the Member for Tobago East to explain to this Parliament why we have all of these bizarre expenditures in Tobago that no one will account for; why they built one mile of road in Tobago that had a budget of \$1 million but ended up costing \$11 million and still has not been completed. This happened in 1997. This is what we expect from the Member for Tobago East.

What is the name of that road through the middle of the island on which \$11 million was spent?

Dr. Rowley: Do not worry with the name; it is the road to the Chairman's house.

Mr. C. Imbert: Oh, sorry. I understand that the road in particular which the \$11 million dollars was spent on with the sanction, approval and consent of the Member for Tobago East, leads to the Chairman of the Tobago House of Assembly's house.

Dr. Rowley: Providence Rim Road.

Mr. C. Imbert: Providence Rim Road. Mr. Deputy Speaker, they are willing to spend \$11 million on one little road going to somebody's house.

2.30 p.m.

The other day I saw the Member for Couva North, the Prime Minister, opening some \$14 million road through the cane field—a road through the cane field, Mr. Deputy Speaker! Fourteen million dollars of taxpayers' money spent on that one road—that was just about a month ago—and coming to this population and boasting that only under a UNC administration this could happen. People do not understand what is going on. They take \$14 million of people's money and spend it

on one road through the cane field in Penal. One road! And people in the whole of north Trinidad are crying out for help.

Dr. Mohammed: Would the Member give way? That \$14 million that the Member for Diego Martin East is referring to, that M1 and M2 was part and parcel of the Tripartite Agreement and this ought to have been done under the PNM government and it was not done. *[Mr. Imbert stands up]* Are you giving way?

Mr. C. Imbert: No.

Dr. Mohammed: Then why did you sit? Do not mislead this House!

Mr. Bereaux: You are talking about misleading the House? You have to be joking.

Mr. C. Imbert: The Member claimed that it was part of the Tripartite Agreement to take \$14 million of taxpayers' money and spend it on one road through the cane field in Penal. But all the potholes in Diego Martin, Port of Spain, Belmont and all along the East/West corridor, they cannot spend five cents on. The drivers in Laventille, Belmont, St. James, the people go in the gas station every day and pay that 5 per cent fuel tax whenever they buy gasoline, do they know you are taking \$14 million of their money to spend it on a road through the cane field? This is the problem we have in this country. This is why, out of \$67 million collected from taxpayers of this country at the gasoline pump, they could take \$63 million and spend it in UNC areas.

When one raises the matter, they get vexed. One is not supposed to talk about these things. They want a nation of mice who will be silent, supplicant and genuflect before them when they pass. That is why they would not grant the work permit for Julian Rogers. They want a nation of people who will genuflect before them. That is what they want. They could do whatever they want. The Prime Minister could buy 20 cars for his household in one year, one must say nothing. He must put the most expensive marble tiles on his bathroom floor, one must say nothing. He could spend \$20 million renovating Whitehall, one must say nothing. They could squander \$30 million on National Flour Mills, one must say nothing. That is what is going on in Trinidad and Tobago today! It is rampant squandermania. One hundred million dollars on dirt at the airport and one must say nothing. One must tell them, "good going, spend a next hundred". That is what they would like us to do.

This is what I am hearing from the Member for Tobago East. He will not come into this House and apologize for wasting \$100 million on dirt in the airport. He will not come into this House and apologize for spending \$11 million to build a

road to the house of the Chairman of the Tobago House of Assembly; he will not apologize for that. He will not apologize for taking a \$4,000 housing allowance when people are starving in Trinidad and Tobago; he will not apologize for that. He will not apologize for the wasteful extravagance that is taking place throughout Government ministries when it relates to the personal demands of ministers; he will not apologize for that. He will not apologize for the amount of money we have to spend protecting the Member for Couva South. The amount of money that is spent on salaries, wages, overtime, gas bills and cars for 20 or 30 security officers to follow the Member for Couva South around every day. It is probably costing about \$2 or \$3 million a year to protect the Member for Couva South for God knows what reason. That is what is happening in Trinidad and Tobago today. They will not apologize for giving one of their friends a \$16 million Cherokee jeep contract without tenders, and nobody knows what the real price is supposed to be, whether it is \$5 million, \$8 million or \$10 million. They will not apologize for that. But they want us to sit on this side and say nothing and join with them and congratulate them for what they call fantastic, prudent management of the economy. I am afraid I just cannot.

Mr. Deputy Speaker, when I look at what happened with the Unemployment Relief Programme in 1997; the worst case of fraud in the history of Trinidad and Tobago. Millions of dollars in ghost cheques! The worst case of fraud in Trinidad and Tobago was perpetrated by the Minister of Works and Transport in that Unemployment Relief Programme in 1997. [*Desk thumping*] When there is \$20 million in ghost gangs and bonus cheques, no wonder there is a fiscal deficit. No wonder we have all these problems in the country with this pattern of expenditure, where those who are supposed to get, do not get, and only the hooligans—

Imagine the Member for Tobago East is talking about, "URP is hiring people with guns in their pockets". The hypocrisy of that statement! When we took over that programme, we rooted out every gunman and every bandit in that programme, and we sent them home! As soon as the UNC administration took over they hired the most notorious bandits, gunmen and criminals and put them in senior positions, in charge of the Unemployment Relief Programme. The most notorious criminals in Trinidad and Tobago! They put them in charge of that Unemployment Relief Programme! Then they forged an alliance with other people. That is what they did, and they created chaos, mischief and crime in Trinidad and Tobago over the last two years. When they realized what they had done, that they have created a monster where they put criminals in charge of the Unemployment Relief Programme, criminals which we, the PNM, kept out of that programme for the four

years that we were there, they abandoned the programme from the Ministry of Works and Transport and threw it into the Ministry of Local Government.

Mr. Deputy Speaker, when I look at what is happening in that Unemployment Relief Programme, where hopefully, \$130 million will be spent in 1998, although \$200-odd million was spent in 1997, one gets the feeling that this UNC administration has no qualms about initiating violence and gang warfare in PNM areas just to cause problems to the people who live in those areas. It is no coincidence that the problems of violence and gang warfare are taking place within areas represented by the Members on this side. Because the Government has engineered that. [*Desk thumping*] When I look at what is going on at the Mt. Hope office of the Unemployment Relief Programme, I look at a criminal sitting in the manager's office and saying—he is walking with his bodyguard. Imagine that! A man not on the establishment, not employed, not approved, sitting in the manager's office and saying—"I am in charge of this programme, and who does not like it, I will shoot them". That has been engineered by the Member for Pointe-a-Pierre. He engineered it. That is what is going on with public funds.

Mr. Deputy Speaker: You are imputing improper motives to the Member for Pointe-a-Pierre.

Mr. C. Imbert: Mr. Deputy Speaker, what I am saying is that the manner in which this programme has been established and set up under the new dispensation has resulted in this problem and is a direct result of the actions of the Member for Pointe-a-Pierre. That is what I am saying.

Mr. Deputy Speaker: What it came across as, is that the gentleman you are speaking of when you said shooting at the Mt. Hope office was engineered by the Member for Pointe-a-Pierre, if it is not so—

Mr. C. Imbert: Mr. Deputy Speaker, the fact of the matter is, we have a Government in power today which could probably be described as thugs, and for the benefit of the uninitiated on the other side, I am using the Hindu meaning of that word. Now for those who do not know, for those persons on the other side who do not know, the thugs or thuggee—

Dr. Job: Will the Member give way?

Mr. Deputy Speaker: The Member is not giving way.

Mr. C. Imbert: Mr. Deputy Speaker, there was an evil cult in India 200 years ago called the Thugs. What they would do is waylay unsuspecting travellers,

strangle them to death and bury them in a ritual manner. They were called the Deceivers; that was the correct name for them. The Deceivers. I am sure the Member for Naparima knows that of which I am speaking. You see, it took the Government of India 20 years to eradicate the cult of thuggee when all these burial graves all over India were discovered, when all of those who had been strangled in a ritual manner, their bones broken and thrown into mass graves. They prided themselves as being deceivers. They would travel along the trails with rich travellers and they would tell them they would offer them protection—I am coming to my point—and when they lulled them into a false sense of security, they would strangle them to death, bury them, and they would celebrate their massacre. This is what the Government is doing. They are a bunch of thugs! A bunch of deceivers! They are lulling the country into a false sense of security.

Miss Nicholson: Mr. Deputy Speaker, a point of order. I want him to withdraw that. I am not a thug. Let him withdraw that statement. Calling the Members of the Government thugs.

Mr. Deputy Speaker: Will you withdraw the statement?

Mr. C. Imbert: Mr. Deputy Speaker, it is an analogy. I am calling the Government a band of thugs, I am not speaking about any particular Member. They are all a bunch of deceivers and they are lulling the people of this country into a false sense of security. So like the thugs in long time India, they will strangle us all to death and bury us in a mass grave when they are finished with us. [*Desk thumping*] That is what this UNC administration is doing. That is their gift to this country. This Government is a Government of thugs.

I thank you, Mr. Deputy Speaker.

Miss Nicholson: You are one of the biggest thugs in this country.

The Minister of Local Government (Hon. Dhanraj Singh): Mr. Deputy Speaker, the matter before us is quite a simple one where we are seeking to close the accounts for 1997. Members are fully aware that this is an annual event, an exercise in which the accounts must be closed for the previous financial year. We are seeking approval for extra budgetary items on which I will elaborate later. The objective of the Bill is to authorize supplementary expenditure in the sum of \$698,211,000 for the services for the year ending December 31, 1997.

2.45 p.m.

Mr. Deputy Speaker, an examination of the Schedule attached to the Bill reveals a supplemental provision of approximately \$384 million as settlement of arrears to public servants.

I have heard Members' contributions from on that side, stating that the Minister of Finance and Minister of Tourism is not aware of what is going on in the Ministry and that he comes here year after year with mistakes. As regards to the settlement of arrears to public servants, that was a protracted issue and one that was subjected to negotiations. Several packages were on the table. Nobody knew exactly what would have been the outcome of the negotiations.

Mr. Deputy Speaker, when that negotiation was completed provisions had to be made for the agreement. Some \$384 million had to be provided for that settlement.

I am advised that it is only a book transaction, and that the bonds will mature in 1999 and that no actual payment is being made in the year 1997. These are just notional figures and there is no outflow at this time. *[Interruption]*

For the Member's information, it is coming from the Ministry of Finance. The additional expenditure incurred as regards the refinery upgrade project of \$210 million is to take into account actual expenses that were incurred over the life of the refinery upgrade which were not taken into account. Again, the hon. Member for Diego Martin Central knows fully well that this is also a book-keeping record. So far, permission to authorize the supplementary funding is only a book-keeping exercise.

In the area of debt servicing a provision of \$58 million was also made for that item. That item is really another book-keeping item because when that loan was raised, I believe that there was a three-year moratorium on repayments of both capital and interest, so the powers that be in the Ministry of Finance have sought to introduce it at this time to keep account of the item and to make provision for it. That item is also another book-keeping item. Therefore, when we total these three items, we can see a clearer picture of what the Minister of Finance and Minister of Tourism is actually doing. He is cleaning up the books and getting them to balance.

This question about the deficit that the Member for Diego Martin East seems to be focussed on, he has an obsession with it. If these items were not taken into account, and they could have fully well not been taken into account, then surely, one could have had a very large surplus.

As I said, it is the proper thing to do in accounting, to clear up the books and to move from one year to the other. The allegations about misappropriation of funds, bad spending and bad mouthing by the Member for Diego Martin East in his usual way of doing things is misleading, mischievous and wicked. I think he should

desist from carrying on in that way in this Parliament. He also made certain allegations about me which I will refer to later on.

The Member for Diego Martin East went on to speak about truck-borne water only being delivered in UNC areas. Mr. Deputy Speaker, the Member for Diego Martin East is misleading this honourable House and this country. As a former Minister of Local Government, he is fully aware of the truck-borne water system as it pertains to the Ministry of Local Government. After some 34 years of PNM governments, Trinidad and Tobago, as we embrace the 21st Century, has a thing called truck-borne water. In the first instance, that is scandalous for a country that had so much money, a very high tropical rainfall, we in this country today have to rely on truck-borne water, but I wish to elaborate more.

The Ministry of Local Government is responsible for truck-borne water in those areas outside of the quarter mile radius of existing standpipes. We therefore deliver water to those areas that do not have pipes. So to say that we are only delivering water to those UNC areas, it is also true to say that in those UNC areas, there are no pipes. The Member for Laventille East seems not to know this fact. I invite him to visit the Ministry of Local Government and I will elaborate more on this to him. After so many years of PNM rule, there are areas in this country that do not have pipes and we are therefore forced to deliver truck-borne water to those areas. It is the PNM to blame for this. They are shameless to come here and talk. The Member knows but he is just mischievous. He sits like a Saint. He is just creating strife. Therefore, if we are delivering truck-borne water and the Member is saying that most of the truck-borne water is being delivered to the UNC areas, I am saying to this honourable House that those areas do not have pipes.

We are not responsible for delivering water to those areas that have pipes. If those areas happen to be UNC areas, it is because the PNM policy was one that also neglected certain areas, one that was total mismanagement of the affairs of the nation.

2.55 p.m.

The Member also went on at length to speak about the road programme as administered by the Ministry of Local Government. We came to this Parliament and some \$16 million was approved for the road programme. That \$16 million was shared equally among the 14 corporations.

Mr. Imbert: That is not true. You took 90 per cent.

Hon. D. Singh: That is true. It was shared equally among the 14 corporations.

What is more interesting, Mr. Deputy Speaker, is that the roads that are in the most deplorable conditions are the roads that have been identified for repairs at this point in time. The Ministry of Local Government is in the process of repairing some of the most neglected roads in Trinidad and Tobago. The Member comes here and gives the impression that we are only fixing roads in the UNC areas. I am saying that the roads we repair were prioritized as the roads that are most neglected in Trinidad and Tobago. Incidentally, most of these roads are in the rural areas of Trinidad and Tobago.

Mr. Deputy Speaker, the Member also discussed at length the Unemployment Relief Programme. I am sure that he, in his heart, knows that the programme is succeeding and is working well in most of the corporations. If he is not aware of that then I will tell him here and now that the programme is working excellently in 13 of the 14 corporations. [*Desk thumping*] There are some teething problems with one particular corporation and that corporation has resumed the programme this morning and I expect the programme to work well in that corporation.

Mr. Deputy Speaker, the programme also empowers people. By giving the URP to the Local Government Corporations we are, in fact, empowering the respective communities. Councillors are very close to the people. Most of them are from the grass roots. They are not tied up with Central Government policy making; they have more time for their respective communities; they have been elected by the communities and by putting the Unemployment Relief Programme under their management one would expect that the best would come forward or the best would be done for the respective communities.

For the San Juan/Laventille Corporation it is in the hands of their Councillors who are representatives of the people in their area. It is for them to make the programme work for the people they represent. Given all the problems experienced by that corporation—there has been, as I said some teething problems—today I wish to say that the programme has restarted in San Juan/Laventille and we expect the programme to work.

The Member also indicated that I have recruited criminals in the programme. The recruitment process or the hiring of personnel or the monthly-paid personnel to run the Unemployment Relief Programme in the respective corporations was undertaken by the respective corporations. They were, in the most part, responsible for the hiring of the staff.

Mr. Imbert: You hired five Muslimeens.

Hon. D. Singh: If the Member is saying that the Member for Pointe-a-Pierre is responsible for hiring criminals, I wish to tell him that is not true and, in fact, he should be looking at the council who hired these people and blame the Councillors for that. The Member is probably afraid that the Unemployment Relief Programme is going to work wonders in 1998. He is probably well aware that any problems of mismanagement of funds and of ghost gangs will be no more. He is aware of that because the way the programme has been set up and decentralized where every aspect of the programme was well thought out and how it is going to be operated, the Member will be the last one grinning when I am finished with that programme.

Mr. Speaker, in closing I wish to state that the matter of the closing of the accounts for 1997 is a simple matter and that the whole question of whether it is a deficit or surplus is really a bookkeeping matter and I wish to state that I am in support of this Bill.

I thank you, Mr. Deputy Speaker. [*Desk thumping*]

Dr. Keith Rowley (*Diego Martin West*): Mr. Deputy Speaker, I have listened to all the contributions from both sides since we started at 10.00 o'clock this morning and the only conclusion I can come to as I rise to make a contribution on this debate is that the matter before the House and, by extension, the country is a matter rooted in credibility or lack thereof.

We have been treated to a long discourse from my colleague from Tobago East. While I do not want to use any harsh words to describe my colleague from Tobago East except to say if you go to a construction site and the lorries deliver all the building materials and dump them on the site one cannot describe that as an edifice; that cannot be described as a house. That is how my colleague from Tobago East sought to, as he said, educate us and, by extension, our children on a number of issues. In truth and in fact a lot of what he raised were, in fact, matters of some substance except that in the disjointed way in which they were presented the kernel of the matter was lost and that led to the series of repetitions which at the end of the day did not address the problem that we on this side sought to address.

Mr. Deputy Speaker, when my colleague from Diego Martin Central opened our presentation this morning in response to the Acting Minister of Finance, the single point that he was making was not a point about the sanctity or lack of it of the budget deficit which led my friend from Tobago to go into a long discourse about the theory of deficit financing; its pros and its cons. What my colleague from Diego Martin Central was saying is that confidence and credibility go together and

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if we accept the facts of the matter before the country, the Government will have a credibility problem which could be extended into a confidence problem which will eventually affect every one of our citizens. The reason being that when the Government presented the budget for 1997 it made a statement to the country as to how it intends to manage the country's affairs because a budget, as we all in this House will accept, is simply a matter of your best estimate of how much you intend to receive and, by extension, how much you intend to spend; and given the package of knowledge available to you that the sum of the receipts and expenditure should fall within some reasonable ballpark. Therefore, you present a budget saying I intend to earn so much money and I intend to spend so much money.

Having done that, the Minister of Finance told the country that when I receive these moneys by my best estimates and I spend these moneys by my best estimates, I am predicting or forecasting a surplus of moneys to the tune of the number of millions of dollars that my friend from Diego Martin Central so eloquently described this morning. That is what budgeting is all about in its presentation. Nobody is saying that you predict \$10 and you must receive \$10. Things can happen that will cause you to receive less or probably more as we have seen. But the bottom line is when you receive less and it affects your projected surplus and you pretend to keep that a secret and still posture as though you have, in fact, delivered on the original estimates, therein lies the problem.

I would be surprised if any of us in this House is in a position, by our own means—maybe my friend from Couva South is, I do not know—to directly, by our own resources, influence the situation of our floating currency. We heard reference to it this morning about how the last government devalued the currency by so and so. In effect, what happened there was a shift in operation of our country's finances. The dollar was floated, the value had moved from \$4.25 to \$5.75 and we started managing our currency in a different way. Therefore, we are living in a different world and in this new world of a floating currency confidence and the confidence of those who have money, those who move money, conduct business and influence currencies, is critical to the lives of the people of this country whether they are pensioners, school children or businessmen. These are the facts and if they begin to believe that the Government is mealy-mouthed and talking one thing when, in fact, the facts are other things, then they will do other things which will end up affecting our currency in a way that will adversely affect the people of Trinidad and Tobago. Therein lies the kernel of the matter.

[MR. SPEAKER *in the Chair*]

When we are told about the benefits of a surplus and the Minister of Finance takes all the credit for presenting a budget which has shown us a surplus and then we come to the finance stage, after the year has passed, and we ask the Minister of Finance what is going to happen with respect to that surplus now that you are bringing your accounts to closure and you are showing significantly more expenditure than you had, in fact, estimated at an earlier time, what is going to happen to the surplus? I was shocked, Mr. Speaker, in your presence, to see the Minister of Finance at first pretending that he did not know what I was talking about. Secondly, trying to say that there would still be a surplus and on forcing him in the end he said, "I will get that information for you". We did get the information this morning when the Minister of Finance was asked, "Since you are saying that there will still be a surplus..."—because we all know what a surplus will do to confidence in the country, we all know what a surplus will mean and when he says that there would still be a surplus he is asked, "Are you expecting significant revenues to counterbalance your increased expenditure?" The answer we got this morning is that there will be no significant revenues attached to that year.

3.10 p.m.

In fact, Mr. Speaker, the Minister of Finance was being deceitful even in committee stage of the Parliament. It is not simply a question of the Minister of Finance being affected by El Niño. I want to make it abundantly clear to all who will listen to me, that I am not one of those who takes the position that the Minister of Finance does not know what he is doing. My concern with the Minister of Finance is that he knows exactly what he is doing and he is deceitful and irresponsible. He knows what he is doing and therein lies the problem.

Mr. Speaker, this is the same Minister of Finance who treats this Chamber with utmost contempt. Today, the Member for Oropouche demonstrated and he will continue to demonstrate as he winds up, I am sure, Cabinet responsibility, joint and severally bound. I can see from his face that he is a sad man, being asked to clean up the mess of others who account to nobody. The Minister of Finance at large and he is not content, when we have serious business in this House, to come here, as he did when we were discussing the problem at National Petroleum Marketing Company Limited, where the facts were clear to all of us, in seeking to deflect from that issue, he has the distinction and the dishonour of being the only Member of this House in its history, to have been sent back here by a Prime Minister to undo an untruth told in this House.

Look, today, he is the Minister of Finance. The budget that he presented, with great aplomb and took great credit for with a big surplus, is now showing a \$700

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million deficit. Where is he? He treats the House with utmost contempt, jumps on a plane and goes to Washington, to the Washington spring meeting of public servants. The spring meeting of the International Monetary Fund is no urgency for any Minister of Finance; it is a public servant forum; unless of course, what the Government is telling us is once again not the whole story.

If we assume that our interest in an annual spring meeting is what it should be, then I am saying that the place for the Minister of Finance whose budget is showing a \$700 million deficit, is in the Parliament of Trinidad and Tobago answering questions and not have my colleague from Pointe-a-Pierre coming and talking about, "I have been advised", and "I have been told". I do not want to hear any "I have been advised" on \$700 million from my friend from Pointe-a-Pierre, when the Minister of Finance is having a good time in Washington. Or, it may very well be that he has good reason for being in Washington but he has not admitted it.

Is it, in fact—and the Government must say so—that the Minister of Finance had to be in Washington because the Government has specific business about specific discussions with the International Monetary Fund at this particular time? If that is not so, then the Minister of Finance has treated this Parliament with utmost contempt. He, as Minister of Finance, should be here to explain to us how we ended up in this position.

I have heard my friend from Tobago East say, "What yuh want the man to do? Deficits come and deficits go. What is this big thing about deficit?" I am afraid that I cannot take that position. In fact, Mr. Speaker, the very fact that the first person responding for the Government today in this very important matter is the Member of Parliament for Tobago East, who claims to be an economist and some expert in finance of sorts; he responded to the lead off person in the Opposition. The country is watching that and if what he said here today, notwithstanding that he himself has christened it his best speech, it was the most irresponsible performance of any Member on the Government side to date. The Chamber of Commerce will get a copy of his speech and read it and do you know what it will ask? Is this the policy of the UNC Government? What is the UNC Government saying to Trinidad and Tobago, which for the last ten years struggled under three administrations, to move away from deficit spending to a balanced budget and surplus situation at great expense to the people of Trinidad and Tobago?

The Government's lead off spokesman, excluding the Acting Minister of Finance, I am not mixing him in that. I am talking about the presentation of the Member of Parliament for Tobago East who claimed to speak for the Government

this morning. He gave the country a discourse about, no big thing about deficits and, in fact, spoke in a way, giving the impression that this Government is on the way to running serious deficits and printing money like any normal banana republic. This is what the people in this country, the Chamber of Commerce and others, will read from his speech, and the minute they read that from his presentation, they will begin to move their money out of Trinidad and Tobago and put it elsewhere and God alone knows where the Trinidad and Tobago currency will go.

I will tell you what, Mr. Speaker. He has nothing to lose; he is enjoying his best days, zero plus \$12,000; he is \$12,000 ahead. I am advised it is \$20,000. So as far as he is concerned, if people begin to lose confidence in the Government's ability to manage the economy in a way as to prevent deficit spending, they will take steps to protect their assets and the erosion, which the Member for Tobago East alluded to, which he has the arrogance to believe and to sprout from time to time, that he is the only person who understands economics, he is free to say that.

But, Mr. Speaker, I know; you know; my friend from St. Joseph knows; my colleague from Naparima knows; and I could tell you, I would love to have heard a reply to the Member for Tobago East from the Member for Oropouche, because I know if he had to reply to that Member for Tobago East, he would have had a lot of sensible things to say. What was alluded to this morning was that the Government has no problem in running a serious deficit on the country's fiscal assets and if that is the position of the UNC Government, then I can tell you, when those who are influenced by that policy take action in this country, then it is not the Member for Tobago East who will pay, because as I said before, at the end of the day, while he stays in this House, he will be enjoying his halcyon days.

I am here to represent the interests of other persons, those who elected me and those who expect that the Opposition will point out to the country where the Government is falling short and when the Government projects a surplus and instead in a fiscal year, runs a deficit, that is a matter of concern to all of us.

So, I heard the Member for Pointe-a-Pierre reading something somebody gave him, telling us that the items that contribute to the deficit are, in fact, non-items that everybody know about and so forth. One of those items, if they did not apply to the 1997 expenditure, why then are we closing the books with them? Hear him; "It is a book entry." Mr. Speaker, that is meant to deceive, the substance of which is an expenditure that relates to the year.

Let us take the case of Petrotrin which accounts for \$210 million a year. The Minister of Finance had budgeted, I think it was \$50 million for the Petrotrin

situation. He finds himself having to attach to the year \$210 million. Now, anybody who knows what that Petrotrin expenditure relates to, has to be a little bit nervous. The Central Government of Trinidad and Tobago, whether it contains those fellows, these fellows, or other people, the Government has entered into a guarantee with the International Development Bank for that Petrotrin arrangement.

The question that we have to ask now, as was asked in Finance Committee is, if the Government was running a deficit on its account, as it has done in the last two years, how are we going to service that Petrotrin loan? Because all Petrotrin, as a wholly-owned state company, has to do is to tell the Government, as it has been doing, "We cannot repay the loan", and then the Government is duty bound, by contract, to find the money to repay the International Development Bank and when the Government finds that money, it comes at the expense of something else. That is our view in the matter. It is as simple as that. Insofar as the Government, the guarantor of that loan, has to repay it, because the company might not be able to repay it, it may reflect itself right down to the level of the box of chalk a teacher has to use in the school.

So when my friend from Pointe-a-Pierre tries to pooh pooh it and says, "It is no big thing", he is talking politics. We all know that \$384 million applies to public servants. Yes, we know that but we know when they were on their way into government, the statement was, "A debt is a debt and must be paid in cash." These are bonds, so that goes by the wayside.

He went on to explain why we are now bringing that as an excess on the books of 1997, the reason being that negotiations were under way and they are just concluded. Nothing could be further from the truth. The negotiations with public servants over this bond issue was in train long before this Government came into office. They were concluded, by the Government's own admission and chest thumping in this Parliament, in 1996. So to say that the Minister of Finance made no provision for it in 1997, because it has just been completed is an out and out lie.

The fact that it was not provided for in the 1997 budget presentation is a deliberate attempt at deception by the Minister of Finance, because at the time of the presentation of the budget when the country was watching and he wanted credit, had he put that in the budget, the budget would have shown a deficit from right then. I heard my friend from Tobago East saying this morning that is not how you do it. How you do it is that you knowingly postpone the arrival of a deficit until the year after because, according to him, it is dangerous for the country at the budget presentation to show a deficit.

What, in effect, he was admitting is that the Minister of Finance knew that he had these expenditures for 1997, but had he included them in the budget at that time, the budget would have shown a deficit and that would have affected confidence. But, instead, do you know what happened? The Minister of Finance played a game here with the budget presentation; he leaves out serious items, large chunks of expenditure that should have applied to the budget and comes now in 1998, put them in and is now asking for additional funds which will attach to 1997 and, of course, there flieth the surplus.

But we knew all along that there had to be a deficit because he knew that public servants' liabilities would attach to fiscal 1997. So that is the kind of deception that this Government is engaging in and that is the kind of deception that my friend from Tobago East sought to defend this morning by telling us, you and me, Mr. Speaker, we ignorant; we do not know anything about Maynard Keynes; we do not know anything about economics; we cannot add two and two; only he can do that. So he is the only one in the world who knows the correct thing and, therefore, we must take his word for it. What in effect he was doing—and I do not want to use an unparliamentary word—he was being deceitful.

In fact, he jumped on my friend from Diego Martin Central when he criticized the Government for seeking to pull wool over the public's eyes about some new benefit to parliamentarians, like myself. And he started attacking my friend from Diego Martin Central about this benefit we were supposed to have about motor cars, and when he was confronted, he dropped the issue like a hot potato and never got back to it, because he realized he had nothing to offer to counter what my friend from Diego Martin Central had said.

Even though my friend from Couva South sought to clarify the matter, I am still confused on that particular issue, because we know the Government provided improved conditions for Ministers. I want to say again, I have no problem with improved conditions for Ministers; I have a problem with the how and the intention to mislead.

3.25 p.m.

The *Sunday Guardian* of April 12, 1998 at page 25 states:

“In case of an imported motor car, however, parliament members who are not Presiding Officers or their deputies, Ministers or Parliamentary Secretaries would be required to pay MVT and VAT in full.”

The first question I ask: Where is anybody in this country getting a motor vehicle which is not imported? Where is the local motor assembly in this country? There is no locally assembled vehicle in this country. All the vehicles in this country are imported. That is the first thing.

Secondly, if you have to pay motor vehicle tax and VAT in full—I seem to recall using this facility two years ago and I got the customs tax off, if my memory serves me right. You could have chosen one of those two things. Of course, which one is more expensive you chose that one. I asked my friends on the other side to tell me, without ambiguity, what is the new benefit. If you were in the Chair at the time, Mr. Speaker, you would have noticed that we could not be told that.

Why is the Government engaging in these series of subterfuge? There was no need for the Government to issue a release about improved benefits to parliamentarians, because, in fact, there is no improved benefit. It is simply some kind of public relations exercise to balance the point of view that the Government side of the House has helped itself to a substantial increase of some sort. This is the kind of thing that damages the Government's credibility.

In this morning's *Newsday*—I have it here with me—the Member for Nariva, Minister of Labour and Cooperatives, is reported to have said; and I will read it. I hope when he gets up to enter the debate he would take the opportunity to correct this if it is not true. It is on page 15 of the *Newsday*, and if I have to believe either the *Newsday* or the Member of Parliament for Nariva, I am going to believe the *Newsday* reporter. It is written to the editor from the chairman of the Employers Consultative Association, that group of people in this whole country who employs people. Listen to what the chairman says.

“I was extremely surprised to read in your edition of yesterday's date that the Minister of Labour said that the Minimum Wages Order (MWO) ‘had been properly and adequately discussed with the social partners before its introduction on Monday’, and that it ‘was subject to multipartite discussion between January 8 and January 29.’”

Those are the words of the Minister of Labour and Co-operatives, telling that to the country. Listen to what the chairman of the ECA has to say:

“The Ministry held no discussions with the ECA in respect of the draft or final order, until the ECA raised the issue with the Hon. Minister at a meeting on Monday last, the day of implementation of the order.”

What is going on in Trinidad and Tobago, when the chairman of the ECA could publicly write and call the Minister of Labour and Co-operatives a liar? [*Desk thumping*] So you understand how this Government is destroying the level of confidence which people should have in this country. As they do it, bit by bit, piece by piece, at the end of the day, it is the innocent who will pay for the guilty, because when people do not believe what the Government is saying and doing, they would begin to take evasive action. It is that taking of evasive action which leads to flight of currency and a runaway exchange rate in a floating currency situation. [*Desk thumping*] When the Minister of Finance is the chief culprit with respect to destruction of confidence, then you could understand how unnerved many people are in this country.

This Government has a lot of socks to pull up. The first pair of socks they must pull up is to tell the country and themselves at the same time, "I will from henceforth speak the truth on matters of public affairs." [*Desk thumping*] I have no difficulty with the Government saying, "we do not have to follow any policy of any previous government. We have been elected to run this country; it is our considered opinion that the direction to go is this way or that way." They are the Government. Do that, but do not do "a" and try to sell it as "b" and do not speak untruths about public affairs, because you are damaging the people's ability to survive in a difficult situation. People need confidence in a government to be able to function. I can go down the list with this Government. [*Desk thumping*]

There are some people in this Government for whom I have very high regard. I know that they are pained at what is happening with the Minister of Finance and some of their colleagues who have taken a considered attitude that, "I will never speak the truth the minute my ministry is under scrutiny." I do not have to name them. If you ask any school child in this country to name two lying ministers, he or she would start with the Member for Princes Town. These are facts. The Minister of Finance came to the Parliament and told us that Mr. Soodhoo's job was advertised and he was the best qualified person. Not an advertisement in the newspaper! The Minister of Finance had to come back to the Parliament to apologize and say, when he said it he thought it was true. But as Corporation Sole, he said it to deflect from the idea people had that the situation was not properly managed. So he did it as a palliative.

Let me spend a few minutes looking at some of the details in the Schedule, because my friend from Tobago East apparently, as he said, did not come here this morning prepared to speak and my persuasive friend from Couva South persuaded

him to speak. He has a way of throwing all kinds of things at the PNM, but we could take it; that is par for the course. The PNM ran this country for 30-odd years and anybody who has nothing to say could say anything about the PNM. But when you have documents in front of you, properly prepared by qualified public servants giving you the facts, you have no right to get up in the Parliament and not speak the truth.

He rose here this morning and said that the deficit has been wiped off by this over-expenditure largely because of expenditure on poor people and education. Let me take him to the section on education; the one that he did not visit. You must tell me, Mr. Speaker, if any minister of Government has any right to say what he said this morning in the face of this document. On page 26 of the Schedule, Head 26: Ministry of Education; under "Minor Equipment Purchases" you would see a decrease of \$942,000. Come down a little and you would see under "Furniture and Furnishings" a decrease of \$97,000. Under "Primary Education—Other Minor Equipment" you would see a decrease of \$282,000. You turn the page, under "National Youth Apprenticeship Development Centres", you will see under "Other Minor Equipment", \$155,000. Go to page 28, you will see under "Current Transfers and Subsidies" a decrease of \$14.7 million. You will see under "National Training Agency", a decrease.

Under the book grant, this Parliament approved \$4 million and not one cent was spent. So it shows up as a \$4 million decrease. The Parliament budgeted \$36.5 million for the National Training Agency; they revised that downwards to \$25 million, a decrease of \$10.7 million in the area of training, and you heard him saying, "training is going on all over the country; you might not see it, but it is happening." What he did not do is read the document and then agree to speak the truth and say that there have been substantial reductions in the allocation to education and training.

3.35 p.m.

My friend from Tabaquite can tell you, in many schools in the country two children are in a bench for one because they are short of school furniture but you have here, a reduction in furniture and furnishings. Yet that MP for Tobago East gets up here this morning under the guise of educating us, the public and our children and tells us that the deficit has to do with expenditure in education. Absolute deceit, lack of creditability and nonsense! Of course, he asked to defend and got up without any information and spent the whole morning casting aspersions at the PNM as if the PNM had this budget to prepare; as if the PNM has

these numbers to account for. The PNM is Opposition; this is the Government's management of today's country. When a Minister gets up to defend this if all he can do is resort to naked falsehoods, then he should resign. [*Desk thumping*]

Mr. Speaker, having had to spend more than you budgeted for, how does the Minister of Finance manage that? What he has done is take from some of the approved spending and apply that take to the spending which you had not anticipated or provided for. It is as simple as that.

If we go to document F:BUD 4/4/7, I take you to page 33 and you would see where the Minister of Finance is telling you where the money is coming from—some of it at least. Ministry of Agriculture: savings.

Do you hear that, Mr. Speaker? That is a budgeting term. Once you did not spend it, it is savings; even though the Parliament approved it for a particular purpose and you did not spend it, it is called savings. Hear the savings. One thing, if I open a bank I think I will offer my friend from Princes Town a job because his ministry is good at savings. Listen to the savings on page 33. It reads:

“Savings were identified under subhead Development Programme.”

So the Development Programme in Agriculture, rather than carry out the programme to benefit farmers and consumers in the country, he is effecting savings. Hear the savings:

“(a) the slow rate of land distribution due to inadequate staffing.”

I did not write that. Moneys were budgeted to facilitate the land distribution programme. Those moneys were not spent for that purpose. The country was led to believe that it was a Development Programme to facilitate farmers and consumers, to put more people on agricultural land. Instead of spending the money on that, it is now showing up here as savings to fund the deficit. It is not that the lands were not there for the farmers.

One of the things this Minister did, when he came into office he met a programme of land distribution underway. As a result of improved technology the ministry had moved away before his time. Under my time we had a review of the ministry as to what things we can continue with and what things should no longer be done. One of the areas we discovered we could make savings and improve technology is to move away from the live semen which is used for artificial insemination.

As a result of that, all the pasture that was used to rear those bulls was no longer required because you can now import frozen embryo from anywhere in the

world and get the progeny that you choose for anywhere in the world. You no longer need to raise bulls to get semen for artificial insemination work. So 1,000 acres of land in Aripo was earmarked for distribution to farmers. It was advertized in the newspapers, farmers from all over the country came, they were interviewed by public servants—not the Minister as in this case—who made recommendations to the Minister and the Cabinet approved that those lands be distributed to farmers: large, medium and small.

Then the Government changed. You know what happened? This Minister stopped the programme dead in its tracks. The Minister came to Parliament and when the question was asked, “Why are you not distributing the lands in Aripo which a Cabinet decision sought to do?” He said, no, no. His government is reversing that policy and he is now going back to raise bulls in Aripo. But of course, no bulls have been raised; the pasture has gone to *latro*; the Minister of Finance provides money for the budget and he has here, “Savings due to the slow rate of land distribution.”

Next item of savings and this one should make you laugh, Mr. Speaker.

“Delay in the recruitment of staff for the Programme Co-ordinating Unit.” That is the same Programme Co-ordinating Unit which is a conditionality of the IADB loan where this country is earmarked to borrow a substantial amount of US dollars—a policy loan. One of the requirements is to have a Programme Co-ordinating Unit and to appoint a Programme Co-ordinator who is qualified.

This Minister came to Parliament and told us that a certain person since October of 1996, had been leap-frogged from No. 6 to No. 1 and had been given the job. As a result of that kind of behaviour, the Programme Co-ordinating Unit is a mystery to all expect the Minister himself and the expenditure that should have gone towards the hiring of a Co-ordinator for the Programme Co-ordinating Unit, is showing up here as a savings.

It raises the question. If the Government has hired a Programme Co-ordinator for the Programme Co-ordinating Unit, I want the Minister to get up and tell us that they have done so and tell us who the person is. To the best of my knowledge that position is still in limbo because at the time that he hired his friend in the way that he did, the person was working in the Ministry of Planning and Development. I want to ask the Minister if he is still holding the job for her because the expenditure for the salary at the Ministry of Agriculture is showing up here as savings.

In the meantime, I also want to know if the Government, having not met the conditionalities for the Programme Co-ordinating Unit is, in fact, accessing the

foreign exchange that should have come with that loan because I do know that you have difficulty getting US dollars in the local banks.

Mr. Speaker: Hon. Members, the speaking time of the Member for Diego Martin West has expired.

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

Question put and agreed to.

Dr. K. Rowley: Mr. Speaker, I thank you and my colleagues for the extension.

Mr. Speaker, so you see how things are collected. You are making savings in one area to fund a deficit in an area where there should have been a surplus, and in making those savings you are not carrying out certain responsibilities and, therefore, not accessing certain funds and the banks do not have those funds and small business, large business, individuals needing foreign exchange are having difficulty. Of course, all of that contributes to the potential instability of our currency. That is how it goes, contrary to how my friend from Tobago East tries to give the impression that it requires some Ph D. in some nebulous way. It is simple and straightforward.

Mr. Speaker, I want to go to page 4 under the Judiciary where some of the savings came from. You would see sub-item 21, "Prestigious Buildings". We had budgeted \$5.5 million for those buildings—"Repairs, Janitorial and Security Services". It was revised downwards to \$4.7 million and they sold the Chief Justice's house under the guise that it was too expensive to maintain. The Parliament had approved \$5.5 million; they are now showing a decrease of \$715,000 under that subhead and we no longer have a house for the Chief Justice.

I want to go on record as a Member of Parliament representing Diego Martin West, that I am in total disagreement with what happened to the Chief Justice's house. I believe that in this country there should be an official residence for the Chief Justice of Trinidad and Tobago. Which officer wants to live there or not is not the problem; the problem is that an official residence for the holder of the office of Chief Justice to me is a matter of public policy and should be followed, and if you have sold the Chief Justice's house I want to see in the next budget, provision to build or allocate provision for one. [*Desk thumping*] Mr. Speaker, I do not want to see when the current holder leaves office we have another bacchanal with a Chief Justice who is in his own home complaining that he cannot get into an official home. In fact, as the heading says, to provide repairs, security

services and janitorial services. The Chief Justice, in my book, like the President and Prime Minister, should live in a state house because I believe that institutions and symbolisms are important for a community. I say no more on that, Mr. Speaker.

I go to page 12 of the schedule under “Official Overseas Travel”. This Government must go down in history as the most highly travelled Government in the Caribbean. In short, Mr. Speaker, I am not one for saying that Government should not travel; governmental travel is an integral part of conducting governmental business, but the line between proper governmental travel and “never see come see” is very thick and this Government has crossed that white line in the middle.

Mr. Speaker, we have a historical pattern of expenditure for governmental travel across governments—PNM, NAR, PNM, UNC so we have an idea as to how much really will be spent. The Minister of Finance, having served in the PNM government is now serving in a UNC Government. Being a member of this country with a good public service, he budgeted \$6 million for foreign travel. That budget is based on a historical pattern. At the same time expenditure on school benches, school chalk, Ministry of Health is being decreased, the budget for overseas travel has been doubled from \$6 million to \$12,608,000, an increase of \$6,608,000 more than the original estimate. So the Minister budgeted \$6 million for overseas travel and it was overspent by \$6,608,000.

Do you know why, Mr. Speaker? Because every Government Minister believes that if two tin pans knock anywhere in the country they must be there. Classic case today. The Minister of Finance is at the Spring meeting of the International Monetary Fund while the Parliament is in odd-day session debating a \$700 million deficit in the budget. So the Minister has to go Washington. Every time a Minister goes out of here it costs this country tens of thousands or hundreds of thousands of dollars. I am not saying that ministers must not travel; I am saying that it is with reason. I have not heard a significant development out of any travel from any minister in the last two and a half years. Some went to Malaysia; some went to Auckland, New Zealand; some to Timbuctoo; sometimes Parliament is postponed for days and weeks because they are all over the place. We are seeing it here, a doubling of the overseas travel budget.

So the Minister could find \$6 million to increase ministerial travel but cannot find \$60 to give teachers to buy chalk in school and the school is without toilet paper and things like that. Do you know why? Mr. Speaker, because there are many Ministers on that side who are just quite content to sit in their ministries and

make *per diem* abroad. They are not content with the \$4,000 a month travelling by subterfuge; they want to increase their earnings by a *per diem* abroad. When it is time to get up in the Parliament and defend the Government, they call on the Member for Tobago East who does not know whether he is fish, fowl or farthing, to speak for the Government. [*Off the record.*]

The Government relies for its defence on the likes of the Member from Arima. I am not making this allegation lightly. In fact, my friend from Diego Martin East spent much time pointing out the nebulous web of immoral acts of the Government in terms of dealing with the management of the public purse. [*Off the record*]

3.50 p.m.

The Government, if they have a new policy, must get up in this honourable House, enunciate that policy and defend it. Do not insult our intelligence by putting “passenger pigeons” to get up here and bleed for 1 1/2 hours and not telling us anything of importance.

Mr. Speaker, reference was made this morning about the Minimum Wage Bill. I am not getting into any debate about the Minimum Wage Bill, but I see in the *Draft Estimates* allocations made to the Ministry of National Security under Vacant Posts, Salaries and COLA. The 1997 Budget made provisions for \$10.6 million to deal with Salaries and COLA, Vacant Post under the Ministry of National Security. That money is now being reflected as a decrease and a transfer to contribute to supporting the deficit. I also see under the Ministry of National Security, allowances of \$80.3 million which has been reduced to \$77,946,000 million, so there is a reduction in allowances and a significant non-implementation of a \$10.6 million allocation to the Ministry of National Security.

I thought when the Minister of National Security came this morning he came to do one of two things, either to explain and to tell us that this does not have anything to do with the disgruntlement in the Defence Force about people who are now saying that the Government is strong on minimum wages, and secondly, they would like to find out if anybody on the Government side has determined what is the minimum wage of a soldier. I wonder if anybody on the other side has determined that? What I can tell them is that soldiers are employees of the state and insofar as the Government is big on minimum wages, and insofar as it has reduced by \$13 million allocations under the Ministry of National Security, I want the Government to be aware that there is a point of view that those who are responsible for national security in this country do not believe that the Defence

Force is part of that. Except that the special forces of the Defence Force, Members of the Government see them as their own private plaything to guard them, their homes, their wives and their friends. Professional soldiers have a problem with that.

I understand, in my absence, when Colonel Powell came he advised this Government, as a military man of no mean repute, that one of the things that one does is to make sure that you pay your soldiers well. I raise that in the context of the reduction that I see here being reflected as savings being siphoned off elsewhere to provide buttress to a budget deficit. I say no more on that.

I also thought the Minister came here this morning to tell us that he as Minister of National Security, had revoked the misguided impression some people have that the Government had a hand in not granting a work permit to a Caricom national who was working in Trinidad and Tobago. But instead, I am not even sure what he came for.

I see under Development Programme, Ministry of Works and Transport, a reduction of \$26 million, and that allocation is now being transferred to support the deficit. It brings to mind a concern whether, in fact, this Government understands that there is growing unemployment in this country and no amount of foolishness spouted by the Member of Parliament for Tobago East could take away from the Government its responsibility to create employment opportunities for citizens who do not have jobs in this country, either directly or indirectly. One of the major jobs of this Government is to create employment opportunities and one of the traditional ways of doing and, in fact, the most effective way of doing that is to have a proper development programme.

When the Parliament approves development programme money—and I see the Government spending \$26 million less than it should, that is \$26 million worth of construction-type work which would have provided job opportunities for people in this country, the people of Trinidad and Tobago. Instead, what this Government has done, is to provide work permits for Chinese nationals to mix concrete and to push barrow on the construction projects in Trinidad and Tobago. [*Desk thumping*].

The same Work Permits Committee that somehow got a problem with giving Julian Rogers an extension had no problem in giving Chinese labourers work permits to do menial labour on construction sites in Trinidad and Tobago. So clearly, we are not concerned about our image in Caricom and we are not concerned about unemployment in Trinidad and Tobago.

When I listened to what was said by the Member for Tobago East this morning, he had a completely different point of view. When I see the Development Programme being reduced in this way and the Work Permit Committee knowing we are having reduced levels of unemployment opportunities and granting work permits to Taiwanese and mainland Chinese to bring—What did they bring? They are not bringing skills we do not have.

Today, I call on the Government to do two things. Firstly, to ensure that employment opportunities are created to the maximum under the Development Programme of the Ministry of Works and Transport and at the same time, rescind that decision on Julian Rogers' work permit because I will have 10 Julian Rogers before I have 100 Chinese labourers. I prefer Julian Rogers. It is a clear case of the Government taking a point of view and deciding to act accordingly, and that damages the image of the entire country.

I am sorry my friend from Naparima is not here, because provided in the budget was \$10.363 million for Caricom. We spent \$12 million on Caricom. As a people we are committed to Caricom. We want Caricom to work so we fund Caricom. I think we are the second largest supplier of funds to Caricom because we believe in the Caricom principle. The latest cliché that is bandied about is "single market and economy".

4.00 p.m.

In this House, we debated and supported unanimously the movement of skilled persons within the region. In this document, we see that we have overspent \$1.4 million on the Caricom budget, and here is a Caricom citizen being told that he would be given no work permit and that he has to get out at month end. We are talking on both sides of our mouths. On one side, we are mouthing principles of and funding Caricom and, on the other, we are being selective and self-serving. I appeal to my colleagues on the other side. However the decision has been made, they have the ability to intervene and not to allow our country to seem to be operating in that way.

We must be able to take credit for the way we fund Caricom. We will lose the benefits of this \$12 million that we have spent on Caricom simply because there is the perception in the region that because the Government did not like the way a particular newscaster conducted his affairs on the air, he has been deprived of a work permit. Let us not allow that to go on our country's record. I am appealing to the Government to rescind that decision and to stay out of the media. Let the media do its work! They do not have to do their work to please us.

I heard my colleague from Tobago East say that we must berate people to get them to understand. That is a very strange notion. I have two children and I try to get them to understand. I cannot believe for one minute that the way to do that is to berate them. That explains why a Member of Parliament came here this morning and in talking about Singapore and Hong Kong, the only word he could use to describe the people was “coolie”. That is not even a Freudian slip—an impression. If a person’s mind is in a certain direction, he would not even make a mistake like that. We do not have to berate people to get them to understand. We simply have to present the facts in a way that is cogent and clear, and if we have to appeal to their reason, then do so.

That is what this Government is not doing. The Government is insulting people’s intelligence by doing things under cover, by being deceitful and by operating under subterfuge.

On the matter of the national budget, if it is showing a deficit with all its wild ramifications, then the country must know that we are operating in a situation in which we are spending more than we are earning. We cannot take political credit for generating a surplus when we are in fact generating a deficit.

This morning, when the Member for Tobago East said that he could not see why my colleague from Diego Martin Central is concerned about the Government increasing its annual borrowing by 33 per cent, I asked myself: What is he talking about? He was a supporter of the NAR government when the first budget was read in this Parliament. The Prime Minister of the NAR government said that the Government’s mission was three-fold and that one of those was to steer the country away from the three dragons, one of which was the debt trap. That was since 1987.

Today, he is a parliamentarian seeing that we are increasing our borrowing from \$1.1 billion on average per year to \$1.6 billion, at a time of projected reduction in revenues, and he cannot see the reason we are concerned. At least the Minister of Finance who knows what he is doing said that he is concerned because for every \$1 drop in the oil price, the Government of Trinidad and Tobago stands to lose revenues approximately \$100 million.

So, if oil prices are projected to stabilize in the order of \$14 per barrel, having budgeted at \$19 per barrel, the Minister of Finance is facing a shortfall in the order of \$500 million. Whether you, Mr. Speaker, are the Minister of Finance, I am or he is, that is a serious matter for the people of Trinidad and Tobago. It is not the theory of deficit that will matter, it is the response to the shortfall that will matter.

When the Minister of Finance does not get those revenues, he will have to take stop-gap measures and therein lies the problem. Will it be a reduction in the allocation to the Ministry of Health? Will it be a reduction in the development programme and a reduction in employment in the country? Unemployment is growing in Trinidad and Tobago and the response to that should be employment creation.

The Prime Minister has just made a *bravé danger* statement that by the year 2000 the Common Entrance Examination will be gone. That can only be done in one of two ways: he can either build more schools and train more teachers on a reducing revenue and an increased deficit, or he can deny school places to some people. Of course, we know that it is not school construction because we have seen the airport grow from \$400 million to \$800 million in terms of what it consumes from the Treasury. What we did not see was a programme of 10 secondary schools costing \$200 million. If the Prime Minister were serious about dealing with the elimination of the Common Entrance Examination, I would have expected to see, in an expenditure of \$800 million, that \$600 million would have been apportioned to the airport and \$200 million to the school building programme. I did not see that. What I have seen is a defence and confirmation that the airport will cost \$800 million at least. So, from where will the elimination of the Common Entrance Examination come?

Statements like these cause the Government of Trinidad and Tobago to lose credibility in the eyes of serious people. Government statements are important and should not be made lightly. When they are made there should be reasons. They must be chewed and there must be some practicality about them. The Prime Minister drank two drinks—I do not know what the glass contained—got up with a *vaps* and said that he was eliminating the Common Entrance Examination by the year 2000.

How will he do that? There are shift systems in operation. There is a shortage of school places. At Carenage at this time, there is a school that is overcrowded, caring for 800 children instead of 400. A programme was started under this Government to build a school. After much prodding, not even that can be done. The construction of the Carenage Primary School has stopped. Nobody knows why. Nobody knows how it is being dealt with. This is something for which we had allocated funds and work was underway, but it has stopped. And he wants to eliminate the Common Entrance Examination.

This much I know. What, in fact, he will do is to eliminate the opportunity for the children of Carenage to do well in the Common Entrance Examination. Those

children who should have been going into that new school in September this year would have to remain in the Carenage Girls' School and their chances would be substantially eliminated. When the results of the Common Entrance Examination come out, the Minister will call some principal and tell him to put his friends' children in the prestige schools. I cannot do that. The parents in Carenage cannot do that so if the Government is concerned about education and opportunities, then the basic things have to be done. The school construction programme has to be executed and the Government has to come clean with a programme.

I end by saying that the Minister of Finance, once again, has treated the Parliament and the country with contempt and as one editor in a newspaper said, he is playing smart with foolishness. If the Government believes for one minute that the people who matter in this country, the people who are influence makers and who react to this kind of behaviour are not seeing the innards of the administration and will not react defensively to the population's detriment, then it is making a sad mistake. This Government must get serious with the people's business.

I thank you.

4.10 p.m

The Minister of Labour and Co-operatives (Hon. Harry Partap): Mr. Speaker, I rise to make a short intervention in the debate on the Finance (Supplementary Appropriation) (1997) Bill; I support it as well and indicate the support I am sure from others on this side.

Mr. Speaker, this should have been a simple matter and, therefore, I am not going to say anything that is going to undo the simplicity of this particular Bill which is before us. I indicate that in the Schedule on page 32, there has been a transfer of funds of \$350,000 and that had been divided within the Ministry of Labour and Co-operatives between goods and services and minor equipment purchases. The purpose had been to upgrade the existing facilities by undertaking repairs and maintenance work at the various employment exchanges under the manpower section of the Ministry of Labour and Co-operatives. We are doing a complete reengineering of the manner in which we are approaching manpower planning and we are making it quite friendly for the unemployed in the country to be able to access the ministry and for us to assist them in finding employment.

We have done the major part of the re-engineering at the Ministry of Labour and Co-operatives in Port of Spain, and at the end of this month we shall be launching the reengineering division which would be a novelty in terms of how the

unemployed would be treated when they get into the ministry. We hope to inter-connect the head office and the outlying offices and employment exchanges outside of Port of Spain, but we would come at a later stage for the funding.

I want to put this aside and deal this afternoon with the matter of the minimum wages because the Member for Diego Martin West raised the matter by reading from a letter purportedly written by Mr. Gerard Pinard, the chairman of the Employers' Consultative Association (ECA) and published in today's *Newsday*. The Member introduced the issue of minimum wage by saying that the ECA's chairman was in a sense saying that the Ministry of Labour and Co-operatives had not been totally honest when speaking about consultation, so in other words, the Member for Diego Martin West in quoting the chairman of the ECA is saying that there was no consultation.

Mr. Speaker, I do not want to get into any argument with the distinguished chairman of the ECA. The Ministry of Labour and Co-operatives has had very good relations with the ECA, in fact, we have had excellent relations and not only with the ECA, but with the Trinidad and Tobago Chamber of Industry and Commerce and all the other chambers in the country. We have had good relations with the Trinidad and Tobago Manufacturers' Association and we managed to have this relationship because, we, at the ministry had embarked on consultation. When I came into office in 1995, the Prime Minister, the hon. Basdeo Panday had—

Dr. Rowley: I am very grateful that the Member has given way. I simply want to ask the Member on the specific matter of the Minimum Wages Order, whether he was in consultation with the ECA as stated in his statement. That is the only issue which was raised.

Hon. H. Partap: Mr. Speaker, I would answer the Member for Diego Martin West, but I want to develop the case because it is something which has been said all over the country—that there has not been sufficient consultation. I want to develop the case to show that there was sufficient consultation. Well I would not say "sufficient" because consultation is never sufficient, there is always room for more and more consultation. In fact, we can consult for the next 12 years and nothing, but we have had a measure of consultation. We have had good consultation and I would develop the point that we have had consultation and that is what I am going to say.

Dr. Rowley: So the chairman lied?

Hon. H. Partap: If you listen I am going to address your concerns. I was talking about the relationship which we developed at the Ministry of Labour and Co-operatives with our social partners which is extremely important even in this debate because when we went there in 1995 that measure of consultation was not there. In fact, the Ministry of Labour and Co-operatives did not do it under the last administration and so we opened it up. We did, in fact, open up the lines of communication at the ministry and I do not want to use this forum to answer anyone who is not here to reply. I am referring to the chairman of the ECA. But, I must not let the Member for Diego Martin West leave this Chamber without a clear understanding of the procedures which were adopted by the Government to introduce the national minimum wage. I am sure once he knows the procedure which I would explain to him, he would go away and be one of the converts as well.

Mr. Speaker, I feel certain once the facts are known, that the Member for Diego Martin West and others would understand the level of consultation we have had. For a number of years minimum rates of wages have been enforced in Trinidad and Tobago and it was framed to operate in certain industries and was under the provisions of the Minimum Wages Act which is now enforced in Trinidad and Tobago and, as most people would know, reflected Convention No. 26 of the International Labour Organization (ILO) which states that workers should be protected in their employment from possible exploitation. That is the background to it and within the last 3 to 7 years in Trinidad and Tobago, there was what we called Sectoral Minimal Order which covered the catering industry as far back as 1991. There was the Minimum Wages (Shop Assistants) Order also in 1991, the Household Assistants Order in 1991, the Petrol Filling Station Employees Order in 1993 and the Security Industry Employees Order in 1995 so there was a level of minimum wages in this country. We have gone to the point of expanding this into the National Minimum Wage, whereby workers in this country will not and must not work for a rate under \$7.00 an hour.

I want to read from a paper from my ministry which sets out what the Minimum Wages Act, which is now in force, had in mind. The philosophy behind it was that there are some workers who will not be protected in the workplace so far as wages and conditions are concerned because they are not covered by trade union representation and the collective bargaining process. The Minimum Wages Order was intended to protect these persons. In fact, only about 25 per cent of the

workforce in Trinidad is covered by industrial agreements. They are unionized members. Almost 75 per cent of the workforce is not covered by a collective agreement and, therefore, the Minimum Wages Act has protected these persons. We are going a little further because the Act gave us that authority to implement a National Minimum Wage or if we wanted, a sectoral minimum. We acted within the authority of the Act, and I can quote from the Act if you want me to.

Dr. Rowley: I thank you for giving way. I do not want you to quote from the Act, what I want you to tell me is whether it is true or not that the ministry had no discussion with the ECA with respect to the draft or the final order.

Hon. H. Partap: It will do you no good for me to answer yes or no unless you know the facts. Give me a chance to put the facts before you so that you can glean it for yourself. If I tell you yes, or I tell you no, you would still believe what you have read in today's *Newsday* because you said so. You said you would believe the *Newsday*. That is what you said. I am giving you the facts. You said if you had to believe between myself and the *Newsday*, you would believe the *Newsday*, so let me give you the facts. Be patient! Be patient!

Mr. Speaker, on the matter of the minimum wage, a recommendation was made and Cabinet, in January 1977, had set up a committee comprising 13 persons who were experienced and competent in labour relations, economics, statistics, and research, together with the Minimum Wages Board which was established under the Minimum Wages Act. They included representatives from the ECA, other employers, NATUC, non-governmental organizations, a representative from Tobago, research consultants and an accountant. So the ECA was represented if that is what the Member for Diego Martin West wants to hear.

Dr. Rowley: Notwithstanding what you have said, did the ECA seek to meet with the Minister with respect to the specific implementation of the Minimum Wages Order as done in the last few days? Did you do so, and did you have consultation with the ECA? There are two different matters.

Hon. H. Partap: Mr. Speaker, maybe I am moving a bit too slow and this is why the Member for Diego Martin West is not patient, but those questions would be answered.

4.25 p.m.

Mr. Speaker, this committee met and recommended a minimum wage of \$7.00 per hour. That matter was taken to Cabinet and Cabinet gave its blessing. The matter was put before the Minimum Wages Board which examined it, this is after

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consultation with all the partners; the Employers' Consultative Association, the Trinidad and Tobago Chamber of Commerce; everybody was consulted.

The Minimum Wages Draft Order was then put out for public comment. There is a requirement under the Minimum Wages Act and, I think, it went before the public from January 8—29, 1998, for a 21-day period. We received, what we call, objections from the public. We received 24 objections and these were referred to the Minimum Wages Board which subsequently sent its comments to the Minister, of which the following is an extract.

Mr. Speaker, this is what the Minimum Wages Board had to say, and there was a representative from the Employers' Consultative Association on that Board. I am quoting an excerpt from the report of the Minimum Wages Board which says:

“An examination of the objections revealed no disagreement with the principle of a national minimum wage, except in the case of the Employers' Consultative Association who submitted that ‘sectoral legislation as is currently in place is more suitable to the needs of Trinidad and Tobago.’ Reservations were, however, expressed concerning the ability of small businesses, charitable organizations and householders to accommodate the proposed wage. The consequences of this, according to the objectors would be lay-offs of workers, ‘creative ways of avoiding the impact imposed by the law’, or possible demise of certain businesses particularly in Tobago and in rural areas of Trinidad.”

As I said, Mr. Speaker, this quotation is from the Minimum Wages Board of which the Employers' Consultative Association of Trinidad and Tobago was and still is a part. Mr. Francis Corbie is the chairman of this board. I continue to quote:

“Notwithstanding these objections, the Board proposes no amendments or modifications to the recommended wage which was determined in the context of the workers' basic needs and the achievement of the board national objectives as economic growth and employment generation.”

Mr. Speaker, I want to underline this.

“...the Board proposes no amendments or modifications to the recommended wage...”

Mr. Speaker, if the hon. Member is saying that the Employers' Consultative Association of Trinidad and Tobago was not consulted, I will put this before him.

If he tells me the Employers' Consultative Association of Trinidad and Tobago did not agree, I will also put this before him. What is creating a little problem—and I think I should do some clarification—is the fact that the Cabinet agreed to some amendments to the Minimum Wages Order, 1998, on the recommendation of the Ministry of Labour and Co-operatives after listening to comments received since April 6, 1998. We are providing some clarification to avoid anyone trying to undermine the Minimum Wages Order.

Mr. Speaker: Hon. Members, the sitting is suspended for half an hour.

4.30 p.m.: *Sitting suspended.*

5.02 p.m.: *Sitting resumed.*

Hon. H. Partap: Mr. Speaker, before we took the tea break, I was about to provide the House with some of the amendments that were made to the Minimum Wages Order. The Minimum Wages Order has two amendments. Section 3 has been amended, and instead of saying “the wages or the formulae”, we are only saying “the formulae”. We have removed “wages or”.

At section 5, we have put in new provisions which say:

“(i) Where a collective agreement in force at the commencement of this Order already provides for the normal weekly or daily hours of work for a worker, such a provision continues in force until the expiration of the agreement; and

(ii) Where a worker is not subject to a collective agreement,

a) the normal weekly hours of work shall be 40 hours inclusive of the lunch break and rest periods; and

b) the normal daily hours of work shall be 8 hours per day.

And, we have put in the minimum hours of work for the security industry employees stipulated in paragraph 4—

Mr. Valley: Could I understand what the Minister is attempting to do at present? Is he amending the Minimum Wages Order?

Hon. H. Partap: Yes. We have amended the Order.

Mr. Valley: He has amended the Order?

Hon. H. Partap: Yes. I am just reading the two sections that were amended.

Mr. Valley: For my own clarity, an Order must be laid in the House. If the Order is amended, should that amended Order not be laid in the House before it can take effect?

Hon. H. Partap: Mr. Speaker, the Minimum Wages Act provides for the Order to be laid in the House after the Order takes effect. After the Minister makes the Order, he will bring it to the House. It is subject to a negative resolution. One does not have to actually bring it to the House before it comes into force, according to the Minimum Wages Act.

Mr. Valley: I am saying that if one were now amending the Order, ought not one to bring that amended Order to the House also, subject to the same negative resolution?

Hon. H. Partap: I am not presenting the Order. I am just clarifying what was said. The Member for Diego Martin Central raised the matter.

Mr. Valley: The Member is coming across as though he is amending the Order at this time.

Hon. H. Partap: I am simply clarifying it so that when one gets out there, one will be able to discuss it intelligently.

Mr. Valley: It will help me greatly if the Member would lay the amended Order on the table, and that will solve my problem.

Hon. H. Partap: The Order and the amended Order will come to the House, Mr. Speaker.

The third area is that the minimum hours of work for the security industry employees stipulated in paragraph four of the Minimum Wages Security Industry Employees Order, 1995 continue in force notwithstanding this Order. These are two of the amendments which have been made.

A matter of concern was raised relating to the terms and conditions that come with the Order. We had to save those terms and conditions because they were applicable under the Minimum Orders: Catering, Household, Petrol Filling Station and so forth. There were terms and conditions under those minima. Under the Minimum Wages Act, we had to save those conditions. They were there on the statute books since 1991, but they were never enforced by those opposite. So, it is nothing new, Sir.

Mr. Breaux: Before the Minister sits, I noticed that he removed “wages or” and left “formulae” alone. Would he explain how he sees that, please?

Hon. H. Partap: The employers were interpreting wages or formulae to mean that one would calculate the overtime on the old wage. There are two systems

under which people calculate overtime. They use the wage and they also use the formula. The employers were interpreting it to mean that one used the old wages and not the new wages. This is why we are removing it.

Mr. Speaker, the amendments have been made and, as I speak, they will be published as a supplement to the *Gazette* and the amended version will come into force as from today. At my Ministry, there is a technical group that will be available to the employers to discuss the matter that may arise. The team will take their concerns and they will be advised. That committee is headed by Mr. Francis Corbie, who is a distinguished Industrial Court judge, and Mr. Jim Adams, who is also a distinguished judge of the Industrial Court, as well as Senior Labour Officer in the Ministry of Labour and Co-operatives.

Before I close, I want to say that the simple answer to the question raised by the Member for Diego Martin West is, yes, we have consulted with the Employers' Consultative Association of Trinidad and Tobago (ECA) as the umbrella body representing employers in the country. We have considered the comments sent in by the various individuals and the organizations, as well.

5.10 p.m.

Mr. Speaker, just before I take my seat, I want to tell you that in arriving at the \$7 an hour, the Minimum Wages Board along with the committee, used a basket of staple foods, apart from the investigations and their surveys—not luxurious food items, they factored into it the utilities; electricity and water, and they also factored into it transportation to and from work at a reasonable distance. They did this in terms of a family of five to put food on the table. This is basically how they arrived at the \$7, apart from their surveys and all the material that was available to the committee.

Mr. Speaker, I took the opportunity as it arose from the concerns raised by the Member for Diego Martin West to answer concerns on the introduction of the national minimum wage. I am totally in support of the Finance (Supplementary Appropriation) (1997) Bill.

Thank you, Mr. Speaker.

Mr. Hedwige Bereaux (*La Brea*): Mr. Speaker, I want to make a substantially, brief intervention in this debate on the Finance (Supplementary Appropriation) (1997) Bill to provide the sum of \$698,211,989 for the service of the year ending December 31, 1997 under the heads of expenditure in the Schedule.

In fact, what this Bill seeks to do is really increase the sum of money which we in this Parliament got together and voted for the service of Trinidad and Tobago for 1997. Any time we come to this juncture in the debate in this House, it is a

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time for reflection, it is more like the God Janus, one head looking backwards and one looking forwards. One cannot help but look back to all the various protestations of good management which this Minister of Finance and this Government regaled or assailed us with at the time of the national budget, only to realize that it is a question of promise without fulfilment. The punishment for that should be as the good Lord gave to the fig tree in the Bible.

I have sat here and heard the hon. Member for Tobago East try to extol the virtues of deficit budgeting to try to make us believe that a deficit is something good for the country. I am saying, I really appreciate the great confidence which the Leader of the House apparently has for the Member for Tobago East trying to make him defend the indefensible. In fact, what has happened is that the Government has been unable to live within the budgeted figure and has now come back to this honourable House to ask us to approve some additional sums of money, regardless of how the Member for Pointe-a-Pierre tried to put it as an accounting provision, just an accounting exercise, straightening out the books and whatnot. Many a man have been sent to jail for straightening books in just that same way, for fraud. [*Desk thumping*] But I am not alleging any fraud. I am just telling you it is a simple matter, it is something that I cannot—and I think no Parliament, not even the honourable acting Minister would accept that. I recall his many chastisements to the government of the day when he was on this side of the House. I am saying that is one.

Then to give us the excuse that—as the Member for Tobago East tried to give us—no one can plan for certain things like hurricanes and earthquakes and El Niño, I want to disabuse his mind of such a thing. That is why we have planning for emergencies. There is an old ancient, well-tried and well-approved management statement which says that anything that can happen will happen at the worst possible time, and that is how managers are taught to manage. One prepares for eventualities. That is why in any budgeting situation, one budgets in scenarios. Notwithstanding our attempts at diversification of the economy, we have to depend to a substantial extent on the price of petroleum and petroleum products.

One would have expected—where we had indicated a Government which was in possession of solid information as to the possible price of oil, and by extension petroleum products, that this \$19 price, which we were told would definitely not go—a Government to budget in such a way as to have a fall back price situation. If a government were to say that is a strange occurrence, something that has never happened before, in this country we have had a price of oil that fell to US \$8 a

barrel. So there is no sense in saying one could not expect it, one had to expect it and to prepare for the eventuality that such a thing would happen. If they had budgeted within the scenarios, they would not have been in the position here today to make these excuses to us.

Then they talked about El Niño and the strange weather patterns and so forth. I am going to get to that a little later when I deal with an excuse made by the Minister of Public Utilities about the El Niño factor. But, the fact is that all the weather forecasters, way in advance, had been talking about these strange effects of El Niño. *[Interruption]* I heard it, but it is not my responsibility to budget for the country. If I were sitting on that side and doing it, then I would have dealt with it and we would have dealt with it in an appropriate manner. But you had to do it, you wanted, you did all sorts of things. You slept, not only with the devil, but with the criminals who assaulted the democracy of this country in order to get there, and now you get there and you are making excuses. *[Interruption]* No. You wanted it. Now you have it. Now run the country and run it properly, and it is our business to ensure that you do it and to keep you on your toes. *[Desk thumping]*

We had the unfortunate situation of the Minister of National Security coming here and giving us all sorts of excuses about how certain people in the country were behaving. I had to say, they are their friends. It is unfortunate when your own lice bites you, but whatever. *[Interruption]* Mr. Speaker, the Member for Tobago West is making a statement which I cannot allow to go.

Mr. Speaker, I want to get to the question in the Schedule involving \$210 million, it is on page 14. It says: "Modernization of Petrotrin's, Pointe-a-Pierre Refinery". The increase in the quantum is \$210,740,302.

That is as a result of on-lending agreements with the following international agencies:

Exim Bank of Japan	US \$14 million
EIB	US \$38 million
MTBE	ECUs \$5.4 million
IDB	US \$260 million.

This money was borrowed by the state from these international agencies and on-lended to Trintoc; then Trintoc transferred its assets and liabilities to Petrotrin; and it became a Petrotrin liability. The state also collects an additional 3 per cent interest on it. So the state may have seen that as an investment collected for doing

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the services, an additional 3 per cent. What this does not say, is that this money is not only for the refinery upgrading, it is also in respect of Petrotrin's contribution to the heavy oil project in Trinmar, and a heavy oil project on a project in Parrylands, Guapo; a project whereby a steam injection or steam flood project, as you care to call it, whereby steam is pumped into the reservoirs to repressure the reservoirs and to produce a certain quantity of heavy oil from that area.

It is on that point I want to make my departure. When I come here and I see the state having to provide money for a project like this, of which a substantial proportion of the project falls in my constituency and which has been a dual cause of problems to the constituency of La Brea and other adjoining constituencies—but I will deal with the constituency of La Brea. Time and again when I come into this honourable House to complain about the lack of water in the La Brea constituency, I hear explanations that La Brea is at the end of the distribution system. It is very tied to this. Wells are drilled to produce water with this money—I just want to make sure that I am keeping close to relevance—water to produce steam, steam to go into this project. I am setting the relevance carefully. Mr. Speaker, time and again when I come here I am told that the La Brea constituency, that portion of the constituency is at the end of the distribution system and the difficulty is because water has to be brought from the far off Caroni/Arena booster pumps and all these sorts of things. I am told about those things. That implies also that it has to be brought from that distance because there is no localized supply of water for the La Brea constituency.

5.25 p.m.

I am saying here today, Mr. Speaker, that the water that exists in the aquifers of the La Brea constituency, substantial quantities of that water are now not available to my constituents for utilization for domestic means because if all that water that is there in the aquifers were available, I am certain that WASA would have been able, with very minimal expenditure, to turn that water into potable water for my constituents. But it is being used at the rate of more than half a million gallons or 10,000 barrels per day minimum, to provide steam for secondary recovery in Petrotrin's field. Half a million gallons of water minimum being used every day.

I know people will say to me that the oil produced as a result of that steam injection comes to the general benefit of the country and it is the way of doing business. I say fine, I have no problem with the oil that is being produced going to the general good of the country but, as a result of that oil, my people are without

their water. If they are without their water because of oil going to bring in general revenues to the country, then a substantial proportion of that revenue and an equal proportion which bears some relation to their sacrifice, should be poured into the La Brea constituency to bring water to that area. That is the point. I am talking about a number of wells. One tends to empathize with a statement that says, "listen, you are at the end of the system but if you had some of your own localized supply of water—" I am saying that you have available at least half a million gallons of water every day just in that small area of the IADB loan project; that heavy oil project in Parrylands, Guapo. What is happening? It is not available to the people in the constituency of La Brea. It is going elsewhere. It is producing oil and we are not getting a commensurate portion of that money.

There is even a greater problem with this steam injection, particularly in respect of Parrylands, Guapo. Steam is really water. [*Interruption*] I am not dealing with it. Please give me a chance.

Mr. G. Singh: I just want to clarify. Is the Member aware that with the injection of the steam it is also infecting the acquifers so that the water that you produce is also getting muddy?

Mr. H. Breaux: Yes. But if you did not put it in at all—I am aware that it will infect, I do not know what you are talking about infect the acquifers; oil is biodegradable so there are things that can be done with it. I am saying you have two options. You either decide to give us the half a million gallons or more of water available and being utilized every day, give us those wells and let us drink our water and you find a way to get your oil out of the ground or you continue injecting the steam into the acquifers and spend more of the money that comes from the oil on getting our water to our people. That is what I am saying. It is for the Government to manage its business. But I am dealing with the end product and I am using the example: just a few miles down the road from the La Brea constituency is the Point Fortin constituency which has a number of wells in the Granville area and those wells are able to supply a substantial proportion of the Point Fortin constituency. I am no expert on that constituency but I know that a lot of water from the Granville area supplies the Point Fortin constituency. They are at the end of the system too but they are not supplied by the system.

Mr. Narine: Chatham.

Mr. H. Breaux: Granville and Chatam, sorry. I stand corrected by the Member for Arouca North.

Mr. Speaker, if that were all I would say, “Well, I could forgive the inactivity of the Government in respect of this. It is just a question of choice.” But there is another and more sinister problem involved. One gets steam by boiling water and when steam is injected into reservoirs where there is heavy oil, heavy oil usually has some concentration of sulphur in it and when one mixes the H₂O and the oil with the sulphur one gets a very dangerous gas called hydrogen sulphide. All that is being done with the \$210 million that we are being asked to approve here today. When you get that hydrogen sulphide it is a dangerous gas and there is a steam injection project, a steam generator next door—when I say next door I could possibly stay by the school and, in my stronger days, pelt a stone and hit the generator. I cannot do it now but it is very close indeed. There is the steam generator which pours out on a regular basis, hydrogen sulphide gases and has caused the children of Parrylands, Guapo, their teachers and parents to suffer nausea and vomiting and pimples have come out on their skins. Whatever they have tried to do—they have been hospitalized.

I was in that area about two weeks ago at a meeting and so were members of Petrotrin as well as persons from the Ministry of Energy. When we pointed out that time and again this problem has been caused by the effluent from that steam generator, they kept denying it. I know on a previous occasion they had a company called NM Kaizan come and test the air. Of course, the company who did the testing was paid by Petrotrin; all the people were concerned and they tested and said they found no presence of hydrogen sulphide or any other dangerous gases but the children are getting sick. They checked the school toilets, they did everything; the children are getting sick, they are going to hospital and nothing is happening. I called on the representative of the Ministry of Energy and asked why did they not close down the steam generation plant for two weeks and see if any of the children or the people around or the teachers would have these symptoms. All I got was talk, nothing being done.

I am saying that there is a disaster waiting to happen in Parrylands, Guapo. More importantly, I do not want to do anything that is likely to cause any harm either to Petrotrin or to the economy of Trinidad and Tobago, but I have a responsibility; although it is a shared responsibility because the Parrylands Government School is in the constituency of Point Fortin but the generator is in the constituency of La Brea and some of the children are from Point Fortin and some of the children are from the constituency of La Brea. It is a shared responsibility and I do not want to do anything that will cause any problems to this country but these loans that we are talking about here have serious environmental

provisions. They have provisions which require that the company obey certain environmental rules.

You will notice, Mr. Speaker, that some of the work that Petrotrin was required to do in terms of the desulphurization effluents and oil residue reduction, the state, in terms of the environmental works to be done, did not attract, did not collect and does not collect from Petrotrin the additional 3 per cent interest charge. The state is saying on this agreement, if you want to borrow money you must pay an on-lending charge but if it has to do with the environment then we are not going to collect that 3 per cent from you on the moneys spent in the environmental clean-up effort. The work to be done on the environment or in respect of the environmental concerns in respect of any of the plants or any of the activity under that loan, if it is not done, constitutes a default under the loan.

Mr. Speaker, I do not want to have to seek the assistance of bodies who are concerned about the environment and which bodies do not operate within Trinidad and Tobago. I am raising this matter on the occasion in Parliament when we are dealing with this money under this loan so that the persons who are charged with the responsibility of the environment will seek to do something about that. Imagine there is a school in which half of the children have been going home two and three times a week for more than a year and yet the Ministry of Energy cannot find the testicular fortitude to close that steam generator for a week so that we can monitor the system. All we get from them from time to time is that the company is concerned. If ever there was an indication of gross dereliction of duty on the part of all concerned, I say that is it. I am saying it here because this is the last time I am going to talk about it in this Parliament because *[Interruption]* What are you saying, Member for Arima?

Dr. Griffith: I was addressing the Speaker.

Mr. H. Breaux: No, you were addressing me and interrupted me. Any time I see you I recall the reading that I heard from the *Bible* on Good Friday. It says, "And they took the thirty pieces of silver the price of him who was prized and they bought with it the potter's field to be used as a burying place for strangers thus fulfilling the prophecy let his habitation become desolate and let no man be found to dwell therein."

I just remembered it, so I speak it.

5.40 p.m.

So, Mr. Speaker, I am saying this is the final time I am going to raise this matter. I have said it here in this House. I know you have been patient with me on

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more than one occasion when I tried to raise this matter, but the next time, I will seek to get justice for the people of Parrylands, Guapo and the people of Lot 10 in another place by other persons and—how should I say it—other institutions, Mr. Speaker.

So, Mr. Speaker, I notice here under health—you know, Mr. Speaker, when you talk about health and you see there has been a transfer of funds in health—\$17,100,000 being shifted on various heads for health. It syas:

- “(a) to supplement the provision for Consulting and Other Contracted Services, as a result of the employment of accounting personnel to assist in the Quantification of Arrears of Increment exercise;
- (b) to meet payment of stipend to ninety (90) Nursing Students and annual management Fee to NIHERST;
- (c) to supplement the provision of the Regional Health Authorities (RHAs) to provide for payment of salaries resulting from the movement of staff...”

But, Mr. Speaker, we have, in Trinidad and Tobago, a situation in health which can be termed as nothing less than scandalous and all we could hear, when the matter comes up, is that the hon. Minister says, “I am to blame.” He is to blame, but no activity, no action at alleviating any of the problems.

Imagine, we are seeing report after report in the newspaper, referring to the Mount Hope Maternity Hospital as “Mount Hopeless”. A visiting professor came to Trinidad at the invitation of the Nursing Association; he came to Trinidad and pointed out that the number of caesarean sections done in certain hospitals was way above what it should be and that caused a furore among the doctors and so forth.

But what we have now is the very doctors in the San Fernando General Hospital indicating that the deaths of babies—I do not know what is the technical term they used—is more than it should be and it is as a result of lack of equipment and certain drugs. When I say certain drugs, medication and pharmaceuticals. And you have a situation further—this was all reported in the newspapers, but I am not hearing any cogent statement coming out of the Government to deal with it.

There was a nurse who went into the Maternity Hospital—*[Interruption]* It is the high priced one; she went into the Maternity Hospital I think, or I think it was the Eric Williams Medical Sciences Complex and indicated that the service was horrible, the sanitation of the place, there were cockroaches around the place and a number of things.

Mr. Maharaj: When that started?

Dr. Griffith: Which one is that?

Mr. H. Breaux: It matters not. I was referring to the statement made by the hon. Member for Couva South where he asked me, “When that started?” It does not matter when that started; it matters that you are in charge and it is your duty, the duty of this Government to take care of it.

It reminds me of a man who had a wife who was unfaithful to him. As a result of that, he got a divorce and he got another wife; he remarried; and that wife was unfaithful to him and when he complained about it, she said, “And your other wife used to horn yuh, too.”

The present Government claimed that it was able to solve the problem and I am not admitting at all that it was in that state of affairs. That state of affairs, I am satisfied, came as a result of the neglect of the health services by this Government because on three successive budgets, they very unable to spend money that was allocated to health.

Dr. Griffith: That is not true!

Mr. H. Breaux: Yes, it is very true. You were on this side before you jumped over, so you did not know and you did not do your work when you were on this side, so you could not have known. You do not read your documents; if you did, you would be getting up here after me to make a contribution, rather than interrupting me while I am trying the make mine.

Mr. Speaker, as I was saying, there is that problem, where a number of persons—one woman went in there and she complained that they took out a part of her that they should not have touched. That is the kind of problem we are having in the health situation. You had a problem with the doctors in Port of Spain and that problem ricocheted to San Fernando, because the San Fernando doctors were saying that they were unable and refused to handle all the patients who were coming from Port of Spain. All of that is happening under the watch of this Government.

I must speak of this other one. There is the question of the oil worker from Quinam Road, Siparia, who was damaged, brought to San Fernando General Hospital when they were having a problem down there and the next thing you found was that they refused to deal with him because of some industrial unrest, or whatever dissatisfaction was happening down there, and on his way to Mount Hope, he died.

What is worse, Mr. Speaker, sometime ago, the hon. Minister was in San Fernando within the precincts of the San Fernando General Hospital—I like that word precincts. He was opening a play park or something there and there was a man outside who had not been able to get a bed available in the hospital all day, and when the newspaper man was listening to the report of the man's son, the chief doctor there, good friend of the Member for Fyzabad, one of his campaign managers said, “We did not bring you here to do that. We brought you here to take out the Minister opening the play park.” So, forget about the man—who eventually died shortly thereafter—and deal with the Minister cutting a ribbon to open a play park.

That is the kind of insensitivity that we have in the health system now and the Minister takes the blame. He should not take the blame; he should bow his head in shame and resign. That is what he should do as a minister. It is not a question of blame taking.

Mr. Speaker, they talk about beds. When they speak about not having beds, it is not the frame of the beds they do not have; they do not have mattresses. The reason they do not have mattresses is because they do not provide mackintoshes. We call it mackintosh in the health system, it is just a plastic to put on the mattress so that the urine would not get to the mattress and destroy it quickly. That is all they need, covers that will preserve the mattresses. No, but you have a whole ward without beds, just because of that.

It reminds me of the matter of where they stole one of the Cutterage books where they lost animals because of a simple latch for the gate. That is a sad reflection of the stewardship in the Ministry of Health. [*Interruption*]

I am not going to pay any attention to you. The Member for Arima keeps obstructing me but I am going to pay him no mind.

Mr. Speaker, I want to get to the minimum wage. The Member for Nariva and Minister of Labour and Co-operatives, I see he has moved away from his seat. He is hoping that I do not observe him. I have a copy of the Minimum Wages Order here and it says:—

“...the national minimum wage for workers in Trinidad and Tobago shall be seven dollars per hour and no worker shall be paid less than the minimum weekly wage or daily wage...”

Then in the citation, it says, “Saving of certain rates of pay”. National minimum wage, as I understand it, means the whole nation and minimum, nobody in this

whole country should ever work for a sum of money lower than the minimum wage stated, this \$7.00. But yet it says, "Saving of certain rates of pay", Mr. Speaker.

I am looking at the Order again which says at the top of the First Schedule:—

"MINIMUM WAGES FOR ALL WORKERS

Weekly Rated Workers (40 hour week)	Daily Rated (8 hour week)	Hourly Rate
\$280.00	\$56.00	\$7.00"

I have it here; I did not make this.

There seems to be a major mathematical error in this and it would appear that the Minister of Finance did this because he seems to be getting his sums wrong all the time and the Minister of Labour and Co-operatives seems to be getting sums wrong all the time. I understand he was a teacher and I am very surprised that he cannot count. Seven times eight are 56; change that eight to a five and leave \$100 outside for teaching. Give it to somebody who is in need. That is an error there. I hope he would correct it.

5.55 p.m.

Mr. Partap: Is the Member quoting from the *Gazette*?

Mr. H. Bereaux: I am quoting from the Minimum Wages Order.

Mr. Partap: Well the *Gazette* is what I have here and this is what the Member should quote from because this is the official document. It says \$280.00 for a 40-hour week; \$56.00 for an 8-hour week and hourly rate, \$7.00.

Mr. H. Bereaux: They laid this, you know. You laid this, not me. I am reading what was laid in this Parliament. The point I wanted to make is "Saving of Certain Rates of Pay." It said:

"3. The wages or the formulae for calculation of wages in respect of overtime, weekends or public holidays prescribed by the—

Gazette No. 3112
of 1982

(a) Petrol Filling Station Employees Order, 1982;

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| L.N. 158 of 1991 | (b) Minimum Wages (Catering Industry) Order, 1991; and |
| L.N. 159 of 1991 | (c) Minimum Wages (Shop Assistants) Order, 1991 are not affected by this Order.” |

From my reading of this, it means that this Order does not affect these Acts. I know the Minister tried to explain something, but in the face of—maybe I should use his *Gazette* if he would so allow me.

The Minister of Labour and Co-operatives rises

I am not giving way anymore. If the Member would lend me his *Gazette*, I would let him explain afterwards. I also have the Minimum Wages (Shop Assistants) Order, 1991.

Mr. Maharaj: On a point of order, Mr. Speaker, that Order was never laid.

Mr. H. Béréaux: This one that I am reading from was never laid?

Mr. Maharaj: No order was laid.

Mr. H. Béréaux: So the *Gazette* is the right one?

Hon. Member: Do you want it?

Mr. H. Béréaux: Yes.

Hon. Member: That one you have is the PNM one. *[Interruption]*

Mr. Speaker: Let us just try to understand what we are doing. The hon. Member for La Brea is on his legs and he has the floor. There is a certain amount of cross talk between the Government and the Opposition, and then we have the Member for Diego Martin Central who gets up at the same time. If any Member wants clarification, one is entitled to ask the Member for La Brea to give way. He is indicating he is not giving way. If one wants to rise on a point of order, one could do this. But in the absence of his giving way, please let him continue. In the absence of a point of order, please let him continue. We cannot do it in the way in which you are trying to do it. Please continue.

Mr. H. Béréaux: I do not want to mislead this honourable House or to be accused in any way of using any document which is not relevant, but since the hon.

Minister—and I mean substantive Minister of Labour and Co-operatives—has given the “bobolee”, the Member for Arima—

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made, That the hon. Member’s speaking time be extended by a further 30 minutes. [*Dr. The Hon. R. Griffith*]

The Member for Laventille East/Morvant rises.

Mr. Speaker: It is not right that two people should stand at the same time. The Member for Laventille East/Morvant must understand that when a Member is on his legs, unless it is a point of order—

Question put and agreed to.

Mr. H. Breaux: I would like to thank the hon. Members for extending my speaking time. I can understand the anxiety of the Member for Arima, having interrupted me so often, he thought he had to try to make amends. But I want to tell him that he would become my very good friend the day he does the honourable thing. I would deal with him and I would champion his cause.

Now I have in my possession the Minimum Wages Order, 1998. It says:

“3. The wages or the formulae for calculation of wages in respect of overtime, weekends or public holidays prescribed by the—

- (a) Petrol Filling Station Employees Order, 1982;
- (b) Minimum Wages (Catering Industry) Order, 1991; and
- (c) Minimum Wages (Shop Assistants) Order, 1991 are not affected by this Order.”

It means, according to what I have read, that this Order has nothing to do with the wages, or the formulae for the calculation of the wages. These are exempted from the Act. But I want to read from the Minimum Wages (Shop Assistants) Order, 1991. I am reading from a copy of the *Gazette* and I go straight to the Schedule. The Schedule shows:

“Category of Shop Assistant	Weekly Wages for Full-time shop Assistant	Hourly Rate for Part-time Shop Assistant
Telephone Operator	195.00	5.38
Messenger	185.00	5.10

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Cleaner	185.00	5.10”
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The Order for Minimum Wages and conditions of service for Petrol Filling Station Employees made by the Minister of Labour, Social Security and Co-operatives shows here in the Schedule:

“Category of Shop Assistant	Weekly Wages for Full-time shop Assistant	Hourly Rate for Part-time Shop Assistant
Service Station Attendant	130.00	
Watchman	156.00	
Serviceman	191.00.”	

6.05 p.m.

Then, there is also the Minimum Wages (Catering Industry) Order which shows in the Schedule:

Bartender—\$2.20/\$6.05 an hour.

Watchmen—\$1.85/\$5.10 an hour.

Waitress/hostess—\$1.90/\$5.25 and some other things about the weekly hours, Mondays to Saturdays and so forth.

I have heard the hon. Minister say that as a result of representation made and people trying to duck out of the Act that some amendments are being proposed. Just as the Minister told me this Order I have was incorrect, and that it was not in the *Gazette*, so too, I want to put on record that this Order that comes from the *Gazette* in its present form—I am speaking of Legal Notice 125 of April 1, 1998, to be cited as the Minimum Wages Order 1998.

Mr. Speaker, I am saying that in its present form, the one that is in the *Gazette* today, that is available to me, says that you can pay people at service stations a sum of money equivalent to \$130.45 per week. It says that you can pay telephone operators \$195.00 per week and \$5.36 an hour; it says you can pay waitresses \$5.25 an hour, and watchmen \$1.85 an hour. That is what the Order as it is in the *Gazette* at this time says. It is all right for the Minister to say that he made an error and that this Order does not reflect what he told the nation it would reflect. It does not reflect what this Government told the nation it would reflect, but it is not okay for the Minister to give the impression that somebody was trying to get around the Act in order to make it, as he said in his terminology, more clearer. No! It is

crystal clear enough for any literate, intelligent person to recognize what it says. If the Minister wants to say that they made an error or that on second thought, having received flak for it, they have decided to bring it within the ambit of the broad statement which was made in the budget and which was made in respect of clause 2 of this Order, I say fine. We all make a little mistake now and then, although I find that the occasion where mistakes are made in respect of this Government is becoming too prevalent that I must now attribute it to a lack of aptitude or ability, but definitely, this Order as it is now shown in my possession, says that in a number of industries one is able to do that.

I am so charitable. A number of persons came and told me this is not good. A good friend of mine who owns a gas station told me that he could pay his people at the same level. I told him not to pay and he read from a document purporting to be the Order and told me this, and I could not believe it. Such incompetence is mirrored by the behaviour of the Minister of Finance in respect of every budget he has presented. In the face of the real facts, in the face of the realization, a definite knowledge that the budgetary provisions could not fit within the financial constraints he still came in his budget presentation and tried to mislead the population and I am really seriously concerned about the propensity of this Government to mislead, or when they are making errors for them not to admit the errors.

The Minister came and talked about the Ministry of Labour and Co-operatives and all the various changes. The Minister spoke about how he was streamlining the Ministry of Labour and Co-operatives in order to deal with unemployment and so forth. We are faced in this country today with a situation where this Government came in the budget and indicated that it was going to give certain concessions to public servants in respect of computers and where the inter-ministerial team that laid certain guidelines for the non-academic staff, for its management of UWI came ahead and put a ceiling of 6 per cent. I am not saying how much they should or should not pay but there was a ceiling allegedly put by the inter-ministerial team as stated in the bulletin I have as was delivered to me when I came to this Parliament on the last occasion.

On the one hand, they will put the ceiling and, on the other hand, they would not make the arrangements for the computers. They are not doing anything. They have washed their hands of the UWI situation, of the strike, and the Minister of Labour and Co-operatives has the audacity to come and talk about putting things in place to make his ministry user-friendly.

Any time there is a strike there is a problem and at a time when students have to take their examinations and when there are students now going on the picket line and threatening to sit in at the University of the West Indies, this Government has set a ceiling which is causing problems. They are interfering with the collective bargaining arrangements in the country. You need to stop that. Stop just parroting talks that you read from a book—I know the Member does not know anything about industrial relations—and get on with the business of settling the strike.

Mr. Singh: He wants to run the ministry.

Mr. H. Beraux: No, I do not want to run it. My business is to give the Minister critical support on this side and that is what I am giving to him. If you as Minister of Local Government do not want to accept it, who is a self-professed super minister, that is your problem, but you have enough trouble.

Mr. Speaker, the Minister of Local Government just tried to interrupt me but there was a statement made by the Member for Tobago East about criminal element in the URP. It would be remiss of me if I allowed that statement to go unchallenged.

The criminal we had: DEWD, LIDP URP. The ascendancy of the criminal element in URP can be directly laid at the feet of the administration of this Government and in particular—he is not a Member for anywhere, although he has more power than some of them—the hon. Sen. Sadiq Baksh, and that is why you find certain people saying put him back there.

6.15 p.m.

When this Government recognized that, they sought to put that element against the PNM-controlled council by asking them to handle it. There is now management by abdication in respect of this Government.

The Member for Tobago East—as unprepared as he was—comes to this Parliament and allows people to use him as a pawn, saying: “Shook him!” That is what they are doing to him. I did not say that to ascribe to him the propensities of any animal. I make it quite clear that I used that as a colloquialism.

Mr. Speaker, they said one thing in the budget and they have not done it. They have dealt with people in a most deceptive manner. This Finance (Supplementary Appropriation) (1997) Bill for the period ending December 31, 1997, whereby this government is seeking an additional amount of money in the sum of \$698,211,989 in excess of what this Parliament voted, is cause for great concern. As much as we

would like to support the Bill, in spite of the fact, as the Member for Pointe-of-Pierre said, that they are trying to balance the books, in spite of the fact that we sympathize with the problems they have encountered, we must be satisfied that there has not been mismanagement and that they have not put themselves in the problem they are in now.

Coming from a Government that has been prone and has shown such a propensity to deceive, to assist only its friends and to deal with narrow partisan considerations, we cannot give our support to this provision.

The Minister of Education (Dr. The Hon. Adesh Nanan): Mr. Speaker, I join this debate to shed some light on certain areas temporarily obscured by the Member of Parliament for Diego Martin West.

Under non-cash mechanisms for public sector employees, the value of bonds issued during 1997 to public sector employees of the Ministry of Education was \$71.75 million; teaching staff, \$60.8 million and non-teaching staff, \$10.273 million. When we look at transfers, part of the increased expenditure was school transportation. I would like to pay particular attention to school transportation.

Mr. Valley: What is the Member talking about?

Dr. The Hon. A. Nanan: I am speaking about transfers within the Ministry of Education.

During the year 1997, the Ministry of Education provided, through the Maxi-Taxi Concessionaire School Transport Service, an average of 13,433 seats per day, servicing 34 areas and 144 routes. Fifty schools received direct service. The daily cost of this service was \$63,656.

Mr. Speaker, some of the areas covered include:

North

Cascade, Maraval, Diego Martin, Port of Spain	415 seats
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East West Corridor

Bon Air, Curepe, Caura, Arouca, Blanchisseuse, Maracas, Las Cuevas, La Fillette, Mayaro, Sangre Grande, Valencia, Toco and Matelot	4,096 seats
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Central

Chaguanas, Caparo, Couva, 833 seats

South

Penal, Siparia, Point Fortin, Williamsville,
Gasparillo, Marabella, Barrackpore,
Fyzabad, Cedros, Rio Claro,
Princes Town, Moruga, Tabaquite, 8,099 seats

In 1997, we saw for the first time, a new mandate to the community—the involvement of the Parent/Teachers Associations. During that year, the Ministry of Education provided, through a contributory payment Maxi-Taxi Concessionaire School Transport Service, an average of 133 seats per day. The daily cost is \$1,032, of which the Parent/Teachers Associations contribute 50 per cent. There is also a daily chartered bus service to Diego Martin providing 136 seats, at a monthly cost of \$20,000.

The Member of Parliament for Diego Martin West bellowed about employment opportunities and he harped on the non-functional National Training Agency. Are Members on that side aware of the training programme initiated by the Ministry of Education in 1997? My hon. colleague, the Member of Parliament for Tobago East, spoke about training initiatives in 1997. I would like to reinforce his statements.

The retraining programme for displaced workers in 1997 exceeded its target of 1,500 and in fact trained 2,446 persons. Training was provided in 45 vocational skill areas, most traditional, but also in such relatively new areas as information technology and computerized accounting.

Mr. Speaker, training was also provided in job search and start-your-own-business skills. The area of attitude was also addressed. Training was distributed across the country, including Tobago.

Employment has been found by over 20 per cent of graduates in the hospitality field; over 32 per cent in the computer field; over 50 per cent in the steelpan making and basic tuning field; over 60 per cent in the carib indigenous craft field and varying percentages in the other fields.

Mr. Speaker, many have set up their own businesses. Approximately 135 training providers participated. They were the first to be trained. As a result, the country has a cadre of trainers to support future programmes. Very favourable

feedback has been received from participants in the various communities. This Government has provided the entrepreneurial spirit for this target sector in the various communities throughout Trinidad and Tobago.

6.25 p.m

Mr. Speaker, the Member for Diego Martin West spoke about the Common Entrance Examination and I want to tell him that a building, a school does not make. He also spoke about using \$200 million for a secondary school expansion programme. As we are on the year 1997, I want to point out to Members of this House that in 1997, for first time since the Common Entrance Examination was introduced in 1961, every child who did not have a second chance was afforded the opportunity for post primary education. [*Desk thumping*] There were 120 teachers recruited for post primary classes and over 4,441 students were given post primary education.

I now turn the attention of Members to an article in the *Trinidad Guardian* dated April 14, 1998 "Phasing out Common Entrance, a delicate task" by Al Ramsawak. It says:

"A national sigh of relief is heard at the recent pronouncement of the proposed phasing out of the dreaded Common Entrance Examination. Pupils, parents and teachers consider such a move as the release of the stress factor which has been plaguing family life with increasing pressure over the years.

Will this move be translated in terms of no extra lessons? Waking up late nights to complete overloads of home assignments? Worn-out parents hustling to and from their jobs to accommodate and transport children from schools to centres of private, extra lessons? Do we foresee the end of overworked and sleepy parents assisting their crying children over homework? The answers to these questions are now the hope and vision of a more relaxed and improved family life.

It is well-established, that the form of the Common Entrance Examination and its over ambitious and almost impossible syllabus have changed and destroyed happy family life and have altered the method and approach of teaching, such that many teachers in the primary schools have specialised, self-styled in 'common entrance teaching.' Also, those selected few who are able to wave the magic wand and attain maximum passes for their pupils into 'prestige' and five-year schools are looked upon as better achievers and assume a higher rank in the estimation of their principals and school supervisors.

Examinations generally, have taken on a frightening trauma to many pupils who faint annually in the examination rooms. Some suffer cold feet and shivers, sleepless nights, nightmarish sleep. Dosing of pep tablets to fight sleep in order to catch up for the next day's exams. It is common to see parents sitting nervously outside of examination rooms twiddling their fingers in anxiety, praying and sometimes consoling each other in their common fears of their precious children's failure. Is this the psychological price we must pay for our children's education?

It is hoped that whatever method of assessment is designed to promote the pupils to the secondary level, the noble purpose of education and the concern for happy family life must be of prime consideration. We know only too well of the damage that the Common Entrance Examination has done, not only to family life but of equal damage to childhood. Because of the act of the CE we have experienced where the 'bright' got brighter and the 'dull', or rather, slow-learner was doomed to dropout material.

When children are deprived of childhood activities and space for creative play in a system of education which borders on child-abuse, that system of education must of urgent necessity be condemned and replaced by a system which observes respect and sympathy with the God-given rights to a happy childhood within the learning environment."

Dr. Rowley: Would the Member gave way to a question?

Dr. The Hon. A. Nanan: I am not giving way. Mr. Speaker, the Member for Diego Martin West made reference to—

Mr. Hinds: How uncharitable!

Mr. Speaker: He had the right not to gave way and he did not. One ought not to terrorize him, or call him uncomplimentary names in the Chamber because of that. You should not do that, Member for Laventille East/Morvant. That is not right. Please proceed.

Hon. Member: Rastafaria knows which tree to climb.

Dr. The Hon. A. Nanan: Mr. Speaker, mention was made of a Minister's ability to call up principals and ask for places for his friends' children in prestige schools. For the record, I say categorically that I never called any principal for any favours. I do not know if that was the previous Minister of Education's practice, but I made a request on humanitarian grounds. *[Interruption]* I want to clear that issue.

Mr. Speaker: Order please!

Dr. The Hon. A. Nanan: Mr. Speaker, still on the Common Entrance Examination—

Mr. Valley: Mr. Speaker, if the Minister would give way—

Dr. The Hon. A. Nanan: Mr. Speaker, the Government of Trinidad and Tobago is in the process of negotiating for a secondary school expansion loan from the IDB and one aspect of this particular loan is to remove that dreaded shift system about which the Member for Diego Martin West spoke.

He spoke about the grant to necessitous students of textbooks and I would inform the Member that this Government spent \$4.625 million on textbooks for secondary schools in 1995. After every budget, there is reprioritization in various ministries. When we came into office, the textbooks were already ordered and were on the way for delivery so the Cabinet took the decision to pay the \$4.625 million and of this \$4.625 million, checks revealed that these books would not be fully utilized so in terms of re-prioritization, this money was used in another area.

The Member for Diego Martin West should also know—if he does not, he would be made aware—that in terms of the World Bank loan and the provision for primary schools textbooks—

Dr. Rowley: Where is the Carenage school?

Dr. The Hon. A. Nanan: I have a pattern in terms of how I would address the Member for Diego Martin West, but before I close, I would address the matter of the Carenage Government School and put it into context so that I am not forced to stay with that school, because I want to briefly inform the House that in 1997, of repairs to primary and secondary schools, and improvement of physical facilities to primary schools, \$7.438 million was spent throughout Trinidad and Tobago. For secondary school facilities, \$5.533 million was spent, a total of \$12.971 million, and in 1997 the first spectrum; primary, \$7.1 million; secondary, \$15.6 million; technical/vocational, an area that is often neglected, \$2.3 million; educational services, \$736,000 and special education, \$998,200 a grand total of \$26.799 million.

Mr. Speaker, we have witnessed in 1997 and 1998 what infrastructure this Government inherited in terms of primary and secondary schools' construction. The landscape in terms of infrastructure is being improved throughout Trinidad and Tobago, and we have seen under the World Bank, six new primary schools for

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construction at Valencia, Bamboo, Carapichaima, Cedros, Gran Couva, and the recent sod turning for the Beetham Government Primary School.

Mr. Speaker, I will say that this Government negotiated, and we signed that loan. *[Interruption]*

Mr. Speaker: We certainly cannot proceed like this. This cannot be a question and answer period as between yourself and the Minister. You spoke and there are many more Members on your side to speak. You are one of the senior Members and you could brief them as to what you would have them say, but you cannot sit in your chair and just be shouting these questions across to him. It cannot be done like that.

Dr. Rowley: *[Inaudible]*

Mr. Speaker: Therefore, is that the way Parliament should be run? Really, that is not right and I ask you please to desist.

Dr. The Hon. A. Nanan: Mr. Speaker, it is unfortunate that is the attitude of the Member for Diego Martin West. As I said before, in terms of the upliftment of the infrastructure and accommodation for all children of school age, this Government is providing on a phased basis, as I am sure the Member is aware. In terms of the Carenage Government School, I did not come with the full report. I am sure the Member for Diego Martin West would permit me to present him with a full report some other time.

Dr. Rowley: Tomorrow.

Dr. The Hon. A. Nanan: Not tomorrow.

Dr. Rowley: On Friday.

Miss Nicholson: Do not answer him. He is no longer senior.

Dr. The Hon. A. Nanan: At the appropriate time.

Mr. Speaker, as I close, I fully support the Finance (Supplementary Appropriation) (1997) Bill 1998. Thank you.

Mr. Fitzgerald Hinds (*Laventille East/Morvant*): Mr. Speaker, it is certainly the will of the Almighty God that I would have an opportunity to speak immediately after the Minister of Education in this very important debate.

I am designated by the team on this side to speak on matters of education generally and, consequently, I am sufficiently familiar with the issues to be able to

rebut all, or at a minimum, most of what the Minister had to say in his short and not very stimulating contribution.

6.40 p.m.

Mr. Speaker, first of all, I have sat in this Parliament time and time again and listened to the Member for Couva South castigate Members of this side of the House for what he terms as our failing to caucus on various bills. Whenever we come to this Parliament and we take on the Government, pointing out its flaws, its inadequacies and its lies, the Attorney General is quick to jump to his feet and say that we spoke irrelevancies, that all we had to say had nothing to do with the particular debate. I have heard him many times, Mr. Speaker.

Mr. Speaker, I sat here today and was sadly disappointed with the contributions which came from Members on the other side. I missed the epitome of the poor contributions which came from the Member for Tobago East. I had the benefit, however, of reading the *Hansard* record and I did not get very far. *[Interruption]* I am talking about the epitome of the bad contributions that came from Members on that side. I had an opportunity to read some of what he said in this debate. The few lines I have read were disturbing, to say the least, and I shall deal with them as I proceed. At any rate, it struck me, and it is quite clear, that this Government—only so in name, not in a real sense—this hapless bunch, appears totally unprepared for the debate in which they have engaged us today.

During the course of today's debate, I remember seeing—after the beautiful and potent contribution from the Member for Diego Martin West—the Chief Whip on that side scurrying around the Government Benches, looking for another speaker to answer. Not one could he find, Mr. Speaker. Everybody was shrugging their heads, nobody wanted to speak, nobody was prepared. What are they doing? Are they justifying the income that they receive as Ministers of Government? Quite apart, of course, from the fact *[Interruption]* The Member for Diego Martin Central has quite correctly pointed out that the terms of the budget for 1998 and the terms of the Bill before us, are really indefensible and this is the difficulty they are having. It is now left to the sad Member for Oropouche to attempt to do the impossible. However, we will make our contribution as is usual, Mr. Speaker.

Mr. Speaker, I must repeat the words of Members on this side who stated that it is quite clear that this Government either does not know or simply does not care. *[Interruption]* Yes, confused. The Member is correct. Whatever we say matters little; Members on the other side go along their merry way and continue to treat this Parliament and the people of this country with contempt.

Let me move swiftly to part of the contribution made by the Member for Tobago East. Mr. Speaker, when the former Member for Tobago East rose to his feet in this Chamber, whether or not one agreed with him, one would have been the beneficiary of a very logical, well thought-out elucidation—if I could call it that. It is very sad that the Member for Tobago East is absolutely incapable of coming anywhere near to the former Member for Tobago East. I am sure that the former Member must be grossly disappointed, as we all are.

The Member for Tobago East spoke very flippantly and fleetingly, if one likes, about the \$500 million deficit that we are working our way towards in Trinidad and Tobago. This is what he said:

“They are complaining about \$500 million in deficit as though this is some extremely grave tragedy, not understanding that in the real world in which we live, one has to invest in people, in infrastructure, and borrow money.”

Mr. Speaker, that is not the point we were making. Governments all over the world borrow money. The Government of Trinidad and Tobago, present, past and future, would borrow money to do various things. That is a norm in governmental activities. What we are saying and what we must reinforce, is that a \$500 million deficit—in the context of a situation where a government projected a \$250 million surplus, revised to \$150 million, and is now talking about a deficit of \$500 million—must be a tragedy, indeed. Especially given the fact that the Government, in its attempt to hoodwink the population, pretends that everything is all right. We are saying that everything is simply not all right. That is the point.

We do not want the Government laughing itself to the grave, taking Trinidad and Tobago in train. We, of the People’s National Movement, owe it to this country to highlight that the Government of Trinidad and Tobago—of course, as I said, only in name—is headed in the wrong direction. The Government simply does not understand how the thing is done.

About two years ago I tried to tell a young journalist—in an effort to give vent to my innermost feelings about this Government, as it weakly compares to the People’s National Movement, with a proud track record of governance in this country for 30-plus years—that it may be, to use economic jargon, that the People’s National Movement, with its collective wisdom, experience and strength as a government past, obviously has a comparative advantage to govern this country.

Hon. Member: But the people rejected you.

Mr. F. Hinds: Yes, she said that nonsense about the people rejecting us and I had to point out to her that the results on November 6, 1995 was 17 for the PNM and 17 for the UNC. It was not the people of Trinidad and Tobago. I must accept that the Constitution of Trinidad and Tobago provided for what eventually happened. Two Members who won their seats, went into coalition with the 17 that UNC had and so the Government was formed; a hapless, pick-up side. Just as we see today the Attorney General, the Chief Whip, running from pillar to post trying to find somebody to speak next in a debate, one that was initiated by the Government. *[Interruption]* I may seem drunken but one could be assured that I am as sober as one could have it. I am drinking water, unlike certain Members on the other side.

Mr. Speaker, there are big problems in a deficit budget. In the United States of America a deficit budget was maintained for many years but that led them into serious problems and it became the major political issue. The Republicans and the Democrats carried on a running battle for many years about the viability of a deficit budget. It became quite clear that when one is running a deficit budget one is actually mortgaging the country. One is tying the people of the country to a set of circumstances which, in the absence of a deficit budget, could be wholly avoided.

In addition to this, because of the borrowings which would be necessary, it is estimated by economists, politicians and people who take time to study the politics and the economy of Trinidad and Tobago—there are many international, regional and, indeed, local—that we will be running something like about \$4 billion in public debt by the end of 1998. I remember when I came to this business in 1995, we, of the People's National Movement had reduced public debt considerably, up to 1995. The Manning administration, of which we still have Members here, could boast that those are economic facts that no one would attempt to dispute.

Hon. Member: Were you a part of the Government then?

Mr. F. Hinds: No, I was not a part of the Government at that time, though I feel so proud, I wish I had been. *[Interruption]* I am very proud of all PNM governments past. This is why I wear this tie with the pride that I always express, and I kiss my tie in the manner in which I now will. I am PNM proud. I am not crossing any floor.

Hon. Member: Nobody wants you.

Mr. F. Hinds: Like Judas or Barabas, 30 pieces or 33 pieces, three or otherwise, I am not doing that. As I said before, any time one sees Fitzgerald

Hinds do anything looking like that, one could be sure that he is temporarily insane.

6.50 p.m.

As I was suggesting, we are expected to run \$4 billion in public debt because of the mismanagement and incapacity of that hapless bunch watching us from on that side. I know they do not have a clue. This is why they must stop, look, learn and listen as we teach them. *[Interruption]* Mr. Speaker, I would direct my contribution to you to avoid these asides. When one considers that the working population of Trinidad and Tobago is in the region of 504,000 people—it is the engine room of Trinidad and Tobago's economy—who generate economic activity and the national income that the nation must live on, in a real sense, that means \$7,936.51 for every member of that work force. Almost \$8,000 in debt each one of us must carry, and what is sad is that it need not have been so.

We set the economy on a nice growth path. We set the economy on a sound footing again, and when we demitted office in 1995, because of the arrangements made, because of the sleeping with the devil by the Member for Couva North, as he said he would do, we thought at least they would have the good sense to manage the economy sensibly, so that Trinidad and Tobago would have benefited from that management. No. It was not to be so. Here we are, saddled with the burdens they are putting upon us. Squandermania! Bad management! Whether it was in NFM, WASA, NP, Caroni (1975) Limited, in the airport, wherever one looked, there was mismanagement. Contracts for friends, family and concubines, I am told, and consequently, Trinidad and Tobago is in the state it is in now. How sad!

Mr. Speaker, yet the Member for Tobago East, a poor follower on the former Member for Tobago East, I might add, says, "No problem. No great tragedy." As the Member for Diego Martin West quite appositely pointed out, he does not have a care, because when one moves from \$0 to \$12,000, you are \$12,000 ahead in any event, it was said. I am still absorbing the positive meaning of that very potent suggestion.

This debate gives us an opportunity, yet again, to ring the alarm bells for all Trinidad and Tobago, to let Trinidad and Tobago know that we are being taken for a very horrible ride. A few days ago, I took my family to see that motion movie, *Titanic*, and while I was watching the movie, absorbed in it, I felt it was the UNC Government at the helm. In fact, if we repose any hope in that Government, as one friend pointed out to me, expecting them to do well is like expecting people to buy from them, tickets for the very *Titanic* to go on a cruise. We seem to be going the

way of the *Titanic*, led my Captain Sudama, Admiral Kuei Tung and, of course, the man who constructed the ship, the Member for Couva North. In that motion picture, the man who constructed the ship was one of the first to jump off.

Mr. Speaker, we must continue. The Member for Diego Martin West took time to point out that what we were talking about is the fact that the approved allocations in education were not utilized. That is what he was saying, but, up rose the Member for “Taba-quite”, and it was an intentional error—whenever I am speaking about that Member, I seem to have trouble with my words, my “paradigims” go haywire—but I quickly catch my bearing and say Tabaquite! He rose, supposedly to answer part of the contribution made by the Member for Diego Martin West.

Sometime ago, we hosted a people's Parliament. I remember from that people's Parliament, if the Speaker would permit me, the Minister of Education was supposed to have been touring primary schools, and I am told he went to a certain school in the constituency of Tabaquite and he asked the children of a second standard class: A room is 10 feet long by 12 feet wide. How old am I? The children were at a loss to answer that. The “paradigims” were strange. A little fellow got the answer quite correct. Of course, the joke went on, but I need not elaborate on that. I want to deal with the Bill—*[Interruption]*

They want to know. The young man in the back of the class was excited and trying to get the Minister's attention. He managed that the answer was 32. The Minister was amazed. “How do you know that son?” And he patted the young man on his back. He said it was easy. He said, “There is a certain Member on your side who is 64 years and whole mad. To ask me a question like that, you have to be half mad and, therefore, you must be 32 years old.

The Member for Diego Martin West raised a certain question and the Minister of Education totally misread it. He did not read the question, he did not understand it, and he gave an answer that had nothing to do with the question asked. It is not surprising he does not have a clue. Let me read from page 34 of the Minutes we had before us when we met in Finance Committee on Wednesday, April 8, 1998 at 1.30 p.m. At page 34, the penultimate paragraph:

“**Savings** were available due to the following:

- a) the provision of funds under sub-head, Minor Equipment Purchases, was not fully utilised as anticipated; and

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b) the provision of funds under sub-head, Current Transfers and Subsidies, National Training Agency, was not fully utilized owing to the delay in the commencement of the retraining programme for displaced workers.”

Mr. Speaker, everything is wrong about this. This is what was said in Finance Committee, and this is what is reflected. This is what gave rise to the very sensible and appropriate question that came from the Member for Diego Martin West, but the Member for Tabaquite did not understand. He just jumped in and gave an answer to a question that was never asked. If that is the way he performed as a young student, God knows, his teachers may have had grave difficulty.

7.00 p.m.

But, there is something substantively wrong about this too. All the Members on this side have, time and time again, demonstrated the penchant of this Government for telling untruths and inaccuracies. I do not want to use unparliamentary language, though I pray to God that I could.

Mr. Speaker, this says that the provision of the funds under sub-head, "Current transfers and subsidies, National Training Agency, was not fully utilized owing to the delay in the commencement". Delay? This Government has out and out scrapped the programme, sent everybody home. Delay? Yet they indicate here that it is a delay. Delay what? If it was a delay, I want the Minister to tell us, when does he, according to his Government's plans, policies and projections, anticipate that this would get started again.

Dr. Nanan: Mr. Speaker, on a point of clarification.

Mr. F. Hinds: It is unlike me to do this, but I want to demonstrate to you how it feels when you act in this manner. You must be parliamentary. If someone wants you to give way to make a point, you must give way, and I take umbrage. Now you can speak.

Dr. Nanan: I want to clear up something in the mind of the Member for Laventille East/Morvant. Mr. Speaker, in the retraining programme for displaced workers that we are speaking about, apparently the Member is confused.

Mr. F. Hinds: Mr. Speaker, I shall continue.

Dr. Rowley: What did he say?

Mr. F. Hinds: I do not even know what he said.

Dr. Rowley: He does not even know either.

Mr. F. Hinds: Mr. Speaker, the Member went on to speak about training and transport, so he sought to explain that the decreases in allocations that we see here in the Schedule, that informs this debate, were as a result of increased expenditure in the area of school bus transport and training. We have said time and time again, and the nation by now must be fully aware, this Government has mastered what we call the 20/80 trick. It gives you 20 per cent, but it takes 80 behind your back. That is quite clear to us. Anything this Government gives you, or appears to give you, in the budget or otherwise, there is a sting in the tail.

When he boasts about public transport for school children, you could be sure there is another one of their friends or family they have buttered up with contracts. Yes. That is the truth. You can call it paranoia if you wish. Everybody understands that. We have to look at the Airport, the Deyalsingh Report and the determination of the Government to continue on that path. We have to look at the Ministry of Works and Transport; the fact that \$70 million-plus was overspent in the Unemployment Relief Programme only last year. Seventy million-plus! How? Where did it go? Under the Minister of Works and Transport, the hon. Sadiq trash—well Baksh. Some people are now calling him another name out there.

Mr. Speaker, I must continue. The Minister of Education has the responsibility for dispensing government's education policy and he is ably assisted in the area of the distance learning by the Member for Arima. Together they form pure trouble and disaster for education in this country. My advice to teachers, students and all who wish to pursue education in this country, is to keep a safe distance away from both those Members, and that will be distance learning. Keep a safe distance from them, otherwise chaos will ensue.

I want to get back to part of the contribution made by the Member for Tobago East. You know what he said? You know what he had the temerity to tell this honourable Chamber? You know what he had the gumption to tell this honourable Chamber? I want to paraphrase him. I cannot find it among this. He said he had a discussion with a friend and he told that friend that the fact that the Government increased old people's pension on a monthly basis, of course, bandits must be now watching the old people a little more. In other words, they are bigger and better targets for bandits. How much did they increase this pension by? Seventy-four dollars?

Mr. Assam: No, \$120 per month.

Mr. F. Hinds: Mr. Speaker, it sounds good—I crave your protection.

Mr. Speaker: I think it really is unnecessary for me to get up and identify Members of the House who persist in ungentlemanly behaviour in this House. It is

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wrong, it is rude, it is impertinent to be carrying on conversations like that while Members are on their legs. It is not right. One could easily go behind the Chair and talk. One could go out, onto the corridors. It is not right. I am afraid from here on, I am just going to have to identify people and deal with it in a much more serious manner than it has been dealt with in the past. I ask you please to conform to parliamentary behaviour. Thank you. Please continue.

Mr. F. Hinds. I am grateful to you, Mr. Speaker.

Mr. Speaker, as I was saying, the Member for St. Joseph said \$120, but you know something? The Member for Diego Martin East pointed out to you that of the 160-odd trucks, I am told, that are being used to distribute water—*[Interruption]* The fact of the matter is it has been established that the large majority of the water that is being truck-distributed today is not going to areas, of course, where there is PNM representation. I happen to represent the constituency of Laventille East. We have a high number of elderly citizens who have had the benefit of the \$120 increase. When they cannot get water it costs \$120 for some private fellow with a truck to come and deliver some water for them where they live. Mr. Speaker, we are not speaking of areas where there are no pipes. We are talking of areas where there are pipes, but more importantly, no water. Water flowed in those taps all before, suddenly it stops flowing! "How?", they ask me. "Why?", they ask me. When I contact the Minister of Public Utilities, he is very prompt with his response by telephone, prompt with his responses in writing, but rather sickeningly slow in terms of the delivery of water and these elderly citizens must pay \$120 for a truck delivery of water. Whether they could fill the entire tank or not, once the fellow comes to their gate, he charges \$120. I want them to know that.

I also want them to know that many of those elderly people who they say they gave \$120 a month, many of them with their arthritic pain are afraid to go to the health offices and the hospitals. They said to me that this is a new-found fear, it was not so up to 1995. It is quite common, having gone to see the doctors in those institutions, having been given a prescription, having crawled along the corridors of the hospital to the dispensary, they knock the door and there is only but an echo. Nothing! Basic medication for routine health care, unavailable.

At the same time, they are reading, they are listening on the television and they are seeing ministers running up and down, frequent flyers. We used to say "FF" means friends and family, but "FF" also means frequent flyers, up and down the globe, globe-trotting, island hopping and having a wonderful time. Those old folks

are aware that these people increased their salaries in the region of \$4,000 and \$5,000, and when we consider the deficit which the Member for Tobago East so flippantly spoke about, it is no big thing borrowing, so long as he gets an extra bump in his left, right, or back pocket—pants pocket, not shirt pocket, Member for Fyzabad.

So, this is the point and the people are saying you give them \$120, but by the middle of the month that \$120, along with what I had before, is whittled away. The Members are laughing all the way to the banks, having a merry good time, enjoying riding the crest of the governmental wave, all at the expense of the economy and those poor old age pensioners. A perfect example of the 20/80 trick, but they will have to live with their own consciences, if, of course, they have.

Mr. Speaker, this must also be seen in the context of this Government's decision—and it was not obliged; it went to the Paris Club meeting, but for whatever reason, they decided to reduce the interest payment on Guyana's debt by 50 per cent. The Member for Tobago East says no problem if we run a deficit, no problem if each and every one of the 504,000 people who work, who sweat—not all of them sweat of course, most of them—to run this ship, led by Captain Sudama—if I can call him that—a most incompetent sailor, I might add, who spends his time, rather than reading compasses and studying to chart the course forward, finds himself dancing at strange hours in strange places, at least, according to newspaper reports. *[Laughter]*

Mr. Speaker, I want to continue, I will be undisturbed. We have to watch at this in the context of the Maritime payoff. I am saying this in the context of Caroni (1975) Limited, the mountain of increasing losses; in the context of the fact the Member for Princes Town, under his stewardship, gave a contract to a person on the board of Caroni (1975) Limited to run a biological programme that wreaked havoc in Caroni, causing farmers to suffer. If that was not enough, canes rotting, cattle and cow refused to eat the cane! I saw cattle walking through the cane field, the cattle thin, starving and refused to suck one joint of the cane! I saw that, Mr. Speaker!

The Minister of Agriculture, Land and Marine Resources, in keeping with the squandermania that we have come to know from that side, and the wastage of public moneys, does not care. They are probably very, very thrifty with their personal incomes, but the facts are clear, when it comes to the way they manage and spend taxpayers' money in this country, they are abject failures. That is quite clear to the national community. As if that was not enough, they went and made

some arrangement with some Dhanpur and brought a piece of equipment here, and if the equipment has been around for ten days, nine and a half out of the ten days the equipment has not worked. Cane cannot grind. Nothing is happening. Again, it typifies the performance of this hapless Government.

Every time I drive down the Beetham Highway, I remember the hon. Minister, Sadiq Baksh, the man who will be known in this country for overspending over \$70 million in that Unemployment Relief Programme, that is causing so much trouble today in this country in the East/West Corridor. Trying to hive it off. There is a clogged drain, I remember him, he was on the television, it was on the papers, he will clean up that drain. What he did not understand is that the entire Beetham area is below sea level and to remove the problem of flooding and the drainage problem requires massive amounts of work. More than that, perhaps, the displacement of people. He came and said he will deal with that and to this day, every time I pass, I see trash clogging the drain.

7.15 p.m.

The people are still living there wondering whether the new dawn that was supposed to be breaking in Laventille will ever come. They are despondent. Now they do not want to see him. They do not call him Sadiq Baksh, they call him Sadiq something else that rhymes with garbage that we see in the river. That is on the left. As I look on the right I see the John John Towers and I remember my friend, the Member for St. Augustine, who is not with us right now; he must be somewhere very far.

Mr. Humphrey: If I am sleeping you have me so.

Mr. Sudama: Total irrelevance.

Mr. F. Hinds: I am being told that it is irrelevant.

The Member for Tobago East, the lead speaker on that side in this debate, said that this \$500 million deficit is no big thing. I am dealing with these serious issues of squandamania and waste and I am being told that it is irrelevant. If that is irrelevant, Mr. Speaker, we better pack up, take off these lights and go home. When you consider that, against all solid and sound advice, they predicated the budget at an oil price of \$19. Today oil prices are what they are. Of course, the Minister of Energy and the Minister of Finance would have consulted with each other—not like the alleged consultation that took place between the Ministry of Labour and the Employers' Consultative Association. We hope that they consulted; that is provided, of course, the Minister of Finance was not somewhere

having a good time rather than concerning himself with the nation's business. Mr. Speaker, they went ahead against good PNM and other advice and they hooked the oil price at \$19 and the whole thing came crashing in. We are being told—I am no economist—that for every fall in the oil price by US \$1.00, Trinidad and Tobago stands to lose \$100 million. This is where we are at, Mr. Speaker. A sad moment in our history. They are all incapable, every one of them.

Up rose the Member for Tabaquite and he said the Government spent \$4.2 million on textbooks in 1995. He may not even remember he said that but let me remind him, he said that. Mr. Speaker, he should be afraid or ashamed to use the word 'textbooks' because today if a school child gets a sum wrong or gets a piece of grammar incorrectly, it is common now for teachers to ask, "What happen, you reading a Nanan textbook or what?" Because he has been associated with the scandal that still has textbooks with all the errors around in some schools. That is a fact. Five minus four equal nine; one of his sums. That is the legacy he has left for Trinidad and Tobago. Just like in economics there is what is known as a multiplier effect and the children who got those basics wrong, perhaps like the Member, would have difficulty perhaps for the rest of their lives.

Mr. Sudama: Where did you study that economics?

Mr. F. Hinds: Mr. Speaker, a sad thing. I am not an economist. I was sensible enough, however, though I did my LL.B. at the University of London, in my final year we had an option to do a course outside of the law faculty and I chose economics and did economics in my final year. I did that with foresight. I wanted to have a basic understanding of economic principles so that maybe one day in the service of my country it could be of some use.

Mr. Speaker, they called in the fraud squad, they said they conducted an investigation, all of that. You know what was the fallout of that? The person who was single-handedly responsible for the disaster remains the Minister of Education.

The Member for Diego Martin West looked, quite correctly, at the figures for the Ministry of Education, Head 26. He pointed out—as I would do again to remind the Minister because he answered a question that was never asked of him—it is like asking 10 feet long by 12 feet wide, how old am I? Insofar as secondary education is concerned, general expenses a decrease of \$40,669; office equipment, a decrease of \$74,000; furniture and furnishings: school desks, tables and chairs for teachers, cupboards, blackboards and chalk. Mr. Speaker, you know something, every parent in this country, no doubt, especially if they have two or more children, suffer, if I may call it that, the responsibility—everyday children come

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home and say they want money for paper and chalk. Schools have now become professional fund raising institutes. That is a fact; every parent knows that and if you have three children, like I do— *[Interruption]* Nothing is wrong with it but we are saying that schools should be raising money to do extracurricular things. Schools should not be put in a position where they have to be raising funds to buy basic things when the Government of the day cuts back on spending in the realm of \$97,000. That is the point; spending which Parliament had previously approved.

One cannot afford to be myopic. When the Member for Oropouche was in Opposition, it was easy to be myopic and wherever he went he sang the same tune over and over. But now he is in Government he has responsibility of a larger sort and he has to honour that responsibility. As I said to him in a previous debate, he wanted Government; he and his friends 'slept with the devil' to get it, to use their words. Now that they have found love what are they going to do with it? Government is not easy. Understand that. He has to stop dancing and start thinking.

Mr. Sudama: How long were you in Government?

Mr. F. Hinds: I have been in government for over 30-odd years. I have joined a line of great PNM people, the people who built this city on good governance and good management.

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. *[Dr. Keith Rowley]*

Question put and agreed to.

Mr. F. Hinds: I am indeed grateful to you, Mr. Speaker, and to Members of this honourable Chamber for extending my time. I do not propose to utilize all of it so let me swiftly continue with my PNM contribution in a debate for which the Government appears, and is obviously wholly unprepared.

I was saying in the area of technical/vocational education office equipment, a reduction of \$50,000; furniture and furnishings, \$10,000; other minor equipment, \$50,000; secondary education again, other minor equipment, \$110,000; primary education, \$282,957; national youth apprenticeship development—they boast about training youth and dealing with the youth of this nation but I interface with youth in every corner of my constituency and all over Trinidad and Tobago. Up to

weekend I was among about 150 youth talking and sharing with them and guiding them along and you know what? They are paining; they are suffering; they are pining. Nothing is happening and this Government is not fooling anyone. If they are fooling themselves, they are not fooling the young people. They know nothing is happening and their hopelessness remains and it is increasing as the days of the UNC Government go by. They are saying, “Mr. Hinds,—”

Mr. Assam: Who created the hopelessness?

Mr. F. Hinds: “get on with it.” Created hopelessness. You want to hear? I do not have time to tell you what we have done by way of education and training for the young people of this country. Let some of the young people on that side tell you. I do not have to give you that. Member for St. Joseph, you know sufficiently well and you must give credit where it is due.

Mr. Speaker, as I continue, the Rudranath Capildeo Learning Resource Centre where our teachers are trained for special projects and so forth, a decrease in expenditure; office equipment, \$15,000 slashed; furniture and furnishings, \$10,000 slashed; other minor equipment, \$50,000 slashed. Mr. Speaker, hear this, same Ministry of Education, book grant to necessitous students attending public schools we approved \$4 million, a decrease of \$4 million; not one cent. Not a cent. The Minister of Education boasted that they have increased expenditure for transport to go to school but no school books in the bags. What warped and corrupt logic. Is not that demonstrative of a dangerous plan to thwart the learning and development of the nation's children? They send them to school on a bus for which one of their friends got a contract so that he can educate his children in Miami, London, Bonn, Paris or universities all over Canada and the United States, but our book grant to necessitous students attending public schools, not one cent. National Training Agency Limited, slashed \$10.7 million.

All that and the Prime Minister will have this country know that we are moving towards the new millennium. Total quality, he says with his shriek, shrill voice as he puts his hands meekly before him and tells lies to the nation. But it is our business to expose those lies; to remove those masks so people can see the UNC for what it really and truly is; a bunch of tricksters, a bunch of misleaders, a bunch of incapable and incompetent men who are unfortunately holding the reins of power in this country today. I pray that soon we will be liberated.

Mr. Speaker, the Prime Minister went—*[Interruption]* I told you all already Shabazz is my beloved Rastafarian brother. There is no war between us. No one can come between us especially you crazy bald heads. Mr. Speaker, as I was

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saying, the Prime Minister went to the University of the West Indies, I was not there but I am told that everyone was refreshed that evening; persons were entertained; there were snacks, hors d'oeuvres and drinks aplenty. I am told that in addition to coconut water and ordinary bottled water, there were all sorts of things. Whatever the reason, he got beside himself, as I would see it, as the shadow Minister of Education and he made a very profound suggestion. He told this country that by the year 2000 common entrance will be history in this country. When I sat and read that the following day, I asked: is this not the same country where teachers are now undergoing training for implementing that, come September? Is this not the same country where plans are now being put in place to realize that? No wonder the Ministry of Education officials said—and they were not brave or bold enough to identify themselves—that this seems an impossible target.

7.30 p.m.

I want to quote the *Trinidad Guardian* of Tuesday, April 14, 1998, on page 3, under the rubric “Groups want details on phasing out of the CE”. Hear the group:—

“...the Trinidad and Tobago Unified Teachers Association...”

They represent the teachers as we all know.

“...National Primary Schools Principals Association...”

They represent the principals in the primary schools—self-explanatory.

“Association of Denominational School Boards and the Secondary Schools Principals Association...”

Mr. Speaker, you could not, in the business of education in Trinidad and Tobago, get a more formidable team than that and that team is saying what we, the People's National Movement—and you could not get a more formidable political party than this, local or regional.

Mr. G. Singh: Read the article.

Mr. F. Hinds: It is saying that the transformation from the Common Entrance system to a universal education programme is a very delicate process. It requires delicate handling, of course, which they are incapable of. They are like butchers; when you need a surgeon of the highest skill to operate with this, they would come with a hatchet and an axe and start to cut “la blache”, to use a colloquialism. This

requires refinement; this requires a cultured, thoughtful approach of which they are incapable, crude as they are. This group has expressed the view that they are very concerned and that the public—Let me read. In conclusion it says:—

Mr. G. Singh: Read the whole article!

Mr. F. Hinds: I cannot read the whole article.

“Everyone should be made to understand the implications of what the Ministry is going to do. We all need clarity on what is going to happen, ’...”

After the Prime Minister of this country took the courage to say under the influence of the moment, that the examination will be abolished by the year 2000, and four major groupings—a formidable team—are now saying, “We do not understand. We want clarity. We want more. This is a delicate process,” something has to be wrong. It is either the cart before the horse, or we are headed in the wrong direction.

This is the reality and just like the textbook issue which the Minister of Education botched because of his mishandling; we anticipate, without the help of the Almighty God—and I do not know if the Almighty God will help that Government because that is a government that has boasted to this nation that it will sleep with the devil; and when you are prepared to sleep with the devil, you cannot embrace and have the presence of the Almighty God. Therefore, on that logic, it appears as though this target of year 2000 will remain, to use Bob Marley’s words, “but a fleeting illusion; to be pursued but never attained”.

We had set about handling this matter as a skilled surgeon would. We had adorned ourselves in the surgeon’s uniform; we democratized education in this country; we called all the players, all the partners and we consulted with teachers, principals, parents, observers, academists, with everyone and that is why we said we democratized the education plan for 1992 to the year 2000 and beyond. We culminated that consultation with a big education consultation at Chaguaramas. I remember that was conducted under the watchful sober mind, safe hands, of our Minister at the time, Mr. Augustus Ramrekersingh, backed and supported by a solid Manning administration.

I remember that people from all over came and made contributions and it was in those consultations, that we formalized the position that the Common Entrance Examination had to go. The Prime Minister admitted it. Since 1968, Dr. Eric Williams, in his wisdom, saw that it was for a time and that it must go at some stage. But it requires skilful handling as this group says here. It says it is a delicate

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process, not for butchers, not for incompetents; if they handle that the way they are handling this economy, the *Titanic* will be the example that Trinidad and Tobago will follow.

Mr. Assam: If Manning so solid, why you opposing him?

Mr. Hart: Any one of you oppose Couva North!

Mr. F. Hinds: Mr. Speaker, the Member for Diego Martin West replied to the Member for Tobago East who said, "Listen, this deficit, do not worry about that \$500 million in deficit, notwithstanding all that we have said. Do not worry about that." This money is being spent, among other things, I thought he meant, on education. Well, obviously he was unprepared; he did not read this document, because he would see that approved expenditure on education—slash, slash, slash—none spending on it; they are reducing expenditure on it. But, of course, he did not know; they just sent him in as a hatchet man, after we spoke, to say precious little, Woodford Square style.

Mr. Assam: Like your People's Parliament!

Mr. F. Hinds: That was conducted with aplomb and dignity, man!

It was said of C. L. R. James and it is known of Eric Williams. One writer described C. L. R. James—and Eric Williams could be equally described—as a man of illuminating intellect. It just goes to show you that the title of doctor counts for nothing, because I know many doctors who cannot shine the shoes of C. L. R. James or Eric Williams.

Do not worry about the Member for Tobago East. The Member for Diego Martin West was merely saying that you had cut those expenditures so it is not correct to say that you are increasing expenditure in those areas. Again another attempt to confuse and to mislead, and it will not work once we have strength and we will demonstrate your lies.

Mr. Assam: Amen!

Mr. F. Hinds: Mr. Speaker, I am hearing 'Amen' from the Member for St. Joseph. I suspect he has had enough of PNM education for the day. What I do hope is that having had the benefit of it, he would ingest it carefully; he would absorb it; he would internalize it; he would imbibe it and he would cause it to become part of his thinking, so that when he, in Cabinet, advises his Government, he would put a restraint upon the Member for Tabaquite; he would put a restraint upon the Member for Couva North; and if perchance certain matters arise, he would put a restraint on the Member for Couva South, because he is running at a pace.

Mr. Speaker, we of the People's National Movement, stand in defence of the people of Trinidad and Tobago. We cannot support what has been put before us today. I am not even sure whether the Government Members could really honestly support it, because it is obvious from the weakness and the ineptitude they have demonstrated in this debate today, that they know nothing of what is in the very Bill presented in this honourable Chamber. We call on this Government to think it over, think it again.

Mr. Speaker, I thank you.

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I intervene in this debate in respect of certain matters raised, particularly with respect to the Minimum Wages Order and in respect of the benefits which have been decided to be given to Members of Parliament. But, before I deal with those matters, I think it is important for me to also deal with some other matters which have been raised.

If I may deal with some of the matters which have been raised by the hon. Member for Laventille East/Morvant, the shadow minister of education, who obviously would remain a shadow minister for a very long time—

Mr. Sudama: He remained in the shadow of Sen. Shabazz.

Hon. R. L. Maharaj: He seemed to be arguing against himself and I felt sorry for him, because here it is that he was putting up C. L. R. James, as far as the PNM was concerned, as a great national hero. But he seems to have forgotten that Dr. Eric Williams and the PNM of that period decided to create a special state of emergency, in effect, to have C. L. R. James put under house arrest. It seems to me that they have a history of creating special states of emergency when they do not want people to express a view which is not in accord with the view of the PNM.

Mr. Speaker, I cannot understand how the hon. Member for Laventille East/Morvant could boast about education as far as the PNM was concerned. Here it is that he said that Dr. Eric Williams recognized since 1968 that the Common Entrance Examination should be scrapped.

Hon. Member: Thirty years ago!

Hon. R. L. Maharaj: It was in government from 1956—1988; nothing happened to scrap it. It got back into office—

Mr. Hinds: Mr. Speaker, I dealt with that in passing. I merely want to indicate to the Member for Couva South, notwithstanding what the Prime Minister said at

the time, it was proposed to be done at a certain period in the future. He had no intention of doing it then.

Mrs. Persad-Bissessar: 30 years!

Mr. Hinds: It was a projection for the future in terms of development of education in the country.

Hon. R. L. Maharaj: Mr. Speaker, is he saying that Dr. Eric Williams recognized that this Common Entrance Examination was bad for children, detrimental to children, had to be scrapped, but that it would be done 20 or 30 years later? I think he is being unfair to Dr. Eric Williams. What has happened is that Dr. Eric Williams had the commitment to do it, but he did not have the support of Ministers to carry out his commitment.

This administration, in two years, has indicated that by the year 2000, it would be history. I would have thought that he would have got up there and congratulated this Government and—

Mr. Assam: And co-operate!

Hon. R. L. Maharaj: —co-operated in order for it to be achieved.

Mr. Assam: Precisely!

Hon. R. L. Maharaj: Then he goes and talks about corruption. Whenever corruption is talked about, one has to understand that allegations of corruption are the easiest allegations to make.

Mr. Valley: You should know.

Hon. R. L. Maharaj: Mr. Speaker, the history of this country shows that it is only in respect of one political party that corruption has been established—John O'Halloran and Prevatt—PNM.

A few weeks ago, there was an international conference on corruption and one of the items on the programme was a Caribbean experience and when that presenter started, a man by the name of Mr. Bob Lindquist, who investigated the O'Halloran matter, on the screen was Mr. John Humphrey exposing corruption of the PNM. It is now a matter of international record that the PNM administration in Trinidad and Tobago was corrupt; their corruption was condoned by those who were in office and it is the first time in the history of the world that the proceeds of corruption in that respect were recovered for the benefit of the people of Trinidad and Tobago. That was done by the NAR administration.

Mr. Speaker, facts are propaganda? Facts, where courts have found there has been admission by Mr. John Rahael of the United Kingdom that he collected the bribe for John O'Halloran; it was agreed that it was given to his son; his son agreed to it; facts, evidence in court; but that is propaganda. That is as far as the PNM is concerned, propaganda.

I would have thought that they would have got up and apologized to the people of Trinidad and Tobago for being engaged in the corruption.

7.45 p.m.

That is not all. Corruption and allegations of corruption against governments are not new. As a matter of fact, it is now recognized by the World Bank that it is a world phenomenon. It has become so because governments over the years did not take steps to deal with these matters.

Economic and social council resolutions which were passed by the United Nations in 1992, 1993, 1994 requested governments to take steps to deal with corruption. What did they request governments to do? To take steps to make governments more transparent and accountable. Because it was recognized and is recognized, that governments must be transparent in their dealings. When one talks about government, one talks about Parliament, the public service and all state sectors, to be transparent and accountable and for governments to take steps in order to do that.

What did those resolutions recommend? They recommended that mechanisms be put in place for the government to be more accountable, for example, for parliamentary committees to have more teeth in the investigation of government mismanagement and for ministers, governments and state sectors to be more accountable.

It is a matter of record that the last administration and the PNM administration before that did not take any steps to make government accountable.

PROCEDURAL MOTION

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I beg to move, that the sitting of the House continue until the determination of this Motion and the Finance (Supplementary Appropriation) (1997) Bill.

Question put and agreed to.

FINANCE COMMITTEE REPORT (SECOND)

Hon. R. L. Maharaj: Mr. Speaker, which government has taken steps to make government more accountable? This Government has. It has introduced legislation in this House. The Opposition, during the last administration, brought a drafted Freedom of Information Bill before this House and moved a motion for the then government to take steps for that bill to be enacted. The PNM administration opposed it. That was a bill which would have produced scrutiny for ministries, state sectors, and the people and the media would have been entitled to get information and to expose any deeds and for steps to be taken to prosecute corruption.

How can the PNM, therefore, have the moral authority to talk about exposing corruption and dealing with it? But we have seen here, the Standing Orders provide that if you have evidence of corruption against any minister, you can file a motion. You can raise it, debate it and produce the evidence. But we have seen none. We have seen the questions which are being asked, the motions which are being filed. What is the conclusion? The conclusion is that they are mere allegations, with no evidence. It is so easy to make allegations.

I think the proof of a government dealing with corruption and its commitment to deal with official corruption is what it does to create the mechanisms for it to be dealt with. I think that the national community would take the Opposition at its word, that it has nothing to say. It really has not prepared itself for this debate. As a matter of fact, this debate will go down in the history as probably the worst contributions the Opposition has ever made in a debate like this. [*Desk thumping*]

We came prepared for debate. As a matter of fact, the Minister of Social Development was prepared, but I know that the Opposition cannot deal with social development, because under this administration there has been massive reforms and improvements in respect of social development. The Minister of Health was prepared. What has happened? There was no serious criticism about health, because under this Government the Ministry of Health has made progress with respect to health.

The Minister of Public Utilities was prepared to deal with water. He would have shown you what steps this administration has taken and will take in order to deliver water. The PNM ruled this country for several years and the water problem is still here. We cannot solve it in two years. Total solution in two years! We work very fast; we can do many things, but miracles we cannot perform.

The Minister of Education had a long contribution to make to deal with all aspects. What has happened? He gave just the tip of the iceberg, dealing with respect to some aspects of education.

So we have come here prepared. What is the criticism of the Government? It is that we were looking for speakers. You see, we operate different from the way the other side operates. We do not plan in advance who is going to speak on a particular matter. We deal with the debate as it comes. We do not know when the Member for Diego Martin Central starts off a debate, what he would say, unless we have somebody in their camp and they give us a copy of the speech in advance. We do not know what he would say. Therefore, depending upon what he says, we put the appropriate speaker to deal with the issue.

When the hon. Member for Diego Martin Central spoke, and since he did not speak about any issue dealing with finance, we decided to put the Member for Tobago East who would have dealt with the political issues relating to the matter. If the Member for Diego Martin Central had reacted in a different way, we would have put a different speaker.

7.55 p.m.

Mr. Speaker, we had on our side the acting Minister of Finance, the Minister of Planning and Development, who will wind up the debate; we had the Minister of Labour and Co-operatives, the Minister for Tobago Affairs, the Minister of Education, the Minister of Local Government speaking, and we were not prepared for this debate?

What has happened is that the Opposition came to debate and all they can talk about is corruption: You give your friend contract, you give your concubine contract, you give the person you are cohabiting with contract and this one and that one. Where is the evidence?

I remember when we were in Opposition how we used to conduct these debates. I remember what we used to do. I remember the kind of motions we used to file. I remember the kind of questions we used to ask and I tell them if they want to know how to operate an Opposition party, go back and check how the UNC and the NAR operated in Opposition during the last period.

Mr. Valley: Mr. Speaker, if the Member could give way, I just want to ask one minor question. I wonder if the Member can tell us what happened to those of his colleagues who are no longer here and who were so vibrant in their days in Opposition?

Mr. R. L. Maharaj: Nothing has happened. I have not seen anything happen. There has been no change.

The shadow Minister of Education, the hon. Member for Laventille East/Morvant, criticized this administration in respect of education and training. The problem of unemployment in this country was because the PNM administration did not provide mechanisms, programmes and plans for people to be employable and for them to be properly educated and trained in different areas. Under this administration unemployment has fallen. More education, more training. School places for people who have written the Common Entrance Examination and even if they failed, but the Opposition has no answer for that. Poverty has been reduced under this administration. They have no answer for that. What will they come and say? They will attack people personally and try to ridicule them.

I feel sorry for the hon. Member for La Brea. I really feel sorry for him and I want the Member and his distinguished colleagues to understand that we did not choose to be in Government. The people removed the PNM and put us in Government. We are here because of the people's will. If it were otherwise, how are we on this side and they on that side? I know the people in Government to be on this side. The PNM wins the election but they are on that side and we lose the election and we are on this side. We have to face facts and they have to face facts, as they are in Opposition and they are going to remain in Opposition for a very long time.

Mr. Speaker, I pity the Member for La Brea. My sympathy goes out to him. Life is not easy in the Opposition, especially when one is a practising barrister and one has to try to do two jobs at the same time. It may be because of some of the frustration that he is having in that area that he does not see clearly what is happening with health.

The Member suggested that in two years Ministry of Health must rid a ward and a unit of all the cockroaches. That cannot be right. One has to be reasonable. These problems did not come overnight. They came over a period of time because of inaction, negligence, recklessness by the PNM. We have inherited it. We have to deal with it. How do we deal with it? We have to have a plan and it takes time and the Minister of Health is doing that.

Let us look at this matter with respect to the Minimum Wages Order. There has been some criticism and insinuations in Members' contributions that the Order has not come to the Parliament. The Minister of Labour and Co-operatives has said that there are two Orders. There was a first Order which has not yet been laid

in the Parliament; it is due to be laid. There is a second Order, an amending Order which will also be laid. The law provides for that to be done. Nothing is wrong with that. The second Order amends the first Order and the second Order deals with the matters which the hon. Member for La Brea felt should have been corrected in the first Order.

I think that the hon. Member for La Brea should have praised the Hon. Minister of Labour and Co-operatives for having the foresight that even before he listened to the Member for La Brea he was able to take steps to correct the situation.

Mr. Speaker, this is a Government which recognizes that it is not perfect. It will make mistakes. No legal document may be perfect and this is a matter which governments have been grappling with for several years. This administration has taken steps to implement it, and has made the radical decision to do it. The PNM administration did not have the strength to do it and this administration has taken the steps to do it.

Under the Interpretation Act, it provides that where a matter is subject to negative resolution and I would like to read it.

Section 75(7) states and I quote:

“The expression ‘subject to negative resolution of Parliament’, when used in relation to any statutory instruments or statutory documents means that those instruments or documents shall, as soon as may be after they are made, but within the prescribed period, be laid before each House of Parliament. Where either House within the prescribed period resolves that any of those instruments or documents shall be annulled, that instrument or document is void as from the date of the resolution, but without prejudice to the validity of any thing done thereunder or to the making of a new instrument or document.

(8) The expression ‘subject to negative resolution of the House of Representatives’, when used in relation to any statutory instruments or statutory documents, means that those instruments or documents shall, as soon as may be after they are made, be laid before the House of Representatives. Where the House of Representatives within the prescribed period resolves that any of those instruments or documents shall be annulled, that instrument or document is void from the date of the resolution, but without prejudice to the validity of any thing done thereunder or to the making of a new instrument or document.”

Mr. Speaker, where primary legislation gives the description for something to be done by the laying of a resolution in Parliament, subject to negative resolution, according to the Interpretation Act, it can take effect before it is actually debated.

Mr. Valley: Mr. Speaker, that is why I have a difficulty. I have read that section and it does not say so. The implications to me seem to be that it takes effect when it is laid in Parliament. If a resolution is passed making it annulled, then from the time it was laid in the Parliament to the time of the resolution, those things are still valid. But it does not suggest anywhere that it can take effect before it is laid in Parliament.

Hon. R. L. Maharaj: Mr. Speaker, I think it is very clear because, if it was valid before, then it had to be valid before the event that it was annulled. If the law provides it to be valid then it means it will take effect, and it takes effect from the date of its publication.

The hon. Member can take it from me that this is not only what happens under this administration.

When the Member was the Minister of Trade in that administration that was the law and all the time that used to be the law, and it is still so. There is nothing wrong. When the time comes and the Opposition feels that it should not support this, they are entitled to vote against it. It does not require specified majority in our view but they can vote against it and that is the position.

8.05 p.m.

The other issue with which I would like to deal is the aspect of benefits for Members of Parliament. This administration has taken steps to provide relief. It may not be totally unsatisfactory to what the Opposition wanted, but it has taken steps.

Mr. Valley: Mr. Speaker, I have to object to that. The Opposition does not want anything. The only thing that the Opposition does not want is for the Government to try to get public relations out of an effort that was already there: that gives nothing.

Hon. R. L. Maharaj: So, the Opposition is saying that it does not want any relief and that its main concern is its dissatisfaction with the public relations exercise in relation to this matter.

Mr. Speaker, it is my duty to put the record straight. Members of Parliament on the purchase of a locally assembled motorcar are entitled to full exemption from

motor vehicle tax and VAT. Members of Parliament who are not Presiding Officers, Deputy Presiding Officers or Parliamentary Secretaries, before this new measure took effect, were required to pay motor vehicle tax and VAT on the purchase of an imported car. They were exempted from customs duty.

On March 12, 1998, the Cabinet of Trinidad and Tobago decided, in the case of the Vice-President of the Senate and the Deputy Speaker of the House of Representatives, to grant full exemption from either customs duty which is import duty, motor vehicle tax or VAT. So, the Deputy Speaker of the House of Representatives and the Vice-President of the Senate would be entitled to exemption of any one of these. Before they were not entitled to exemption from VAT or from motor vehicle tax.

Under the arrangements for Members of Parliament, all Members who do not fall in the accepted category would be entitled to exemption from either customs duty, motor vehicle tax or value added tax, on the purchase of a new imported motor vehicle.

In the purchase of a motor vehicle, therefore, depending on the duty, the Member of Parliament would be entitled to opt for the one that is most beneficial to him. For example, if a person buys a Suzuki Vitara which costs \$183,000, the customs duty is \$18,964; the motor vehicle tax is \$15,060; the value added tax, \$23,719. Under the previous measure the Member of Parliament would be entitled only to exemption from customs duty. Under the new measure, the Member of Parliament can decide to opt for exemption from value added tax, which is the most—\$23,719.

If the person wishes to buy a BMW, a Range Rover or a Cherokee Jeep, he would have the option. The rationale is that it is recognized that even in respect of the public service, there is certain entitlement because cars are used in the performance of official duties, and that parliamentarians should get some relief.

It must be remembered that the PNM was in power from 1991—1995. It had an opportunity to do this and more, and it did not. As a matter of fact, I have been informed—and I was informed of this in opposition—that an attempt was made to have it done, but the then Prime Minister refused. The Member for Diego Martin Central knows this.

Mr. Valley: Mr. Speaker, I say again that the PNM is not asking for any favours. This is a matter that was discussed at House Committee level and it was not a PNM person who brought it up. It was the same person who has been looking

for the exemption since he was a member of the PNM and who left the PNM because they did not have the exemption. If the Minister wants story, he can have stories. The same Member for Arima brought it up. We are never looking for anything. He left the PNM because he did not have the exemption.

Hon. R. L. Maharaj: Mr. Speaker, I do not think it is accurate to say that it is only the Member for Arima who brought this up. It was something that was requested and for which we have been fighting. It is something to which we believe Members of Parliament are entitled. One must not be afraid to say what one is entitled to.

The point I am making is that under the last administration this was also being fought for. Under the last administration a Cabinet Note was prepared and rejected.

Mr. Valley: Mr. Speaker, that is not correct. The Cabinet Note, which was prepared, dealt with exemptions with respect to motor vehicle tax as well as value added tax. This adds nothing. The customs duty of 25 per cent is always the better exemption.

Hon. R. L. Maharaj: Mr. Speaker, I am happy to know that the Opposition is not offended with the measure and that they are happy with it.

The point is, however, that we cannot get away from the effect of it, which is that Members of Parliament would be in a better position having had some relief. This has been done by this administration in the context of improving the amenities and facilities to Members. It is this administration which improved conditions for people working at constituency offices: the resources, both human and material.

I think that it should be recognized that Members of Parliament have very difficult duties to perform and that they work very hard to represent their constituents. Some of these matters are really not partisan: they are bi-partisan and should be dealt with in that way.

Another matter has been raised, with the greatest respect, irresponsibly, to give the impression that what is being done by the Ministry of Works and Transport is being done purely in support of members of the United National Congress, party friends and so forth. The Member for Diego Martin East referred to a publication in the daily newspaper about inspection of motor vehicles for 1998. I would like to deal with this matter to show what happens when the facts are not put accurately.

The Ministry of Works and Transport issued a public notice, giving the under-mentioned information:

- (1) that the Transport Commissioner wished to inform the general public of Trinidad and Tobago that public service and commercial vehicles must be inspected annually;
- (2) that the Transport Commissioner wished to advise that as from April 15, 1998, there would be a fee for the inspection of motor vehicles at a place of inspection;
- (3) that there would be an inspection sticker;

and it goes into other particulars. It identified about 32 garages.

8.15 p.m.

This notice is consistent with the provisions made by the Minister of Finance in his 1997 budget in which he had announced that persons would not have to line up to pay licence fee.

Prior to the removal of licensing stickers, public service vehicles were required to be inspected before the grant of a licence and private vehicles were under no such obligation. With the removal of the annual licensing requirements however, many public service vehicles evaded the regulatory system during 1997 and in the case of private vehicles, there was a noticed lack of control by the licensing authority.

Mr. Speaker, the proposed system would permit the use of stickers to differentiate between those public service vehicles which have been approved through the inspection process to be roadworthy and those that have not complied.

In respect of the private vehicles, it is proposed that these private garages would inspect private vehicles and issue the appropriate stickers. My information is that 32 garages have been approved on an initial basis and they must be published in the newspaper in advance, together with the criteria of what they have to satisfy. This was done. The criteria are to ensure that these garages would have to keep to certain standard requirements. There is also the right of inspection by the licensing office in order to ensure that the public's interests are protected.

The licensing of private motor vehicles was due to commence on April 15, 1998, but it has been found that it needs more time for its implementation and it would take effect in about one month's time. For one to say that the private garages were just chosen, and especially to make an allegation of political patronage, without the evidence to support any misuse or abuse of power, is not correct.

Mr. Speaker, it is recognized that road deaths account for more deaths than those caused by murder and suicide, so road death is an important area with which the Government must deal. Therefore, the Ministry of Works and Transport decided that it would take steps to improve the safety of vehicles on the roads and this is a measure to protect the public.

I think that where a ministry has published in advance the criteria needed for any garage interested to apply, if it can satisfy and fulfill them, and there is also a provision if it does not meet these requirements over a period of time, the licence can be revoked; what more can a ministry do if there is a problem? Here again, is a vivid illustration of how the Opposition has been very unfair in its criticisms of the Government.

I conclude by saying that this administration recognizes that there are several problems in the country within many of the state sectors. It does not mean that these matters could be solved tomorrow, the Government is trying its best to redress some of these problems and its task would be easier if it gets the support and co-operation of the Opposition. We invite them, for the benefit of the national community and the public interest, where there are measures like these where the only people who would suffer if support is not given would be the public, persons who are at school, and the poor and ordinary man and woman in the streets, to join us in this crusade to alleviate Trinidad and Tobago of the problems which we have inherited.

Thank you.

Mrs. Camille Robinson-Regis (*Arouca South*): Mr. Speaker, it is amazing that the last words from the Member for Couva South are that we should join with those on that side to alleviate the poverty and the unfortunate position in which the people of Trinidad and Tobago find themselves, when they are the ones who, by their inept handling of the Government, have put the people of Trinidad and Tobago in the position where they are now at the point of poverty.

We have heard them talk from the minute the Member for Tobago East got up that this Appropriation Bill has to deal with those who are less fortunate, and the deficit was incurred because attempts were being made to deal with the less fortunate and the suffering in Trinidad and Tobago. However, if we take a look at practically every head to which this document refers, one of the main reasons for transfer of funds was to meet salaries and COLA.

Mr. Speaker, a Government should know what its expenditure would be as it relates to salaries and COLA, yet, nearly every Head of Expenditure where

explanations were given, transfers were to meet salaries and COLA that could not be met by the budgeted expenditure which was projected by the Minister of Finance.

Additionally, if we look at one of the so-called "people's" ministries and I refer to the Ministry of Community Development, Culture and Women's Affairs, at page 37 of the document F:BUD 4/4/7 it says:

“Savings were available as a result of the following:

- (a) expenses were not incurred as anticipated in respect of the Export Centres;”

These centres were developed so that women could have an opportunity to get into small businesses and be able to export the craft which they had learnt to other countries and savings were available because expenses were not incurred as anticipated in respect of the export centre.

My information is that the export centres are now being run on a shoe string budget. As a matter of fact, the projection is that several of them may have to be closed. Still under that head,

- “(c) the Advanced Training course of the Geriatric Adolescent Partnership Programme (GAPP) did not commence in 1997 as anticipated;”

I am sure you would remember the Minister of Community Development, Culture and Women's Affairs trumpeting that this Government was proceeding with a new project, the GAPP, which, in fact, was not a new project at all and furthermore, as the document clearly shows, they did nothing in relation to that project. They are concerned when we talk about double speak, the public relation and sleight-of-hand which they practise. When it comes to the realities, Mr. Speaker, you and all of Trinidad and Tobago would recognize that we are speaking the truth, because this document clearly shows that despite the Minister pronouncing on television that these projects would be proceeded with in 1997, nothing at all happened and this was not the only project that was trumpeted at that grand press conference. I would go down the list.

- “(d) several projects under the Community Action for Revival and Empowerment Programme (CARE) for which approval was granted, did not commence in 1997;
- (f) the rescheduling of the 2nd cycle of Retirees Adolescent Partnership Programme (RAPP) for 1997 to 1998; and the integration of the

Neighbourhood Watch Programme with the Community Police Unit of the Ministry of National Security. Therefore the 1997 allocations for these programmes were not utilized.”

Mr. Speaker, double speak, pretence and a clear indication that they say one thing and either do nothing at all about it or something entirely different. We have heard them talk about helping the entrepreneurs and small businesses, yet under that same head, the level of activity of the Small Business Development Company (SBDC) in 1997 resulted in lower than budgeted expenditure. Obviously, they are not utilizing the Small Business Development Company for the reasons it had been established, and small businessmen are not being properly looked after by this Government.

It is amazing that under this same head we see that transfers were necessary to provide contracted services for the domestic violence unit and to meet payment of bills for the domestic violence hotline and so forth, yet in today's *Independent* and *Newsday* newspapers there are banner headlines which tell about one woman who had her hands chopped off by a former husband and another headline which tells about a woman who was murdered by an estranged lover who then attempted to commit suicide. We are in a situation where the domestic violence and murders, particularly by former husbands and lovers, have become almost the order of the day. Almost every day we see incidents of domestic violence and yet we are being told that transfers were necessary to provide for contracted services to provide for the domestic violence unit and the question must be asked: What is this domestic violence unit really doing to assist in domestic violence?

What is also amazing is that the Members of the Government talked about corruption under the PNM and I am sure you would recall when they came into office they told the public that there was untold corruption in the PNM during the period 1991—1995 and they would bring the culprits to trial and that ministers were involved in corruption.

8.30 p.m.

Mr. Speaker, it went so far that the Minister of Community Development, Culture and Women's Affairs, in her first budget contribution, talked about corruption of the Chairman of the National Carnival Commission. By the next day, however, she had to retract everything that was said, because the Chairman of the National Carnival Commission, under the PNM showed chapter and verse, that everything which had been said was far from the truth. The Government continuously said that it would prove corruption under the last administration but

it has not been able to do that and it would not be able to do it because it does not exist.

However, in less than two years, Mr. Justice Deyalsingh was able to have a report laid in Parliament where he said that to prevent further corruption certain things needed to be done. This Government which talks about transparency and openness has done absolutely nothing in relation to the Deyalsingh Report. [*Desk thumping*] To make it worse, the Government has spent \$100 million on the airport project and it has continued with the corrupt activities which exist at the airport, and in their contractual arrangements with suppliers and contractors who deal with the airport contracts.

It is not the airport contract alone that is suspect. It was the contract with the Jeep Cherokee which was also suspect. It has been a continuous series of either corrupt activities, or activities which border on less than honest relations. We are seeing the continuous fiasco which has surrounded the shipment of rice from India. The last information that we had is that the ship with the second shipment of over 6,000 tonnes of rice has gone missing.

Mr. Speaker, from Brazil to Trinidad and Tobago, the same hemisphere, South America, an entire shipment of rice has gone missing and they expect us on this side and the national community to just sit back and say absolutely nothing. In the face of minutes from the National Flour Mills' meeting of February, 1998, which state quite clearly and I quote from page 4, at Item 1.17(6):

“Steps were not taken by the CEO to protect NFM in the purchase of the rice from India, in that—

- (i) No formal contract was entered into between parties.
- (ii) All demands made by GGS were agreed to with no consideration of NFM's rights, in particular re: the Letter of Credit.
- (iii) While it was realised that the 2nd shipment was not ready for shipping until four months after the 1st, no attempts were made to cancel the order (even though it was agreed that it would be shipped two months after the 1st).
- (iv) No background checks were done (as admitted by the CEO) on the company GGS. (Scotia Bank and Citibank) have advised that their reports on the company were not favourable, and that the CEO was so informed. As such, the due diligence required prior to entering such a contract of this size (\$30M) was not observed.

- (7) Further to claims that GGS was the cheapest source, there is a letter to you offering Thai parboiled rice prior to the Indian purchase @ \$10.00 US/ton cheaper from a company with whom NFM had previously done business, saving \$2M on the said previous purchase.”

Mr. Speaker, they cannot and should not talk to us about corruption. [*Desk thumping*] They have shown that corruption is their name, their game and what they intend to engage in, no matter what.

I would also like to quote from the minutes of the tenders committee meeting held on Wednesday, March 19, 1997, at 3.30 p.m. in the company’s board room. It says at Item (3):

“CET Implications on Rice from Extra Regional Sources

- 3.1 Mr. Bharath reported on his meetings with both the Guyanese delegation and the Prime Minister. Based on the outcome of the Meetings, he indicated that Guyana is prepared to allow a further extension on the waiver of CET on parboiled rice coming from extra regional sources, only conditional...”

I will repeat that, Mr. Speaker,

“...the waiver of CET on parboiled rice coming from extra regional sources, only conditional on NFM being prepared to take on equity investment in a Guyanese Rice Milling facility.

As a consequence, NFM was given permission by the Prime Minister...”

I repeat, Mr. Speaker.

“...by the Prime Minister to place an order for rice from India which at present is the preferred source of supply...”

Mr. Speaker, “by the Prime Minister” from the minutes of an NFM’s tenders committee meeting.

Mr. Speaker, it is not just members of boards, it is not just some of the management in companies, it is at the highest level of decision-making in the land. [*Desk thumping*] The Government cannot talk to us about corruption. Mr. Speaker, you will note that whenever this corruption issue is brought up, each and every time they talk about O’Halloran. Yet, at present, there is a Canadian forensic team at the National Flour Mills looking into all the transactions which have taken place in the company over the past two years. There is a forensic team examining

the books, the transactions, everything which has been done during the UNC period at the National Flour Mills. Mr. Speaker, the Government cannot talk to us about corruption.

In two years, we have seen the spectre of corruption, the shadow of corruption, every aspect of corruption being perpetrated by those on that side. *[Desk thumping]* The Member for Couva South indicated that there may be imperfections in the Minimum Wages Order and, consequently, the bringing of amendments. He also spoke about the fact that bills may not be perfect and alluded to the fact that the Government should be excused if there were imperfections. However, Mr. Speaker, must this happen time and time again? On nearly every occasion that we have bills before this Parliament there are imperfections, either simple or major ones. From the time this Government came into office, if it was not a bill which had been previously prepared by the PNM administration, then the bills had imperfections.

8.40 p.m.

The Rent Restriction legislation, the Squatter Regularisation legislation which was allowed to lapse and, when it was eventually brought back to the House, it is now lost somewhere in the mist of imperfection which we on this side pointed out. Mr. Speaker, if it was not the Squatter Regularisation legislation, it was the Waterworks Bill that was brought to the House recently that had to be taken back for them to look at again. Again, the mist of imperfections.

Mr. Speaker, I could go on and on about imperfection. The Member for Couva South is talking about the long list of legislation and bills that he has before the Parliament. On almost every occasion that we come to the Parliament, the order of priority of these Bills that are so important keeps changing. At one point, the Act to amend the Criminal Procedure Act was near the top of the list. Now, it is number 9. It is on and on with legislation that has no rhyme or reason, because if we are to examine the pieces of legislation that have come here, they are just a hodgepodge of small and minor changes that show no cohesive or coherent pattern to tell us what this Government is really attempting to achieve.

Persons are only jealous of things that are worth caring about, and we could not be further from a feeling of jealousy about what this Government has done. We are in a mode of serious concern for where this Government is taking the country. There is no shred of jealousy, because we certainly would not want to be part and parcel of that fiasco that passes for a Government.

Mr. Speaker, I ask you to examine the schedule attached to the Bill that we have been given. Under the head, Ministry of Social Development, you would see on page 53, a decrease of money to be spent on non-profit institutions. The decrease is in the order of \$1.2 million to non-profit or NGOs. At page 39, under the head, Ministry of Community Development, Culture and Women's Affairs, under sub-item Non-Profit Institutions, you will also see a decrease of \$1.7 million.

This Government is on a course of ensuring that the NGOs which are supposed to be among the social partners in Trinidad and Tobago do not get proper subventions to proceed with their work. In practically every country, the work of NGOs is recognized and supported, yet we see this Government moving on a course of ensuring that their subventions are consistently decreased, either the NGOs which come under the purview of the Ministry of Social Development, or the NGOs which come under the purview of the Ministry of Community Development, Culture and Women's Affairs.

We have some other concerns where we have been told consistently—when I say “we” I mean not only Members of the House and other Members of Parliament, but members of the public—that the court system is going to be improved, that it is important for additional courts to come into being, and that this Government is the one that is going to bring them into being. Yet, under the heading, Judiciary, we see that savings were available for transfer due to the Chaguaramas, Tunapuna, St. Vincent Street and Tobago courts not becoming fully operational within the expected time-frame.

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. Deputy Speaker, we keep hearing about the administration of justice and that this Government is going to ensure that the wheels of justice turn faster and, yet, they are realizing savings from courts in significant parts of the country, and courts that are to assist in this process not becoming fully operational. These courts are not the only ones where we find this problem. Under the head, Attorney General, in order to have funds for the payment of a monthly duty allowance to Chief Legal Officers, and a monthly interim allowance to the legal officers in the office of the Attorney General, savings were identified under the development programme because of the slow progress of capital works on the Arima judicial complex. It is not slow progress. It is no progress at all, because the vendors who were in the place where the Arima judicial complex was to be started are still there. There has been no progress at all.

8.50 p.m.

Mr. Deputy Speaker, we have spoken today in this debate in order to point out to the people of Trinidad and Tobago that they must not and should not be fooled by the people on that side who call themselves the Government of Trinidad and Tobago. Because, as we have said continuously, they speak out of both sides of their mouths. They have developed what will become a legacy of speaking what is not the truth. That, in fact, will be their legacy; a Government that did not speak the truth in even the simplest of matters. Whereas they have been saying that they are seeking the interest of the poor and the dispossessed, they have been seeking only their own interests and the interests of those whom they call their friends, colleagues and family.

We cannot sit here and support a Bill which only seeks to support the corruption, the mismanagement, the ineptitude of the Minister of Finance and the Government of which he is a part.

Mr. Deputy Speaker, I thank you.

The Minister of Planning and Development and Acting Minister of Finance (Hon. Trevor Sudama): Mr. Deputy Speaker, I really do not have much to respond to. You know there is a local saying that they are only talking because they have a mouth. Some of them, it appears, have two mouths, and when I heard the Member for Laventille East/Morvant, it was very clear which mouth he was talking from. Then, he took half a course in economics and he came here to lecture to this House on economics. There is also a saying, a little knowledge is a very dangerous thing, because he knew not what he was saying, but then he should be forgiven.

What I really want to do is to respond to some of the misstatements, inaccuracies and distortions which came from the other side. When I heard the Member for Diego Martin Central speaking, and in his own convoluted way, started to engage in figures, he confused this whole House and, in the process of course, confused himself. First of all, he started off by berating the absence of the substantive Minister of Finance.

I want to inform this House that the Minister of Finance went to Washington to attend a spring meeting of the International Monetary Fund and the World Bank, and to disabuse those Members on the other side who think that the spring meeting of the World Bank and the International Monetary Fund are only for public servants. He went there specifically for a continuation of Article IV

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[HON. T. SUDAMA]

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consultations with the International Monetary Fund. These are important consultations, simply because the International Monetary Fund's views are given great weight by a number of organizations, including other multilateral institutions and, of course, including organizations that operate on the capital markets. Not that the views or the recommendations that the International Monetary Fund are accepted in all respects, but it is important to get their views and to have a meeting of minds with respect to the direction in which the economy is proceeding, and the financial and economic management of the country. So one would think that it is important for the Minister of Finance to go there.

Then, the Member spoke about his recommendation that we should approach the International Monetary Fund for a compensatory financing facility. Obviously, the Member for Diego Martin Central does not understand the nature of a compensatory financing facility. One goes to the International Monetary Fund for a compensatory financing facility where, indeed, one anticipates that there is a short-term decline in the prices of one's major commodity exports; that is regarded as temporary and that one goes for this facility in the hope that there will be a reversal of the fortunes of one's major prices.

Now, if, for example, there is downward trend in that commodity price, one does not go to the International Monetary Fund for a compensatory financing facility. Simply because, in the event that one is not able to meet from a revival of the export prices one's obligations, then one runs the risk of going into a stand-by arrangement with all the conditionalities which that implies. Therefore, the first option for a country which is faced with such an eventuality of falling oil prices, as in our case, is that one has to, as a matter of discipline, compress one's expenditure, effect savings, manage the fiscal situation in a way that one will preempt an approach to the International Monetary Fund.

Mr. Deputy Speaker, the PNM management of the economy prior to 1986, was such that it forced the NAR Government to go to the International Monetary Fund for a stand-by arrangement in 1998 with all the conditionalities involved, when we had to go on a period of great stringency. When we did that, in order to put the economy of this country on a proper footing; who do you think were instigating people to march around this Parliament Friday after Friday, when the government of the day was instituting what was a necessary measure in order to bring balance into the country? The same PNM. Now they are advising us to go to the International Monetary Fund. They are really, totally ignorant of all the implications with regard to what is involved in that kind of association with the International Monetary Fund.

Then, we had all kinds of figures thrown at us. The Member for Diego Martin Central, according to him, the fiscal outturn for 1996 was a deficit of \$208 million. Mr. Deputy Speaker, the actual outturn for 1996 was a surplus of \$171 million.

Mr. Valley: No!

Hon. T. Sudama: These are the records that we have from the Ministry of Finance and that was after taking into account all the non-cash items, mechanisms and items that were brought to book. With regard to the outturn for 1997; the final fiscal position will be known at end of this month when the books are closed.

Mr. Valley: If the hon. Member would give way.

Hon. T. Sudama: Sit down. He had a long period.

The fiscal outturn for 1996 was a surplus of \$171 million, according to the records we have and the review of the economy and all the factors taken into account. Because those books have already been closed. Where he got a figure of a \$208 million deficit, I would like to know, but it is the convoluted arithmetic that he has been engaged in all afternoon.

Mr. Valley: What are you talking about? Look at this document here, the actual figures.

Hon. T. Sudama: He said that the overall deficit for 1997 will be of the order of \$560 million. Now, I do not know where he got that one from either.

Mr. Deputy Speaker, as I said, we have not fully closed the books, we will know the figures by the end of this month, but even if there is a deficit for 1997, it will be a fraction one per cent of the GDP of this country, even if there is a deficit. So that, they come here with all these sorts of distortions and misinformation.

[MR. SPEAKER *in the Chair*]

Now, they do not know. One Member does not know what the other Member is intending. We have been told that there is an increased borrowing. The Member for Diego Martin Central said that we had so many hundreds of millions of dollars of increased borrowing, over what the PNM borrowed. In fact, he said there will be an increase in the public debt of \$10 billion in three years. Well, of course, we are not here for three years, we are here for just over two years. How he arrived at that figure of \$10 billion, again, it is a figment of his imagination. Where did he get his information from?

The Member from Laventille East/Morvant says that at the end of the year the public debt of Trinidad and Tobago would be \$4 billion. So \$4 billion at end of the year, but over three years we have increased it by \$10 billion. They do not know whereof they speak. A bunch of totally confused people who cannot handle figures. Imagine the Member for Diego Martin Central was in the Ministry of Finance. Could you imagine that? Do you understand now what has happened to the financial management of this country while he was there?

Let me quote for the House the borrowing. They said that we are borrowing helter skelter and so forth. Let me quote the borrowing from 1992—1995.

In 1992 they budgeted to borrow \$1,561 million; they ended up—because, of course, they could not raise the money, their credibility was at stake—borrowing \$1,086 million.

In 1993, they budgeted to borrow \$879 million; you know what they did? They ended up borrowing \$1,582 million. These are the ones who accused people of profligacy.

In 1994, they budgeted to borrow \$1,350 million; and they actually borrowed \$1,827 million. You understand?

Then they come here and say that the average they borrowed over the years was \$1 billion. They still cannot count. What school did he go to? They said on an annual basis they only borrowed \$1 billion, when the figures here show that their actual borrowing over the period was way in excess of almost \$2 billion on an annual basis. Yet, they come here to talk about the borrowing, and how they are so concerned with the borrowing of the UNC/NAR Government.

Mr. Speaker, I just want to make one point. That is, that everybody borrows, every Government borrows. It is not the amount of one's borrowing, so much as one's capacity to repay. Once one borrows and puts that money into productive investment which brings in a return, which can then enable one to service one's loan and one's borrowing; that is the critical concern.

9.05 p.m.

We are in the mode where the economy of Trinidad and Tobago is improving and the GDP is increasing. We are in a growth mode and an economy which is in a growth mode has a greater capacity to borrow than an economy which is not in a growth mode. Even if we borrowed more than the profligate PNM government, we are entitled to do so on the basis of the economic fundamentals of this country. Therefore, it is a scare tactic.

The Member for Diego Martin West spoke about credibility and so forth. What they are attempting to do is undermine the credibility, not only of the Government, but of the country by their wild and baseless propaganda with respect to the economy of Trinidad and Tobago. This whole question of borrowing and of how we are profligate and so forth, I want to put that to rest. The figures here, of course, suggest otherwise.

I want to say something about the deficit because we have had a lot of talk about the deficit in this debate. The budget outturn is related to basically two things, that is revenue projections and, of course, expenditure pattern. As the Member for Diego Martin West correctly said—I think it is one of the few correct things he said here this evening—that these are based on projections which are based on the best available information at the point at which you make those estimates. Therefore, it is likely that estimates may not come out exactly as forecasted so that if something happens on the revenue side which results in a shortfall in revenue, then the budget outturn will not be good. If something happens on the expenditure side so that payments have to be met which, for one reason or the other, were not taken into account or which, in fact, were emergency expenditure, then the outturn will be affected. There is no question about that.

We have never budgeted for a deficit. Do you know what the 1992—1995 regime did? In 1992—you will never believe this—they budgeted for a deficit of \$332 million but the actual deficit was \$643 million. That is the record of those great financial and economic managers. Over the years of their stewardship they never did come up with a surplus except marginally in the last year. Now they are talking about prudence, discipline and management and so forth. Our situation is that in the 1996 Budget the Minister of Finance made a budget projection that will have a surplus of \$300 million. Because of what transpired during the course of that year we only ended up with a surplus of \$171 million. That was after we had to make provisions to pay, early in 1997, a loan of US \$150 million which they borrowed in 1992. We had to make a bullet payment early in 1997 of almost TT \$1 billion and we had to make provision for that. But even after that we were able to come up with a surplus in 1996.

The budget projection for 1997 was a surplus of \$269 million, that was merely projection. The actual outturn, as I said, will not be fully known until we close the accounts by the end of this month. As I said earlier, even if we do come up with a deficit at the end of the day it will be a fraction of one per cent of our GDP. But more importantly, what I want to point out is that on the current side we have a

savings because our current revenue for 1997 is in excess of \$158 million to \$160 million over current expenditure. Therefore, if a deficit does occur at the end of the day in 1997 it would have been a deficit which went to finance capital investments and programmes; productive investment in the country. As an option, while we are budgeting for a surplus, even if a deficit occurs, it is a deficit that has been put to proper use in this country to bolster the economy and to deal with the infrastructure which were so badly neglected by the PNM.

A look at the conditions of our roads, medical services and water supply, you name it, a total neglect of the infrastructure and, therefore, we have to pay special attention in order to increase the capital budget to bring the infrastructural environment in Trinidad and Tobago up to a certain minimum level to support the growth which we have projected and which, in fact, is taking place.

Mr. Speaker, there are a number of items which would reflect and which would have an impact on the revenue side and, indeed, on the fiscal outturn. Even in little matters they seek to mislead. We were told here that the value added tax collections in 1997 were less than what was projected. The Member for Diego Martin East has that knack of telling untruths, to mislead, distort and engage in propaganda. I want to put on record that the revised estimate of value added tax for 1997 was \$1,554,500,000. The actual collection for 1997 was \$1,610,067,000. In fact, we had an increase of over \$60 million over the revised estimate for 1997 which was actually collected. But it is propaganda and choosing all these avenues to try to undermine the performance of the economy and of the Government.

They spoke about the falling oil prices—particularly our newly found economist from Laventille East/Morvant—and of how this Government cannot predict oil prices and so forth. Mr. Speaker, oil prices are a very volatile thing. They go up or down for a number of reasons; political, economic, social you name it, and they affect so many countries. It is a hazardous game and one does one's best with the information available. You will get the impression here that previous PNM regimes never had any difficulty predicting oil prices; that they were on the ball; they had a crystal ball and they looked at oil prices and were able to come up on target as to what would be the prices in the ensuing months.

Mr. Speaker, I quote from the *Express* of March 19, 1994:

“Budget falls short \$400 million.”

This was the 1994 budget under the watch of those over there.

“Falling oil prices have left Government with a revenue shortfall of \$400 million.

Reporting this yesterday, Finance Minister Wendell Mottley revealed that he had just completed revisions to the Budget and ‘the results will be made public very shortly.’

He also telegraphed his intention to cut expenditure and step up tax collections.”

What expenditure were they cutting? They were cutting expenditure on the capital programme. This is why there was a very limited and emasculated capital programme and why there was great difficulty in providing the infrastructure for growth in the economy. But, as I said, if you listen to them, budget shortfalls and inability to forecast oil prices was only a matter under the UNC Government. For example, in 1994 they created an expenditure estimate based on an oil price of US \$19. How could they, in 1994, estimate US \$19?

“Yesterday”

it says,

“Brent crude was about US \$14.71 and had previously fallen as low as US \$12.99.”

Therefore, this is a hazard of this kind of economy and this kind of economy is a result of the lack of foresight and of the capacity of previous regimes to make any significant attempt to diversify this economy and diversify our dependence on the various sectors for the purposes of revenue. They had \$60 billion or \$70 billion that flowed through this economy in the 1970s and early 1980s into various accounts as one Jamaican Prime Minister had said, “Like a dose of salts” under the PNM regime. Today they come here to talk about mismanagement and corruption and all sorts of allegations. When they had the opportunity and the resources they failed to diversify sources of revenue, the economy and, indeed, our performance, export and the structure of the economy.

Today we are moving in that direction. Non-oil exports have crossed the US \$1 billion mark under the watch of this Government which has made a significant attempt to diversify the economy and to create other centres of growth in the economy and other centres of revenue.

Mr. Speaker, that is one aspect of the approach we are taking to transform, restructure and diversify the economy of Trinidad and Tobago away from a single

product dependence as we have had in the past. It is going to take some time and obviously, as of today, the oil revenues are significant for the economy as well as for Government revenue. But we are on that path and, as you know, Rome was not built in a day. We have been here only two years and we are proceeding assiduously and conscientiously along that route to create a proper platform for the economy of this country.

9.20 p.m.

That is not the only effect on the fiscal, it is the management of assets, whether in the state enterprise or elsewhere. Our Government manages this in order; we create efficiency in order to create profitability and viability.

I just want to give one illustration of how they manage things and how they put this Government in a difficult situation, because you see, what we are doing is having to meet the financial consequences of decisions which went before. That is a normal thing because that is the continuity in government. So that the previous government makes errors, then a subsequent government would have to meet and make good.

I just want to place on the record, the manner in which they dealt with BWIA and the consequence.

Miss Nicholson: Deal with that! Handle him!

Hon. T. Sudama: The chief deal maker in all this was none other than the Member for Diego Martin Central.

Miss Nicholson: Diego Martin Central; he should be ashamed!

Mr. Valley: The lowest loss ever made in the history of BWIA!

Hon. T. Sudama: Let us examine what they did with this. We lost all control of BWIA, but we were liable because, of course, we were a major shareholder to pick up whatever losses were incurred.

If I may quote from the *Express* of March 1, 1998:—

“When the newly privatised BWIA took to the skies in February 1995...”

In the heyday of the regime of my friend from Diego Martin Central.

“...expectations were high.”

High flying expectations.

“BWIA's debt-riddled balance sheet had been wiped clean by a government anxious to unload the loss-making national flag carrier.

In its rush to put an end to the high-priced state ownership and control of BWIA, the then government threw in some sweeteners to entice the go-getting Ed Acker and his band of American investors...”

I think they meant something other than investors here, but they did not say.

“...to buy into the divestment deal.

For its US \$10 million in cash, the Acker Group got the Manning Government to:

- take over more than TT \$1 billion worth of liabilities...”
- extended \$500 million in Government guarantees...”

Which is of course, contingent liabilities. Now all these have financial implications.

- “pick up a TT \$360 million tab for sundry creditors, statutory payment and severance costs...”

It is the great financial managers who are sitting there now on the other side.

- “grant...”

This group, and some people call them predators.

- “grant a seven year tax holiday
- provide capital funding for an L1011 aircraft...”

Mr. Valley: Is so?

Hon. T. Sudama: And over and above that:—

- “pay a TT \$1.5 million fee to Acker to devise and implement a turnaround plan.”

Which never came about.

“Local investors put up US \$10 million cash, giving the new BWIA a US \$20 million capital shot in the arm. Government put up US \$20 million worth of assets for a 49.9 per cent stake.”

After all that give away, after all that enticement, no doubt arranged and recommended by the our great deal maker, the Member for Diego Martin Central, that airline continues to make losses.

Mr. Valley: Mr. Speaker, I am sure the Minister would want to give way. For the record, let me just say that the recommendation with respect to that came from the person who is now Chief Executive Officer of BWIA. If you want to see the letter agreement that he signed—as a matter of fact, I think I have it here. On July 9, he signed that letter of agreement and the Cabinet approved that because it was the best deal.

Hon. T. Sudama: Yes. On your recommendation, because you have said here time and time again that you made the deal; you recommended all those write offs; you recommended government injection of funds into this arrangement.

Hon. Member: That is true!

Mr. Valley: What injection of funds are you talking about? There was no injection of funds.

Hon. T. Sudama: Government put up US \$20 million worth of assets for 49.9 per cent, and, after all this and its implications for the fiscal situation—this is merely illustrative, merely one example of the way they dealt with the public assets. I do not want to go into National Fisheries and all those things. I am not going back to O'Halloran and Prevatt, I am going back to 1992 and 1995. I am not going back to O'Halloran and Prevatt, and they come to lecture us today on corruption, morality, management, efficiency, you name it—this bunch coming to lecture to us.

Mr. Speaker, the fetid imagination of this Member for Diego Martin East, in trying to build a case, in trying to attack this Government, said that we were in the mode of squandermania and we squandered \$30 billion in three years. Well, we have not even finished three years. How he arrived at \$30 billion squandered by us, meant that this Government has squandered every penny of revenue that it has received over the last two years and that it is about to receive for this year.

That is the Member for Diego Martin East, therefore, he has to sound the alarm. Of all people, this Member for Diego Martin East has to sound the alarm. I know on the PNM platform, he used to ring a bell, but that is the only function he has in that campaign. He used to ring a bell; he has to sound an alarm.

But he should have sounded an alarm when, in 1992, M&M Insurance Services Limited were getting a brokerage contract on the Port without tender and the

current insurance brokers on the Port were summarily dismissed. M&M Insurance Services Limited, its owner merely happened to be the campaign manager.

Mr. Valley: It was Kuei Tung who was his campaign manager!

Mr. Maharaj: Kuei Tung was the acting manager!

Hon. T. Sudama: But he comes here to sound an alarm here. Then, suddenly, he got the owner of M&M Insurance Services Limited to be the Deputy Chairman of the Airports Authority. You remember when they were making the PRIDE deal, project PRIDE. It was he and it only happened by accident that the owner of M&M Insurance Services Limited was the campaign manager for the Member for Diego Martin East.

Mr. Beraux: Wrong! Totally wrong! It was Kuei Tung!

Hon. T. Sudama: But they found corruption. They said that he compared us here to thugs. A thug is a person who deceives, strangles and buries. You know, Mr. Speaker, he was the chief news carrier to the Member for San Fernando East.

Hon. Member: Yes.

Hon. T. Sudama: Chief news carrier, the Member for Diego Martin East. You know he deceived the Member for San Fernando East and he supported the Member for Diego Martin West and tried to bury and strangle the Member for San Fernando East. So if they are talking about thugs and thuggery, there is no better example than the Member for Diego Martin East. Where is he? Thug and thuggery. Of course, deceiving, strangling and burying our good friend, the Member for Diego Martin Central. Remember, he was collaborator of the Member for Diego Martin West. Deceived him; strangled him and is about to do the final rites on the Member for Diego Martin West.

Miss Nicholson: Diego Martin West strong! He strong!

Hon. T. Sudama: He throw Diego Martin West in the bamboo, after complaining about the leadership of the PNM; so the Member for Diego Martin West is in the bamboo, deceiving, strangling and now he wants to bury him. So I want to know where are the thugs?

Mr. Assam: Who is the founder of the thugs?

Hon. T. Sudama: Where are the thugs?

Then we had some wild, wild statements, Mr. Speaker. Imagine, the Member for Diego Martin West comes here to say that unemployment is rising, when all the

records we have, show that unemployment is on a declining trend in Trinidad and Tobago.

They talked a lot about the minimum wages. I want them to make a public statement that they are against the Minimum Wages Order. I want them to say to the public, "We are against the Minimum Wages Order. We want people in this country to be exploited and to live on starvation wages." Their concern for the poor and the oppressed in Trinidad and Tobago—

Mr. Maharaj: We begged them to do it!

Hon. T. Sudama: —and here, this Government has taken the initiative and done the Minimum Wages Order, in order to bring some measure of relief to the 75 per cent of the work force who are non-unionized and who are taken advantage of by their employers who, indeed, could afford to pay. Because when you look at some of the profit positions of these people—I have people who come to me, Mr. Speaker, they work from 7.00 in the morning until maybe 8.00 or 9.00 in the night; they work for supermarkets and other places; they deliver things; and, at the end of the day, they get \$40. I have people who come to me who drive trucks; it is a semi-skilled job but it is a very responsible job, to drive a truck; they get \$3.75 an hour. Do not talk about the security guards and so forth.

Now, obviously, given what the cost of living is, how are those people earning those kinds of wages to look after themselves, or their wives, or their families? And if we have to pay those kinds of wages to survive, then something, in my view, is wrong with those businesses and the manner in which they operate.

So, Mr. Speaker, we have made a decision on the minimum wages. After amendments and so on and we come to a conclusion on what is the best option, this Government is not going to back away.

Mr. Bereaux: Nobody wants you to back away.

Hon. T. Sudama: We have given that commitment. Not like them. They brought a security minimum wages order during their tenure; they brought it; they pulled it back; they did all sorts of things; and in the end, the security guards were there as if no order existed.

Mr. Assam: You see, they are "colon-Collis"!

Hon. T. Sudama: And poor fellow, I do not know where he is now. They probably strangled him and buried him somewhere.

They talked about corruption and what are we doing? Mr. Speaker, in the last two years, you ask even their own supporters, there has been more economic activity in this country, more public activity, more governmental activity, than in the last 20 years under their regime. Ask any of their supporters the number of roads that we have built—and we have built them all over; the number of the schools we have provided—built new schools and repaired schools and they are all over, in their constituencies and in our constituencies. The number of post offices that we built; the number of markets; local government roads. Where is my friend from Pointe-a-Pierre?

9.35 p.m.

We are getting productivity under the Unemployment Relief Programme, whereas we were not getting that before. Then they want to know where the money is going. I want to know if there is this overall corruption, how are we getting so much done, as compared to what the PNM was able to do?

There are one or two other items and then I would explain the purport of this report and the proposal. Then, of course, I will make my conclusion. Let me just say that the \$210 million under the Petrotrin facility, there is still a debate as to how to deal with this in an accounting manner, because the Government borrowed this money to onlend to Petrotrin. It appears on Petrotrin's books as a debt which Petrotrin is obliged to repay. It is therefore in the nature of a contingent liability of the Government and it is only in the event that Petrotrin cannot pay that it becomes a substantive liability of the Government. The question is how to deal with that in an accounting way. We have decided to bring it on board and to deal with it. But to the extent that Petrotrin is able to service its debt, then of course this liability is merely a contingent liability of note.

The other one was the arrears to teachers and the public service which we settled through the issue of bonds and so forth. Now, again, it is only when the bonds mature that the cash outlay would be going out from the Government to pay the bond holders. In the meantime, it is there on the books as a liability which will mature in the future. Obviously, we take it on board, but I wish the House to understand the nature of the transactions involved, which is the bulk of the amount that we are trying to take account of in this supplementary appropriation, because we are talking about \$590-odd million out of a total of \$680 million.

I just thought I would make that point, and merely to say that the matters which we have before us to deal with and which are of concern to us, really, are four items: the amount to be increased under the Head of President, of \$200,000;

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the amount to be increased under Head 18, the Ministry of Finance, of \$594,940,302, which is what I was just trying to explain what that was composed of and the nature of that liability.

Then we have Charges on Account of the Public Debt, where we were supposed to capitalize interest on a loan and that was not done, and that is \$58,485,687, and the liabilities under the Ministry of Agriculture, Land and Marine Resources of the payments which were made to Caroni (1975) Limited and agreed to.

These are the items we have before us. These are the matters contained in the report of the Finance Committee which were dealt with on April 8, 1998 and we are here today asking for an acceptance of this report and increasing expenditure for the 1997 appropriation to the total amount of \$698,211,989.

I beg to move that this House adopt the Second Report (1997—1998 Session) of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on proposals for the expenditure from public revenue which were not included in the annual estimates.

Question put and agreed to.

Report adopted.

FINANCE (SUPPLEMENTARY APPROPRIATION) (1997) BILL

The Minister of Planning and Development and Acting Minister of Finance (Hon. Trevor Sudama): Mr. Speaker, the Opposition has exhausted itself in attempting to debate the report of the Finance Committee and we do not want them to collapse on the other side. I do not wish to be long in introducing this Bill to authorize supplementary expenditure in the sum of \$698,211,989 for the service of the year ending December 31, 1997 under the heads of expenditure set out.

I so beg to move.

Question proposed.

Mr. Kenneth Valley (Diego Martin Central): Mr. Speaker, I am aware that it is extremely late and normally we would simply take the Bill, having debated the report. However, while the Member for Oropouche was winding up, I attempted to interject on a point and he failed to give way, and I think I would be failing this House if we were to leave here with that misinformation on the record.

The information I provided to the House earlier today with respect to the matter before us when we were looking at the actual outturns for the year 1996

and the expected outturn for 1997 is contained in the Draft Estimates of Revenue for the year 1998. At the very front of that document, it shows the revenues and expenditure of the Government.

9.45 p.m.

For 1996, the 1988 book shows the actual—in other words, after the accounts are closed and audited by the Auditors General's Department. We all have copies of this document and it is very simple.

One sees that with respect to 1996, there was a current surplus of \$735.6 million, there was capital revenues of \$5.7 million therefore, making for an amount of some \$741.3 million available to finance the Capital Expenditure Programme. The Capital Expenditure Programme, however, was \$949.9 million so that there was a shortfall. In other words, a deficit of \$949.9 million minus \$741.3 million which gives a figure, if my arithmetic is correct, of \$208.6 million deficit for 1996. It is contained in the document and that is the information that Government provided us with.

When I spoke about net borrowing, and the Member for Tobago East—one of the few things he understands is that concept and one would have thought that the Member for Oropouche who claims to be an economist at times, would have understood the concept too. What is important is net borrowing. In other words, the borrowing that one makes less repayment, and that is shown in this document. It is shown as financing, that is, borrowing and it is shown as capital repayment and sinking fund contributions. Capital repayments and sinking fund contributions made to a sinking fund for the repayment of indebtedness and that is shown there. One can see that as a fact over the period 1992—1995 under the Government at that time, that borrowing was slightly less on average, \$1.1 billion per annum and that rose to \$1,625 million in the period 1996 while projected to the end of 1998. I use the end of 1998 simply because the document also provides information with respect to the planned borrowing for 1998 which is shown as \$3,157.2 million.

When the Member for Laventille spoke and he gave the figure of \$4 billion incremental debt over the period, that is as at the end of 1997; and that is the point the Member was making. If one looks over the three-year period 1996, 1997 and 1998, according to the data, the gross borrowing is some \$10 billion with repayments of roughly \$5 billion meaning that incremental borrowing would be some \$5 billion and that is the information they have provided.

I can leave it for tomorrow because of the lateness of the hour but let me say again that as a former Minister with responsibilities for state enterprises, we moved

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from some 87 state companies in the middle of 1992 to some 49 companies when we left Government. A number of companies were divested, the methanol company, Fertrin and so forth. The two companies that we heard the Opposition, now the Government talking about from time to time are BWIA and National Fisheries. Mr. Speaker, if you want me to leave it for tomorrow, I can do that because I see you are very deep in thought with the Standing Orders.

Mr. Speaker: Not at all. You are quite in order.

Mr. K. Valley: Thank you very much, Mr. Speaker. With respect to National Fisheries the issue arose. When we were divesting National Fisheries, there was a certain gentleman who spoke to the Member for Couva South who, after the bids were closed, tried to get in. The guy called me and told me some stupid thing that he is a big PNM and he made contributions to the PNM and I asked him what that had to do with me. I told the Member that; a Trinidadian from Trincity who wanted to buy National Fisheries after the bids were closed. The Member went back and told the guy.

Mr. Speaker, every time we divested a company, religiously we came to the Parliament and provided a report. This document, *Executive Report of National Fisheries Company Limited*, I find it rather interesting, following the international Flour Mills fiasco or whatever it is, I see that the public servant who is up there, Leroy Mayers, was the same person responsible for the divestment of National Fisheries Limited. It is not a Minister divesting a company. There is an officer from the Investment Division. When one decants a company to the Divestment Secretariat—that is headed by Gerry Hospedales. He has his team with the Daniel and other people. They do their thing, the public servants.

Another company that my friend talks about from time to time, Farrell House, the first time I met the buyers of Farrell House was when I was there to sign the closing transaction. With National Fisheries we had the firm of Mark, Toney Castillo.

Mrs. Persad-Bissessar: That is it.

Mr. K. Valley: When you say that is it, what do you mean?

Mr. Assam: Is the Member saying that Ministers are not responsible for the divestment of state enterprises, and it is the responsibility of public servants?

Mr. K. Valley: I never said that. You are a very logical individual and I know you could never arrive at that conclusion. I am saying that the day-to-day work,

the concept of ministerial responsibility is fundamental. I am making the point however, that the day-to-day transaction is not carried out by a Minister and the Member knows that.

Mr. Assam: Therefore, if the day-to-day transaction is not carried out by a Minister, why is it the Member for Arouca South accuses the Ministers of being corrupt with respect to NFM transactions?

Mr. K. Valley: It all depends on what you do. When you see certain actions and if you act in a particular way, for example, consider what is happening at NFM. You have not acted in a particular way but your colleague, Corporation Sole, has acted in a particular way and when that happens and when you see certain relationship, there is obviously a question mark. Nobody is pointing a finger at you, but everybody is pointing a figure at the Corporation Sole and asking, what is happening here? We do not like what is happening and how you are treating with National Flour Mills, but that is tomorrow's matter. *[Interruption]* no. It has widened; the state enterprise sector. There was an amendment.

Mr. Speaker, I want to make the point that Members who are so interested can read this document in the library and failing that, tomorrow we will deal with this in further detail.

I would continue to maintain that for me, as a Minister with responsibilities for investment the BWIA transaction was my most interesting transaction. When we started that transaction, we were dealing with four unions. They were all against the transaction and we were able, at the end of the day, to get all of them involved and all of them saying yes to a transaction that we were convinced to be in the best interest of Trinidad and Tobago. They are now all shareholders of BWIA with an Employee Share-Ownership Plan.

Up to last year they were coming to me because we had a transaction where we were making them shareholders and this Government, the same Corporation Sole, was attempting to do them out of their 15 per cent ownership in BWIA.

9.55 p.m.

I want to say a few words about BWIA, and I will return to it tomorrow. This is about the third or fourth time that Member has raised the issue of BWIA.

The BWIA transaction was simple. There were assets and liabilities. The government said that it would structure the company so that there would be private sector ownership of 51 per cent, government ownership of 49 per cent and

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that it would take debt for the rest of the assets. That was what happened. In addition to the 49 per cent shareholding in BWIA, there was a whole heap of subordinated debt, or preference shares that the Government had in BWIA for the remaining value of the assets. That is a simple business transaction.

We did not appoint the board that dealt with the divestment of BWIA. That board was appointed by the NAR government—the Joe Esau board. When we came in, we left the board intact to do the job because we were convinced that the divestment of BWIA was the best thing for Trinidad and Tobago. Here we had a company costing us over \$100 million per year. We said on a number of occasions that any time BWIA started costing us \$30 million or \$40 million, there would be no problem because we felt that one could not simply look at the bottom line. BWIA was trade and commerce with the outside world. However, we could not keep a BWIA that was costing us \$100 million. That is the simple fact and we have to understand it. The concept was to position BWIA and LIAT in a hub-and-spoke relationship so that it would make money.

Now, Mr. Speaker, in the 55 years that BWIA has been operating, the lowest loss that BWIA has ever made was the year it was privatized—US \$3.5 million. The following year, the loss went up to US \$27 million. Last year, it was US \$15 million and this year, I bet it will be over \$30 million. The problem with BWIA is that they continue to attempt to cut below the break-even point and that will not work.

As far as I am concerned, if anything must be non-political, it must be BWIA because we all love our BWIA. However, we have to put it in a framework where it stands a good chance of working. BWIA has been compromised severely. When one thinks that there is URP only at the ground level, there is also a URP, a “gimme gimme” bunch up there also. There is a set of people in Trinidad and Tobago who travel free on BWIA. The vested interest is what has compromised the effort with respect to BWIA. *[Interruption]*

The point I am making is that the Government took all the liabilities of BWIA as we did when we divested Fertrin or any other state company. The concept is that there are assets that are being sold and one takes equity for those assets and structure the company in a way that is saleable.

The other day I heard the Prime Minister in Tobago talking about British Airways coming back to Tobago, making the point that he did not know why we did not sell it to British Airways rather than Acker. Friend, we went through the whole lot, about 12 companies—Lufthansa, Air Canada, British Airways, American Airways. Joe Esau and his boys were all over the place looking for a

partner for BWIA. All they got were noes. If the First Boston Group did not come up with Acker, there would have been no BWIA today. That is the reality of the situation. The fact that BWIA is still in the air is due to the fact that, at least, we were able to put a transaction together and that transaction in the first year of privatization saw a loss of US \$3.5 million.

Yes, Acker was fired. That is their business [*Interruption*] That is the revised loss. As a matter of fact, up to the time we were in office BWIA was showing a small profit. Suddenly at the end of the year they did some fancy footwork and a loss of US \$3.5 million revised.

I tell you, in five years, the people of Trinidad and Tobago will say it would have been better if they had kept Acker. We need to have the governments of the Caribbean, the tourism sector in the Caribbean and BWIA coming together to position BWIA and LIAT in a hub-and-spoke arrangement so that we can start flying south. If we can profit from tourism in the north, we can profit from tourism in the south. We have to do things to improve the revenue of BWIA, rather than continuing to cut below the break-even point. We can never make money with BWIA that way.

Mr. Speaker, when I hear them talk about BWIA, I laugh because I know that they do not understand the issue with BWIA. It will just continue to make loss after loss and eventually it will get back to the Treasury.

Mr. Speaker, more on BWIA tomorrow. I thank you.

Dr. Keith Rowley (*Diego Martin West*): Mr. Speaker, I know it is late. I do not want to detain my colleagues, but given the way the debate has been presented and as the Minister in the last administration responsible for the National Fisheries Company, I think I should really say a few words at this time about this matter of the National Fisheries Company. I just feel in the mood to say it tonight.

This matter keeps coming up. Every time Members of the Government want to give an example of something that was done wrong and underhand, they quote National Fisheries Company. I stand tonight to say to my colleagues that I do not know to whom exactly they are talking when they say these things. The politics is one thing, but seeking to present the facts in a way that is not accurate simply by repeating it, for us in this House is not a problem, but I think we would do ourselves justice if we do not do that.

I heard the innuendoes made by the Member for Oropouche for the umpteenth time and my colleague just touched on National Fisheries Company. However, he

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was not the Minister, and that is why I stood. I was the Minister responsible for the National Fisheries when that investment took place.

I really would like my colleagues on the other side to seek to find wrongdoing and if they find it, bring it forth. If it is not there, they should not try to create it. In the case of National Fisheries Company, the situation was crystal clear. There was a company which was predicated on the fact that the state owned a fishing business. We were going to get fishing rights off the Brazilian/Surinamese/Guyanese coast. We would bring shrimp and fish to the National Fisheries Company's location at Sea Lots, process those items and create employment in the area. That was very simple.

In short shrift, we lost access to those grounds for a variety of reasons I would not go into now. The result was that at the end of a number of years the company reached the point where it had no supply of fish or shrimp and basically what was happening was that the state was funding a set of workers who reported largely at Sea Lots.

10.05 p.m

That is what National Fisheries became but there was a plant. In fact, by the time I became Minister the single largest business done at National Fisheries was the cold storage which applied to the tuna that was caught by the Kwo Jeng Taiwanese fleet. The Taiwanese had large ocean-going fleets which were serviced at Sea Lots and they brought their fish and used the cold storage as a transshipment. That was the business. The shrimp was gone, we had no fish coming in of any consequence under the arrangement. If you look at this booklet you will see at the bottom line, as part of the finalization of that situation, where assumption of bank loans of \$72 million—because all we were doing was bank rolling, something which, in serious economic sense, had long outlived its usefulness. The idea had not materialized and we were just going from year to year running up more and more losses without a hope in hell of that arrangement turning around those losses. That is the so-called mysterious National Fisheries.

What did we do? We decided to sell the entity. As the minister, I can tell you that was done, as it was said by my colleague from Diego Martin Central, once the decision was taken that the state would get out of that arrangement of millions of dollars of losses, of trying to run a fishing business, it was put in the hands of the divestment committee. Notwithstanding the innuendoes coming from the other side, as minister, I had absolutely nothing to do with the National Fisheries, not even like my friend here who was in the office of the Corporation Sole, Ministry of

Finance who had to sign. I had nothing to sign; I was not even there. It was dealt with in an open systematic manner. Public bids were invited; offers were invited for the company, not for the first time because my friend from Tobago West can tell you, she was in the Cabinet under the NAR when attempts were made to dispose of that company, because like the PNM, the NAR had seen the futility of the state trying to continue to operate a fishing business which was long dead. It was not completed by the NAR. No significant offers were had, but the intention to sell it was there.

A new Government came in and we invited bids again. Of course, the company had assets. There were some buildings and the land which was leased from the port; there was the cold storage, the shrimp plant and so forth, so we expected offers and they came in. This booklet will tell you what the offers were and who they were. In a normal transaction like this, there was a bid period and a closing period.

The gentleman who is fuelling the innuendoes from my colleague sought to operate outside decent procedure when the bids were closed, after being opened for a significant period of time, and by which time everybody knew what bids were in. We had people trying to come through the back door, trying to make a fire sale offer to the people involved. In my case, nobody approached me because maybe they knew I was outside of it. I am hearing for the first time that somebody had called me, but it does not go so. You put in your bid when the public bids are invited and they are evaluated.

Those who did so are recorded here and the firm which was used was a reputable firm doing a lot of business for the Government of Trinidad and Tobago. It did so under previous administrations, under the PNM and it is still doing so. It is a reputable firm of professionals against whom no fingers should be pointed and that business was done very professionally. They went down the list one by one, and if you read, the details are here.

Every time the Government wants to get an example of some underhand dealings, they mention National Fisheries. We have said time and time again, if there is a problem with how the transaction had been done at the National Fisheries and it is believed that public officials, including the minister and my colleague in the Ministry of Finance; if they have any problem whatsoever with that, any time of night or day, they are now in control of the state of Trinidad, they have all the resources, all the files. If they have any concerns that this was improperly done, then institute a public inquiry into how it was done and put the

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facts on the table. I am here to co-operate with them on that. I give my assurance that I will co-operate and if at the end of the day, they find that I am guilty, or anyone under my stewardship was guilty, then they know what action to take. They are the Government. It makes us look bad in the eyes of the public, as politicians and government officials to get up here time and time again pleading this helplessness about who “thief” and who did not “thief”.

In my case, I called on the Government to take action against specific things taking place now under their watch and there are corrective actions to be taken. Tomorrow I would deal with that, but tonight I am saying to you, stop talking about National Fisheries as an innuendo. If they think something was done wrong—and I will say the same thing about BWIA—and I am not talking about policy because that is for the Government of the day to decide. If one thinks that there was any improper underhand conduct in the divestment of National Fisheries, then I challenge the Government to have a public inquiry and at the end of the day all this old talk would cease because I can give the assurance that no person in or out of Trinidad and Tobago can present any evidence whatsoever which is justiciable to show that a minister had anything whatsoever to do with anything untoward at National Fisheries.

I can speak for my colleague here also who was in the Ministry of Finance because the firm which did that transaction is a very reputable firm, guided by public servants of the highest calibre. Therefore, it is quite wrong and tedious to cast innuendoes all the time as though something went wrong at National Fisheries.

Mr. Speaker, at National Fisheries, there was no great loss. What happened there was that we cut from the Treasury a recurring annual loss. It is the same thing with BWIA. I heard my colleague from Oropouche say that we took a minor stake in BWIA by the privatization and now BWIA is making big losses for the national Treasury. That is not accurate, do not do that, colleague. As a shareholder you are only liable for your portion of the loss. *[Interruption]* He did not say that, he said as a stakeholder, we are liable for the losses. We are only liable for the portion of the shareholding. If the state was still 100 per cent ownership of BWIA all that meant was that it would be liable for the full \$120 million. If you have sold shares in the company, and now all the shareholders are having to come up with their portion of the loss, how was BWIA making all this money? So all of a sudden the BWIA losses can be attributed to the privatization. What is the logic in that? If you do not agree that BWIA should be privatized, then I cannot argue with that. If you do not agree that Acker should not have been involved, I cannot argue, but do

not say that because the airline is showing losses that it is somehow related to the fact that it was privatized, because the corollary of that would mean that it was showing profits before, or had we not done the transaction, profits would have been shown. Nothing is further from the truth.

I was in Cabinet and you will be there trying to manage as they are trying to do now and you will get this bullet call from BWIA that they want "x" million, and they want it in US now, otherwise there will be a crisis now. That was how BWIA operated. They want it in the morning so the government business had to be re-organized, the hospitals, the schools, whatever because if that was not done there was this crisis of BWIA owing someone in New York and cannot pay. When one listens to them it would appear as though we stole the crown jewels and wasted some asset.

BWIA was a problem, a serious problem and if today the losses to the state had been reduced to 49 per cent of what it would have been, as far as I am concerned you would have already gained. I do not expect that you would agree with anything the government did before, but let us when we speak, do so with logic. Logic is what is called for here and, of course, not malice because to imply that the responsibility at the ministerial level somehow had involvement in something underhand is to be less than honest and is not really required to advance your political cause. You will prosper if you have to prosper, you do not need that, but there are people who need to know if it is the country that owns that airline; the Caribbean that uses and benefits from it and would not buy one cent share when it was offered, because BWIA was subsidizing the Caribbean. That is what we have been asked to carry on with, subsidizing the Caribbean, paying subsidies to American Airlines to fly to visit their country, but would not lift a finger to help us.

We love BWIA because it is our airline, but the beneficiaries did not love it half as much otherwise BWIA would have been one of the strongest, more prosperous airlines in the world if there was Caribbean co-operation. I as a Member of the Cabinet told them the people who elected me did so to make sure that their basic needs are met, schools, road, water and so forth, and if that has to be foregone to maintain a state-owned airline, when my vote in the Cabinet is cast, I vote for the schools and roads in Carenage. That is how I saw it. There are many countries in the world with fantastic tourism product and plant where the state does not own one aeroplane. There is no law which says that the state must own the airline to have a tourism product that is something which was spread to us by certain interest groups. We know how we got BWIA, we bought into it and expected it to go a certain way.

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When BWIA was bought by this country, the intention was for it to be a Caribbean effort. We know after decades, that effort did not come to pass and this country carried BWIA alone and it is really unfair and misleading for Members of this House to be carrying on talking about who did what to BWIA. All of us as administrators had a responsibility to the people of Trinidad and Tobago to ensure that the state's exposure was minimized in situations like that.

Thank you, Mr. Speaker.

The Minister of Planning and Development and Acting Minister of Finance (Hon. Trevor Sudama): Mr. Speaker, I did not want to carry on with this debate but I would have to say a few things before I conclude and the first thing is the outturn referred to for 1996. I stand by the figures that were given which came from the *Review of the Economy* as to surplus which was the final position of the outturn for 1996.

On net borrowing, I do not want to go into those figures tonight but let me tell the Member for Diego Martin Central that after the repayment for 1996, our net borrowing was \$416 million and in 1997 we had negative net borrowing, in fact, we are paying back more money than we were borrowing on a net basis in 1997. So this talk about how much we are borrowing and so forth if he wants to come on the basis of net borrowing—[*Interruption*] How much we borrowed and how much we are paying back, I leave that to rest.

10.20 p.m.

Mr. Speaker, I have a few comments about the National Fisheries and if people have cocoa in the sun, well they have cocoa in the sun. However, the fact of the matter is that when the evaluation of the bidders was done with respect to the National Fisheries, Orinoco Delta Fisheries Limited came first with 880 points; Tam's Import and Export with 425 and Marquest Corporation with 381. Suddenly, a firm called Kwo Jeng Trading Limited got into the picture. On what basis, Mr. Speaker? We do not know because they were not one of the original bidders.

The bid of Orinoco Delta Fisheries Limited was the most superior bid in terms of the amount they bid, \$26 million as against Kwo Jeng Trading Company. The liquidator came to the conclusion that Orinoco Delta Fisheries Limited could not finance their bid. On what basis did they come to that conclusion? Nobody knows. If it were explicated that inquiries were made and they showed from their finances and whoever was supporting them that they had no money—but no such investigation was made.

Dr. Rowley: Mr. Speaker, I thank the hon. Member for giving way. This document—

Hon. T. Sudama: Mr. Speaker, I do not know where the hon. Member got that report.

Dr. Rowley: This document was laid in the Parliament. The hon. Member said he did not know what happened and this document said what happened. People made offerings and when it was time, the result of this investigation was that Orinoco Delta Fisheries Limited was unable to bring the money to the table. The situation was, bids were invited, there were certain conditions to be met, when it was time to deliver, having made an offer, they could not deliver. Therefore, the Member should not say he did not know how it happened.

Hon. T. Sudama: The liquidator made a determination that they did not have the money, but a firm which was nowhere in the bidding process came into the picture. *[Interruption]* Well we know how, we do not want to know why. Mr. Speaker, something is not right about this transaction. However, on the basis of the flimsiest excuse, they are willing to target Members on this side, of corruption.

The minutes of a tendering committee were read a while ago in which the Prime Minister was implicated as giving some order to purchase. Mr. Speaker, was that an order given in writing? What was the basis on which that allegation was made? Nobody knows, but they come here and by virtue of reading the minutes of a tender committee meeting they cast aspersions. To begin with, Mr. Speaker, we do not know the bona fides of those minutes. That is the way Members on the other side operate. Mr. Speaker, when queries are raised, oh, they are such angels, they have nothing to do with irregularities. Mr. Speaker, this is the problem we face with them.

Mr. Speaker, I have no problem with the privatization of BWIA, but when it was being considered, did the Member for Diego Martin Central try to look into the background of Acker; what he did with other airlines? Was that not important? The first year minimal losses was merely a mirage, but arrangements were made. The point I am making is that, if for some reason or the other, BWIA does not operate in Trinidad and Tobago, we stand to be isolated. The Government has to make up its mind, to what extent it is going to subsidize an airline which will be our main form of airborne contact with the outside world. If American Airlines does not decide to come to Trinidad and Tobago, how would one get out? They are asking for a subsidy to go to St. Kitts and other such places. So if a country says that it is not paying a subsidy, what happens? *[Interruption]* But look at what

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was done. This is what I cannot understand. They had written off a billion dollars and extended \$500 million in Government guarantees which is a contingent liability and the sundry creditors which BWIA owed \$360 million, had to be taken over and the books had to be cleared. Over and above that, capital funding for an L1011 had to be provided. Today, we have no control of the airline, all the L1011s have been sold, nothing is owned and BWIA is operating in the same way as if it had not been disposed of.

The Government still has to be there to pick up the tab for our shareholding of 34 per cent and the employees' stock shareholding of 15.4 per cent. Mr. Speaker, when one looks at the whole picture, I do not know what kind of grand deal the Member for Diego Martin Central felt that was, to have disposed of BWIA under those terms and conditions. We have been told that was such great financial management in Trinidad and Tobago.

I do not want to detain this House much longer but, of course, there are a number of questions to be asked about the way in which the divestment of state enterprises was dealt with: BWIA, National Fisheries, Methanol and the other divestment in which the Member for Diego Martin Central was so intimately involved, but we would deal with that in due course.

This Bill before us is to increase the appropriation for 1997. We have had our say on it from Members on both sides of the House.

Mr. Speaker, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Question put and agreed to, That the Bill be now read a third time.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Speaker, I beg to move that the House do now adjourn to Wednesday, April 15, 1998 at 1.30 p.m., which would be Private Members' Day.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 10.30 p.m.